

## **Program and Budget Committee**

**Thirty-Ninth Session**  
**Geneva, June 16 to 20, 2025**

REPORT

*Adopted by the Program and Budget Committee*

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1. The 39<sup>th</sup> Session of the WIPO Program and Budget Committee (PBC) was held at the Headquarters of WIPO from June 16 to 20, 2025.
2. 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, Brazil, Canada, Chile, China, Colombia, Czech Republic, Egypt, El Salvador, Estonia, France, Germany, Ghana, Guatemala, Italy, Japan, Lithuania, Mexico, Namibia, Nigeria, Panama, Peru, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Tunisia, Türkiye, Uganda, United Arab Emirates, United Kingdom, United States of America (42).
4. In addition, the following States, members of WIPO but not members of the Committee, were represented as observers: Armenia, Australia, Austria, Bahamas, Barbados, Belgium, Bolivia (Plurinational State of), Comoros, Costa Rica, Cyprus, Denmark, Djibouti, Dominican Republic, Ecuador, Georgia, Holy See, Hungary, Jordan, Kuwait, Latvia, Monaco, Mozambique, Netherlands (Kingdom of the), Nicaragua, Democratic People's Republic of Korea, Serbia, Slovenia, Thailand, Trinidad and Tobago, Venezuela (Bolivarian Republic of) (30).

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

5. Chair: Dear Colleagues, dear Delegates, dear Friends, it's a great pleasure to see all of you again and I would like at the outset to welcome you very warmly to this 39<sup>th</sup> Program and Budget Committee Session. This week we have quite a full agenda and have a collective duty as delegates in this Committee to ensure that we make progress as efficiently and effectively as possible, to reach conclusions and consensus, as we usually do in this Organization and in this Committee. I should also like to take this opportunity to thank you for your consultations, time and commitment in the lead up to this meeting and between the 38<sup>th</sup> PBC Session and this 39<sup>th</sup> PBC Session. You have continued to work to ensure that this bears fruit at this 39<sup>th</sup> Session. So, I look forward to a very productive week and I stand ready as Chair of this Committee to work with you to ensure we have a successful outcome. I now wish to invite the Director General to make his opening remarks.
6. Director General: Thank you so much, Chair. Let me join the Chair in welcoming all of the Delegates and our Members to this PBC 39. I will make my comments short, sharp and very sweet. First, just to say thank you once again, with appreciation to all of you, our Member States, for a very calm and constructive 38<sup>th</sup> Session of the Program and Budget Committee. Just to say that we hope that the spirit will prevail for this week's discussions as well. I would like to thank also the Group Coordinators and the Member States for leading and guiding these discussions and for the many areas of feedback, guidance and direction you have given to us at the Secretariat as you gear up to deliberate on all the different issues ahead of you. I also want to give a special thanks to Ambassador Paul Beckers of the Netherlands who I believe will be here later this morning, or maybe he is here already, to present on the selection of the two new

members of the IAOC. Ambassador Beckers was the Chair of the IAOC Selection Committee. So, thanks to the Ambassador. Also to thank the Chair for your hard work and for returning to this arena. You know us well and, of course, you have been working very closely with Ambassador Bilal. Ambassador Bilal will not be with us this week, but I think in your capable hands, dear Chair, we will be able to go through the matters and the Secretariat stands ready to support you and the Members in your deliberations this week. Since the 38<sup>th</sup> Session of the Program and Budget, we are very pleased to share that we have had a clean unqualified audit opinion of our finances for 2024. I'm sure that's something which we are very pleased to share with you and, of course, the 2024 results which we shared preliminarily at the last session shows that WIPO continues to be financially very healthy and, in fact, we have been able to present to you a surplus of 140 million Swiss francs for 2024. So, I think it goes without saying that these results demonstrate WIPO's very strong focus on efficiency, financial prudence, strong management and strong governance. On that note, since we are having quite a lot of items on governance this week, I want to thank and welcome the Audit Board of Indonesia, BPK, for joining us, I think it's your first time at the Program and Budget meetings. Welcome. Thank you for the smooth transition with the UK National Audit Office who have finished their six years of duty just last year. I also want to welcome the members of the IAOC who are here and will be presenting quite shortly today, the IAOC report. I also would like to mention our Director of the Internal Oversight Division who will also be presenting her report later today. The issue of governance is intertwined with the issue of managing the Organization well. I will reiterate that we take governance extremely seriously at WIPO. It's not just because of the UN reforms or the financial situation that's going on right now, but because that's part of who we are. We make sure that we run a tight ship that sails well even though there may be storms. With your support we will be able to continue running well. All of this is not just an end in itself but to serve you better so that every dollar that comes to us is deployed in the service of helping you to use IP for growth, development, support and to make the IP system a catalyst of an engine for all of your countries. I will not go too much into each blow-by-blow account of this week, but I wish all the Member States a successful and fruitful outcome. The Secretariat, as usual, is here to support. We are here to listen to you. We are here to work with you, and we wish you a successful, peaceful, calm and constructive week ahead. Thank you very much.

7. Chair: Thank you very much, Director General for your kind opening remarks. I will now give the floor to Ms. Chitra Narayanaswamy to make some administrative announcements.

8. Secretariat: Thank you very much, Chair and a very good morning to all Delegations. Bear with me while I make this very short administrative announcement. So, for proposals, questions and comments as we proceed through the week on the different agenda items that you may wish to submit, please send it to [controller.mail@wipo.int](mailto:controller.mail@wipo.int). I'm hoping that my colleagues will be able to put up the important email addresses on the screen and 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 in the microphone in front of you. So, these seats are preprogrammed so please stay in your seat as you proceed through the meeting because that will tell us who is asking for the floor. The microphone will turn green to indicate that you are requesting the floor and when you are given the floor, the microphone will turn red as you start speaking. We kindly ask you to remain seated as I said in the designated seats that helps the IT system to work better. 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 and speak slowly. This is, of course, for those in the room as well and those who connect remotely. Please speak slowly and clearly to optimize the audio quality. If you are connecting remotely,

please use a headset and enable your camera so that people in the room can see you. Delegates are also strongly encouraged to send their statements, if they have written 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 a reply to the joining instructions email you have received. And, of course, bear with us if any interpreter encounters a problem with audio quality, he or she may be obliged to temporarily stop interpreting, but we will inform you of the same. Thank you very much, Chair.

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

9.        Chair: Thank you, Chitra, for these announcements. So, let's now move on immediately to Agenda Item 2, Adoption of the Agenda. I would like to remind Delegations that this is a hybrid meeting and we have some Delegates connecting remotely. As you have seen in the documents, no doubt, to facilitate the review and discussions of the various items, the agenda has been structured in accordance with the following high-level grouping: first, audit and oversight; second, performance and financial review; third, planning and budgeting; fourth, proposal; and fifth, the Election of Officers for this Committee. So, I would like to open the floor for comments addressing the adoption of the agenda. According to the usual practice, the floor will be given first to Group Coordinators. So, you may request the floor if you wish to address the issue of the adoption of the agenda. Well, that doesn't seem to be the case. Therefore, the Program and Budget Committee has adopted the agenda contained in document WO/PBC/39/1 Prov.4. So, let's put the decision paragraph on the screen. The agenda has been adopted.

10.        The Program and Budget Committee, PBC, adopted the agenda (document WO/PBC/39/1 Prov.4).

11.        Chair: As you know, the Secretariat has already shared with you the provisional timetable for the week which I'm proposing in order to allocate time in the most judicious manner possible. If we move through the agenda more quickly than indicated, I will naturally bring items forward accordingly. If discussions on a particular topic are not concluded in the allocated time, the item will remain open, and any outstanding discussions will be taken up at a later stage. As you know, there is room in the agenda to discuss issues at greater length if necessary. We will begin today's session with general statements. I will be giving you the floor for those in just a moment. Followed by substantive items falling under that first high-level grouping on audit and oversight starting with Agenda Item 3, the Report by the Independent Advisory Oversight Committee (IAOC). I would like to limit the duration of general statements to three minutes for Group Coordinators and two minutes for Member and Observer State Delegations. At the end of each day, we will take stock of the items covered and will inform you of how we intend to proceed at the next meeting. I would like to attach top priority to the efficiency of work and timeliness of our sessions. So, we will start the morning sessions every day at 10:00 a.m. Geneva time like today and we will work until 1:00 p.m. for lunch break and then we will resume at 3:00 p.m. until 6:00 p.m. in the afternoon sessions. Owing to the hybrid nature of the meeting and interpretation requirements, we will be finishing the sessions at 6:00 p.m. Should Delegations require any informal sessions, I will do my best to accommodate participants from different time zones. So, I put that to your consideration, and I wish now to open the floor for Group Coordinators and delegations to make general statements. You may request the floor.

12. Japan: Thank you Chair and thank you to the Director General for opening this session. This is much appreciated. Chair, Group B is confident in your leadership to guide us through this important 39<sup>th</sup> Session of the Program and Budget Committee. We assure you of our constructive engagement throughout this week's deliberations. We extend our sincere gratitude to the Secretariat for its comprehensive preparation of documents and organization of this session, particularly given the substantial agenda covering crucial matters of financial oversight, audit mechanisms and strategic planning for the Organization's future direction. This session addresses several critical areas that are fundamental to WIPO's effective functioning and accountability. The audit and oversight items including the reports from the Independent Advisory Oversight Committee, External Auditor and the Internal Oversight Division represent cornerstone elements of good governance. We note with appreciation the positive audit opinion on the 2024 Annual Financial Statements and the continued progress in implementing oversight recommendations with the number of outstanding recommendations decreasing from 30 to 23 during the reporting period. We welcome the establishment of the WIPO After Service Health Insurance Plan as a right step toward ensuring sustainable financing of employee benefit liabilities in accordance with IPSAS 39 requirements. Nevertheless, we believe that this is just one first step since it is not enough, and it is necessary to stimulate a more productive utilization of the funds and to identify a series of measures to contain long-term liabilities. Regarding the Proposed Program of Work and Budget for 2026/27, Group B emphasizes the importance of maintaining WIPO's financial stability. We look forward to detailed discussions on the strategic priorities and resource requirements for the upcoming biennium. Group B values the critical role played by WIPO's oversight mechanisms including the External Auditor, the Independent Advisory Oversight Committee and the Internal Oversight Division. These bodies provide essential accountability and transparency that strengthens Member States' confidence in the Organization's governance. Group B is committed to engaging constructively with all delegations to achieve positive outcomes that strengthen WIPO's institutional effectiveness and financial sustainability. We will provide detailed substantive comments on each relevant agenda item as our discussions proceed. Thank you.

13. Ecuador: Director General, Chair, members of the Secretariat, the Delegation of Ecuador is honored to deliver this statement on behalf of the Group of Latin American and Caribbean Countries (GRULAC). Our Group extends to you, Chair, our best wishes for a successful session. We also express our appreciation to the Secretariat for its support in the preparation of the documents guiding our deliberations and we also acknowledge the valuable contribution of the briefing sessions on human resources and the ASHI plan which have been particularly useful for our delegations. GRULAC reaffirms its commitment to active, inclusive and constructive participation in the discussions of the various agenda items of this session. We consider it essential that the debates and decisions of this Committee are conducted with transparency and ensure budgetary balance in matters of priority for Member States. In particular, the analysis of the Proposed Program of Work and Budget for 2026/27 is of particular importance to our Group. We value a budgetary approach that ensures a fair distribution of resources and secures continuity of WIPO's priority activities with a particular focus on economic, social and cultural development. Our countries, distinguished by their rich cultural heritage and biodiversity, are home to a significant presence of Indigenous Peoples and Local Communities and we are convinced that they play a fundamental role in the discussions held within this Organization. In particular, we emphasize the importance of allocating sufficient financial and human resources to ensure their effective participation in the work of the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC). In that context, GRULAC expresses its profound concern regarding the current state of the WIPO Voluntary Fund. The lack of sufficient resources

threatens the legitimacy of our deliberations, and we encourage Delegations to engage constructively in the dialogue scheduled under the relevant agenda item and urge Member States to make contributions to the Voluntary Fund for the IGC sessions. It is particularly worrying that the absence of necessary resources may hinder meaningful discussions with the effective participation of relevant stakeholders. Chair, GRULAC reiterates its confidence in your leadership and in the work of the PBC and we reaffirm our commitment to contribute actively towards a successful outcome for all.

14. China: The Delegation of China thanks the Secretariat for the preparation of the PBC Session to ensure the smooth convening of this session. We wish the meeting a complete success under your leadership. China attaches great importance to this week's agenda items. Regarding audit and oversight, we appreciate the IAOC, IOD and External Auditor's extensive work over the past year and the submission of their annual reports. China always believes that strengthening internal and external oversight and accountability is essential to ensure good governance and enhance WIPO's work. We will actively participate in the relevant agenda discussions. Regarding the Proposed Program of Work and Budget for 2026/27, during last month's PBC meeting, China actively engaged in the discussions. We appreciate the constructive and professional manner demonstrated by all parties on this important agenda item and thank the Secretariat for the updating of the proposal based on the previous discussions. The Proposed Program of Work and Budget is a fundamental basis for governance and operation of the Organization and merits thorough review and revision by Member States and the Secretariat before a decision is made. China appreciates and looks forward to the Secretariat providing information and support. China places great importance on the expansion of the language regimes of the Madrid and Hague Systems to meet the needs of global users and support the long-term development of both systems as well as that of WIPO. Therefore, in the budget of the Brands and Designs Sector, there should be advanced arrangements in this regard. China hopes that this meeting will review and approve the joint proposal on this matter. China is also waiting in a constructive spirit to continue discussion with other parties on other budget issues and jointly working to bridge differences and reach consensus. I thank you.

15. Estonia: Thank you very much, 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 (CEBS). Let me begin by expressing our sincere thank you to you and to the Vice-Chair for your effective leadership during the 38<sup>th</sup> Session of the PBC. We are confident that under your continued guidance, the 39<sup>th</sup> Session will be a success. You can count on the full support and collaborative spirit of the CEBS Group. We also extend our thanks to WIPO's Secretariat for their preparatory work, especially for ensuring the high-quality documents and the engagement with WIPO Member States ahead of the 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. We are grateful to the IAOC, IOD, as well as the External Auditor for their reports and look forward to discussing them in detail. The CEBS Group remains firmly committed to inclusive and balanced human resources management. Despite this, our region continues to face significant and ongoing underrepresentation within WIPO. We attach great importance to the effective and timely implementation of the Geographic Diversity Action Plan adopted in 2023. In this context, we look forward to a substantive discussion on the Annual Report on Human Resources with the aim of receiving a comprehensive update on the progress made toward achieving greater geographical balance within WIPO. At its 38<sup>th</sup> Session, the PBC went through a thorough and detailed initial review of the Proposed Program of Work and Budget for 2026/27, including a sector-by-sector analysis as well as annexes and appendices.

As a result, the Committee agreed to several modifications to the document and committed to continue its further revision and modifications based on Members' commitments and expectations. The CEBS Group is ready to actively engage in the discussions on the Proposed Program of Work and Budget for 2026/27 planned during this PBC. In the context of the Proposed Program of Work and Budget for 2026/27, we would like to once again reiterate that 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 that should be part of our discussion in the framework of the future WIPO Proposed Program of Work and Budget. For the CEBS Group, pre-judging the outcomes of the discussions about introduction of new languages into the Hague and Madrid Systems by specific provisions in the Proposed Program of Work and Budget for 2026/27 remains problematic. We should allow for finalization of the work on this matter in the relevant Working Groups before arriving at the decision to engage budgetary resources. At the same time, we recognize the importance of promoting multilingualism in WIPO's work. We look forward to the discussion related to elaborating solutions concerning financing participation of representatives of Indigenous Peoples and Local Communities in the work of the IGC with an assumption of sufficient resources in the Voluntary Fund, which in our opinion, could serve as the best solution. The successful finalization of the work of the IGC mandate for the 2026/27 biennium should be the basis for our consideration in this respect. 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.

16. Pakistan: Thank you, Chair. Pakistan has the honor to deliver this opening statement on behalf of the Asia and the Pacific Group (APG). At the outset, the Group expresses its confidence in your stewardship of this meeting. We thank the Director General for his opening remarks and commend the Secretariat for the timely preparation and comprehensive presentation of the documents under consideration during this session. The APG underscores the critical importance of WIPO's oversight framework. We deeply appreciate the valuable contributions of the Independent Advisory Oversight Committee, the External Auditor and the Internal Oversight Division. Their work enhances transparency, reinforces accountability and ensures continuous improvement in the governance and performance of the Organization. We encourage the Secretariat to continue addressing the observations and recommendations contained in these reports in a timely and effective manner. The Group reiterates its steadfast support for WIPO's development-oriented work. We underscore the importance of technical assistance, capacity building and policy support that are aligned with the 2030 Sustainable Development Agenda and the WIPO Development Agenda Recommendations. These efforts are essential to empower developing countries, least developed countries and countries in transition, to harness the benefits of the Intellectual Property system for inclusive and sustainable development. Chair, we recognize the effort to align the Proposed Program of Work and Budget for 2026/27 with WIPO's strategic goals and priorities outlined by the Member States. We hope that Member States will find common ground on the key outstanding elements of the proposal and work constructively towards its adoption. The APG also supports in principle the need to operationalize the Voluntary Fund for the regular and meaningful participation of Indigenous Peoples and Local Communities in the IGC process. Apart from the main stay of voluntary funding, we are open to discussing and considering financing options through the regular budget of the Organization. The APG remains committed to engaging constructively with all Delegations to find a practical and consensus-based solution to this issue. In conclusion, the APG reaffirms its commitment to continued dialogue and cooperation among all stakeholders. I thank you.

17. Namibia: Chair, Director General, Distinguished Delegates, Ladies and Gentlemen, Namibia has the honor to deliver the statement on behalf of the African Group. At the outset, allow me to congratulate you, Chair, on your continued leadership of the PBC. We also thank the Secretariat for their preparatory documents and their support in facilitating this meeting. The African Group attaches great importance to the work of the PBC, particularly in ensuring that WIPO resources are aligned with its mandate to promote a balanced and inclusive international Intellectual Property system. We reaffirm our commitment to engaging constructively in the discussions to ensure that the Organization's program and financial plans reflect the priorities of all members. The Organization's programmatic work must continue to prioritize the development dimension as enshrined in the WIPO Development Agenda. The African Group emphasizes the importance of technical assistance, capacity building and institutional strengthening in Africa. We call for increased resource allocation to programs that directly support Member States in the region in building IP systems that contribute to national development goals, foster innovation and support the creative economy. We also wish to underscore the importance of transparency and inclusiveness in results-based management frameworks. Budgetary decision making must remain grounded in a clear understanding of the needs and priorities of developing and least developed countries. Furthermore, the African Group supports efforts to enhance multilingualism within the Organization and to ensure equitable geographical representation in both staffing and the delivery of WIPO services. Chair, as we move forward in our discussions this week, the African Group remains committed to working collaboratively to ensure that the outcome of this session strengthens WIPO's role as a responsive and development-oriented UN agency. We look forward to engaging constructively with all Delegations. Thank you, Chair.

18. Indonesia: Thank you, Chair. The Delegation of Indonesia aligns itself with the statement delivered by the Distinguished Delegate of Pakistan on behalf of the APG and wishes to make the following remarks in its national capacity. At the outset, our Delegation would like to thank Director General Tang for his remarks and the Chair, as well as the Secretariat for the preparation of the PBC. Indonesia appreciates the efforts of the Secretariat in preparing the comprehensive documentation for this session. As highlighted earlier by the Director General, Indonesia welcomes WIPO's continued commitment to transparency, efficiency and financial discipline in the implementation of its Program of Work and Budget. Indonesia would like to begin by welcoming the establishment of the WIPO Development Acceleration Fund as a significant step toward making the Intellectual Property system more inclusive and development orientated. We believe that this fund can play a pivotal role in addressing capacity gaps and supporting the integration of IP into national development strategies, particularly in developing and least developed countries. We encourage that the fund contributes meaningfully to the achievement of the SDGs by supporting innovation ecosystems, facilitating access to knowledge, technology and empowering creators, entrepreneurs and local communities. In this regard, Indonesia also highlights the importance of ensuring dedicated and predictable funding for the participation of Indigenous Peoples and Local Communities in WIPO processes. Their direct involvement is critical in the legitimacy and effectiveness of our work, especially as we advance negotiations in the IGC and promote inclusive policy making. We welcome the reports of the Internal as well as the External Auditors and supports efforts to implement their recommendations in a timely and transparent manner. Indonesia reaffirms its commitment to good governance and oversight, and we underscore the need for continued investment in development cooperation and capacity building programs under the WIPO Development Agenda. Indonesia looks forward to engaging constructively with all Delegations to ensure that the outcome of PBC 39 strengthens WIPO's role as a development-oriented and member-driven organization. Thank you, Chair.

19. Iran (Islamic Republic of): Thank you, Chair. At the outset, we express our confidence on your able leadership and extend our thanks to the Secretariat for the preparation of this session. We also thank the Director General for his insightful opening remarks. We align ourselves with the statement delivered by the Delegation of Pakistan on behalf of the APG. We attach great importance to the agenda of this session, in particular, the WIPO oversight framework which enhances transparency and reinforces accountability. We are of the firm belief that the Development Agenda recommendations should be regarded as the process that needs to be constantly mainstreamed in all WIPO activities and Committees, including this Committee. We look forward to a productive session and tangible outcome from this Committee. I would like to draw your attention to an urgent issue. The Israeli regime on June 13, 2025, conducted an unprovoked, unlawful and large-scale armed attack against Iran. These actions, which by every definition, constitute an act of aggression, targeted residential neighborhoods, hospitals, civilian infrastructures and public authorities. The Israeli armed attack constitutes a clear, deliberate and reprehensible violation of international law, in particular, international humanitarian law, international human rights law and the charter of the United Nations. This regime has a long-standing and well-documented record of unlawful use of force against sovereign States. Its repeated targeting of civilian populations, critical infrastructure and protected sites reflect a systematic contempt for the principle enshrined in the UN Charter. This latest armed attack is not an isolated episode. It is a part of consistent policy that openly defies the international legal order. Among the targets were Iranian scientists, university professors and innovators. They were the creators and holders of Intellectual Property. Coordinated and systematic attacks against innovators, professors and SMEs by the Israeli regime not only undermined the physical infrastructure but also their intellectual capital which erodes the foundation of global innovation. This constitutes a violation of the universal principle recognized in the universal declaration of human rights and the international covenant on economic, social and cultural rights that individuals have the right to participate in and benefit from scientific progress and the protection of their intellectual creations. These unlawful and inhumane attacks represent a grave threat to the global Intellectual Property framework as enshrined in the agreement on trade-related aspect of Intellectual Property Rights and the Paris Convention for the Protection of Industrial Property. To conclude, Iran calls upon the international community to condemn this act of aggression and reaffirm its commitment to the UN charter and the fundamental principles of international law. I thank you.

20. Chair: I see no further requests for the floor. Therefore, to continue our work, I would like to thank you all for your opening remarks and we have a brief ten-minute break now to stretch our legs and have a coffee before we move on to the audit and oversight agenda items.

**ITEM 3           REPORT BY THE INDEPENDENT ADVISORY OVERSIGHT COMMITTEE  
(IAOC)**

21. Discussions were based on document WO/PBC/39/2.

22. Chair: Good morning again. So, let's proceed with our work and I'll open Agenda Item 3, Report by the WIPO Independent Advisory and Oversight Committee (IAOC), document WO/PBC/39/2. In accordance with the Terms of Reference of the Committee, the IAOC submits written reports on its activities to the PBC. So, I'm pleased to see that we are joined here up at the podium in person, by the IAOC Chair, Mr. David Kanja, and I would like to give him the floor to present this agenda item.

23. IAOC Chair: Thank you, Chair. Distinguished Ambassadors, Excellencies and Delegates, as you heard, my name is David Kanja. I'm the current Chair of the Independent Advisory Oversight Committee or the IAOC. The Vice-Chair of the Committee, Mr. Kamlesh Vikamsey, will also be available in the afternoon. He was not able to join us this morning because his flights have been delayed. I'll provide a brief overview of the important activities of the IAOC, that are described in IAOC's annual report with reference WO/PBC/39/2. The Committee has seven members who are drawn from each of the seven Groups of WIPO's Member States. The Committee was fully constituted during the period covered by the annual report, functioned effectively according to its terms of reference, and provided briefings to Member States at the conclusion of each of its meetings. The Committee is a subsidiary body of WIPO's General Assembly and the PBC and it serves these bodies in an independent expert advisory capacity. Its terms of reference include responsibilities that relate to financial reporting, risk management and internal controls, external audit, internal oversight and ethics. I will touch briefly on the activities mentioned in the annual report that relate to these responsibilities. With regards to internal oversight, the Committee reviewed the implementation of the Internal Oversight Division's or IOD's 2024 Work Plan and advised on and endorsed the Division's 2025 Work Plan. The Committee also reviewed six internal audit reports, four evaluation reports, one advisory report, six pre-evaluation review reports, two management implication reports and periodic updates on the status of investigation cases, as well as updates on the ongoing preparations for the provision of IOD's overall opinion on internal controls. The Committee also received updates on the peer review of IOD's evaluation function and self-assessment reviews of IOD's internal audit and investigation functions and noted that action plans were developed for addressing the recommendations from these reviews. The Committee welcomed and appreciated the efforts that have been made to re-orient the activities of IOD and to align internal audits and investigation functions with better practices. The Committee looks forward to the rebuilding of the evaluation function that will be done through the filling of existing vacancies. With regard to external audit, the Committee discussed with the new External Auditor, the Audit Board of the Republic of Indonesia, the planning of WIPO's 2024 Financial Statements and performance audits. The Committee noted that the External Auditor indicated that no substantial risks and issues were identified in the process of completing their audits. While not covered by IAOC's current annual report, I would like to add that during the IAOC's recently concluded 77<sup>th</sup> Session, the Committee welcomed the External Auditor's unqualified audit opinion in respect of both regularity and the fair presentation of WIPO's 2024 Financial Statements. The Committee also noted the comments and recommendations that were made in the External Auditor's Long-form Audit Report. The Committee also expressed its appreciation for the thorough and high-quality examination that was undertaken by the External Auditor. With regard to financial reporting, the Committee took note of the financial position and results that are now reflected in the Organization's 2024 Financial Statements. The Committee had extensive discussions regarding the evaluation of investments, the estimation of the liability, improvements to the Financial Statements and on the use and appropriateness of new IPSAS accounting standards. The Committee also welcomed the implementation of the IAOC's recommendation to review and strengthen the operation of the Investment Advisory Committee by including independent external members. The Committee noted that the Financial Statements were of a high quality and complied with relevant accounting and reporting standards. The Committee was also informed that the Financial Statements would include a disclosure of a post-balance sheet event related to the establishment of a separate entity as a multi-employer plan for the financing of employee benefit liabilities in which WIPO and UPOV will participate. With regard to risk management and internal controls, the Committee reviewed updates on risk management and internal controls that covered numerous areas, including

cybersecurity and information assurance, procurement, effectiveness of anti-fraud activities, data governance and human resources management. The Committee also discussed WIPO's risk heat map together with their related risk responses and was briefed about a revised risk management policy, risk appetite statement and terms of reference for the Risk Management Group. The Committee was also assured that the Organization was using well-known and generally accepted internal control and risk management frameworks. The Committee also reviewed various updates on the implementation of the new Enterprise Resource Planning, that is, ERP System. The Committee noted that the implementation was advancing in line with the set schedule and discussed a number of issues, including the need for a comprehensive master plan with timelines, periodic updates and assessment of risks together with foreseen mitigation action plans. The Committee looks forward to receiving further briefings on the subsequent stages of the project. With regard to the implementation of oversight recommendations, the Committee followed up on the status of such recommendations made by IOD, the External Auditor and the Joint Inspection Unit. The Committee noted that the average age of open IOD recommendations had improved, and the number of open recommendations had decreased significantly in comparison to earlier periods. The Committee welcomed the continuing emphasis and commitment to the implementation of these recommendations. With regards to the Ethics Office, the Committee reviewed the implementation of the 2024 Ethics Office work plan and advised on the 2025 work plan. The Committee also noted that there was a smooth handover between the interim and the new chief Ethics Officer and the Ethics Office was receiving a significant number of requests for advice related to outside activities, retaliation and/or reprisals, standards of conduct and other ethics matters. The Committee further noted that the Ethics Office 2025 work plan included the review of the policy on outside activities, financial disclosure and declaration of interests and the Ethics Office terms of reference. The Committee appreciated the contributions of the Ethics Office and welcomed its effective and efficient functioning. With regard to the Office of the Ombudsperson, the Committee met with the interim Ombudsperson during each of its sessions and reviewed updates on her activities. The Committee noted the increase in demand for the ombuds service, discussed the arrangements for filling the vacant position and expressed its view that sufficient time would need to be devoted to the function in line with UN system benchmarks. The Committee supported the Ombudsperson's initiative to prepare and publish an annual report online and noted that the Ombuds Office continued to function effectively in the process of informal conflict resolution in consultation with other concerned organizational entities. On behalf of the Independent Advisory Oversight Committee, I would like to express my appreciation to the Director General and the Secretariat's staff for their excellent support and cooperation in the execution of our mandate. I also wish to thank my colleagues on this Committee for their dedication and commitment to the work of the Committee on a *pro bono* basis. These colleagues include Mr. Kamlesh Vikamsey, the Vice-Chair of the Committee, Mr. Herman Deffit, Mr. Guan Jian, Mr. Danil Kerimi, Mr. Bert Keuppens and Mr. Igors Ludboržs. I also want to thank Mr. Frederick Anthony Samuels who assisted the Committee with all administrative matters as well as the External Auditor for the information provided to the Committee and the cooperation received. I thank you for your attention and stand ready to address any questions that you might have.

24. Chair: Thank you, Mr. Kanja, for your statement. I wish to open the floor for interested Group Coordinators and Delegations who wish to speak and put any questions to the IAOC Chair and make the most of the fact that we have Mr. Kanja with us.

25. Japan: Thank you, Chair. On behalf of Group B, I extend our appreciation to the IAOC for its comprehensive report in document WO/PBC/39/2 and commend its rigorous oversight of

WIPO's governance during the reporting period. We recognize the IAOC's critical role in safeguarding the integrity of WIPO's financial systems, risk management frameworks and operational transparency as evidenced by the 66 completed audit recommendations and the reduction of unresolved recommendations to 23, a marked improvement from 97 in 2022. We note with satisfaction the IAOC's focus on cybersecurity maturity where WIPO achieved a ranking between level 4, quantitatively controlled, and level 5 optimized, aligning with ISO 27001 standards. This progress underscores WIPO's commitment to protecting sensitive Intellectual Property data, a cornerstone of global innovation ecosystems. Additionally, the effective supervision of the ERP system implementation and the oversight of the investment portfolios' growth demonstrate robust financial stewardship. In addition, Group B appreciates the consideration the IAOC is giving to issues related to artificial intelligence within WIPO, including risk management and internal implementation and deployment of initiatives. We welcome the establishment of the task force to address AI issues and emphasize the need for transparency in its operations. Lastly, Group B welcomes clarity on whether the IAOC believes its terms of reference need to be updated in light of WIPO's arrangement with the United Nations ombuds service. While we appreciate the efficiencies gained through this arrangement, there has also been an increase in demands for ombuds services and as such, Group B invites the IAOC to share any concerns with transitioning this service away from an in-house function. In closing, Group B reaffirms its support for the IAOC's mandate. We look forward to future reports on the oversight of WIPO's governance. Thank you, Chair.

26. Estonia: Thank you very much, Chair. The CEBS Group would like to thank the IAOC members for all the information presented in the report. We appreciate the open, transparent and regular dialogue of the Committee with WIPO Members, especially during all information sessions held after the quarterly meetings. The report presents in a comprehensive and reader-friendly manner an overview of the most important matters related to WIPO operations and management from March 23, 2024, to March 28, 2025. Overall, the CEBS Group acknowledges the close cooperation between the IAOC and IOD and the Secretariat in reviewing and discussing matters related to internal and external oversight and audit, financial reporting, risk management and evaluation reports. We note the Secretariat's overall appreciation of the Committee's contribution, and we fully agree that IAOC plays a vital role in assisting the Assembly and the PBC in fulfilling their oversight responsibilities. At the same time, we note the Secretariat's concerns regarding duplication in some oversight activities and the scheduling of the items on the Committee's agenda. We trust that these issues will be addressed appropriately, and we believe the external assessment exercise planned for 2025 will further support the effective work of the IAOC. Our Group acknowledges the Committee's work in reviewing the first ever United Nations Evaluation Group peer review of WIPO's evaluation function. The underperformance of the evaluation function as previously noted by the Committee remains a matter of concern. We, therefore, welcome the development of a management action plan to address this issue. We place great value on the Committee's dialogue and meetings with the incoming External Auditor regarding their engagement activities and audit planning as this helps to ensure a smooth transition from the outgoing External Auditor. Likewise, we take note of the Committee's work in cybersecurity management, anti-fraud systems, data governance as well as the implementation of the new ERP System. The CEBS Group thanks the IAOC for the updated information on activities within the ethics function. We take note of the assurance of the smooth handover between the Chief Ethics Officer *ad interim* and the incoming Chief Ethics Officer. Furthermore, we thank the Committee for the overview of its close cooperation with the Office and the reviews conducted in this area. Finally, we thank the Committee for the update on human resources management. However, our Group reiterates that we see great value in including in the future work of IAOC the matters

related to the efficient implementation of the Geographical Diversity Action Plan (GDAP) as well as possible impact of the changes in organizational structure of the Organization being a result of major developments such as retirement cycle or zero growth strategy. In this context, the CEBS Group would appreciate a more in-depth overview of the recruitment procedures as well as ensuring a right balance of the internal-external candidates' intake, as well as short-term contract recruitment versus long-term career professionals. This matter is of particular importance for CEBS members who continuously belong to the Group which is underrepresented among WIPO personnel. Once again, we thank the IAOC members for their valuable work. Thank you.

27. China: China appreciates the IAOC for submitting its Annual Report and we also thank the IAOC Chair for his presentation. We also congratulate you and the IAOC Vice-Chair for your assumption of office. We commend the IAOC's dedicated work and achievements over the past year. China notes with appreciation the IAOC's close cooperation with the DG, Secretariat and the IOD and External Auditor as well, and its provision of numerous expert recommendations in areas such as audit and oversight as well as finance, effectively fulfilling its mandate. Its mandate has been fulfilled relatively successfully. China noted with appreciation that the IAOC has reviewed the Secretariat's reports in key areas such as WIPO cybersecurity, procurement, investments and IP and AI. China believes that IAOC, as an independent expert body supporting the WIPO General Assembly and the PBC in fulfilling their oversight functions, can play an even greater role in those crucial areas contributing to the Organization's effective functioning and future development. In conclusion, China looks forward to continuing the cooperation with the IAOC to follow up on the implementation of its recommendations and improve relevant governance mechanisms jointly advancing the Organization's sound development. I thank you.

28. Russian Federation: Thank you, Chair. Good morning to everyone. We would like to thank the Committee for preparing this IAOC Report and also for maintaining the traditionally high level of collaboration with Member States which was demonstrated over the past year. We would like to express our gratitude to the IAOC for the particular attention paid to issues of procurement and anti-fraud activities, and we trust that this will be maintained at the same level in future. Given the active position of the IAOC as regards reviewing evaluation initiatives, we trust that the IAOC will be involved in the process of reviewing WIPO's policy in this area. We also share the view of the IAOC on the need to introduce key performance indicators for the Human Resources Management Department which is referred to in paragraph 66 of the IAOC Report. At a time when discussions are taking place within the UN system on UN80 reform initiatives, the need for the IAOC's expertise for the Secretariat is as high as it ever has been. And we trust that the Committee will participate in any discussions on the applicability of UN80 when it comes to WIPO's work. We call on the Secretariat to fully and in a timely manner take into account the comments and proposals of the IAOC.

29. Egypt: The Delegation of Egypt expresses its best wishes to you, and we are confident in your able leadership of this Committee. The Egypt Delegation would like to thank the WIPO Independent Advisory Oversight Committee and Mr. David Kanja for presenting the IAOC Annual Report which provides a comprehensive overview of key internal and external oversight and audit activities as well as WIPO's Financial Statements, risk management and internal controls. Our Delegation values the work undertaken by the IAOC in fulfilling its mandate and recognizes its vital role as an independent expert advisory body supporting the WIPO General Assembly and the Program and Budget Committee in discharging their oversight responsibilities. We commend the thorough analysis contained in the report of the

implementation of the IOD's internal oversight work plans and activities where we welcome the assessment that both internal audit and internal investigation functions conform to international standards. We also welcome the progress and developments highlighted in the report and key areas including the introduction of the new ERP System, enhanced cybersecurity measures, ethical governance and the implementation of oversight recommendations. In this regard the Delegation of Egypt would appreciate further information on the IAOC's recommendation to undertake an update of the WIPO Policy on Investments in including a review of the investment objective and corresponding performance targets considering financial market conditions and economic outlook. Finally, the Delegation of Egypt joins the Committee in expressing appreciation to the Director General, the Secretariat, the External Auditor for their constructive engagement and collaboration with the Committee. I thank you, Chair.

30. Mexico: Thank you, Chair. We wish to thank the IAOC for its report and for its valuable work conducted over the course of the year and for its interventions and interactions with the Member States. We have two questions, one for the Committee and one for the Secretariat. With regard to investigations, could the Committee share any recommendations for improving the procedure for cases which are repeated malicious denouncements which could be a danger for the Organization? Could the Secretariat inform us of whether or not the agreement with the Ombuds Office and mediation services of the United Nations has come into force? Could the Secretariat also please ensure implementation of the Committee's recommendations.

31. Canada: Thank you, Chair. Canada is pleased to review the IAOC report and takes note of its substantive achievements during the reporting period. Canada takes note of the IAOC following closely the implementation of the changes to accounting policies and standards. On the topic of the assumptions being used by the actuary in determining ASHI liability, Canada highlights the reference to extreme sensitivity related to the topic in paragraph 36 of the report. In the IAOC's opinion are the assumptions being used by the actuary areas where Member States should have increased oversight or in the opinion of the IAOC are the present advisory and oversight structures sufficient. Canada expresses interest in the IAOC's consideration of the top 10 risks on WIPO's heat map related to geopolitical risks, fall in value of investments, strategic AI opportunities, AI data integrity, privacy and governance. It is further encouraging that the IOD Director indicated that the results of the risk assessment are being used in audit planning. Canada commends WIPO for recognizing the strategic importance of data and takes note of the appointment of a chief data officer and the development of an enterprise-wide data governance strategy. We share the Committee's view that data governance warrants high level attention given its role in transparency, accountability and decision making. Canada also supports the alignment of this strategy with broader initiatives including ERP modernization and cybersecurity reforms. On cybersecurity management, Canada expresses appreciation for the IAOC's assessment that WIPO has implemented security measures that are aligned with industry best practices and that it will continue to monitor the matter. Thank you.

32. Chair: Thank you for your statements. Some questions have been raised and points made to the Chair of the Committee and to the Secretariat. I will first give the floor to Mr. Kanja and then I would say that the Secretariat needs a little bit of time to put together some responses to questions formulated by Delegations. We will probably have to have a couple of minutes break before they do that. Mr. Kanja, Chair, would you like to take the floor to respond to the points raised by Delegations, please?

33. IAOC Chair: Thank you, Chair. Thank you very much to all the Delegations for the comments and the questions that have been posed. I will try to respond to the questions or what

I thought were questions, starting with those from the Delegation of Japan. I think there was a question, do the ToR for the IAOC need to be updated? I don't think so at the moment, but we are always reviewing our Terms of Reference depending on the work we are doing. Whenever we do need them to be updated, we come back to this body and other bodies to get them updated. At the moment, we think we are okay, but we will continue to monitor. There was also a question about the ombuds services. We are requested to share any concerns that the Committee has. The main concern we have at the moment, which is being addressed, is that the function has an interim person, and that arrangement has been there for some time with the interim person. So, the concern is it needs to be settled so that we have like a regular long-term person. I know the question was also posed to the Secretariat. So, the Secretariat will respond on the status of the agreement that exists with the UN, but that's a main concern. We have raised that, and we have discussed with management the need to make sure that the temporary arrangement becomes not permanent but more firm. Then there were some questions from the Delegate of Estonia concerning some items that were in the external assessment for 2024, the scheduling of agenda items and background documents. These are areas that the Committee has been addressing and discussing with the Secretariat in terms of making sure that the background documents contain the information that the Committee needs to work on and also the scheduling, ensuring that there is no unnecessary repetition. So, these are areas we have been working on since that assessment was done. And I think as you noted, the assessment in 2025, our plan is to get an external evaluation of the work of the Committee so that that evaluation can highlight areas for the Committee to improve and we are pursuing this. There is a mechanism at the moment for peer reviews by other members of Committees. It is a newish arrangement and hopefully we will get it to work this year and provide us with good information on aspects that we can improve. As regards the evaluation function, I think there was a comment about the identified underperformance. There is an action plan. It is being followed up. There is also ongoing recruitments to make sure that the function is fully staffed, and all of this is being handled at the moment. In response to the comment that the IAOC should spend more time on HR issues, we have started to adjust our plans to spend some more time on HR issues because we have got that comment also from other Delegations and we will report back to you in the usual way. As regards the comments from the Russian Federation about the work that the Committee does on procurement and antifraud activities, I can confirm that we will continue with that work on antifraud activities. As you know, the area is now part of the Terms of Reference of the Committee, and we are receiving updates on antifraud activities. We are looking on areas such as procurement. We also discuss other areas where there is a risk of fraud. External assessments by external experts are also being conducted on matters to do with antifraud and we are reviewing those. We will continue to provide you with updates on any issues that arise in that area. On the comment from the Delegation of Egypt about continuing work on the investment policy and financial targets and so on for investments. I just wanted to confirm that this area is one that is covered by the Committee in each of its sessions. We review investment reports, we have discussions with the Secretariat in terms of investment policies, in terms of the current environment and possible changes that can be undertaken and the role of committees and governance arrangements. We are very focused on this area, and we will continue to provide you with details in our reports. There was a question from the Delegate from Mexico about whether we can share recommendations for improving the procedures for cases that are repeated and frivolous. The Committee often has lots of discussions on what to do about cases that are repeated and frivolous and I think the report talks about one such discussion that we have had including with the Legal Counsel and those discussions are to see whether there are aspects that can be enhanced. At the moment, the Committee has concluded the existing arrangements work well. They cover all the issues that need to be covered and anything that is repeated and frivolous, at the moment, the Committee ensures that it is handled by the book. A

preliminary evaluation is undertaken of all those matters and then further actions are determined based on the results of that evaluation. At the moment, we don't have any recommendations, but we will continue to assess the processes that are in place and to have discussions with the Secretariat on improvements that can be made. There was a question from the Delegate from Canada on the ASHI assumptions made by the actuary. We agree that any little change can affect the liability on ASHI and the IAOC is focused on the matter and the External Auditor is also focused on the matter. The External Auditor reviews the assumptions, and I know there is an actuary for the Organization that decides on the assumptions and the External Auditor in the review, they review those assumptions because of the work they need to do on the Financial Statements. We also check with them whether they are using their own actuary because External Auditors sometimes can get their own actuary to review the work of the internal actuary. At the moment they are comfortable and are not using one but who knows in the future if there is a huge change, they might decide to use their own actuary and we ourselves review it and sometimes ask for the details and have a look at the details. So, at the moment, we believe there is sufficient oversight that is being exercised on those assumptions and that oversight will continue to be exercised in the future as well. So, thanks, thanks a lot for those questions and comments and I hope I have addressed all of them satisfactorily. Thank you.

34. Chair: Thank you very much, Mr. Kanja. Yes, I think you have given comprehensive responses to the comments made by Delegations. As we said a moment ago, actually we won't need a break at this point because the Secretariat is ready to respond, and I'll give Ms. Barbier the floor to speak on behalf of the Secretariat. Thank you very much, Chair.

35. Secretariat: Regarding the status of our agreement with the United Nations Ombudsman and Mediation Services (UNOMS), I confirm that a Memorandum of Understanding (MOU) has been signed. It's a tripartite agreement between the International Telecommunication Union (ITU), UNOMS and WIPO. The recruitment for the Ombudsperson is currently ongoing, however, it was slightly delayed initially due to the UN Secretariat's need to verify some of the elements of the signed agreement, although the funding had been confirmed. I would like to inform everyone that the first part of the recruitment process is largely driven by UNOMS to identify from the technical perspective, the right candidate. Both ITU, WIPO - HR, as well as the Staff Councils from both agencies - are and will be involved in the final stages of the interview process. I want to also confirm that the Secretary-General has acknowledged this development as an example of efficient collaboration within the context of the UN80 Initiative. It is important to note that there is more visibility of this initiative across the UN system. Going back to some points raised by the Delegation of Japan on behalf of Group B, concerning the increase in demands of ombuds services, I want to reconfirm that according to the benchmark analysis that we have made, no UN agency has a higher resource allocation proportionate to the population other than WIPO. Among the specialized agencies in the UN system, the majority do not have dedicated ombuds services. Therefore, I would say we are quite fortunate to be well supported in that sense. Certainly, I would not necessarily describe the situation as a lack of resources. What we are observing right now, also reflected within the IAOC report about services provided by the Ethics Office - is that we have had a major push to raise awareness through an informal-first approach. There is increased collaboration among stakeholders: the Ethics Office, Ombudsperson, Staff Counselor, HR business partners, the Medical Unit, Internal Oversight Division (IOD) and Legal Counsel to work together in raising awareness on whom to contact, ensuring that we provide better services to our employees. This also means that both the Ethics Office and the Ombudsperson have reached out to employees in sectorial meetings for example. It is not surprising in that context that there are more contact points. I wouldn't necessarily see this as a negative - in fact, from WIPO's perspective, it is a positive

development demonstrating that we are being more proactive in reaching out to employees. I hope this addresses the question. Thank you.

36. Chair: Thank you, Ms. Barbier, for your statement on behalf of the Secretariat. I think both speakers have given quite comprehensive replies, but nevertheless if any Delegation wishes to raise any follow-up questions, then they may do so. That doesn't seem to be the case. Therefore, I propose the following decision paragraph in order to complete the Committee's work on this agenda item. If the Secretariat could please put the proposed decision paragraph on the screen. There you have it. Allow me to read it. The decision is adopted.

37. The Program and Budget Committee (PBC) recommended to the WIPO General Assembly to take note of the "Report by the WIPO Independent Advisory Oversight Committee (IAOC)", (document WO/PBC/39/2).

#### **ITEM 4 REPORT OF THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC) SELECTION PANEL**

38. Discussions were based on document WO/PBC/39/3.

39. Chair: Let's move to Agenda Item 4, Report on the WIPO IAOC Selection Panel, document WO/PBC/39/3. According to Annex III of the Terms of Reference of the IAOC, in the Financial Regulations and Rules of WIPO, paragraph 5(a) stipulates that the rotation mechanism for the IAOC members will be as follows: (a) all members of the IAOC shall be appointed for a term of three years, renewable just once. No member of the IAOC shall serve for more than six years in aggregate. And it may be recalled that in accordance with the mechanism approved by the Member States in 2021, as contained in Annex IV of the Financial Regulations and Rules of WIPO, a Selection Panel will recommend the new candidates of the IAOC to the Program and Budget Committee for its approval. On January 31, 2026, the term of office of two members of the IAOC are ending. They are Mr. Bert Keuppens from Group B and Mr. Igors Ludboržs from the CEBS Group. The Selection Panel for the recruitment of two new IAOC members was comprised of seven members, one from each of the seven Groups of WIPO Member States, His Excellency Ambassador Paul Bekkers who served as Chair, Ms. Pornpimol Sugandhavanija who served as Vice-Chair and Mr. Anthony Mathenge, Mr. Ivan Tarutin, Ms. Anna Barbazak, Mr. Yao Yue and Mr. Pablo Tallard. Ms. Arendina Koppe, Deputy Legal Counsel of the Office of the Legal Counsel was designated by the WIPO Secretariat as the Secretary to the Panel. I would like to give the floor to His Excellency Ambassador Paul Bekkers, Chair of the Selection Panel, to introduce the IAOC Selection Panel Report.

40. IAOC Selection Panel Chair: Thank you very much, Chair. Good morning. Your Excellencies, Distinguished Delegates. Good to see you. At the outset, I would like to thank the members of the Selection Panel and several of them are here in the room and the Secretary of the Panel, Ms. Arendina Koppe as well as Ms. Wiggins who helped us in this process, this important process. And as you will be aware, Member States, two members of the IAOC needed to be replaced, one member from CEBS and one from Group B, the Chair just announced, referred to in the report as the priority groups. The entire selection process was undertaken in line with the selection procedure as provided for in Annex IV of the Financial Regulations and Rules as adopted by the WIPO General Assembly. The process has culminated in the report with the reference WO/PBC/39/3, which contains the recommendations

of the Selection Panel. Before highlighting the main elements of the process, I would like to emphasize that the process was Member State driven. This rather meticulous process is described in detail in the report itself, but I would like to highlight the following elements. A total of 111 applications were received, out of which 58 met the eligibility requirements. The eligible applications were forwarded to the IAOC for a ranking-based assessment with the names and nationalities of the candidates suppressed. The IAOC then ranked the candidates using an evaluation matrix as had been prepared by the Selection Panel and in relation to which the IAOC had been consulted. The IAOC passed its assessment to the Selection Panel following which the names and nationalities were restored. The Selection Panel considered the IAOC's ranking-based assessment and established a short list of 10 candidates that it wished to interview. The 10 interviews all took place via videoconference. The Selection Panel included questions in relation to areas that were not possible to assess on the basis of the paper applications. And I'm pleased to report that the Panel was unanimous in its assessment of the best candidates in each of the two priority groups. Throughout the entire merit-based exercise, the Panel was cognizant that expertise as well as geographical distribution, rotation and gender balance should guide the selection process. One female and one male candidate have been recommended, reflecting gender balance in respect of the present recruitment cycle. The Panel notes that the overall gender balance on the IAOC would have been impossible to achieve in this recruitment round, even if it had recommended two female candidates given that the five remaining members of the IAOC are male. The next recruitment round will provide a greater opportunity for gender balance to be achieved, as the number of vacancies to be filled on that occasion will be five. The Selection Panel recommends to the PBC the two candidates coming from the two priority groups in question. The summary biographies are attached to the report. I would like to emphasize, to stress, that the process was thorough and fair, that it was a good pool of applicants, that the IAOC was involved, as mentioned, and that the outcome represents the most suitable candidates, taking into account the overall composition of skills and experience required for a position on the IAOC. With that, Chairperson, I'll pass back the floor. Thank you.

41. Chair: Thank you very much, Ambassador, for your statement reflecting the content of the report and how the work of the Panel took place. I would like to open the floor for delegations who wish to comment in relation to the document or the oral report just given to us by the Ambassador. The floor is open.

42. Japan: Thank you, Chair. Group B would like to thank Ambassador Bekkers for his presentation today and for chairing the IAOC Selection Panel and extends its gratitude to all the members of the Panel and the WIPO Secretariat for their report on the selection process for new IAOC members, document WO/PBC/39/3. We commend the legal and transparency demonstrated throughout this process which aligns with the principles of accountability and fairness that our Group prioritizes. First, we note with satisfaction the merit-based approach underpinning the selection process. The Panel's adherence to the evaluation matrix developed in consultation with the IAOC and the Secretariat ensures a systematic assessment of the candidates' technical expertise, ethical values and contributions to collective skills. The screening of 111 applications including 58 eligible candidates from priority groups reflects a robust commitment to identifying highly qualified individuals. We emphasize the importance of maintaining the integrity of the IAOC's independence. The anonymized evaluation phase, external consultant's involvement and rigorous conflict of interest declarations set a strong precedent for mitigating bias. Group B encourages the Secretariat to apply these practices consistently in subsequent cycles. In conclusion, Group B agrees to approve the Panel's recommendations and looks forward to the IAOC's continued effectiveness. Thank you.

43. Estonia: Thank you very much and thank you very much for the comprehensive presentation as well. The CEBS Group is thankful for the report of the WIPO Independent Advisory Oversight Committee Selection Panel which provides a comprehensive overview of the selection process for the new members from the CEBS Group and Group B. Based on the profiles and experience of the selected candidates, we are confident that they possess the appropriate mix of skills and expertise to contribute meaningfully to the work of the IAOC. We extend our best wishes for success and fulfillment of their new roles.

44. Russian Federation: Thank you, Chair. We would like to thank the Chair of the Selection Panel, the Permanent Representative of the Kingdom of the Netherlands, Mr. Paul Bekkers, for that presentation and would also like to express our gratitude to the Selection Panel for the work they have carried out and the detailed report they have prepared, which attests to the due level of transparency and accountability in the selection process. We firmly believe that the high competence of candidates is the main criteria for selection to the IAOC. We hope that the experts recommended for appointment will manage to achieve the tasks entrusted to them. Bearing in mind experience from the previous selection, we believe it is necessary in future to conduct a more targeted publicity campaign designed to attract a sufficient number of candidates with a high level of competencies from different regions. Thank you for your attention.

45. China: Thank you, Chair. China thanks the IAOC Selection Panel for its work, and professional and detailed work in the selection of the candidates. We thank the Ambassador for his presentation of the selection report. We also thank the Secretariat for the support it has provided in this regard. China would like to thank the outgoing IAOC members for their extensive professional and independent work for WIPO's good governance and effective oversight over the years. We welcome the two new incoming members. China will continue to support the IAOC in its independent oversight advisory work. Thank you very much.

46. Canada: Canada wishes to express its appreciation to the IAOC Selection Panel for its detailed and transparent report on its rigorous merit-based process for selecting the new IAOC members from the priority groups. We take note of the high number of candidates that met the eligibility requirements and view this as a reflection of WIPO's effective approach towards outreach for the vacancy announcement. We recognize the support of the WIPO Secretariat in assisting in redacting and suppressing certain identifying information so as to mitigate against conscious and unconscious bias in the selection process. We recognize and appreciate the Panel's effort and considerations as regards gender parity for the IAOC. We nevertheless take note of the unanimity among the Panel members as regards the best candidate in each priority group. Finally, Canada wishes to welcome Ms. Atanasova and Mr. Samels to their new roles.

47. Chair: Thank you for all of the positive remarks about the work of the Selection Panel. We have a draft decision paragraph to consider which is now up on the screen. Report of the WIPO Independent Advisory Oversight Committee, IAOC Selection Panel, document WO/PBC/39/3. I see no requests for the floor. The decision is adopted. Thank you, Ambassador, for having joined us on the podium for this agenda item. As Chair, allow me to congratulate the two new members of the IAOC who I'm sure will do an excellent job.

48. The Program and Budget Committee (PBC) approved the recommendations of the Selection Panel for selection of two new members of the WIPO Independent Advisory Oversight Committee

(IAOC), which appear in paragraph 30 of the Selection Panel's Report (Annex to document WO/PBC/39/3).

## **ITEM 5 REPORT BY THE EXTERNAL AUDITOR**

49. Discussions were based on document WO/PBC/39/4.

50. Chair: We will proceed to Agenda Item 5, Report by the External Auditor, document WO/PBC/39/4. In accordance with Regulation 6.12 of WIPO's Financial Regulations and Rules, the Reports of the External Auditor on the Annual Financial Statements, together with reports from other audits, shall be transmitted to the General Assembly, to other Assemblies of WIPO Member States and of the Unions, through the Program and Budget Committee, together with the audited Annual Financial Statements, in accordance with any guidance given by the General Assembly, other Assemblies of WIPO Member States and Unions. I'm pleased to be joined here today by WIPO's new External Auditor from the Audit Board of the Republic of Indonesia, Mr. Budi Prijono - Vice Chair of the Audit Board of the Republic of Indonesia and Dr. Bahtiar Arif - Auditor in Charge of the WIPO Audit. I would now like to invite the Vice-Chair of the Audit Board, Mr. Prijono, to introduce this agenda item.

51. External Auditor: Thank You, Chair. Your Excellency, Chair of the Program and Budget Committee, Distinguished Members of the Committee, Director General of WIPO, Excellencies, Delegates, Ladies and Gentlemen, good afternoon and thank you for your attendance. It is an honor for me to be here, in the PBC Meeting, to deliver the audit results on WIPO for the year 2024. I wish to thank all of you for your warm welcome and your support of our work as the External Auditor of WIPO. Please allow me to introduce myself. I am Budi Prijono, Vice Chair of the Audit Board of the Republic of Indonesia, accompanied today by Mr. Bahtiar Arif, the Auditor in Charge of the WIPO Audit. We are grateful to report that our constructive collaboration with Management has made a valuable contribution to the improvement of governance and accountability in WIPO. Chair, Distinguished Members, Ladies, and Gentlemen, in my presentation today, I will cover three main areas. Firstly, the financial audit result. Then, I would like to present the performance audit result. Lastly, I will briefly summarize the status of prior year External Auditor recommendations. Chair, Distinguished Members, Ladies, and Gentlemen, the financial audit is to provide the Organization with independent and reasonable assurance that the Financial Statements were free from material misstatement, whether due to fraud or error, based on the International Public Sector Accounting Standards (IPSAS) and the Organization's Financial Regulations. The audit is conducted following International Standards on Auditing and International Standards of Supreme Audit Institutions. As a result of our audit, we conclude that, in our opinion, WIPO's Financial Statements for the year 2024 present fairly, in all material respects, the financial position of the Organization in accordance with the International Public Sector Accounting Standards (IPSAS) and WIPO's Financial Regulations. We are also pleased to confirm that the Organization maintains a sufficient level of reserves to support its ongoing operations. In the financial audit, the audit board focused on three key areas: the use of Enterprise Resource Planning (ERP) for financial reporting, the accounting policy for the Madrid System Fees, and the management of After-Service Health Insurance (ASHI). BPK observed that the Organization prepared its Financial Statements using separate spreadsheets and trial balances despite the existence of automated consolidation features in the Administrative Integrated Management System (AIMS). Accordingly, we recommend optimizing and automating the financial reporting system to enhance efficiency and reliability. Concerning the Madrid System fees, we identified that the current accounting policy requires

improvement. We recommend strengthening the accounting framework in this area to ensure greater clarity and consistency. In addition, we noted the existence of unresolved trademark deposits that should be addressed by management. Regarding ASHI, we noted the Organization's intention to establish a separate entity to fund ASHI in the future. We confirm that the Financial Statements appropriately disclose the impact of this initiative. On the performance audit, it is conducted in adherence to the International Standards of Supreme Audit Institutions. Our objective is to assess the effectiveness of the management to improve the Organization's services to its stakeholders, concerning Pillar 1 and Pillar 2 of the Organization's Medium Term Strategy Plan (MTSP) 2022-2026. We conclude that WIPO has effectively managed its planning, monitoring, and evaluation of its programs and activities during the audited period, particularly in Pillar 1 and Pillar 2 of the MTSP 2022-2026. As part of our audit, we have identified opportunities to strengthen operational efficiency further. To enhance performance measurement, we recommend refining the formulation of WIPO's Key Performance Indicators (KPI) to reflect outcome-based results and ensure contributions from all relevant sectors. Additionally, we recommend expanding machine translations for publications to improve accessibility and efficiency and supporting WIPO's multilingual communication efforts. Lastly, we recommend optimizing survey processes that will enhance stakeholder feedback, allowing better service improvements and more robust KPI evaluation. Regarding the implementation rate of previous year recommendations, we acknowledge that as of March 2025, the Organization has successfully implemented approximately 91 per cent of the previous audit recommendations from 2018 to 2023. This achievement demonstrates a positive sign of the Organization's commitment to improving its governance and management. I note that three pending recommendations from the previous Auditor, related to the estate strategy and sustainability reporting, need to be implemented by management. In regard to the pending recommendations, we have been informed that during the 38<sup>th</sup> session of the PBC, management had issued an estate strategy to address two pending audit recommendations. We appreciate this effort and will consider this on the next engagement. Chair, Distinguished Members, Ladies, and Gentlemen, since being appointed as the Organization's External Auditor, we have always committed to providing the best service and adopting an approach that reflects our independence, integrity, and objectivity within the audit process. I appreciate and feel grateful for the professionalism and competence of the Organization's management to make this possible and provide support during our audit, which has been well accomplished. On behalf of the Audit Board of the Republic of Indonesia, I would like to extend our sincere appreciation to the Committee for appointing us as your External Auditor and for the opportunity to actively contribute to supporting the achievement of the Organization's objectives. I would also like to express my gratitude to the United Kingdom National Audit Office, the previous External Auditor, for facilitating an effective audit handover, which enabled us to carry out the initial audit successfully. Thank you.

52. Japan: Thank you, Chair. Group B extends its appreciation to the Audit Board of the Republic of Indonesia for the comprehensive report on WIPO's 2024 Financial Statements and performance audit, WO/PBC/39/4. We commend the Secretariat for its cooperation and responses to the recommendations. Let me highlight key observations aligned with our priorities. Regarding financial management and surplus allocation, we welcome the unqualified audit opinion confirming WIPO's compliance with IPSAS and sound financial health. The operating surplus of 66.34 million Swiss francs and total surplus of 140.07 million Swiss francs reflect prudent financial management. Group B supports the External Auditor's recommendation 1 to optimize AIMS for automated financial reporting. While WIPO's manual consolidation of trial balances has been identified, leveraging AIMS' full capabilities is critical to mitigate errors and enhance transparency as transaction volumes grow. We urge the Secretariat to prioritize this

modernization. Regarding performance audit, strategic improvements, Group B strongly endorses recommendation 6 to scale up WIPO Translate for non-UN languages. Audio multilingual access could accelerate the availability of WIPO materials and improve stakeholder engagement, particularly for SMEs, creators, startups, and young people. We urge the Secretariat to address low survey response rates through AI-driven tools and stakeholder incentives as outlined in recommendation 8. As WIPO continues to develop customer-centric services, it is essential to raise survey response rates and actively listen to the voices of our customers. This will enable the Organization to better identify evolving needs and continuously enhance its service offerings in line with user expectations. Group B acknowledges WIPO's 91.2 per cent implementation rate for 2018-2023 recommendations by the External Auditor. In conclusion, while WIPO's financial resilience and operational efficiency remain robust, systemic upgrades such as in AIMS and multilingual services are imperative to maintain global leadership. Group B stands ready to support these reforms. Thank you, Chair.

53. China: China expresses its appreciation to the BPK for conducting its work in an independent, efficient and professional manner over the past year and for developing and releasing its first annual report. China is generally satisfied with WIPO's external audit recommendation implementation. We note that the External Auditor made eight recommendations and conducted sample performance audits in four departments regarding the Organization's financial and operational performance, including the Building Respect for IP Division. We are of the view that these recommendations are very timely and important. We hope the Secretariat will actively implement them. China wishes to comment on three specific audit recommendations. First, recommendation 4 calls on the Secretariat to develop a formalized standard operating procedure (SOP) for coordinating decision-making and negotiation body meetings. China expresses its support for this recommendation. As this Organization holds a significant number of meetings annually, a more reasonable and standardized procedure will facilitate consultation, negotiation and rule-making work. China hopes the Secretariat will further elaborate on its plan to implement this recommendation. Second, China appreciates the External Auditor's attention to the KPI framework and supports recommendation 5. We also agree with the Secretariat's view on the KPIs for the Global IP registration services systems should, to the extent possible, focus on the outcome level. We hope that, in the future, audits of other strategic pillars of the Organization, particular Strategic Pillar 3, the Auditor will continue to focus on the reasonableness and comprehensiveness of performance indicator setting. Third, China expresses its support for recommendation 6 concerning the expansion of the use of machine translation. We believe that the comprehensive use of machine translation in the Organization's publications will contribute to the development of a mature AI translation model for this Organization. This will also support the expansion of language mechanisms under the Madrid and Hague systems. Therefore, China urges the Secretariat to implement this audit recommendation at an early date. Thank you.

54. Estonia: Thank you, Chair. The CEBS Group would like to extend its thanks to the External Auditor for the detailed report where the Auditor's findings and recommendations are presented in a clear and concise way. We take note of the External Auditor's report indicating that the Organization's performance improved significantly in 2024 with a total surplus increase of 26.24 million Swiss francs. According to the report, the Organization's overall financial ratios were sound. We note that most revenue streams exceeded their budgeted expectations, and that the strong revenue performance was largely driven by a substantial increase in income from arbitration and mediation services, as well as other miscellaneous sources. At the same time, it is important to consider that the Organization's primary revenue stream, the PCT and Madrid systems, recorded a slight underperformance. Our Group acknowledges the finding that

the Organization's internal controls are overall effective. At the same time, particular attention should be paid to the External Auditor's recommendation on improving the optimization of the system and the automation of financial reporting. We take note of the management's response according to which the configurations recommended will be addressed through the new AIMS ERP System expected to be finalized by December 31, 2026. Our Group takes note of the recommendation to develop a unified standard operating procedure that incorporates best practices and harmonizes processes for event coordination. We welcome the External Auditor's assessment of the current KPIs and the recommendation to formulate them where possible at the outcome level. We also support the call to clearly identify all Sectors contributing to the achievement of KPIs, as this will enhance monitoring and evaluation processes. Additionally, we consider the recommendation regarding the improvement of survey methodologies and the use of WePerform to be valid and we welcome management's agreement with these proposals. Finally, our Group recognizes the significant value of the External Auditor's recommendation to expand the use of machine translation to all publications that meet the criteria outlined in the translation strategy. The 2024 WIPO Performance Report indicates that the Organization has already made substantial use of machine translation. Extending these practices to publications would undoubtedly help bring IP closer to people in diverse regions and enhance the dissemination of IP-related information and resources. Thank you.

55. Russian Federation: We would like to thank the new External Auditor for his first report. We believe that the document is of high quality and comprehensive. We count on you maintaining and developing your useful dialogue with the Independent Advisory Oversight Committee, and with the Internal Auditor. We would like to focus on recommendation 5 of the Auditor. We believe that, in accordance with best practices when applying results-based management systems, key performance indicators must be operational at all three levels for outputs and outcomes, and also for strategic objectives. It is precisely strategic indicators that are key from the point of view of the accountability system. In this regard, we call on the Secretariat to continue to consistently develop the results-based management system, ensuring transparency for the work of WIPO at all three performance levels. We fully share the position of the External Auditor as regards the procedure for developing KPIs. This should be specific, measurable, achievable, relevant and time bound. We would also like to comment on recommendation 6. Although we understand the Auditor's logic regarding the need to develop machine translation in WIPO, we cannot fully agree with it. Machine translation can only support the work of translators, not replace it. The transition to exclusively using machine translation for all WIPO thematic publications by the end of 2026 is, in our view, not quite the right approach. We call on the Secretariat to fully ensure human oversight of the performance of the work of machine translation and accordingly to provide for a sufficient amount of human and financial resources for all WIPO language groups. Thank you.

56. Canada: Thank you, Chair. Canada welcomes the Audit Board of the Republic of Indonesia to the role of WIPO's External Auditor. Canada is pleased with the constructive engagement between the External Auditor and WIPO, as well as WIPO's support for the recommendations during this reporting period. In careful review of the documentation, Canada wishes to register the following: on recommendation 1, Canada supports the recommendation to enhance automation and consolidate financial reporting functions within the upcoming ERP system. In an increasingly complex operational environment, integrated and automated systems are critical for reducing administrative burdens and ensuring data integrity. We encourage the Secretariat to prioritize the design and timely implementation of these reforms. On recommendation 3, as regards encouraging the development of a system whereby WIPO helps to prevent unrecognized deposit balances and WIPO management's favorable response,

Canada wishes to register that Canadian applicants have had significant success using the Madrid e-filing Platform, which in turn helps to mitigate potential unrecognized deposits. On recommendation 4, Canada takes note of the recommendation for the Secretariat to develop a formalized standard operating procedure for coordinating meetings of decision-making and negotiating bodies. We take note of WIPO's response to the recommendation and query whether Member States would be given an opportunity to contribute to the development of the SoP through either formal or informal mechanisms. Given the recent experience of Member States working with negotiating bodies under the two 2024 Diplomatic Conferences, as well as Member States' regular involvement in decision-making bodies, Canada notes that Member States may have constructive feedback that can help inform the development of the SoPs. On recommendation 6, Canada is pleased to see growing use of translation tools to broaden access to WIPO's work. We encourage the Secretariat to expand the use of such tools in alignment with the language policy to ensure that IP knowledge is more accessible to diverse linguistic communities worldwide. On recommendation 8, Canada expresses appreciation for WIPO's support for working with the IOD to evaluate root causes for low response rates to WIPO surveys. Thank you, Chair.

57. Chair: I would like to thank all of you for your comments. Dr. Prijono and the Audit Team, I would like to give you the floor now to respond to some of the comments that have been made.

58. External Auditor: Thank you, Chair, Distinguished Members, first of all, thank you for the support for our work as the External Auditor of WIPO, especially as this is the initial audit that we have conducted with the conclusion that the Financial Statements of the Organization for the year 2024 has been presented fairly in accordance with the International Public Sector Accounting Standards and WIPO's Financial Regulations. Also, the planning, monitoring and evaluation of programs and activities has been very effective while opportunities for some improvements have been raised and recommended. So in terms of the improvements and the follow-up of our recommendations, I would like to highlight that we would like to work together with WIPO's management for the implementation of the recommendation, especially regarding machine translation raised by the Russian Federation, SoPs raised by some Members and also the KPIs and the survey processes that we would like to be very more effective in terms of the responses and the survey response time. Thank you very much, Chair.

59. Assistant Director General, Administration, Finance and Management Sector: Good afternoon, everyone. I will speak fairly briefly, but I did just want to thank our External Auditor, the Audit Board of the Republic of Indonesia, very much for their audit and for their engagement with management. We took very good note of the comments from Member States in respect to this item, including the interest in the approach that we take to a more standardized approach to meetings, and so certainly that effort will be coordinated by our Diplomatic Engagement and Assemblies Affairs Division. They know the Member States very well and will be happy to reach out and engage with you as we move forward in that process. Thank you very much, Chair.

60. Chair: Thank you, Mr. Staines, for your intervention. Well, of course, if anyone wishes to speak with any follow-up questions now is the time. I will allow time for that. Otherwise, we can move directly to the adoption of the decision paragraph. The Distinguished Delegation of China has asked for the floor.

61. China: Thank you, Chair. I thank ADG and the External Auditor for their responses. I would like to request clarification from the Secretariat regarding recommendation 4. What's the

future plan or steps from the Secretariat to implement this recommendation? I don't know in the current context whether you can give us an answer. Thank you.

62. Assistant Director General, Administration, Finance and Management Sector: Thank you very much for the question. Apologies for missing it the first time. In terms of next steps, my colleagues from the Diplomatic Engagement and Assemblies Affairs Division will be working with the Secretaries of the various Governing Bodies across the Organization as, if you like, the institutional owners of those bodies from the Secretariat side, to understand the approach that they each take, to look for synergies and good practices. As part of that process, we'll of course, as always, engage with Member States and seek your feedback as to what works well, what works less well, and bring that together as a broader package, taking into account the areas set out in the recommendation by the External Auditor, including the pre-meeting planning, the execution of the meeting and then the activities after the meeting. All of that will be considered with the Secretaries of the Committees in engagement with Member States, to seek your feedback and then we'll revert to Member States in due course. Thank you, Chair.

63. Chair: I thank Mr. Staines for his comments. I see no further requests for the floor from Delegations but there is time for follow-up questions, if any. We are now going to project the decision paragraph on the screen. I see no further requests for the floor. Therefore, I take it that we can adopt the decision paragraph. It is so agreed. I would like to thank the External Auditor for having joined us for this agenda item.

64. The Program and Budget Committee (PBC) recommended to the Assemblies of WIPO, each as far as it is concerned, to take note of the "Report by the External Auditor", (document WO/PBC/39/4).

## **ITEM 6 ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT DIVISION (IOD)**

65. Discussions were based on document WO/PBC/39/5.

66. Chair: The document under this item of the agenda is WO/PBC/39/5. I'm not going to make any introductory remarks. I will turn directly to the Director of Internal Oversight, Ms. Julie Nyang'aya, to present the report. She is here on the podium with us. You have the floor, Madam.

67. Secretariat: Thank you, Chair. Excellencies, Distinguished Delegates, Director General, dear Colleagues, Ladies and Gentlemen, it is a privilege to present the Annual Report of the Internal Oversight Division for 2024. Reflecting on the past year, I am reminded that oversight is not just about compliance: it is about trust. It is about ensuring that the values we uphold as an Organization are reflected in our actions, our systems and our culture. 2024 was a year of both continuity and change. It marked the third year of the Medium Term Strategic Plan, and IOD remained steadfast in its mission to support WIPO's strategic goals through independent, professional, and constructive oversight. Let me begin with a few highlights. We issued 37 oversight reports including audits, evaluations, validations and investigations. Each was an opportunity to assess, learn, improve and build resilience. Our work spanned various operational areas from Cybersecurity to PCT Translation Services, Health Insurance Validation and the Nigeria Office Audit. I am proud to say that all audits and validations planned for the year were completed on time. One of the most meaningful aspects of our work in 2024 was

insights into the practical impact of Intellectual Property. Whether it was evaluation reports on initiatives supporting women entrepreneurs or the scale of WIPO fellowship programs and the WIPO Academy, we as IOD appreciated how IP can empower communities and transform lives. Their stories reminded us that behind every policy and process are real people with real aspirations. We also made strides in strengthening Internal Controls. Our pilot review of key organizational controls led to a significant streamlining from 76 key controls down to 40, making our systems more focused and effective. This was a collaborative effort, and I want to thank the Office of the Controller, and all Sector Leads who contributed to this necessary reform. On the investigative front, we handled 66 matters including 45 new complaints. I am especially encouraged by our progress in resolving issues more efficiently, reducing our average resolution time of new matters to under two months. Importantly, we have also embraced a more nuanced approach, resolving many issues informally and constructively in line with our commitment to fairness and internal justice. From January to December 2024, 37 new recommendations were added to the Audit Management system. The combined efforts of IOD, the Office of the Controller and respective WIPO Sectors significantly reduced the number of open recommendations as of December 31, 2024. In 2024, 66 oversight recommendations were closed. At the end, there were 30 open recommendations, six of which were from the External Auditor. Of course, none of this would be possible without the trust and cooperation of our colleagues across WIPO. I am grateful for the 87 per cent satisfaction rate from our post-engagement surveys and even more so for the candid feedback that helps us grow. The Internal Oversight Division is poised to enhance its contribution to WIPO's strategic objectives in 2025. We plan to implement recommendations from recent peer reviews and continue refining our evaluation and investigative functions. Importantly, we are on track to deliver an annual opinion on WIPO's governance, risk management and control environment, an essential milestone in our journey towards greater transparency and accountability. In closing, I want to express my heartfelt thanks to the Director General, the IAOC, our Sector Leads, and every WIPO colleague who supported our work. Oversight is a shared responsibility and IOD is proud to be your partner in building a more decisive, accountable and impactful organization. Thank you for your attention and your continued commitment to excellence. Thank you, Chair.

68. Chair: Thank you very much, Madam Nyang'aya, for the presentation of the document that is relevant for our discussion. I should now like to open the floor so Delegations who would like to do so can make their comments and ask questions.

69. Japan: Thank you, Chair. Group B commends the Internal Oversight Division (IOD) for its comprehensive 2024 Annual Report, document WO/PBC/39/5, and extends our congratulations to the IOD Director on being selected as the focal point for UNRIAS to the High-Level Committee on Management of the UN. Group B acknowledges IOD's critical role in strengthening governance, risk management and accountability at WIPO. We appreciate IOD's alignment with the Medium Term Strategic Plan 2022-2026, and its focus on high priority engagements, such as the audit of cybersecurity management and the rationalization of organizational key controls from 76 to 40. These efforts demonstrate IOD's commitment to streamlining processes and enhancing operational efficiency, which is vital for an organization funded primarily by user fees. We note with satisfaction the closure of 66 oversight recommendations in 2024 and the reduction of open recommendations to 33 high, 24 medium, 3 low by year end. However, Group B emphasizes the need for accelerated implementation of remaining recommendations, particularly those related to cybersecurity patch management. Timely action is essential to mitigate risks and maintain stakeholder confidence. Group B is concerned about the underperformance of the evaluation function, as highlighted by the United Nations Evaluation Group (UNEG) peer review. The finding that evaluations fell short of their full

potential due to staffing gaps and insufficient quality assurance raised questions about WIPO's ability to measure program impacts effectively. We urge the Secretariat to prioritize the recruitment of evaluation staff in the division and update the evaluation policy and manual by December 2025, as outlined in the report. Additionally, we note the prolonged vacancies in the head of investigation and evaluation roles, undermining IOD's capacities. We seek clarity on how WIPO plans to address these structural challenges while maintaining oversight quality. In conclusion, Group B values IOD's transparency and urges the Secretariat to provide a detailed roadmap for implementing outstanding recommendations and strengthening the evaluation function. We look forward to continued collaboration to ensure WIPO remains a model of accountability and excellence. Thank you, Chair.

70. Estonia: Members of the CEBS Group express their thanks for the Annual Report by the Director of the Internal Oversight Division and the detailed presentation. The CEBS Group finds value in the presentation of the objectives and positive results of the internal audit of the WIPO Nigeria Office. The audit assessed alignment with expected results, budget execution, resource management, performance monitoring, risk management, key risks and controls, business continuity management and related systems and tools. The CEBS Group would appreciate clarification on whether this audit format will also be applied to other External Offices. Our Group acknowledges the significant progress made in implementing recommendations, resulting in the closure of 66 items. At the end of 2024, there were 30 open recommendations. In this context, we express confidence that appropriate attention will be given to the aging of open oversight recommendations, particularly those identified as high priority. With regard to investigative activities and the substantiated cases reported, the document highlights several instances related to abuse of work time. Given that flexible working arrangements can present compliance challenges, it would be valuable to learn whether any evaluation measures or recommendations are foreseen to strengthen adherence to the applicable regulatory framework. The CEBS Group notes with concern the ongoing challenges of filling vacancies for several key positions within IOD which poses a risk to the effectiveness of its work. For instance, the report indicates that delays in completing investigations were partly due to having only one full-time investigation staff member between April and December 2024, and the absence of evaluation staff from February to December 2024. We trust that IOD is taking concrete steps to mitigate such risks going forward. We appreciate IOD's cooperation with the IAOC in discussing the implementation of the 2024 Oversight Workplan, as well as its collaboration with the External Auditor to ensure efficient oversight coverage and avoid potential duplication of efforts. We also take note of the reported outreach activities within the Organization, as well as its networking with other organizations and participation in various training programs. To conclude, the CEBS Group appreciates the presented results of the IOD activities. Thank you.

71. China: Our Delegation extends its appreciation to the Director of IOD and her team for the preparation of this Annual Report. China attaches great importance to WIPO's internal oversight work, recognizing that efficient and transparent oversight is instrumental in achieving strategic objectives and strengthening institutional management accountability. China notes with appreciation the enhanced comprehensiveness, professionalism and transparency of the report, compared to previous editions. China welcomes and commends the effective cooperation between IOD, the IAOC and the External Auditor over the past year. We express our appreciation to IOD's adherence to the principles of independence and professionalism. China also noted that the IOD staffing shortage eased somewhat last year, but was not fully resolved. Therefore, we urge IOD to further reinforce its evaluation and investigation functions and call upon WIPO to ensure adequate resources allocated in this regard. China encourages IOD to leverage its experiences and to profit from the experiences of other UN organizations in audit

and oversight, as it builds its team and carries out its work. We consider the UNEG peer review very timely and important, and believe several recommendations offer useful guidance for improving the evaluation work of this Organization. We hope that in the future, when conducting similar reviews, attention will be paid to improving the geographic diversity of the survey interviewees to comprehensively and accurately reflect the status and situation of the Organization. China also noted that over the past year, IOD has made continuous efforts to overcome the issue of staff shortages and issued high-quality and transparent audit reports. We express our appreciation for these reports which can help Member States understand and improve the relevant WIPO-related work. We hope the Organization will actively implement the related recommendations. Thank you.

72. Russian Federation: Thank you very much, Chair. We thank the IOD for the work that has been done, and for preparing the IOD Report. We call upon WIPO management to actively assist IOD in improving the evaluation function. Evaluation is a key element in an effective results-based management system. We believe that at present the potential of evaluation activities have not been fully explored. This is evidenced by the UNEG peer review. We expect that the relevant recommendations of this group will be implemented in due course. We note the need for greater involvement of IOD in the decentralized evaluation exercise to ensure the highest possible quality. Moreover, we emphasize the importance of conducting a timely assessment of the current Medium Term Strategic Plan, with the participation of Member States in order to learn lessons for the future and prepare the plan. We also believe it would be appropriate to more actively involve IOD in the preparation of annual reports on the results of the Secretariat's work. Equally important is the involvement of IOD in developing key performance indicators on the basis of which the Secretariat reports to us on its performance. Taking this opportunity, we would like to ask IOD to elaborate on the information document on behavioral science, as discussed in paragraphs 75-76 of the report. To what extent is this experience applicable to other areas of the Secretariat's work? Do you have any plans to further explore this topic, taking into account the UN 2.0 reform initiative and its applicability to WIPO. Finally, we support the Secretariat's desire to expand the practice of informal conflict resolution between staff members where appropriate. Thank you.

73. Japan: Thank you, Chair. The Delegation of Japan would like to express our appreciation to the Director of IOD and her team for preparing the comprehensive 2024 report. We also align ourselves with the statement made by Group B. We recognize the vital role IOD plays in WIPO, forming an essential part of the oversight framework, together with IAOC and the External Auditor. We have one question regarding the internal audit of the WIPO Nigeria Office, not on substantive issues. According to document WO/PBC/39/5, we recognize that an audit of the WIPO Nigeria Office was conducted in December 2024. We, of course, have no objection whatsoever to the substantive content or the result of the audit itself. However, we would like to seek clarification regarding the format of the report. Unlike previous audit reports for the WIPO Japan Office and the WIPO Singapore Office in previous years, which were published as document-like format on the WIPO IOD website, the Audit Report this time has been provided only in the form of PowerPoint slides. So, it is appreciated if the IOD could explain any particular reason behind this change in format. I thank you, Chair.

74. Canada: Thank you, Chair. Canada expresses its appreciation to IOD for its significant achievements over the course of the reporting period. We take note of the extensive audit and evaluation activities, including the audit of cybersecurity management, the PCT Translation Division and the WIPO Nigeria Office. Canada welcomes WIPO having accepted the related recommendations and on the Impact Evaluation of Women Entrepreneurs' Initiatives at WIPO,

Phase II, Canada finds inspiration in the results achieved. On the latter impact evaluation, the evidence-gathering of best practices that could be applied to future WIPO projects supporting women entrepreneurs is both prudent and critical for ensuring the best possible outcomes and improving value in each of the planned initiatives. On the audit of cybersecurity management, IOD noted that the results were satisfactory, and that some improvement was needed. Can the IOD provide a bit more clarity on what types of improvements are needed? Is this in relation to the regular update of security patches, as described on page 8 of the IOD report? On the Internal Audit of the WIPO Nigeria Office, Canada takes note of IOD's conclusion of fully satisfactory with respect to the objectives of the audit. Were there lessons learned from this audit that may be useful in potential subsequent audits of WIPO's network of External Offices? On the categories of matters registered in 2022, 2023 and 2024, Canada takes note of the increasing case load, in particular in relation to external users of organizational systems that had zero registered cases in 2022 and 2023, as compared to 12 in 2024. We also observed the increasing instances of registered cases of harassment, non-sexual and discrimination from 6 to 12 to 14 in 2022, 2023 and 2024, respectively. Appreciating that the increase in matters registered can be viewed as a reflection of the confidence in IOD's work, are there areas where IOD is considering proactive measures or policy suggestions that may help to mitigate issues related to external users of organizational systems as well as harassment and discrimination? Lastly, Canada expresses appreciation to IOD for its concerted effort to collaborate, network and share knowledge with other UN system organizations and entities, as well as other relevant non-UN organizations. Thank you.

75. Republic of Korea: Thank you, Chair. First, we appreciate the reports made by the Internal Oversight Division and note that the activities of IOD are expected to contribute to the achievement of the Medium Term Strategic Plan by enhancing transparency and efficiency. With regard to the specific issue, while agreeing with the comment from Japan, we hope that the detailed audit results or the evaluation of External Offices will to be shared with Member States, because it could be used in future discussions related to opening new External Offices. Thank you.

76. Chair: Thank you very much for your statements. After this exchange of opinions, I would now like to give the floor back to the Director of the IOD so she can make her relevant comments based on that.

77. Secretariat: Thank you. I will try and address the comments one by one. There are quite a few, but you will bear with me. Maybe an overarching one on IOD staffing, I can give an update, and I see Adélaïde is in the room, so she can concur. For investigations, we have actually completed the process for the Head of Investigation and an offer has been made. Right now, we are just looking at hopefully concluding the process because the person is working elsewhere. So hopefully, fingers crossed, we should have somebody in the next few months, as the Head of Investigation. That's the P5 role. For the P4 role in investigations, the long-listing is ongoing. So that process is being concluded by HR, and we are looking to start the short-listing and the interview process in the next two months. In terms of the Head of Evaluation, the long-listing has been completed by HR. In fact, right after the PBC week, we will start the short-listing process, and a selection committee has already been constituted. So, we are going to do that after this week with a view that they join in maybe the September time frame or so based on / depending on who the final candidate is. For the P4 in evaluation, that competition is actually ongoing. The vacancy announcement has been made, and it is not yet closed. So as soon as that is closed, we are hoping we will move on with the next processes. So those key positions, those key positions for investigations and evaluations are on track. The P3 positions are

temporary posts. For the Head of Audit, we have the Head of Audit who has been unwell for some time from last year, but we have somebody in acting capacity and as you can see from the results, we were not impacted by that absence, but we continue to wish the Head of Audit a full recovery and he is making good progress. So that's where we are in terms of recruitment. I don't know if Adelaide, you want to add anything before I proceed? Okay. Another recurring point was around evaluation performance, yes, the results are what they are, and you have the detailed report. We are bringing in new staff and hopefully the high caliber staff should help to address that. In addition, we are also looking at leveraging more the way the rest of the UN organizations do: subject matter experts or experienced evaluators in certain areas. So, we contract the right caliber of consultants and use them appropriately so that we get better quality output from them and not try and do everything in-house or substantially in-house as probably was the case in the past. So hopefully that should partly address that concern but, of course, it will be a continuous process. This is a matter of a lot of focus. I know the Chair of the IAOC is here. It is something that even the IAOC follows quite regularly in every quarter in terms of what progress we are making. In terms of addressing the open recommendations, that is key, and we are giving that a lot of attention. Obviously, it would help if you had a substantive head in place, but our intention is to ensure that those are addressed in a very timely manner and being able to report back to you. So that would be on the evaluation function and recruitments which were raised quite a bit. I thank you for your various other comments on open recommendations. That has actually been very, very intensive and consistent work throughout the year and we will continue to ensure, together with management and sectors, that those open recommendations that were agreed upon are addressed in a timely manner. There were some questions on investigation. Maybe let me try and address those. Yes, the matters continue to increase but we have also done quite a bit of working with the internal justice system to ensure that matters that really are not the remit of IOD are not addressed by IOD. To give you practical examples, if a staff member is not showing up to work when they are supposed to, they really should not be hearing about it through a call for investigation. I think you would agree the matter should first have been dealt with by the supervisors and HR did send out that communication to both staff and also to supervisors. The supervisors take action so that those matters are not subject to investigations. Also, in instances where maybe people are just not getting along, again, the answer is not to put that to an investigative process. There are various ways that those can be dealt with within teams to ensure that those are addressed. In terms of external users of business systems, I think this came from Canada. Yes, that was new. We classified it as a new item. Why? Because for the first time we had users of WIPO systems reporting matters into the IOD hotline. And quite openly it was users of PCT, maybe users of the Madrid System and the users of the Arbitration and Mediation Center. What we found is that these are people who had already approached those businesses and maybe did not like what those businesses told them. They did not understand what the processes were, or they did not like the answer that this is outside WIPO's role, for example. Then they brought the matter to, they wrote to IOD. So, in all instances, we went back to the business. We went back to the business to ensure that they explained again very clearly to those system users what the issue was and where they should address those matters. And we followed through to make sure that was done. And that was satisfactorily done in all instances. Were there lessons learned, yes, we did not just stop there. Because we had received some from AMC, we went further and reviewed this in 2025 and that report will be for next year, we reviewed the business processes in AMC so that we understand it for ourselves, you know, understand how those processes work. So, we have done a very detailed review to make sure that we understand. So, when those matters come to us, we can also see that these are maybe from someone who is just complaining for the sake of it but due process has been followed. And also in that regard, we are going to do an audit of customer service and experience and customer relationship management to just ensure that WIPO is

doing right for its external system users. So that kind of addresses the issue of the external users, why it is a new item and some of the lessons learned and what we are doing further. In terms of harassment and sexual harassment, again, that probably captures quite a bit. A lot of it is - maybe I would say the bulk of matters - concern someone who does not like the assessment, performance evaluation. So, they say they are being harassed. But you see there are Staff Regulations and Rules on how you deal with performance evaluation disputes. So, a lot of it would probably fall in that category and maybe any other disagreements that arise. So, in that category, nothing too serious came up in the year and any matter that was serious, we handled it as appropriate. In terms of the Nigeria Office, I believe I got the question from Estonia. The Japan Office was the first Office to be reviewed by IOD when that recommendation came through for IOD to undertake audits of External Offices. Japan was the first one and then it was followed by Singapore. When I joined WIPO, I got Singapore on the back end. They were the first audits and if you look at those audits, you find that IOD covered quite a broad matter which were not necessarily strictly related to audit. For the Nigeria Office and going forward, we are looking at governance, risk and controls. So, we are sort of razor focused, what are governance matters, what are risk matters and what are control matters, key controls. That will all help us to form the overall opinion that we need to be doing at the beginning 2026. So going forward, you will see that we are focusing on governance, risk and controls and not areas that could probably be evaluation or something else which I'm aware Member States are busy discussing. So, we are not going there. We are focusing on internal audit, governance, risk and controls. So, would the report format be the same? Yes. The next review that we are doing is for the China Office. We are doing the China Office later this year. Of course, the China Office is a much bigger office than the Nigeria Office, but you would expect that the format of the report is largely the same. And what are the lessons learned from the Nigeria Office audit? There is a lot of controls managed from HQ. Basically, HQ and the Controller's Office here, everything is sort of centralized from HQ in terms of procurement approvals, cash management, transfer of payments, all that is centrally located. So, we found that the next audits will actually be a lot more efficient because we already know how all the activities of those offices are being monitored from headquarters. We can then really be a lot more focused when we go to visit those offices in terms of seeing, how is that applied, how are those funds being reflected in the results on the ground. There is a question from Russia, I believe, on behavioral science, the behavioral science report. That was used to, was motivated by, the introduction of M365. What we found when we went in to understand how that project was ongoing, the project team is actually doing a fairly decent job in terms of activating that and making sure that Office 365 is being implemented throughout WIPO. So, there is really no need for an evaluation of that process and a continuous monitoring of how that is going. But I think your question is broader, will WIPO continue to use behavioral science, which I know is very much approved by the UN, the Secretariat and the Secretary General himself, yes, we will continue to use behavioral science approaches to the extent that it is appropriate to the subject matter at hand. I believe I have answered the questions, but I am happy to be guided if there is any that is still outstanding.

78. Chair: Thank you very much to the Director of IOD for your comprehensive answers. I would suggest that we adopt the decision paragraph.

79. The Program and Budget Committee (PBC) recommended to the WIPO General Assembly to take note of the "Annual Report by the Director of Internal Oversight Division (IOD)", (document WO/PBC/39/5).

**ITEM 7 ANNUAL FINANCIAL STATEMENTS 2024; UPDATE ON THE MULTI-EMPLOYER PLAN FOR THE FINANCING OF EMPLOYEE BENEFIT LIABILITIES; UPDATE ON INVESTMENTS; STATUS OF THE PAYMENT OF CONTRIBUTIONS AS AT APRIL 30, 2025**

(A) ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS 2024

80. Discussions were based on document WO/PBC/39/6.

81. Chair: We will now begin discussions under the four sub-items under Agenda Item 7, starting with Agenda Item 7(a) Annual Financial Statements 2024. In accordance with Regulation 6.12 of the Financial Regulations and Rules, the PBC is required to examine the financial statements and to forward them to the General Assembly with comments and recommendations. Accordingly, document WO/PBC/39/6 provides the Financial Statements of the Organization for the year ended December 31, 2024. I now invite the Director of the Finance Division, Mr. Paradzai Nematadzira, to present this sub-item.

82. Secretariat: Thank you, Chair. Good afternoon, Distinguished Delegates. It is my pleasure to present the Annual Financial Report and Financial Statements for 2024, not least because it is a highly positive result but also the numbers that I am going to say are a little bit familiar to you having had a discussion with the External Auditor. These Financial Statements have been prepared in accordance with International Public Sector Accounting Standards, and they have received an unqualified clean audit opinion from the External Auditor. This document also includes WIPO's statement on internal control. The Financial Report provides a discussion and analysis of the results for the year as well as the details of the financial position of the Organization at the end of December 2024. The Organization's results for 2024 showed a surplus of 140.1 million Swiss francs, with total revenue of 496.7 million Swiss francs, total expenses of 430.3 million Swiss francs and investment gains of 73.7 million Swiss francs. This can be compared to a surplus of 113.8 million Swiss francs in 2023, with total revenue of 489.3 million Swiss francs and total expenses of 427.6 million Swiss francs. And investment gains of 52.2 million Swiss francs. It is worth noting that investment gains increased by 41 per cent compared to 2023, contributing significantly to our overall financial performance. Even when removing the impact of investment gains, WIPO maintained strong operational results in 2024, with revenues up and expenses down. As in previous years, the PCT System remained our largest source of revenue, generating 371.1 million Swiss francs, which accounts for 74.7 per cent of our total revenue. This underscores the continued global demand for WIPO's patent services. On the expenditure side, personnel costs constituted our largest expense category at 252.8 million Swiss francs, representing 58.8 per cent of the total expenses. This reflects our continued investment in human capital as the driving force behind WIPO's services and programs. As of December 31, 2024, the Organization had net assets of 710.7 million Swiss francs, an increase of 105.6 million Swiss francs from the previous years, 605.1 million Swiss francs. This improvement in our financial position is primarily attributable to the strong surplus recorded for the year. Our cash position also strengthened considerably with cash equivalents and investments totaling 1.48 billion Swiss francs, an increase of 182.1 million Swiss francs compared to 2023. This enhanced liquidity provides the Organization with a solid foundation to meet both short-term operational needs and long-term strategic objectives. It is important to highlight that during 2024, WIPO demonstrated its commitment to accounting excellence by early adoption of new IPSAS standards related to non-current assets, property, plant and equipment and measurement. This proactive approach ensures our financial reporting remains at the forefront of public sector accounting best practice. With regard to our long-term liabilities,

the After Service Health Insurance liability increased to 624.4 million Swiss francs. In this context, I'm pleased to report that we continued throughout 2024 to establish a separate entity to manage ASHI funds, with an effective date of April 1, 2025. This strategic initiative will enhance our ability to effectively manage this significant long-term obligation. Finally, in 2024, the Organization strengthened its Internal Control Framework through a comprehensive review of key controls. This ongoing commitment to robust governance and risk management practices supports WIPO's overall financial stewardship and operational efficiency. In preparing the Financial Statements, we rely on a robust set of Internal Controls that all staff members participate in. And I thank them for that. I extend special thanks to Ms. Janice Cook Robbins, the former Director of the Finance Division, who retired at the end of November 2024 and under whose leadership most of the transactions that make up the current Financial Statements were completed. Thank you for your attention. With that, I hand back to the Chair.

83. Chair: Thank you very much for that presentation from the Secretariat. We also would like to thank Ms. Janice Cook Robbins who has participated in so many sessions of this Committee. We wish her all the best in her future endeavors. I open the floor if you would like to make a comment on Agenda Item 7(a), the Annual Financial Report and Financial Statements 2024.

84. Japan (Group B): Thank you, Chair. We commend the Secretariat for the comprehensive Annual Financial Statements 2024 which demonstrates WIPO's robust surplus of 140.07 million Swiss francs, a 23 per cent increase from 2023. The recovery of investment gains to 73.73 million Swiss francs compared to 52.2 million Swiss francs in 2023, reflects prudent portfolio management. While the total surplus is commendable, the operating surplus of 66.34 million Swiss francs remains modest, accounting for only 47 per cent of the total surplus. Personnel costs representing 58.8 per cent of the total expenses, 252.84 million Swiss francs, continue to be quite high. Contractual services, particularly IT expenditures, 113.41 million Swiss francs, a decrease of 1.3 million Swiss francs compared to 2023. Nevertheless, we consider the increase in staff costs from the previous biennium compared to the next one to be reasonable. Concerning investments in IT, we are also aware of the fact that they are part of the strategy aimed at containing staff costs and improve effectiveness in the operating processes. Having said that, we seek clarity on whether these increases align with long-term efficiency targets and how WIPO plans to mitigate inflationary pressures on non-personnel costs. Regarding structural revenue risk, WIPO's reliance on the PCT system, 74.7 per cent of the total revenue, and the Madrid system, 16.8 per cent, renders it vulnerable to fluctuations in the global economy. We note that the decline in certain markets should be duly taken into account so as to preserve this crucial source of income for WIPO in the future. Regarding long-term liability management, net assets grew to 710.66 million Swiss francs, but actuarial losses for ASHI reduced the overall increase in net assets. Given the persistent trend of increasing healthcare costs, that is 73.73 million Swiss francs gains in 2024 versus 52.2 million Swiss francs in 2023, we would like to have more information about WIPO's plan to balance strategic reserves with escalating liabilities considering the content of document, WO/PBC/39/9, which we will address in more detail later. As a general approach, we recommend that WIPO have a balanced approach with reference to a more active utilization of pension reserves, investment risks and contribution flows to the pension fund. We stand ready to collaborate on ensuring WIPO's financial resilience while advancing its global IP mission. Thank you, Chair.

85. Italy: Thank you, Chair. The Annual Financial Statements 2024 highlight excellent financial management, with a strong operational surplus, robust liquidity reserves, well governed investment policies and growing attention to sustainability and risk controls. The Organization is

well positioned to meet future economic challenges while maintaining financial stability and its service capacity. Staff costs remain the preponderant part of the budget, but we believe that staff expenditures for 2024 are compatible with the economic context and in line with WIPO's mission. Italy confirms its support for the creation of a separate legal entity to manage the ASHI funds, enabling these assets to be formally recognized and offset against liabilities under IPSAS standards. This step reflects a forward-looking strategy in managing long-term obligations. At the same time, there are strategies that organizations can adopt to mitigate the impact of cost increases due to inflation, without compromising employee motivation and financial stability. For instance, I quote a few in the optimization of operating costs, for instance, reduce waste, improve process efficiency and negotiate with suppliers to obtain better conditions. Investments in technology, as you are doing, automate certain activities to increase productivity without having to proportionally increase the number of employees. Corporate welfare policies offer non-monetary benefits that improve workers' well-being without directly impacting salaries. Performance-based bonuses, which is an incentive model linked to results that can manage sustainable wage increases, rewarding those who contribute most to company growth. Pricing strategies adjust the prices of goods and services where possible to compensate for rising labor costs without losing competitiveness. Italy is confident that WIPO will make all efforts to devise a balanced approach that takes into consideration multiple staff measures for long-term sustainability and effectiveness of each action. Thank you, Chair.

86. Chair: Thank you for those statements. There are no further requests for the floor. So, I would now like to give the floor to Ms. Chitra Narayanaswamy, who can answer the questions that were directed at the Secretariat, please.

87. Secretariat: Thank you very much, Chair, and thank you to the Delegations for the questions. On the question on the measures the Secretariat will adopt to contain the growth of ASHI costs, this is an ongoing effort and several measures are in place. WIPO's Human Resources Management Department continues to work very closely with our health insurance provider to negotiate favorable premium rates. That is one major aspect of containing costs. The Advisory Committee will consult with the Collective Staff Insurance Management Committee on cost containment measures. WIPO also actively participates in the UN Finance and Budget Network discussions on cost containment strategies that are then adopted across the UN system. These are some of the areas that we are continuing to work on for containment of the growth in ASHI liabilities or the increase in medical costs. On the question from the Delegation of Japan on how WIPO manages inflationary pressures to improve efficiency and productivity, that is part of the Program of Work and Budget that you have already examined to a certain extent in your last meeting, but to name a few, of course, investments in technology remains a very strong strategy to improve productivity, better automation, investing in AI, embracing AI tools across the Organization and across our operations. There are a number of different initiatives. I would also add business process re-engineering under the ERP system. We are undergoing a very significant evaluation of all our business processes to cut out non-value-added activities and to improve automation. One of the examples you saw was in the External Auditor's Report this morning, where they have asked us to examine how we can better automate our financial reporting processes. So, these are just some examples and not an exhaustive list. All of this is embedded in our Proposed Program of Work and Budget for 2026/27 which you will continue discussions on later this week.

88. Chair: As there are no further requests for the floor, I will read out the decision paragraph. There are no requests for the floor. This decision is adopted.

89. The Program and Budget Committee (PBC) recommended to the Assemblies of WIPO, each as far as it is concerned, to approve the “Annual Financial Report and Financial Statements 2024”, (document WO/PBC/39/6).

(B) UPDATE ON THE MULTI-EMPLOYER PLAN FOR THE FINANCING OF EMPLOYEE BENEFIT LIABILITIES

90. Discussions were based on document WO/PBC/39/7.

91. Chair: We now move on to the next agenda sub-item, Agenda Item 7 (b), Update on the multi-employer plan for the financing of employee benefit liabilities. For introductory remarks, I turn back to the Director of the Finance Division to present.

92. Secretariat: Thank you, Chair. I'm pleased to provide you with an update on the implementation of the multi-employer plan for WIPO's After Service Health Insurance (ASHI) liability, following the decision taken at last year's PBC session and approved by the Assemblies of WIPO at the 65<sup>th</sup> Series of Meetings in July 2024. As you may recall, after reviewing both options of either having a foundation or a multi-employer plan, the PBC endorsed the Secretariat's recommendation to proceed with the multi-employer plan approach. I'm pleased to inform you that the multi-employer plan officially named the WIPO/UPOV After Service Health Insurance Plan has been successfully established with an effective date of April 1, 2025. The publication of the Office Instruction on the rules and Terms of Reference of the Advisory Committee on the multi-employer plan by the Director General of WIPO and the Secretary-General of UPOV marked the official commencement of the entity. The Office Instruction sets out the rules for the WIPO/UPOV ASHI Plan, establishing the governance and rules of procedure, finance and general provisions of the plan. The objective of the ASHI Plan is to manage the financial resources provided by WIPO and UPOV for the purpose of funding each Organization's liability for After Service Health Insurance provided to eligible participants. With the establishment of the ASHI Plan on April 1, 2025, the Secretariat has fully implemented the decision of the Assemblies of WIPO regarding the establishment of a multi-employer plan, meeting the requirements of IPSAS 39. The ASHI Plan has a robust governance framework to ensure proper oversight and management of the funds. Let me highlight several key factors. First, the multi-employer plan will have oversight from the PBC, which will consider the separate Financial Statements of the plan as well as the disclosures in the WIPO Annual Financial Report and Financial Statements. Second, the ASHI Plan will be audited annually by WIPO's External Auditor and is within the scope of audit by the Internal Oversight Division, as well as the oversight by the Independent Advisory Oversight Committee. Third, the management of funds will be done under the Assembly's approved Policy on Investments and the investment governance rules specified in that policy and WIPO's Financial Regulations and Rules. Fourth, and last, the Advisory Committee will advise the Director General of WIPO and the Vice Secretary-General of UPOV on the management and operations of the ASHI Plan. I want to talk a little bit about the Advisory Committee structure. The Advisory Committee is composed of eight members, two of which are ex-officio non-voting members who perform the roles of Chair and alternate Chair. Of the six members with voting rights, two are WIPO PBC members, nominated by their respective Group. The first two Groups to submit nominations have been selected in sequence based on alphabetical order in English, and these positions will rotate every two years, and no two members will be elected from the same Group at any point in time. For the initial period of 2025-2026, the first two members of the Committee will be nominated from the African Group and the Asia and the Pacific Group, and I'm happy to report back that

the African Group has now nominated Mr. Anthony Mathenge of the Republic of Kenya to the Advisory Committee. They will rotate out after a two-year term, with the next two members coming from the next two Groups based on alphabetical order. To illustrate that, we are expecting that for 2027-2028, CACEEC and CEBS will nominate members to the Advisory Committee. For 2029-2030, China and Group B will nominate members to the Advisory Committee, and for 2031-2032, GRULAC and the African Group will nominate, and that will mark the repeat of the cycle. This ensures equitable representation of all Groups over time for the life of the ASHI Plan. Currently, of the eight members, six have been nominated and we are waiting for the nomination from the Asia and the Pacific Group, and we are also in the process of running the election for the representatives from the retirees. The Committee also has one observer designated by the Vice Secretary-General of UPOV and another observer designated by the UPOV Consultative Committee. I want to move on to financial aspects and disclosures. With the establishment of the separate entity, the funds to finance ASHI now meet the requirements for recognition as planned assets under IPSAS 39, and WIPO's Financial Statements presentation for the year ended 2025 will show ASHI liabilities net of the Organization's accumulated funding which, if you may recall, was one of the recommendations made by the External Auditor at that time, the National Audit Office of the United Kingdom. I also want to highlight that there is an important aspect about the structure of the ASHI Plan. There is a restriction on the possibility of returning funds to WIPO and UPOV. Once the funds have been transferred to the separate entity, they cannot be returned to WIPO or UPOV, except in two specific circumstances. Number one, to reimburse WIPO and UPOV for any expenses they have incurred for the employee benefits that they have paid. This means that WIPO and UPOV continue to pay the insurance premiums for retirees and the separate entity can reimburse them for these premium costs. If the funds are sufficient to actually cover the liabilities, they are considered as being in excess of those liabilities usually through an asset and liability management study that will be performed by an Independent Actuary. The excess amount can be sent back to the Organization. These restrictions ensure that the assets remain dedicated to the intended purpose, as decided by Member States, providing for the future health insurance needs of WIPO and UPOV retirees. I want to go a little bit into the Office Instructions and the rules. For your information, the Office Instruction of the WIPO/UPOV After Service Health Insurance Plan rules and Terms of Reference for the Advisory Committee have been provided in the Annex to the document WO/PBC/39/7. The rules set out the detailed functions of the Advisory Committee, which includes reviewing the operations and the financial status of the ASHI Plan, reviewing financial stability and adequacy of reserves, reviewing audit reports and reviewing the investment strategy and its performance among other responsibilities. After this Office Instruction was published and being effective on the 1<sup>st</sup> of April 2025, the Advisory Committee will commence its functions after it has been fully constituted, which we are hoping will happen in the next few weeks. To conclude, I'm pleased to report that we have successfully established the multi-employer plan as of the 1<sup>st</sup> of April 2025 in full implementation of the decision by the Assemblies of WIPO. The WIPO/UPOV After Service Health Insurance Plan provides a solid framework for managing the financial resources set aside for funding ASHI liabilities, with appropriate governance mechanisms and oversight. The establishment of this entity represents an important step in WIPO's responsible management of its long-term obligations and demonstrates our commitment to sound financial governance by meeting the requirements of IPSAS 39. We have enhanced transparency regarding the net ASHI liability in our Financial Statements which more accurately reflects the actual status of WIPO's assets and liabilities. As stated in the proposed decision paragraph in the document, we would request that the Program and Budget Committee take note of the update on the establishment of the multi-employer plan, meeting the requirements of IPSAS 39 with the responsibility for funds set aside by the WIPO Assemblies and the UPOV Council for the financing of employee benefit liabilities

outlined in document WO/PBC/39/7. I thank you for your attention and I'm happy to answer any questions that you may have. Thank you, Chair.

93. Japan: Group B would like to thank the Secretariat for the comprehensive update on the establishment of the multi-employer plan for After Service Health Insurance, as outlined in document WO/PBC/39/7. We recognize the significant efforts undertaken to address the recommendations of the External Auditor and to ensure compliance with IPSAS 39, particularly enhancing transparency and accuracy in the presentation of ASHI liabilities and assets. We support the Secretariat's approach to formally designate the earmarked ASHI investments as planned assets through this creation of a legally separate entity, the WIPO/UPOV After Service Health Insurance Asset Plan. The multi-employer plan structure appears suited to the context of WIPO and UPOV. We welcome the robust governance framework, including the establishment of an Advisory Committee with representation from Member States, staff and retirees, as well as the commitment to annual external audits and ongoing oversight by the Program and Budget Committee. These measures are essential to maintaining accountability and building trust among the stakeholders. Nevertheless, we would like to highlight a few points for further consideration. First, as the multi-employer plan is now operational, it will be important to monitor its effectiveness, particularly with regard to cost containment, risk and long-term financial performance. Second, we would appreciate continued transparency in the reporting of both assets and liabilities, including timely and comprehensive disclosures in WIPO's Annual Financial Statements. Third, we encourage ongoing dialogue to ensure that the interests of both current and former staff are safeguarded while also protecting the financial integrity of the Organization. Finally, with reference to the plan to fully fund WIPO's long-term employee benefit liabilities, which implies a transfer of 50 million Swiss francs in combination with ongoing contributions of 10 per cent of personal costs, as reported in W/PBC/39/9, we reserve to address it in more detail under the later agenda item. We look forward to further updates and stand ready to engage constructively in future discussions. Thank you, Chair.

94. Italy: Thank you for your presentation. Getting a quick look outside WIPO, we note that the United Nations Joint Staff Pension Fund (UNJSPF) has recorded a solid performance in recent years, distinguished by above-average returns and low management costs. The United Nations General Assembly Resolution 246 (2022) requested that the UNJSPF Office of Investment Management conduct a comparison of the United Nations Pension Fund's investment performance with peers from various countries. To this end, the Office of Investment Management engaged a firm specializing in comparing investment funds across the world to compare the funds' performance with that of other global pension funds. The latest analysis shows 2023 and compared the United Nations Pension Fund's performance and the total cost of investment against a global universe of 281 pension funds with assets totaling 12.2 trillion USD and the median fund size of 9.8 billion USD. A group of 19 pension funds with assets under management ranging from 47.5 to 142.9 billion USD and an average size of 88.1 billion USD. The main findings of the 2023 investment benchmarking analysis assessed the funds' effectiveness, the five-year net total return of the portfolio of the United Nations Joint Pension Fund of 7.9 per cent, surpassing both the global median of 6.8 per cent and the peer median of 7.3 per cent. At that time, they stressed the importance of continuing to achieve the necessary 3.5 per cent annual real rate of return on a long-term basis for the future solvency of the fund. In the light of the above, Italy believes that the reasonable five-year return with low risk for the pension fund of an international Organization such as WIPO should reflect a conservative investment profile, with a focus on fixed income and capital preservation, strong institutional governance with no speculative objectives, long-term stability goals rather than short-term return maximization. Therefore, if the fund follows a more conservative profile, a net return

between 3 per cent and 4.5 per cent per year over five years is reasonable, credible and consistent with capital preservation objectives. Italy welcomes the establishment of an Advisory Committee to advise the Director General of WIPO and the Vice Secretary-General of UPOV on the management and operations of the ASHIP. It is indeed a good practice that has proved to be successful in other similar contexts. With particular reference to the rules of procedure of the Advisory Committee, we would like WIPO to establish the quorum for voting and the minimum presence at each meeting of two Member States representative instead of one. Moreover, we consider it extremely important for due transparency that the Committee's decisions should be communicated to the PBC. For what concerns the two members of the Committee nominated from the WIPO Program and Budget Committee by their respective Group, we would like to have a clear view on the professional requirements foreseen for each candidate. Italy is ready to engage into further discussions with a view to reaching and maintaining long-term objectives and financial sustainability. Thank you, Chair.

95. Chair: Thank you for your statements. The Secretariat is asking me for a couple of minutes so that they can give a comprehensive answer to the questions that have been raised. I would ask you to take a very brief break of five minutes and to then be back here promptly in five minutes.

96. Chair: Ladies and Gentlemen, thank you for being back here in the room. I do recall the importance of being punctual and sticking to our timeframes. Without any further ado, I would like to give the floor to the Secretariat for an update.

97. Secretariat: Thank you, Chair. In response to the two questions from the Delegation of Italy, I want to address the first one by saying, that in the next PBC session we are going to comprehensively look at investments, and if you can indulge me, we will answer the second question that was asked when we present the update on investments. We will include in our presentation the answer to that question on the investment benchmarking. Concerning the Advisory Committee, the rules of the ASHI Plan have been promulgated. We benchmarked these rules against similar multi-employer plans in the United Nations system as we constituted the Advisory Committee. For the World Health Organization, there is actually no Member States representation on the Committee. WIPO wanted to enhance our governance and therefore there are two representatives of Member States. I would like to emphasize that these Member States are not on this Advisory Committee to represent their Groups. They are there to represent the PBC as a whole. Therefore, we would like to indulge you a little bit and see how this is going to work and, of course, if the Advisory Committee believes that the arrangements that have been promulgated are not working, they will provide the advice to the Director General on any of the proposed changes to the rules and the Terms of Reference for the Advisory Committee. We, of course, thank the Delegations for their comments which are extremely helpful. We will take stock as we see how this Advisory Committee is working and make any improvements that are necessary. With that, I hand back to the Chair.

98. Chair: Thank you very much for that information. Yes, some of the issues will, indeed, be addressed under the next sub-item, Update on Investments. Given there are no further requests for the floor, I should like to refer you to the decision paragraph. The decision is adopted.

99. The Program and Budget Committee (PBC) took note of the update on the establishment of a multi-employer plan meeting the requirements of IPSAS 39 with responsibility for the funds set aside by

the WIPO Assemblies and the UPOV Council for the financing of employee benefit liabilities outlined in document WO/PBC/39/7.

### (C) UPDATE ON INVESTMENTS

100. Chair: I would now like to once again call on the Director of the Finance Division to present this sub-item. We will also have a contribution from the Treasurer.

101. Secretariat: Thank you again, Chair. WIPO implemented its core and strategic investment portfolios with the aim of managing its cash, representing surpluses generated over previous biennia, in a way which would enable the Organization to meet its future liabilities. The portfolios have been invested exclusively in assets that generate income such as global equities, bonds and real estate, diversifying our portfolio across different asset classes and geographies which helps us manage risk, lower volatility and reduce the overall risk profile of the Organization. WIPO invests for the medium- to long-term to match the commitments arising from our liabilities over the projected time horizon. During this period, we expect the value of WIPO's investments to do well in some years as we saw in the previous two years, while in other years the Organization's investments may fall. The latter is not necessarily something to be concerned about, provided that over the projected investment horizon, we are focused on ensuring liquidity and securing the return we expect. In this regard, WIPO's Advisory Committee on Investments, with the support of its Investment Advisor, continues to monitor the market developments and works to manage the investment portfolios to achieve their intended targets. Last year was a positive year despite an uncertain investment environment. Despite financial market headwinds, WIPO's Core and Strategic Portfolios demonstrated resilience, securing a +6.1 per cent and 9.9 per cent total fund return, respectively, and ending the year exceeding 1 billion Swiss francs in assets under investments. On a long-term basis, the Core and Strategic Portfolios continue to meet their objectives with a +2 per cent and 2.5 per cent, respectively, at the end of 2024. These results exceed the targets set for the Core and Strategic Portfolios. Chair, if you may allow me, I will hand over the floor to the Treasurer to provide an update on WIPO's investments, including the most current developments.

102. Secretariat: Thank you, Para. Thank you, Chair. Good afternoon, Ambassadors, Excellencies and Distinguished Delegates. The document I am presenting is WO/PBC/39/Update on Investments, which is available under the other related document section on the PBC 39 webpage. This presentation is intended to provide the status of WIPO's investments, and specifically WIPO's investments for the Core and Strategic Portfolios. Distinguished Delegates may be familiar with this chart from PBC/37 last year. It is worth reiterating that a strong investment governance is the basis of a successful investment portfolio and at WIPO, a strong governance framework underpins everything we do. In WIPO, we continue to measure ourselves against best practices for governance, internal controls, risk management, and stewardship because we believe this helps us deliver value to Member States. This diagram highlights the layers of governance oversight and controls that have been embedded in WIPO's investment process. Amongst other things, the governance framework establishes clear ownership of investment positions, clarity of our investment objectives, clear delegation of authority and accountability of decisions, and transparency of decisions and results. As you can see, the WIPO Advisory Committee on Investments, or the ACI, provides advice on the investments of the Organization's funds pursuant to the Financial Regulations and Rules. This advice covers matters such as the content of our WIPO Policy on Investments, strategy, asset allocation, appropriate performance benchmarks and investment guidelines. In 2024, in our efforts to strengthen governance, two independent external experts on investment

matters have been appointed to the ACI on a *pro bono* basis. In the second layer, the WIPO Risk Management Group has established a strong risk culture on investment matters and set the risk appetite commensurate to achieve WIPO's investment objectives. The External and Internal Auditors provide an independent audit function and validation of internal controls related to the investment process and reporting. In addition, the Independent Advisory Oversight Committee serves as an independent expert advisory. In our regular engagement with the IAOC, WIPO continues to take on board the good recommendations from the Committee. Finally, we have the WIPO Member States that provide authority to the Secretariat, to make investments in accordance with the Policy on Investments. We believe strong governance in our investment framework is crucial, because it helps this Organization to deliver long-term success. In this regard, WIPO continues to invest time and resources in developing our maturity in this area. There have been several significant developments in this area that I would like to highlight. First, WIPO completed a peer review study with the World Bank. Following this study, we implemented a series of recommendations focused on improving our Risk Management capabilities and strengthening our governance framework. We appointed a new investment advisor, PPCmetrics, to assist the Advisory Committee on Investments. The advisory contract covers matters such as policy and strategy development, asset allocation, benchmarking analysis, risk and compliance reporting. Third, as mentioned earlier, we appointed two external investment professional experts to participate in the ACI. The purpose of these external professional experts is to support the ACI with objective views and expert advice regarding all aspects of our investment activities. We have also increased our risk management maturity on investment matters. This includes the recruitment of a new resource focused specifically on investment risk management and enhanced risk reporting on investments. Fifth, we developed investment guidelines for the ACI, which complement the policy on investments, to support the management of WIPO's investments. As Para has mentioned, we have established a separate entity, a multi-employer plan to hold After-Service Health Insurance investments to promote more transparency in ways that we do our investments. Finally, there is a planned audit of the investment activities to be performed by WIPO's Internal Oversight Division in late Q3 this year, to further enhance our control and oversight process. Before we update the performances of our portfolios this year, some remarks on the global financial markets may be necessary to set the tone. The global economy has been unpredictable in the first four months of 2025. We are seeing this around many themes, including stretched asset valuations to begin the year, surprises in monetary policies, policy uncertainties, ongoing geopolitical risk and market sell-offs of risky assets. The effect from financial market uncertainty and consequently the impact on investment performance were clear, if we observed the table on the right of this page. 2024 was a good year for investing and positive results were recorded in all asset classes. For the first four months of this year, the results were mixed across and within asset classes. Unfortunately, we don't expect this period of uncertainty to subside anytime soon. As 2025 continues, the global economy is likely to remain uncertain. Let's now review the performance of WIPO's core portfolio. The chart highlights the performance of the core portfolio for the first four months of this year. The portfolio value was 931.7 million Swiss francs, with a total unrealized loss of 0.5 million Swiss francs as of April 30<sup>th</sup> this year. The contributions to the gains and losses by asset classes are highlighted in the chart. For instance, Swiss real estate contributed to 0.8 million Swiss franc loss and emerging market bonds contributed to 0.6 million Swiss franc loss for the first four months of this year. Swiss bonds and money market funds provided positive contributions of 0.6 million and 0.4 million Swiss francs, respectively. From the table, you will note that the investment return for the first four months was -0.1 per cent, while the corresponding benchmark was 0.1 per cent. Therefore, the relative return, which is the difference between the actual benchmark performance, was -0.2 per cent for the first four months. If I can draw your attention to the other numbers in the table, you see that 2024 was a

good year, recording a positive 6.1 per cent return. It is important to remember that WIPO's core portfolio is invested over a longer-term horizon, with the objective to deliver a positive return in Swiss franc over a rolling five-year period. To this end, the core portfolio has delivered a +2.0 per cent annualized over the five-year rolling period ending April 30<sup>th</sup>. The same portfolio had delivered +1.8 per cent annualized since inception. For the strategic portfolio, the value was 280.5 million Swiss francs, with an unrealized loss of 3.7 million Swiss francs, resulting in a -1.3 per cent investment return as of April 30<sup>th</sup> of this year. Similar to the previous slide, the contributions to the gains and losses by asset class are highlighted in the chart. For the first four months of this year, the losses were primarily driven by the performance of equities, which contributed to a 3.3 million Swiss franc loss for the strategic portfolio. This reflects the broader market challenges we have seen in the equity markets. Other asset classes also experienced small losses, with the exception of Swiss bonds which contributed to a +0.5 million Swiss francs. If you recall, the investments for Strategic Portfolio are for the long-term and have a time horizon of 20 years. When we observed the performance over time, the strategic portfolio had delivered +3.3 per cent annualized over a five-year period ending April 30<sup>th</sup>. The same portfolio has delivered a +2.5 per cent since inception. One of the challenges of making an update on the topic on investments is the use of latest available information. To this end, I have included the next two charts that are not on the PBC 39 website but in the same format as the previous two, except that they are both updated to reflect financial information as at May 30<sup>th</sup> instead of April 30<sup>th</sup>. On the core portfolio, the investment return changed from an unrealized loss of -0.1 per cent. If you recall, this was from chart 5, the results for the first four months of this year, to +0.7 per cent, when we include the month of May. The core portfolio gains were 5.4 million Swiss francs for the first five months. Despite challenging financial market conditions in the first part of 2025, compounded with persistent short-term volatility, the portfolio had remained resilient over the long-term and the strategy continues to deliver against its objective over the targeted time horizon. Similarly, on the strategic portfolio, the investment return changed from an unrealized loss of -1.3 per cent – that was chart 6 – that represent the first four months of this year, to an unrealized gain of +0.1 per cent when May was included. The strategic portfolio gains were 0.7 million Swiss francs for the first five months. Since inception, the strategic portfolio had delivered an unrealized return of 2.8 per cent. Again, despite a difficult market in the short-term, compounded with volatility, the strategic portfolio has proven resilient and continues to be on track to achieve its long-term target of 2 per cent and to provide funding for WIPO's long-term employee benefits over the 20-year horizon. Most of my earlier comments on the previous charts are particularly relevant here. Let me emphasize several key points. Investments in the core portfolio are diversified into global assets including bonds and Swiss real estate. Positive Swiss interest rates have allowed opportunities to reduce portfolio risk. The investment strategy has met its objective and had delivered a positive return over a five-year time horizon. Investments in the strategic portfolio are diversified into global assets including bonds, equities and Swiss real estate. The investment portfolio is on track to achieve its long-term investment target of 2 per cent and fund WIPO's long-term employee benefit liabilities. The road ahead for global investors remains uncertain. To be successful, a risk and cost-conscious investment approach that diversifies across markets and asset classes, coupled with a long-term view, is required. And these must continue to be underpinned by a governance and risk framework that remains best in class. Finally, market volatility is inevitable. Bumps along the track are to be expected, given all the crosscurrents impacting the global financial markets. As global investors, WIPO's portfolios are not immune to these crosscurrents. However, WIPO's investments are for the medium- and long-term. During this time, we expect our investments to perform well in some years, and in other years our investments may show declines. The latter, whilst unfortunate, is not something to be concerned about, provided that over the projected time horizon we continue to deliver the expected targeted return. WIPO is prepared to navigate ongoing volatility with a

proactive approach, guided by a prudent risk culture and sound governance practices. Our strategies have demonstrated their resilience and are expected to continue to deliver for future periods. This concludes my presentation. Thank you for your attention. Together with my colleagues, we look forward to your comments or questions.

103. Japan: Group B appreciates the Secretariat's comprehensive update on WIPO's investments, particularly the resilience demonstrated in the core and strategic portfolios, amid heightened market volatility. We note the five-year annualized returns of 2.0 per cent for the core portfolio and 3.3 per cent for the strategic portfolio, which reflects adherence to a disciplined fiscal investments strategy. The governance framework, including the strongest role of the Advisory Committee on Investment and the Independent Advisory Oversight Committee, IAOC, provides robust oversight, as evidenced by the completion of the World Bank Treasury peer review and the recruitment of specialized risk management staff. The management of WIPO's After Service Health Insurance requires urgent attention, as pointed out in WO/PBC/39/9. We would like to discuss this point in greater detail in the next agenda sub-item. Group B remains supportive of WIPO's long-term investment philosophy, but we believe it is compatible with more active oversight that must be accompanied by greater operational transparency. We look forward to reviewing the ALM study outcomes and the proposed benchmarks for the 2026-2027 cycle. Thank you, Chair.

104. Russian Federation: We thank the Secretariat for this presentation. We call upon the Secretariat to continue collaborating with the Independent Advisory Oversight Committee for oversight on this subject. We request the Secretariat consider reviewing the WIPO Policy on Investments given the unpredictability of the global realities and markets. Thank you very much.

105. Chair: Thank you all for your statements and for having responded to the questions that Italy raised under 7(b). For further clarification, I will give the floor back to you, the Secretariat.

106. Secretariat: Thank you, Chair and thank you for the question from the distinguished Delegate from Italy. Firstly, I'm very encouraged by the solid performance from UNJSPF. In WIPO, our investment strategy considers our objectives established by the Policy on Investments, namely these are the capital preservation, the liquidity and having satisfied those two, the rate of return. It also considers the risk profile of WIPO, recognizing that asset allocation is an important driver for our long-term performance. The Advisory Committee on Investments devotes considerable attention in choosing the asset mix and the emphasis we place on each asset class to deliver the performance of end returns of our portfolio. We would, however, urge caution when comparing investment performance of portfolios that are denominated in different currencies, without due consideration given to the impact of currency exchange rates. WIPO's investment performances from both portfolios are measured in its functional currency, the Swiss franc. The yield on the risk-free asset in Swiss franc is near zero. The investments made by other agencies, such as the UNJSPF, are denominated in US dollars and reported in US dollars. The yield on the risk-free asset is approximately four and a quarter on the US dollar yield curve. No doubt investing in US dollars will result in higher nominal yield. To protect the dollar income against the movement of currency rates, WIPO will be required to hedge the investments. The cost that WIPO pays for the hedge will offset any incremental gains from investing in the higher yielding currency, in this case the US dollar. Financial markets are mostly efficient. Covered interest rate parity theory should ensure opportunities to arbitrage between currencies to remain very low to be done successfully over a long time. Therefore, I think the risk return that we have in Swiss francs cannot be compared to a US dollar portfolio because they are fundamentally two different reporting currencies. I hope that answers the

question. On the question from the Russian Federation regarding the Policy on Investments, I am pleased to report that our Policy on Investments has been reviewed by many parties, including the World Bank during the peer review, our new investment advisers, from our new investment external experts and the IAOC. We will make some improvements to the current document to reflect the evolving operating environment and also new capital market assumptions. The Policy on Investments was presented in 2017 in document WO/PBC/23/7, and subsequently in 2019, in document WO/PBC/30/12. We intend to make new recommendations on the policy next year.

107. Chair: I thank the Secretariat for that response provided. Would any other Delegation like to make a follow-up question, given that we are still under 7(c) of the agenda? The floor is open if you should like to do so. Otherwise, given that no decision of the PBC is required under this item of the agenda, we would like to move on to Item 7(d).

#### (D) STATUS OF THE PAYMENT OF CONTRIBUTIONS AS AT APRIL 30, 2025

108. Discussions were based on document WO/PBC/39/INF/1 Rev.

109. Chair: We now move on to Agenda Item 7(d), Status of the Payment of Contributions as of April 30, 2025. I invite the Director of the Finance Division to present the sub-item.

110. Secretariat: Thank you, Chair. This document provides details of the Status of the Payment of Contributions as at April 30, 2025, including information concerning the arrears in annual contributions and in payments towards the Working Capital Funds. Contributions paid since the issuance of the document and as of June 13, 2025 – and you need to understand here that we haven't closed the books, so there could be some which are in transit that are not necessarily included in this figure – amounted to a total of 2.5 million Swiss francs contributed by the following Member States, and I will mentioned their names in alphabetical order: Andorra, Botswana, China, Cote d'Ivoire, Ecuador, France, Gabon, Germany, Guyana, Honduras, Italy, Japan, Lebanon, Mali, Niger, Philippines, Uganda and United Republic of Tanzania. The Status of Payment of Contributions as at June 30, 2025, will be available for the 66<sup>th</sup> Series of Meetings of WIPO Member States, to be held in July of this year. Thank you, Chair.

111. Chair: Thank you for those brief introductory remarks to this document. I would now like to open the floor so that Delegates can have an opportunity to ask questions. There don't seem to be any requests for the floor, so I shall move to closing this item on the agenda with the decision paragraph.

112. The Program and Budget Committee (PBC) took note of the "Status of the Payment of Contributions as at April 30, 2025" (document WO/PBC/39/INF/1).

113. Chair: Thank you to everyone. We have made magnificent progress today. I would like to thank you for your commitment to the work of our Committee. I would suggest that we adjourn the session for today, and tomorrow we will begin at 10:00 a.m. with Agenda Item 8, Annual Report on Human Resources. For the afternoon session tomorrow, we will begin Agenda Item 9, Proposed Program of Work and Budget for 2026/27 so that Delegations have an opportunity to configure their positions during the course of the morning and hold meetings, if necessary. I wish you an enjoyable evening and I'll see you tomorrow. The session is thus adjourned.

## **ITEM 8            ANNUAL REPORT ON HUMAN RESOURCES**

114.    Discussions were based on document WO/PBC/39/INF/2.

115.    Chair: Very good morning, dear Colleagues, Distinguished Delegates. I wish to extend my gratitude to you for all the work that has been done yesterday. I think together we made excellent progress with the work of the Committee. As you know, I always wanted to move forward constructively with our agenda. Until now, we have taken decisions on all of the Agenda Items between 1 and 7, and that is already a great achievement. I suggest that we continue to work in that very constructive way. Let us move to Agenda Item 8, Annual Report on Human Resources. In the afternoon we will consider Item 9, Proposed Program of Work and Budget for 2026/27. In order to make the best possible use of time during this morning's session, we will also address Agenda Item 10, Financing Plan to Restore the Coverage of Long-Term Employee Benefits at WIPO. Unless anyone has any objections, I suggest we deal with that this morning as well. And if you do have any comments, please do make them and we will continue other options. We will be beginning with Agenda Item 8, "Annual Report on Human Resources" document WO/PBC/39/INF/2. That document is being submitted to the PBC for information purposes in accordance with the decision taken by the Program and Budget Committee at its September 2012 session when it requested that the Human Resources Annual Report to the Coordination Committee (CoCo) should also be presented to the session of the PBC for its consideration. No decision is required by the Program and Budget Committee. I wish to invite the Director of the Human Resources Management Department (HRMD), Ms. Adelaide Barbier, to take the floor to introduce the item.

116.    Secretariat: Chair, Distinguished Delegates, I'm pleased to present the Annual Report on Human Resources (document WO/PBC/39/INF/2) as an information document to this Committee. This Annual Report will be submitted to the WIPO Coordination Committee for its consideration during the Assemblies of WIPO Member States in July 2025. It covers the period from January 1st to December 31, 2024, and comprises an overview of HR-related policies, initiatives and activities of interest to Member States. I would like to highlight that mandatory reporting topics to the Coordination Committee are either contained in this Report or publicly available on a dedicated page on our website. The Annual Report should be read in conjunction with the WIPO Workforce Brochure, which is available online and can be downloaded from the WIPO website. The Workforce Brochure contains data and statistics on WIPO's workforce. The Geographical Distribution Report, a separate report, is transmitted twice a year to Member States. Despite global uncertainty and technological shifts, WIPO remained strong and achieved its goals thanks to our greatest asset - our people. This year's Report better illustrates how we are building a workforce that is prepared for external pressures and how we are providing the skills, tools, and the confidence our people need to thrive. Let me highlight key aspects of the six strategic objectives that guide our work in HR. Over the past year, we have worked hard to ensure that our objectives guide all our actions and that our strategy is something lived, practiced, and felt across all of WIPO. For culture, we conducted a staff survey to gain insights on our cultural transformation, identifying actions to evolve and making behavioral change concrete. To enhance agility, we launched Mobility Connect with cross-sector "GIG" assignments, breaking down silos and improving capability sharing. In performance management, we focused on simplification, better alignment with WIPO's objectives and helping people grow. We clarified expectations for managers, expanded peer learning and mentoring and continued our recognition programs to celebrate outstanding work. We launched Learning@WIPO, a new platform that puts learning in staff's hands. It allows staff to track progress, plan development paths, and align learning with organizational needs. For

well-being, we emphasized emotional intelligence through leadership programs across the Organization at all levels. A healthy workplace is one where people feel seen, safe and supported. We also had a strong focus on clarity in work and purpose as it is critical for well-being at work. Finally, we advanced our digital One-Stop-Shop and realigned the HR structure with business needs, reducing the administrative burden for everyone. In 2024, we fully embedded results-based management - linking strategy, staffing and resources to outcomes. Recruitment is tied to results. Performance is centered around learning, and teams are structured around skills, not just titles. HR has evolved to become a true strategic partner, helping every team connect their daily work to WIPO's wider mission, bringing greater purpose, sharper decisions and efficiency. Building on the foundation laid out by results-based management, our strategic workforce planning (SWP) translated that into action, helping us develop, deploy and adapt our workforce to evolving needs. In 2024, we restructured teams and reallocated roles through post reassignments including through G-to-P conversions. We focused on high impact areas like digital services. Staff explored new assignments and acting roles, gaining leadership experience. And we embedded future critical skills like AI awareness, data literacy, and client service into both job profiles and learning plans. With a continued focus on merit in our recruitment, our hiring data also tells a positive story: ever-increasing interest from candidates and stronger geographical diversity in selections. For instance, as compared to 2023, the number of selected candidates more than doubled for both Africa, Eastern and Central Europe and Central Asia. Beyond recruitment, we continued to invest in early career talent. Our Internship, Fellowship and the Young Experts Programs helped build IP expertise around the world. And by bringing in consultants strategically, we gained fresh expertise without inflating long-term staffing. At WIPO, we encourage an attitude of "Be a learn-it- all, not a know-it- all". In today's fast-paced world, curiosity and embracing new knowledge are essential. While our staff join with strong skills, continuous learning and development are vital for success. Each sector now uses a Learning Matrix to align training with evolving needs. Learning@WIPO supports self-directed learning and tracks progress. Leadership programs supported staff across all levels, not just senior roles. We expect everyone at WIPO to exercise some form of leadership. In 2024, we took deliberate steps to make our culture even stronger with concrete approaches. The management retreat led to workplace rituals - small, team-owned habits that build trust and openness. Internal communication shifted towards real dialogue, not just announcements. We scaled positive behaviors through Communities of Practice. We also expanded our connection and belonging efforts where culture becomes a shared responsibility. We deepened work on better understanding neurodiversity, continued our zero-tolerance approach to harassment across the employee lifecycle and expanded leadership development to include diverse thinking and problem-solving styles. We continued strengthening HR as a strategic enabler. Our significant digital progress in streamlining our services also sets the stage for the 2025 Oracle-based ERP rollout. Finally, on Geographical Diversity, which is a separate annex, and in line with specific requests made last year, we accelerated in 2024, the implementation of the Geographical Diversity Action Plan (GDAP), that you have entrusted us with. We focused not just on recruitment, but also on growing and mapping talent pipelines. Key achievements included developing a new KPI framework aligned with the three GDAP pillars. Regarding the first pillar of partnerships, we organized six interactive sessions with Group Coordinators and interested Member States, participated in regional meetings with representatives of IP Offices and engaged in 18 bilateral consultations with Member States. On mainstreaming, strategic workforce planning in the context of the Program of Work and Budget discussions supported identification of future skills needs that will support building talent pipelines. On capacity building, pilot projects designed to be replicable are now underway in Botswana, Estonia, and Paraguay. We redesigned the Jobs@WIPO portal to make access and understanding of our recruitment process easier. We strengthened collaboration with RNDS and

the WIPO Academy to reach new talents. Our journey continues with strong foundations and clear direction, supported by our shared commitment. Moving forward, your partnership as Member States remains critical. Together, through collaboration, we will build a workforce that truly reflects our global community and enhances WIPO's worldwide impact. Thank you.

117. Chair: Thank you very much indeed, Ms. Barbier, for your statement. I would like to open the floor at this point for Delegations who wish to speak. Three minutes are available for Group Coordinators and a maximum of two minutes for other Delegations. So far we haven't had any timekeeping issues, but we do have these time limits as is our general practice.

118. Ecuador: Thank you, Chair. I'm honored to deliver this statement on behalf of GRULAC. At the outset, our Group wishes to thank the Secretariat for the preparation and presentation of the Annual Report on Human Resources which is of particular interest to our region as it addresses core issues such as equity, inclusion, and the institutional strengthening of the Organization. GRULAC welcomes the progress made in the implementation of the GDAP. We recognize the tangible steps that have been taken to promote a more balanced representation of Member States within WIPO staff, including the organization of regional consultations, the implementation of pilot projects such as the one in one of our member countries on IP career development and the strengthening of structured dialogue channels through the coordinators network. We also note with interest the data presented in the report which shows improvement in the selection rates of candidates from Latin America and the Caribbean. In particular, we highlight that our region recorded one of the highest conversion rates from recommendation to effective selection which demonstrates that the talent from our countries continue to meet WIPO's very high standards of merit and competence. Notwithstanding these positive developments, GRULAC wishes to reiterate the importance of continuing efforts to close the remaining gaps in geographical representation, especially at the senior levels. In this regard, we encourage the Secretariat to further consolidate technical cooperation mechanisms that strengthen national capacities in the field of Intellectual Property, enhance awareness of career opportunities at WIPO, and actively support the development of future generations of experts from our region. In this context, GRULAC reaffirms its commitment to a WIPO that is truly representative, diverse and inclusive and whose staff reflect the richness and plurality of its Member States. We believe that equitable geographical representation not only enhances institutional legitimacy but also contributes to a better understanding of the diverse realities and needs of developing countries. Finally, GRULAC encourages WIPO to continue the effective implementation of the GDAP and to provide transparent and regular updates on its progress in close coordination with groups. Thank you, Chair.

119. Japan: On behalf of Group B, I extend our appreciation to the Secretariat and Madame Barbier for presenting the 2024 Human Resources Annual Report. We commend WIPO's progress in aligning HR strategies with organizational transformation, particularly through results-based management, and leadership development programs. The focus on neurodiversity initiatives and cultural change as outlined in chapters 3 and 4 of the report reflects a forward-thinking approach. First, we note that 39.9 per cent of WIPO's workforce remains on flexible contracts. While this provides operational agility, Group B has concerns around long-term institutional knowledge retention and would ask the Secretariat to elaborate on mitigation measures. With 50 per cent of staff projected to retire within 10 to 15 years, how does WIPO plan to mitigate the risk of expertise loss, particularly in specialized domains like PCT operations and digital services? Are there concrete targets to balance flexible and workforce ratios? Second, regarding flexible working arrangements (FWA) and teleworking policies, Group B recognizes that flexible and hybrid work models have become integral to attracting and

retaining diverse talent, supporting work-life balance and fostering innovation. We support the ability for the workforce to access these benefits. However, we note that in line with recommendations from the UN Joint Inspection Unit, there is a need for systematic methods to measure both the assumed benefits and unintended consequences of these arrangements, particularly the long-term effects of teleworking on organizational productivity, collaboration and staff wellbeing. While WIPO has enhanced its data collection tools and is developing analytical dashboards to monitor FWA usage, we encourage the Secretariat to further strengthen data-driven impact assessments and to share periodic disaggregated results with Member States to ensure evidence-based decision making. We also support ongoing efforts to balance flexibility with the need for in-person collaboration as reflected in the new staff regulation on commuting distance. Third, we wish to highlight concerns regarding prolonged vacancies of several key posts in WIPO as noted in the Annual Report by the Director of IOD, WO/PBC/39/5, where critical positions often remain unfilled for extended periods even after being advertised. We would appreciate the Secretariat's view on this issue and any specific plans or measures to ensure more timely and effective filling of these important roles. Fourth, we appreciate the updates on various capacity development initiatives. Concurrently, we note an absence of information on staff compliance with any mandatory trainings and request this information be included in future reports. In the interim, can HRMD provide an update on this metric? Finally, we are curious about the new diversity initiatives reaching 20 per cent of staff. How will these programs be scaled organizational-wide and will new inclusive practices be integrated into leadership training curricula as suggested in the 2025 roadmap? Group B respectfully requests the continued transparency in reporting and emphasizes that the principle of merit in line with Staff Regulation 4.1 should remain central to recruitment and career development. We look forward to collaborative efforts to strengthen WIPO's human resources framework. Thank you, Chair.

120. Estonia: Thank you very much, Chair. On behalf of the CEBS Group, I would like to extend our thanks to the HRMD for all the information presented in the Annual Report on Human Resources. We acknowledge the efforts of the Human Resources Management Department in enhancing the overall quality of the Organization through the implementation of various programs and strategies related to employment policies and organizational culture. Notable initiatives such as the launch of the Mobility Connect Platform, the Learning @WIPO Platform, the update of the performance policy and rating system and the restructuring of HR operations reflect the clear commitment to transform HR from a compliance driven function into a strategic one that enables organizational change. The CEBS Group expresses gratitude for the annex of the report providing information on the progress of the GDAP. The annex summarizes progress made from July 2024 to May 2025 under the three pillars of implementation. We recognize the steps taken concerning strategic initiatives in various countries as part of the GDAP, including communication with Group Coordinators and Member States' representatives, creation of an internal HR dashboard, careers in IP pilot project and redesigned jobs at the WIPO portal. We also thank the Human Resources Management Department for presenting data regarding job openings subject to geographical distribution and the resulting appointments. However, the CEBS Group would like to reiterate the importance of further supplementing this information in order to better map, identify and address the persistent challenge of under-representation of CEBS Member States. In this regard, we emphasize the need for a more detailed regional breakdown specific to the CEBS region. The aggregated data presented on page 8 of the report covering the entire Eastern, Central Europe and Central Asia region does not provide sufficient insight for our purposes. Therefore, we respectfully request the Secretariat to provide disaggregated data specifically for the CEBS region. This should include information on the structure of employment, the number of applications and selected

candidates and the distinction between internal and external selections. We understand that collecting and managing this data may pose an administrative burden. However, the annex indicates that internal HR dashboards have already been developed to provide visibility on the geographical and gender representation for use in planning, selection and workforce development. This information would allow us to better understand if there is any progress in addressing insufficient CEBS representation in the senior positions in WIPO. CEBS countries would see value in regular updates of HR data with more specific information such as the number of applications filed with the breakdown of internal and external candidates and the information about whether the selected candidate comes from the internal or external pool. This is based on our observation that internal candidates seem to be more successful in filling higher positions. Given the small number of CEBS nationals in WIPO at this stage, this situation might put us in a less favorable situation and requires greater attention also from a perspective how vacancies are profiled and vacancy requirements are described. We are looking forward to a more insightful and transparent discussion on this matter with the WIPO Secretariat. We would also be keen on learning if all vacancies are posted and published in accordance with the general procedures and regulations or if there are any that follow a different model of recruitment and if yes, what would be the procedure and what would be the reason for this? In addition, we value greater engagement of IAOC and IOD in the process of monitoring the recruitment procedures which should enhance collective and horizontal efforts to ensure achievements of the expected results through the adopted policies and strategies. Thank you.

121. Chair: Since this item is quite a sensitive one and Delegations have a lot to say, I would like to say that you can also send in your statements to the interpretation service if you have written interventions that you have agreed with your groups or prepared because that would make the job of our interpreters slightly easier and enable them to deliver a better service to members. The email that you can send those statements to is [interpretation@wipo.int](mailto:interpretation@wipo.int). That would really facilitate the interpreter's work.

122. Namibia: Thank you, Chair, for giving me the floor. Namibia is honored to take the floor on behalf of the African Group. On the outset, we thank the Secretariat for the detailed Annual Report on Human Resources. The African Group wishes to express its concern regarding the longstanding imbalance in geographical representation within the workforce of WIPO, particularly the under-representation of African nationals. This under-representation extends to leadership and senior management positions. A specific area of concern is the low number of African applicants advancing to the interview stage of WIPO's recruitment process. This situation reflects a broader structural challenge that must be addressed if WIPO is to meet its commitment to diversity, equity and balanced geographical representation. I thank you.

123. China: Thank you, Chair. Dear Colleagues, good morning. China expresses its appreciation to the Secretariat for preparing the Annual Report on Human Resources which provides Member States with an opportunity to better understand recent WIPO human resources related policies, initiatives, as well as the GDAP related developments. We also thank the Director of HRMD for her presentation. China appreciates the positive results achieved by WIPO in 2024 in human resources management and the continued efforts made to improve the geographical representation and gender equality of the Organization's workforce, especially enhancing geographical representation. China thanks the HRMD for its many policy exchanges with Groups and Member States over the past year. We welcome the new KPIs set by the HRMD to monitor GDAP progress and we hope that WIPO would set more measurable and reasonable indicators to improve geographical representation taking into account the Organization's business characteristics. China noted that the report mentioned that 50 per cent

of the Organization's P level and above staff subject to geographical distribution would retire within the next 10 to 15 years. Could the Secretariat disclose the number and levels of posts and the specific affected departments?

124. Russian Federation: Thank you, Chair. We would like to thank the Director of the HRMD for this presentation and for preparing this high-quality report. We note the high degree of accountability and transparency from the Secretariat in managing human resources. We welcome the practice of conducting regular intersessional briefings and consultations with Member States. We would like to stress the great relevance for the GDAP to improve representation of citizens from different countries. We understand the desire of the Secretariat to keep in step with the times and to achieve effectiveness in working processes by implementing AI systems across the board. We think it is important that these innovations are backed up by human oversight in compliance with cybersecurity measures. With regard to the list of critical staff skills in paragraphs 20 to 21, we would like to get the opinion of the Secretariat as regards the UN 2.0 initiative and its applicability to WIPO. In our view, some elements of WIPO's vision with regard to human resources management and UN 2.0 may be intercomplementary. We would also be grateful for your views on how applicable in the context of WIPO's human resources strategy is the elements of the UN Chief Executives Board initiative on the future of work. We trust that, as and when, work is progressing on the Enterprise Resource Planning system, the Secretariat will be able to develop an online portal available to Member States to track staff management statistics. Thank you very much.

125. Canada: Thank you, Chair. Canada appreciates the opportunity to discuss the Annual Report on Human Resources. We view this report as a key window into the health of the Organization and the well-being of its staff. We also take note of the new format of the report which enhances readability and we express our appreciation for its timely publication. With appreciation for the opportunity to ask questions on various aspects of the report, Canada notes the following: With respect to the annual culture focused survey which provided insights into staff's experience of psychological safety, belonging and teamwork and which informed a management retreat, would the Secretariat be able to provide some of the general findings of the survey? Regarding the update on the management of people's performance, Canada takes note of the multiple avenues explored for encouraging a positive work environment and strong performance including through peer learning and mentoring. With respect to the Rewards and Recognition Program, would the Secretariat be able to share some information on the amount of rewards provided, both in terms of the total financial amount and also with respect to the volume of rewards provided to individuals and teams? As regards recruitment, Canada takes note of WIPO's commitment in 2024 to efforts being guided by merit and internal growth. We observe the over 13,900 applications made for WIPO's 108 job openings in 2024 and view this level of interest as a keen reflection of WIPO's positive reputation as an employer of choice. Furthermore, Canada found the chart on page 8 of the report to be sincerely helpful and transparent in disaggregating applicant data by regional group while recognizing some of the comments expressed this morning. We appreciate the disaggregated data as regards people being long listed, short listed, interviewed, recommended and selected in addition to the conversion rate. On the use of external experts, Canada notes that the HR Report offers a spotlight to flag that in 2024 WIPO engaged over 250 external consultants and agency workers and that this outreach was undertaken in strategic cases including as related to digital transformation, AI and translation technology as well as service innovation. Lastly, Canada expresses appreciation for the update on the progress of WIPO's GDAP and takes note of the GDAP's focus less on short-term recruitment outcomes but rather on supporting Member States in building national capacity while helping WIPO to align its workforce more closely with its

global constituency. Canada remains interested in learning about the results of the February 2025 workshop that developed practical blueprints for national outreach including career fairs as well as target communications and curriculum support. Thank you.

126. Mexico: Thank you very much, Chair. Mexico aligns itself with the statement delivered on behalf of GRULAC. My Delegation wishes to thank the Secretariat for the Annual Report on Human Resources. We have a few comments to make and a few questions to raise. First on the use of AI and its impact at WIPO, we welcome the fact that the Secretariat continues to adjust to new technologies and make efficiency gains. However, the changes may have a significant or disproportionate impact in certain cases such as on translators. The Report points out that the Secretariat is redefining how it supports and develops careers for translators and we would like to know more about how that is taking place, what new skills they are focusing on, and if the affected staff have been consulted. Second, the Report mentions as well that the “other non-staff” category is the major part of the flexible workforce. We would like to know more about the people in that category, about their labor or employment status, the conditions of their contracts and the degree of employment protection and rights that they enjoy. Third, we note the information on the trainings given in the annex on the WIPO workforce, but that is from 2023 rather than 2024. We note that issues such as health, safety, ethics, integrity and diversity have very low participation and we believe that those courses should be compulsory, especially for those with management responsibilities, in line with the recommendations of the Ombudsperson. We would also like to know where we can find information about compulsory courses on harassment, including sexual harassment, and if there are mechanisms for prevention? Fourth, we welcome the approach on neurodiversity, but we do think it would be more inclusive still to recognize and promote all kinds of diversity, including cultural, linguistic, gender and sexual orientation diversity, among others. Fifth, we welcome the fact that gender parity continues to be a priority, and we take note of the progress that has been made in recruitment in 2024. However, we would like to have more information about strategies or actions that the Secretariat is engaged in to continue to rise to the outstanding challenges in this area, for instance, in appointing senior level officials. We would like to know more about the implementation of the occupational safety and health policy and, in particular, we would like to know if a staff survey has been carried out with regard to their wellbeing or mental health and if there is disaggregated data in that respect. Sixth, as in the previous meeting, we wish to reiterate the importance of the fact that in future reports, we should have more emphasis on the work that WIPO is doing on the prevention of sexual harassment, both within the Organization and in its role as co-chair of the UN Interagency Working Group and that leadership should also be reflected in training and institutional monitoring processes. With regard to interaction with key offices such as the Ethics Office, the Office of the Ombudsperson and the Internal Oversight Division, the Report does not mention anything about interaction or coordination with these offices. Finally, we would be grateful for implementation of the IAOC recommendation, and we would be grateful for more key indicators on performance once the ERP system is in place. The Delegation of Mexico reiterates its commitment to a human-based human resource policy based on wellbeing and development and dignity of people.

127. Algeria: Thank you, Chair. At the outset, our Delegation wishes to thank you for your efforts in steering the work of the Committee. Algeria would like to thank the Director of HRMD for her report and valuable insights. We fully support the statement delivered by the Distinguished Delegate of Namibia on behalf of the African Group. Algeria reiterates the importance of ensuring equitable geographical representation, particularly at senior and managerial levels within the Organization. I thank you for your attention.

128. Republic of Korea: Thank you, Chair. The Republic of Korea commends the WIPO Secretariat for its continued efforts to strengthen its workforce through strategic HR initiatives, including minimizing new posts, enhancing internal mobility and building staff capacity. We welcome the move toward a more agile and inclusive HR function. We especially appreciate the implementation of the GDAP and the HRMD's transparent engagement with Member States through mechanisms like the focal point network. The Republic of Korea fully supports these efforts and stands ready to contribute to the plan's implementation. That said, given WIPO's core role in delivering global IP services such as the PCT and Madrid Systems, we believe workforce planning should also reflect where these services are most actively used. We hope future HR reports will take such service uses into consideration. We also note concerns about staffing shortages and delays in recruitment which could affect staff morale and operational sustainability. So we encourage WIPO to ensure that recruitment processes are timely and responsive to address the excessive workload on current staff. Thank you.

129. United States of America: The United States supports the statement made by Group B and extends our thanks to the HRMD for this report. The United States appreciates HRMD's positive perspective on reforms to increase transparency and accountability. To that end, we note that WIPO's use of Internal Circulars on disciplinary matters or disciplinary measures is not in line with the JIU's guidance in their 2011 report on accountability frameworks which states "executive heads of organizations which have not yet done so should inform their staff members on his or her decisions on disciplinary measures imposed on staff by publishing lists and annexes to the annual reports and on a website describing the offense and measures taken while ensuring anonymity of the staff member concerned". This public posting is essential to demonstrate to staff and Member States that sanctions are proportional to misconduct, do not relate to the seniority of one's position in the Organization and are in line with past precedence. The United States requests WIPO to implement recommendation 4 of JIU/REP/2011/5 and that Member States receive an update on this implementation at the General Assembly. Thank you, Chair.

130. Argentina: Thank you, Chair. Since this is the first time we are taking the floor at this meeting, we wish to thank you for the work that you are doing and reiterate our support. We align ourselves with the statement delivered by Ecuador on behalf of GRULAC and we wish to thank the Secretariat for introducing the report today and last week in the information session. We welcome the progress made in implementing the GDAP and we believe that's a vital tool to promote a more equitable representation respecting the principles of merit, professionalism and effectiveness. We believe that that type of initiative needs to be supported by internal awareness raising and information strategies that strengthen the institutional understanding of the importance of geographical diversity at all levels. We also welcome the efforts to strengthen strategic staff planning and the professionalization of functions. To effectively fulfill its mandate, WIPO must have a qualified, motivated and adequately resources Secretariat. In this context, could we ask if the Secretariat plans to expand awareness-raising and training activities related to GDAP during the next biennium, particularly for those involved in the personnel selection and career planning processes? Thank you.

131. Chair: I see no further requests for the floor at the time being. There have been many questions raised by Delegations. So the Secretariat may need a little bit of time in order to give you satisfactory replies. So I suggest a ten-minute break so that our human resources team can get their answers together. Please do be ready in ten minutes because we'll start again at 11:00am.

132. Chair: Let's start our meeting once again. Thank you for your patience. The team of the human resources department has now prepared its replies.

133. Secretariat: First of all, I would like to thank everyone for your interest and for all your questions. I will do my best to answer them all, but if I miss anything, don't hesitate to ask or follow up bilaterally. I will start with a question from Group B and from the Delegation of China regarding what is happening in the context of the large number of upcoming retirements and what we are doing to avoid losing the expertise? Beginning with the numbers, in the Workforce Brochure, you have information about the upcoming retirements - in Table 17 of the Workforce brochure. It has disaggregated information by Director, Professional or GS levels. As explained earlier, we are in a situation where we constantly review and readjust the distribution of posts. As a result, a retirement at a specific level does not necessarily mean that the hiring will be at the same level or for the same role. This will be more of a continuous exchange with Member States as the plans firm up in the context of the upcoming biennium. The main thing we started doing is succession planning, which is not something we had done in the past at WIPO. We have initiated the process, piloting with two sectors and in a specific area due to the bigger risk which is in IT. This area is also integrated in the initial pilot for the review. In succession planning, we do not work on a post basis but on a skills basis, meaning that we are looking at what skills we are going to need, do we have those skills and how do we grow those skills? These questions are informed by the work done in the context of the strategic workforce planning which in turn informs the discussions we have with Member States in the context of the GDAP. The focus is to better enlighten us about the skills that we will need in the coming years. In relation to the second question from Group B on Flexible Working Arrangements (FWAs), you may recall that we were one of the first agencies, after the COVID pandemic, to launch a policy, but then adjusted it based around the important elements of collaboration and connection. This is also something that came out from our Employee Engagement Survey. The policy was adjusted last year and we are now monitoring it closely and will continue to do so. At this stage, we feel that we have struck a balance between a hybrid model that staff appreciate. At the same time, we are keeping an eye on productivity and other aspects such as collaboration. There was a question on unfilled vacancies. To remind everyone, our target for recruitment is 18 weeks and that includes the four weeks of advertising. This leads to 126 days to recruit. The average of last year's recruitment was 135.8 days, hence, nine days extra. The first factor you need to keep in mind is that we have had a number of situations where we had to extend the duration of the advertisement due to the low number of candidates meeting the requirements at the pre-screening stage. The second factor is that when we have a higher number of high-level positions, which was the case last year, it takes more time. We have recruitment panels that involve staff members that are at the level of the position. Last but not least, there is a contextual aspect for holding on to some of the recruitments. For example, we had a restructuring in the Regional and National Development Sector (RNDS) with the creation of a department, the Department for Development Cooperation, and the integration of the Copyright Development Coordinator role, along with a few retirements. Consequently, we had to fill a large number of Director positions. The approach we agreed to was to start by recruiting the Director for the Department so that this Director could then lead the recruitment for the other positions. These factors had a cascading effect and impacted the timing of the recruitments. It also happened that many positions were in the same sectors involving the same people, and this impacted the overall timeline. There was a question from the Delegation of Mexico on mandatory training. We have currently 11 trainings that are mandatory at WIPO for which we had a 96 per cent compliance rate in 2024. We are aiming to do better, and the Academy confirms that we are at 98 per cent completion rate thus far in 2025. To clarify, these mandatory trainings also cover the topic of harassment and more specifically sexual harassment which is

aligned with the CEB Model Policy on Sexual Harassment. In relation to the broader aspect of mental health and well-being, we have 11 courses offered on mental health and well-being and in the last two years we have had 300 staff members who enrolled for these offers. On the question from Group B on neurodiversity awareness, the learning session was open to all employees. Although this was not mandatory, it is about encouraging and raising awareness, and we were very happy to see the significant participation from our colleagues. It was organized together with an organization of people with disabilities and our objective was to initially raise awareness and start conversations. Since 2025, we are moving from awareness to practical steps for teams to work together. We will continue to report on this and there will be more activities reaching out to more colleagues both online and in-person in the course of the year. Going back to the point raised by the Delegation of Mexico, specifically, on sexual harassment, it is covered under an online training that is called "Working together harmoniously". We actually have an indicator in the WPR on the completion of this training. We are also building other activities and looking at mainstreaming within other trainings through dedicated workshops. Since the question was raised about interaction with the WIPO Ethics Office and the Internal Oversight Division, we work very closely together. The current situation has improved from what it was in the past. First of all, we meet on a monthly basis. I have one-on-one meetings with the Chief Ethics Officer, the Ombudsperson, and the Director of IOD, as well as the Legal Counsel. We also have a monthly key stakeholders meeting where we all meet to agree and align on where we should focus our attention, especially on the cross-cutting elements. This has been a good development that has led to some joint town hall meetings. For example, HR had a joint town hall with the Ethics Office on belonging and connecting. With respect to the questions on occupational safety and health from the Delegation of Mexico, we now have a structure in place, a committee, and we have taken an approach where mental health is under occupational health and safety. We will be launching a risk assessment survey that will include a psycho-social risk assessment. For now, we do have elements on well-being in our annual engagement survey. We also have the UN health survey that is also shared with WIPO staff. We also recently welcomed a New Staff Counselor who will take the lead on these matters. Regarding the question on how we mitigate the risk of having part of our workforce under flexible contracts, this is largely managed through the strategic workforce planning. Although HR directly manages only the staff population and associated personnel, like interns and fellows, external contractors or consultants are hired through a procurement process. The strategic workforce planning however incorporates the entire WIPO workforce. In the strategic workforce planning discussions in the context of the preparation of the Program of Work and Budget for 2026/27, we looked at what are the critical roles, where do we have dependencies, where do we need to keep that critical knowledge and where do we use these types of contracts. There was a comment raised by CEBS regarding the disaggregation of geographical representation by WIPO Groups. At WIPO, representation is based on geographical regions and not by groups. However, the Geographical Distribution Report provides a specific table on representation by WIPO Groups. In this specific case, there is an alignment between the geographical region and the WIPO Groups, as Member States in the Eastern and Central Europe and Central Asia (ECECA) geographical region are included in two WIPO Groups, namely the Central European and Baltic States Group and the Group of Central Asian, Caucasus and Eastern European Countries (CACEEC). We can look into the feasibility of having a recruitment table disaggregated for these two WIPO Groups in the future. There were also some comments from the Delegation of the Russian Federation on the alignment of what we are doing with UN 2.0, as well as a point raised by CEBS regarding initiatives on the future of work. I can confirm that we keep abreast of these topics, and we are progressing more quickly due to our smaller size compared to bigger organizations. Our approach, as things develop, is to allow the WIPO Academy to integrate some of these topics in its trainings and

curriculum as UN 2.0 focuses on digital technology, which is an important and critical subject for WIPO. In terms of the UN80 Initiative, we are also taking the lead in discussions in the area of digital technology, and we are well positioned from that perspective. There was also a comment regarding the 2023 data on training in the Workforce Brochure. This is because we update on a yearly basis, hence, you will have the 2024 data in the June version of the brochure that will be coming out soon. There were some comments from the Delegations of China and of Mexico about AI's impact on careers. I confirm that our approach is to keep human beings in the loop. We are not at all removing this and as I said, it's important that while we progress with the use of technology, we keep a close eye on the roles and how they evolve in the same way as the roles of translators have already evolved significantly over the years. Post editing has now become something very standard. The challenge, which most Organizations are facing, relates to how we manage entry level talent pipelines because obviously the risk is that automation covers more work done at an entry level. However, in order to get to the higher level where you are able to correct the information and data, you also need to have hands-on exposure. This will continue to be an area of focus for us, for example, we are continuing with our Young Expert Program, and translation Fellowship Program. What it does mean is that in terms of the profile, we are hiring externally a lot more skills required around technology than we have in the past. On the question from the Delegation of the Republic of Korea, regarding the importance of considering our services in our strategic workforce planning, this is at the heart of everything we do because our services are the basis for our financial sustainability. All our discussions, in the context of strategic workforce planning and in close collaboration with the Planning, Budget and Risk Management Team, are to ensure that these critical services are delivered. Additionally, we have also shifted our focus on marketing and growth with new positions being recruited in these areas. With respect to the question from the Delegation of the United States of America concerning the publication of disciplinary measures, I would like to take note of this comment and the reference to the JIU report of 2011. The focus of the recommendation in question is primarily to inform staff members, and this is the reason why we publish this information in an Information Circular, distributed to all staff members once a year and available on the Intranet. Following this input, we will look into the matter further and report back to Member States at the Coordination Committee since this is the body that oversees HR matters and policies. Regarding the question on the contracts of our flexible population, all our staff, Interns, and Fellows are contracted with WIPO as well as Individual Service Contractors who are consultants. Agency Workers are not contracted by WIPO but are contracted by companies that fall under the local laws. In this particular case, legislation and benefits derive from all the social protections that is under Swiss Labor Law. We also have a number of External Contractors from companies with whom WIPO has long-term contracts. Nevertheless, I can affirm that all employees, whether staff or non-staff, based on the procedures governing workplace-related conflicts and grievances, have the possibility to file formal complaints of harassment. The mandate of the Office of the Ombudsperson was also expanded, consequently, to include access for non-staff. On the overview of the WIPO Rewards and Recognition Program (RRP), out of 1,079 eligible staff members in 2024, 160 colleagues (or 14.8%) were awarded the "Delivering Excellence" reward for their performance evaluation with an outstanding rating. These colleagues received a financial reward of 2,000 CHF each which corresponds to a total amount of 320,000 Swiss francs. With respect to the Working as One reward, which rewards cross-cutting work and exceptional team performance, ten teams, including both staff and non-staff, typically Agency Workers and Fellows, were selected for this reward in 2024. The total envelope for the RRP in 2024 amounted to 434,408 Swiss francs. Finally, on the question concerning the results of the 2024 Culture Survey, we had an overall satisfaction rating of 73, which was the same as the previous year, and which is well positioned within the benchmark score of 75 from employee engagement survey data for 1000 organizations. The response rate

was 71% and we had a large number of comments on well-being and finding new ways of getting things done, which were part of one of the questions of the survey. What came out as areas of strength for WIPO included integrity, inclusiveness and respect, whereas areas of opportunity included speaking up, belonging and finally, well-being. In this regard, we have made efforts on the speaking up culture, giving and receiving feedback, whilst we have worked closely with the Ethics Office on belonging and connection. Thank you.

134. Chair: Thank you for that lengthy statement in which you have responded to a number of concerns raised by Member States. Nevertheless, if anyone wanted to pose any follow-up questions, there is time.

135. Poland: Thank you very much for all the answers which are very insightful, relevant and valuable. Our Delegation aligns itself with the questions that were raised by the Distinguished Delegation of Estonia on behalf of the CEBS Group. Some of the answers were already answered and others were not. As I remember, being the Group Coordinator last year, we raised some questions regarding the internal/external proportions in the recruitment processes. So we will not get into this discussion during this session as the decision making on the report is during the CoCo, but we will definitely continue this dialogue ahead of the CoCo because the Distinguished Delegate of Estonia on behalf of CEBS raised this issue. It is quite relevant for this Group, particularly as we remain underrepresented in WIPO and it will be quite important to understand what is happening in the process of recruitment across the internal/external balance, especially in the senior positions. But that's to be taken aside. This Delegation would very much value that discussion as we proceed in the preparations and in making progress on geographical diversity and also as we are progressing in the discussion on the Program of Work and Budget in which it is very clearly said that the zero post growth strategy is being implemented and is the major strategy for the future. I think it would be very important to include in the dialogue on human resources the internal organizational structure, the changes in the internal organizational structure and the recruitments because I understand there will be retirements which will be an important part of the recruitment processes in the coming years as already announced and some changes that will be undergoing in the internal reorganizations. It will be in the spirit of transparency. It will be extremely important, especially for this Delegation, to understand how the internal structure of this Organization will change and what will be the prospective opportunities in the process of the internal changes and how we can prepare in terms of expectation management. This Delegation would very much value that if in the future, we could engage with the Human Resources Department on changes in the internal structure. Thank you very much.

136. Secretariat: Thank you very much. Just to note that we can continue indeed the exchange on internal/external. I do have the data but only by the broader region which is one-fourth internal, three-fourth external for the year 2024. And on the structure, as discussed in the context of these regular meetings we have with Member States, we have agreed to have a touch point in the late summer, early autumn about what's coming up in the next Program of Work and Budget once the budget is validated to share the plans. So I believe the continuous dialogue is critically important to ensure this transparency. Thank you.

137. Chair: Thank you, Ms. Barbier, for that reply. There are no further requests for the floor but if any Delegation or Group Coordinator wishes to speak, there is still time. Well, I don't see any requests. Therefore, I conclude that we have dealt with that item. There is no decision paragraph for your consideration on this item, but we have completed consideration of it.

**ITEM 9 PROPOSED PROGRAM OF WORK AND BUDGET FOR 2026/27**

138. Discussions were based on document WO/PBC/39/8.

139. Chair: Thank you. Distinguished Delegates, welcome back. Let's continue with the work of the Committee. We will begin covering Agenda Item 9, Proposed Program of Work and Budget for 2026/27, document WO/PBC/39/8. I'd like to remind you that at the 38<sup>th</sup> session of the Committee, we completed the comprehensive review of the Proposed Program of Work and Budget for 2026/27 starting with the Financial and Results Overview, followed by a review Sector by Sector, as well as Annexes and Appendices. I would like to take this opportunity to thank you very much for your constructive engagement during that last session of the PBC which enabled us to make significant progress in our consideration of the Proposed Program of Work and Budget for 2026/27. Document WO/PBC/39/8 contains the revised version of the Proposed Program of Work and Budget for 2026/27 in accordance with the decisions taken at PBC 38. I will summarize the changes that have been made. First, we added information regarding the Lisbon system to Annex V. Second, three KPIs from the PCT, Madrid and Hague Annexes have been moved to the results frameworks for PTS and BDS. Third, a sentence regarding the strengthening of the evaluation function has been added in the implementation strategies of the Sector of the Director General. The Secretariat also made corrections to the document which were announced in the previous session which I will read now. On page 7 in the English version of the document, first bullet regarding PCT income, the percentage in the last sentence now reads 4.1 per cent instead of 3.5 per cent. On the same page, third bullet in the last sentence, the word "decrease" has been changed to "increase". The table in Annex I, the budget after transfer, has been replaced. As you will also recall in the decision paragraph, in the 38<sup>th</sup> Session of the PBC, we also identified a few outstanding issues for further consideration at the 39<sup>th</sup> Session. Namely, the funding of the participation of Indigenous Peoples and Local communities (IPLCs) in the IGC meetings which will be held in 2026 and 2027 from the regular budget in case of shortfall in the WIPO Voluntary Fund. The second pending matter is the reflection of multilingualism in the BDS implementation strategies. I will now open the floor for interventions. However, I would like to keep things structured. I will only open the floor for discussion on the three elements that were included in the Program of Work and Budget based on the consensus from the previous meeting. In other words, the information on the Lisbon system, the KPIs and the sentence regarding the strengthening of the evaluation function in the Sector of the Director General. I will open the floor for any delegations that would like to make any comments regarding these three specific points.

140. United States of America: Thank you, Chair. The United States thanks the Secretariat for preparing document WO/PBC/39/8 including the addition of information to Annex V regarding the Lisbon System. After our review of this new information, we have a number of questions and would appreciate clarification from the Secretariat. Paragraph 21 on page 91 explains that the projected Lisbon applications for 2025 through 2027 are based on a simple linear extrapolation of the application trend observed since 2014. Could the Secretariat please explain why the decision was made to use a simple linear extrapolation rather than basing the forecast on multiple models, including autoregressive and econometric models, as was done with the Madrid and Hague Systems? Paragraph 21 on page 91 also states that the forecast includes an 80 per cent confidence interval but the Annex does not list confidence intervals for the PCT, Madrid or Hague Systems. Could the Secretariat please provide the confidence intervals for the other three systems in their forecasts as contained in Annex V? If the PCT, Hague and Madrid Systems use a confidence interval other than 80 per cent, could the Secretariat please provide the upper and lower bounds using the same confidence interval as was used for PCT, Madrid

and Hague? Table 3 on page 7 states that the estimated demand for Lisbon applications is 80 for 2026 and 80 for 2027 while the forecast provided in Annex V projects 65 and 69 applications for those years. Could the Secretariat please explain this discrepancy? Similarly on page 31, expected result 3.1 under the Brands and Design Sector is targeting 80 applications for each of 2026 and 2027 despite Annex V estimating Lisbon only receiving 65 and 69 applications in those years. We note that the targets under 3.1 for Madrid and Hague are identical to the estimates provided in Annex V for each of those systems in 2026 and 2027. Could the Secretariat please explain why the targets for Lisbon are so much higher than their projections in Annex V and whether or not such targets are reasonably achievable? Table 3 on page 7 states that as of January 2025 the updated estimated demand for Lisbon applications in the 2024/25 biennium is 160 applications. However, Lisbon only received 23 applications in 2024 and the forecast for 2025, as contained on page 91, is 62 applications, a total of 85 applications for the biennium rather than the 160 listed in Table 3's updated estimates. Could the Secretariat please explain this discrepancy? And lastly, page 91 states that although modifications have been an important source of revenue for the Lisbon System recently, their number is expected to decline significantly in the coming years. Could the Secretariat please share how much of the Lisbon Union's 594,000 Swiss franc income estimated for the 2026/27 biennium is attributable to these modifications? Thank you, Chair.

141. Chair: Thank you very much for your questions. No one else is asking to take the floor. I will now ask for a brief pause while I consult with the Secretariat. Thank you very much for your patience. They say that they are prepared to answer the questions presented by the Distinguished Delegate of the United States. I will now give the floor to the Chief Economist.

142. Secretariat: Thank you very much, Chair, and good afternoon to you all. Let me answer first the question of why we decided to adopt a simple linear forecast model for the Lisbon System. The decision to apply a simple linear extrapolation to forecast applications under the Lisbon System reflects both data limitations and the unique characteristics of the System. Unlike the Patent Cooperation Treaty, the Madrid System and the Hague System, the Lisbon System has historically had low and highly variable application volumes. With fewer participating countries and a smaller applicant base, because of this limited and volatile dataset, more complex statistical models such as autoregressive or more sophisticated econometric approaches cannot be meaningfully applied to the Lisbon data. These models typically require longer time series with more consistent trends and larger positive data volumes across multiple origins so that they can generate robust and meaningful forecasts. In the case of Lisbon, these conditions are simply not met. So we opted for a simple linear extrapolation as a transparent method that reflects the general directional trend of applications since 2014 and, of course, as with any forecast, it is important to consider the confidence interval which in this case is rather wide and, again, that reflects the limited historical data that we have on the Lisbon System compared to the other systems. If I may put this a bit colloquially since we are all making use of Artificial Intelligence models: the prediction of any model is as good as the training data and simply for the Lisbon system we don't have a lot of training data to generate highly predictable forecasts. We recognize, of course, that this approach provides only a broad estimate and agree that the predictive power is not much beyond what, in a sense, one could tell with common sense. However, it still provides a baseline scenario for planning purposes, and of course, we acknowledge the obvious limitations of this forecast. Hopefully this goes some way in answering the question of why the linear extrapolation model. Let me maybe return to my colleagues. I think there were other questions that were specifically related to what is in the document on the confidence interval. I think the bottom line is that these 80 per cent confidence intervals for the PCT System, for the Madrid System and the Hague System were actually in the

document. And I have the figures in front of me. The confidence intervals for the PCT System are plus/minus 5 per cent for 2026 and plus/minus 6 per cent for 2027. And maybe I just note here, you already see the big difference because for the PCT system, obviously we have a lot of historical data across a lot of origins with a lot of consistent trends and that gives us much narrower confidence intervals. For the Madrid System, the 80 per cent confidence intervals are estimated at plus/minus 7 per cent for 2026 and plus/minus 8 per cent for 2027. And for the Hague System, they are percentage-wise higher and, again, that reflects the less historical data we have on the Hague System where the confidence intervals are estimated at plus/minus 13 per cent for 2026 and plus/minus 15 per cent for 2027. So I only want to speak as far as my competence goes and since my department was the one responsible for the forecast, I think that's how far my comments should go. Thank you.

143. Secretariat: Thank you to the Delegation of the United States for the questions. As regards the question on Table 3, which states the estimated demand for Lisbon applications to be 80 for 2026 and 80 for 2027, whereas the forecast provided in Annex V projects 65 and 69 applications per year respectively. So, the question is why there is a discrepancy in those figures. The difference between the figures in Table 3 and those in the Annex arises because the Table 3 figures reflect the best available estimate from the Lisbon Registry, while Annex V presents the estimate generated by a simple linear extrapolation of historical application data as our Chief Economist has just outlined. I should add with the 80 per cent confidence interval which is very important in this context. This is the first time that a forecast has been carried out for Lisbon applications. The Secretariat acknowledges that several years of additional data collection and analysis will be required before more reliable and granular forecasting can be achieved. Moreover, the volume of applications from specific regions in the Lisbon System is currently too low to support more detailed forecasting models. Given the relatively wide 80 per cent confidence level interval, which again, as our Chief Economist has explained, stems from the limited data and historical volatility of the data, actually, the Secretariat has chosen to retain the Table 3 figures as a midpoint within this confidence interval. Relying solely on the Chief Economist's estimate at this stage was not considered sufficiently robust to justify revising the initial planning figures. The main point here is the confidence interval of the 80 per cent. The values in Table 3 serve as a reasonable approximation within the confidence level interval of the forecast and represent the best available estimate that we have at this point from the Lisbon Registry. There was an additional question as regards the modifications. Although modifications have been an important source of revenue for the Lisbon System recently, the number is expected to decline significantly in the coming years, which is mentioned on page 91. Could we share how much of the Lisbon Union's income estimated for 2026/27 is attributable to modifications? The values presented in Table 2 on page 6 again serve as a reasonable approximation within the forecast 80 per cent confidence interval and represent the best available estimate that we have for the income of Lisbon Registry. The estimated fee income of 250,000 Swiss francs for the 2026/27 biennium consists of approximately 160,000 Swiss francs from registrations and 90,000 Swiss francs from modifications and other income. I hope that answered the question. Thank you.

144. Chair: Thank you very much, for these replies to those questions. I hope the Distinguished Delegation of the United States of America is satisfied with the answers provided. However, I see that they would like to take the floor again.

145. United States of America: Thank you, Chair and thank you to the Secretariat for your responses. My understanding is the 80 application figures that are in Table 3 are coming from the Lisbon Registry rather than the forecast in Annex V. Could you explain briefly how the 80

application figure was arrived at if not using the forecast? Just what kind of forecast was used to arrive at that number? Thank you.

146. Secretariat: I would like to thank the Delegation of the United States of America for their question. I tried to explain the figure during the last PBC session. Our estimate is based on the number of existing geographical indications in the current Members of the Lisbon System and in the potential new Members that may join in the next biennium, taking into account our ongoing work with interested WIPO Member States. Our evaluation is based on those figures. We think that the figure is realistic and that the proposed target can be achieved. I just want perhaps to mention in that context that we are not undertaking active promotion activities of the Lisbon system. We have therefore a limited impact to stimulate more applications to meet the proposed target, given the limited resources that we have at disposal. Nevertheless, we think that the figure is realistic.

147. Chair: Thank you very much. I can take it that the three points that were said to be debated have now been concluded and, therefore, those three modifications have now been approved and accepted. Within the framework of this structure that I mentioned previously and that you have kindly followed, I would now like to move on to the two pending topics from the last meeting of the PBC. First, the funding of the participation of IPLCs in IGC meetings to be held in 2026 and 2027. The funding can come from the regular budget if there are insufficient funds in the WIPO Voluntary Fund. Second, the discussion on multilingualism in the BDS implementation strategies. I now open the floor for any delegation who would like to intervene on these two topics. Member States and Group Coordinators can now ask for the floor. The Delegation of Japan would like to take the floor on behalf of Group B.

148. Japan: Thank you, Chair. Before delivering our statement, can I ask the Secretariat to display the alternative language proposals we discussed at PBC 38 about multilingualism issues? Maybe it might accelerate our discussions. Thank you.

149. Chair: The proposal is on page 29 of the English version of the document. As you can see, there are three proposals. The first proposal comes from the Distinguished Delegations of China, the Russian Federation and the Group of Arab States. The second proposal was submitted by Group B and the third proposal was submitted by the Distinguished Delegations of Brazil, China, the Russian Federation and the Group of Arab States. To continue with this debate, we will leave the proposals on screen and once again, I open the floor to anyone who would like to intervene.

150. Japan: Thank you, Chair and thank you for displaying these proposals we discussed at the last session. Firstly, we would like to thank all Member States for the constructive discussions on the Proposed Program of Work and Budget 2026/27 at the PBC 38 plenary and informal sessions. We would like to thank the Secretariat for preparing document WO/PBC/39/8. With regard to the reflection of multilingualism in the BDS implementation strategies, Group B believes that the revised language put forward by the proponents is too granular, in particular after "*acknowledging*". In a spirit of compromise, Group B has suggested the wording "*continue to support*" instead of "*promoting*" at PBC 38 in order not to prejudge the outcome of the discussions in the Working Group. Therefore, we would respectfully suggest that our proposed language could provide a basis for consensus. We look forward to engaging constructively to ensure WIPO's long-term financial sustainability while advancing its mandate. As for the discussions, it might be better to first focus on one issue and not to handle these two issues in parallel. But, of course, it is up to the Chair. Thank you very much, Chair.

151. Chair: Of course, as Chair, my intention is to continue the debates on any topic that is still pending and I would also like to articulate the debate such that we can find a satisfactory conclusion. This is the first time that I am opening the floor to deal with these issues and this includes the reflection on multilingualism. Any other Delegation who would like to take the floor, please do so.

152. Estonia: Thank you very much, Chair. On behalf of the CEBS Group, I would like to reiterate our position that the CEBS Group is supporting the proposal by Group B. Thank you.

153. United States of America: Thank you, Chair. With respect to this first proposal regarding multilingualism, the United States supports Group B's statement. The United States is a strong supporter of the Madrid System and the Hague System. United States-based filers are active in the systems and the United States is also frequently designated as a contracting party for them. The Proposed Program of Work and Budget must not prejudge the outcomes of the ongoing discussions of the Working Groups. We look forward to engaging in these discussions in the appropriate fora to foster decision making in the best interests of the Madrid system, the Hague system, their users, the long-term health and financial viability of the Madrid Union and the Hague Union, as well as WIPO. Thank you.

154. China: Dear Colleagues, good afternoon. China would like to thank the Groups and the countries that have expressed support for our joint proposal. China believes that this proposal aims to promote the multilingual mechanism of WIPO's IP systems, and its appeal is very legitimate and reasonable. As a successful UN agency and international organization, WIPO's current relatively good development is largely due to the international IP service systems which are widely welcomed by users especially the very flexible and user-friendly PCT System in terms of language, currency, application procedures and other mechanisms. The Madrid and the Hague Systems' expansion of their language mechanism with reference to the PCT system, will effectively promote the development and good operation of these two systems, and would ultimately benefit the overall development of the Organization. Therefore, we suggest that the PBC positively consider the adoption of this proposal. We also note the opinions expressed by Japan on behalf of Group B. We thank them for this. China thinks that although the Madrid and the Hague Working Groups are still discussing the inclusion of new languages in the two systems, it is completely reasonable and necessary to give the Brands and Designs Sector more flexibility and room to maneuver on this issue. It was also a regular practice in the Organization's Proposed Program of Work and Budget to allocate a certain amount of reserve budget and work for some projects that have not yet been authorized in advance, which helps these projects to be implemented as soon as possible after they are authorized. In fact, there are many precedents in this regard. A recent example is the Development Agenda project entitled "Project on the Development of Strategies and Tools to Address Cross-Border Trade in Counterfeit Trademark Goods in Developing Countries". We note that the project proposal is still under discussion under the Committee on IP and Development and has not yet been adopted. However, on page 21 of the Proposed Program of Work and Budget, budget has already been allocated - 375 thousand Swiss francs - ahead of schedule to this project. Therefore, China thinks that WIPO can certainly allocate a certain amount of resources in advance for the expansion of the language mechanisms of the Madrid and the Hague Systems by referring to this approach. Of course, we are willing to discuss with all parties the language and the contents of this proposal. Thank you.

155. Chair: As Chair, I face a conundrum. It is unclear to me whether or not the Delegation of China is supporting proposal number 1 or proposal number 3 because they were both initially submitted partially by China despite the fact that they don't necessarily say the same thing exactly. So in order to reach consensus, please clarify which of the two proposals you are planning to submit going forward within this document. I think that would help clarify things and advance the debate. In the meantime, I will give the floor to Japan who, as I understand it, is speaking in their national capacity.

156. Japan: Thank you, Chair and good afternoon Colleagues. The Delegation of Japan firstly supports the statement made by Group B. We are not in a position to support the proposals which contain "promote multilingualism" - the first proposal and the third proposal- as they preempt and prejudge the outcome of direction of discussions on the introduction of the new languages that are ongoing in the relevant Working Groups. In addition, such discussion has taken place in certain Working Groups indeed and does not apply to all Working Groups or all international registration systems covered under the Brands and Designs Sector. So from this point of view, such a sentence that prejudges the outcome by using the words "promote multilingualism" we do not think is appropriate. Thank you.

157. Chair: Thank you very much. Would anyone else like to take the floor either in their national capacity or on behalf of their Group on this debate on multilingualism? If so, please let us know.

158. Portugal: Thank you Chair for giving me the floor. As an attempt for a possible compromise in our national capacity and taking into account the Group B statement that the language proposed by other Delegations is too granular, we would support the following, and I quote: "continue to support multilingualism in the international registration systems, acknowledging the ongoing discussions on the language regimes in the Madrid and Hague Systems." Thank you.

159. Chair: Can you please repeat it so that the Secretariat can reflect it in the same document? Please. Thank you, Distinguished Delegate of Portugal.

160. Portugal: I quote again: "continue to support multilingualism in the international registration systems, acknowledging the ongoing discussions on the language regimes in the Madrid and Hague Systems."

161. Chair: This is the proposal from the Distinguished Delegation of Portugal. Let's consider it option 4. In my personal opinion as Chair, this is a sort of fusion between the proposal by Group B and the other proposals. I will give the floor to the Russian Federation who is going to intervene online.

162. Russian Federation: Thank you very much, Chair. We also would like to thank the Delegations for their statements on this important issue. We believe that the subject of multilingualism is one of particular importance, particularly in the context of the preparation of the new version of the Program of Work and Budget for 2026/27. We thank all Delegations who have made their contributions on this issue. I would like to explain that, at the very beginning of this, the proposal which was made by China, the Group of Arab States and the Russian Federation, was a consequence and outcome of the deliberations at the previous session. I wanted to note that the proposal from Group B reduces the initial meaning, which was proposed by our Delegation and which, of course, is something which we cannot consider as a consensus

basis nor as a compromised version. We cannot support it in that vein. As a continuation of the discussions that happened, the Russian Federation, the Group of Arab States, the Distinguished Delegations of China and Brazil came up with another version which is how we came to proposal number 3, which you can see on the screen right now. And in our current view, this should be a compromised way forward which would address the concerns which we heard during the previous debates. However, I would like to note here that with regard to the specific wording, we still have some concerns. For example, we haven't completely understood the Group B proposal "continue to support multilingualism...". What does that mean exactly? What type of support was provided in the past, for example, and what is "continuing"? What practical steps have been taken in the past or will be taken and are proposed to be taken in order to support multilingualism? This proposal from Group B for us is not clear. Now, with regard to our proposal and our alternative number 3, as we have already said, the Program of Work and Budget is something which is a priority for our work for the next biennium, of course. In other words, this is the main thrust of the work that the Member States want to see done with the Organization. One of the most fundamental principles of the work is promoting multilingualism. This is included also in the midterm plan. However, there is agreed language in the Working Group which has already been mentioned. Unfortunately, we didn't really understand how our proposal could presuppose the deliberations which would take place in the Working Group. In our view, our proposal is only focusing on the fact that we are stating that the ongoing discussions are happening and express the hope that the work on this area will continue. Our proposal does not pretend to know what the outcome of those ongoing discussions would be or pretend to state that this work will do anything more than just continue. We also thank the Distinguished Delegation of Portugal. In our view, the proposal from Portugal could be considered as an attempt to continue the discussion to reach a consensus. Now, of course, we are ready to consider this and to draft it further with all the other parties in order to reach consensus on this issue. However, we do think that there are a number of elements from our previous proposal that should be taken into account by the new proposal. We already would like to thank Portugal for the fact that they have recognized and reflected what we have done already in the Madrid and Hague Systems. However, from the perspective of the focus or the thrust that we want to put in the wording and in our work, we believe that it would be judicious to continue the discussion on this version. We hope that based on the outcome of our joint work we would be able to reach a consensus and understand each other, have a common understanding of this work since, as I have already said, our group of countries which has made the proposal is ready to work with other Delegations. We have already made an alternative proposal which takes into account the concerns of the other Delegations, but we would like to call, of course, on other Delegations to please also hear our concerns and that is the way that we will be able to move forward towards consensus together. Thank you very much.

163. Chair: Thank you very much to the Distinguished Delegation of the Russian Federation for your comments. What I would like to suggest, is that for ease of reference, I would ask the Secretariat to add a letter A before the first proposal, a letter B before the second proposal, a letter C before the third proposal and letter D before the fourth proposal. I'm using letters, not numbers, not to suggest anything. I decided to add these letters because given that there are four different proposals, it might be easier to debate them by referring to the letters themselves. So before giving the floor to the other Delegations, as I understand it, based on what the Russian Federation just said, the Distinguished Delegations of China, the Group of Arab States and the Russian Federation would be willing to substituting Option A with Option C. I would like to know if we could do that in order to simplify the debate because, that is what I could gather from the proposal by the Russian Federation. Nevertheless, I will ask the Delegations if they would be willing to delete proposal A so that we can focus on Options B, C and D. Please let us

know if you agree. In the meantime, I will give the floor to the Distinguished Delegation of France.

164. France: Thank you very much, Chair. I will not comment on the question that you have just asked to certain Delegations, but rather I will speak to the Portuguese proposal. First of all, I would like to take this opportunity, as this is the first time I have taken the floor, to thank you for your excellent stewardship of these deliberations and also to applaud the work of the Secretariat for the excellent work that they have done for the Proposed Program of Work and Budget for 2026/27 and for all of the documents that they have prepared. Now, we would like to thank the Delegations and the Groups for the proposals on the subject of multilingualism, to which our Delegation, of course, is strongly committed and we would also like to thank Group B and its members as well as the Distinguished Delegate of Portugal for those proposals. We would like to add to the end of the D proposal an indication which would say that we do not prejudge the ongoing discussions of the Working Group. I will say it in English: "...without prejudice to their outcome". Thank you very much, Chair.

165. France: We would like to put a comma instead of the final period, in proposal D. Then we would say: "without prejudice to their outcome". Thank you.

166. Algeria: We are taking the floor on behalf of the Arab States regarding the Madrid System. We would like from the outset to thank all Groups and the Member States who presented proposals in order to arrive at consensus on this fundamental issue. We reiterate our support with regards to the introduction of multilingualism in the international registration systems, specifically the Madrid System. We also appreciate the language proposed in point C. We believe it meets the aspirations and demands of the Arab States. We therefore reiterate our commitment to the inclusion of the language proposed by the three groups in C.

167. Chair: We thank all Member States and groups that have submitted proposals to help us reach consensus.

168. Poland: We still support the position expressed by the Distinguished Delegate of the CEBS Group. We would feel most comfortable with the original proposal from Group B, but in the spirit of compromise, we thank the Distinguished Delegate of Portugal for the compromise proposal. We would leave with that, but with the addition that just was proposed by the Distinguished Delegate of France, this is important for us. As we said from the outset in this discussion, that for Poland, it is important not to prejudge the discussions that are ongoing in the Working Groups of the Hague and Madrid Systems, and for us, we share the opinion of other Delegations and it is important for us that the budget document is not necessarily the one that should contain such provisions. Thank you very much.

169. Brazil: Thank you very much, Chair. I would like to start by congratulating you on your excellent work so far. I would start commenting on the outstanding issue on multilingualism. As you all know, Brazil has joined China, the Group of Arab States and the Russian Federation in this compromise solution during our last PBC session. This is the one reflected in letter C. We would like to echo the Delegations of China and Algeria in thanking all the other Delegations that have extended their support to this proposal that was already a compromise as we have seen. We do appreciate the reactions we had during this afternoon from other Delegations and in particular, the contributions that we had from the Distinguished Delegates from Portugal and France on another set of alternatives now reflected in letters D and E. I hope we do not go to Z. Let's stay with the five that we have so far. We remain open as we have listened to our

colleagues from the original proposal to discuss and to try to reach consensus. Although as a first reaction, what we see as a main element that is missing in the alternatives D and E is the idea of the expansion. This is something that we have reflected in letter C that we would very much welcome to have in there. So if we are to acknowledge the ongoing discussions, we need to say that this is on the expansion of the language regimes. That is quite factual. This is what it is about. So if we can have the reactions from other Delegations on this. And going to the second outstanding issue, Chair, if you allow me to do so, I don't know if this is the right time. The question of the funding of the IPLC representatives is quite important for Brazil and for quite a number of countries. I'm pleased to say that we have been having fruitful informal discussions. And we are working on language to propose to this session. We might need a little bit more time and I would like to ask you for more time for us to come back with a language proposal regarding the funding of the representatives of IPLCs to IGC meetings during the next biennium. Thank you very much, Chair.

170. Chair: Of course, I don't intend to add to the growing list of proposals. On the contrary, I would like to trim it down, which is why I referred earlier to option A. As for financing of the representatives of IPLCs, we will have time to discuss this issue later on. Let's move on.

171. Switzerland: Thank you very much, Chair. The Swiss Delegation still supports option B as suggested by Group B. I would very much like to support what the Distinguished Delegate of Poland was just saying, the PBC is not the right place to discuss what is going on in other Committees or Working Groups. Switzerland fully understands the desire by other Delegations to expand the language regimes in those Working Groups. However, mentioning the state of debate in this PBC document will not change anything in that debate. That merely depends on the ongoing discussions in the Working Groups and let's limit it to those Working Groups. Let's stay away from having broad summaries of discussions that are ongoing in other Committees in a PBC document. This will just take away the attention of people that really want to see something about the PBC. This is not the right place to summarize discussions in other fora. It really detracts the attention from what this document should be all about. Thank you very much.

172. Namibia: Thank you, Chair, for giving us the floor. I'm taking the floor on behalf of the African Group. The African Group comprises diverse Member States with a wide range of official languages. As such, we recognize the importance of multilingualism in ensuring inclusive and effective participation. We therefore support the statement made by Algeria on behalf of the Group of Arab States. Thank you.

173. Sweden: First, we would like to support the statement made by Group B. We think that the suggestion from the Distinguished Delegations of Portugal and France could be good for us, especially with the addition from France "without prejudice to their outcome". Thank you.

174. Chair: Thank you very much. No one else would like to take the floor for now. So for now, I turn to the Distinguished Delegation of Portugal in order to trim down the list of proposals. I ask you if you would be willing to withdraw proposal D because it is contained almost completely within proposal E. I ask for your cooperation so that we can reduce this catalog of proposals.

175. Portugal: I would like to thank you for your able work chairing this Committee. I would also like to thank the Secretariat for producing all the documents that we are using now. They are very useful and complete. Our suggestion was, from the beginning, in the spirit of compromise and if the Chair feels that fusion in the screen is helpful for that compromise, we

would be willing to mix with the suggestion from France and have one more suggestion on the screen and not two. No problems with that. Thank you.

176. Chair: Thank you very much to the Distinguished Delegation of Portugal. Thank you for your generosity and for your spirit of cooperation. I would ask the Secretariat to delete that option and to trim down the list of proposal.

177. Germany: Thank you very much, Chair. Since this is the first time Germany is taking the floor, I would like to take the opportunity to congratulate you on your excellent leadership of the session and the good progress we are making and also thank the Secretariat for the excellent preparation of the meeting. Since we are very much involved in the discussions in Madrid and Hague on this issue, I would like to take the floor in this regard as well, to say that first our preferred option would be the proposal made by Group B, but then also saying that we could also live with the proposal made by Portugal and France with one minor suggestion for a change because we think that the language as it is right now maybe is not reflecting 100 per cent correctly the situation because we think that the discussions on the language regimes, they are not ongoing in the Madrid and Hague Systems because in the registration systems there is no discussion on the languages but rather in the Working Group. So what we propose would be to say that “acknowledging the ongoing discussions on the language regimes in the Madrid and Hague Working Groups”, otherwise we could support the language as it is. Thank you very much.

178. Chair: So the text would then read: “Continue to support multilingualism in the international registration systems acknowledging the ongoing discussions on the language regimes in the Madrid and Hague Working Groups, without prejudice...” and so on.

179. Germany: So the only thing that changes is instead of “Madrid and Hague systems”, it would read “Madrid and Hague Working Groups”. Thank you very much.

180. France: Thank you very much, Chair. I actually pressed the button before you gave the floor to Portugal. Actually, I just want to say that a large amount of the ownership of this proposal came from Portugal, so it is normal that Portugal comes first. But, yes, it was corrected anyway.

181. Chair: Indeed, the Secretariat has corrected the text. We have to recognize the importance of Intellectual Property here more than any other organization. So thank you.

182. Algeria: Thank you very much, Chair. On behalf of the Group of Arab States, Russian Federation, China and Brazil, I would like to ask for a short break so that we can consult among the Groups about the language that has been proposed by the Delegations. Thank you so much.

183. Chair: Thank you very much for your request on behalf of the different Delegations. We will have a 20-minute break so that Delegations can carry out internal consultations. We will resume the session in 20 minutes. Thank you.

184. Chair: Welcome back, Delegates. Let's continue with the session. We are, of course, ready to hear your interventions.

185. Algeria: Thank you so much, Chair. And I would like to thank you for allowing us this time to consult among the Groups. On behalf of the Arab States, China, Russian Federation and Brazil, with your permission, we will present a joint proposal. In C, taking into account the proposal of France and Germany, so the new language will read: "promote multilingualism in the international registration systems, acknowledging the ongoing discussions on the potential expansion of the language regimes of the Madrid and Hague systems and the progress made so far, without prejudice to their outcome".

186. Chair: Now we should add after "so far", "without prejudice to their outcome". That is the joint proposal presented by again Brazil, China, Group of Arab States and Russian Federation. So we have this proposal, the one right here. The floor is open for anyone who would like to speak. Otherwise, it is my intention to stop the meeting right now so that everyone can analyze the proposal. And we will begin again at 10:00 a.m. tomorrow. I don't know whether the Distinguished Delegate of Algeria would like to take the floor again.

187. Algeria: Thank you so much. I'm sorry for taking the floor again. I just wanted to explain that this proposal cover the concerns raised by the Distinguished Delegate of Group B who said that it should be without prejudging the outcomes. Thank you so much.

188. Chair: Thank you very much for your explanation of the reasoning behind this proposal. Would anyone else like to take the floor?

189. Japan: Thank you, Chair. As you may expect, we need more time to consult within our Group. But to facilitate our discussions, we would like to ask the Secretariat to circulate this document to facilitate our discussions internally. Thank you.

190. Chair: I will ask the Secretariat to send it to the Group Coordinators. Would anyone else like to take the floor? I see that no one else would like to take the floor. As just mentioned, in order to give the Delegations enough time to look over the proposals and following on from the request by Brazil, in order to continue discussing funding for the participation of IPLCs, we will adjourn the session now and we will resume tomorrow at 10:00 a.m. I encourage everyone to continue discussing amongst yourselves so that we can reach consensus. Thank you very much. We will see each other again at 10:00 a.m. tomorrow. Session adjourned. Japan requests the floor again. I will reopen the session and give the floor to Japan.

191. Japan: Thank you, Chair. I'm sorry to take the floor again. This is just a procedural question. Are you planning to open the meeting again tomorrow morning as a plenary session or are you planning to open the meeting in the informal setting? I want to clarify your intention. Thank you.

192. Chair: Thank you. That's a very pertinent question. This will be a formal session so that we can listen to the Delegations and then, if necessary, we will have an informal session here within this room. My intention is to resume the session formally tomorrow at 10:00 a.m. I hope I answered your question. Unless anyone else would like to speak, I will now adjourn the meeting once again. Have a good afternoon and I hope to see you all tomorrow morning at 10:00.

193. Chair: Good morning, Distinguished Delegates, Ladies and Gentlemen. Let's begin today's meeting, the third day of the Program and Budget Committee 39<sup>th</sup> Session. I'd like to thank you for your constructive engagement and commitment yesterday. All Delegations showed that commitment and I think that's very good for the Organization and it's, of course,

very helpful for me as well as the Chair. As I said yesterday, we are going to continue this morning with Agenda Item 9, Proposed Program of Work and Budget for 2026/27. As you know, there are some outstanding issues under this agenda item relating to multilingualism and the financing of the participation of Indigenous Peoples and Local Communities in IGC meetings. The Secretariat sent proposals yesterday on multilingualism, and some have asked for more time to consult on those, so I do hope that those consultations have taken place within groups. I'm going to open the floor for Delegations to report back on the results of consultations on both of those outstanding items. First, funding of the participation of Indigenous Peoples and Local Communities in the IGC meetings in 2026/2027 from the regular budget in case of a shortfall in the WIPO Voluntary Fund. Second, the outstanding item on reflection of multilingualism in the Brands and Design Sector implementation strategies. So the floor is open if there are any Group Coordinators who wish to speak.

194. Mexico: A very good morning. Thank you, Chair. On the issue of the funding of the participation of Indigenous Peoples and Local Communities representatives at the IGC, a group of countries continue to discuss the possibility of a proposal, but we do need a little bit more time in order to come up with that formal proposal for the consideration of the Member States. So, we wish to beg your patience so that we can continue with those discussions, and we will come back. Thank you.

195. Chair: Thank you. And thank you for that information. Of course, I would like to give you the time you need in order to reach an agreement because there are a number of Member States discussing this issue. So, yes, we can give you some more time to deal with this and come back to that issue later.

196. Japan: Thank you, Chair, and thank you very much for giving us time to consult within our Group. We have conducted consultations, but we still need more time to consult internally and to check the outcome of consultation with capitals and with experts relating to this issue. So, we would like to have more time to finalize our positions as to the issue of multilingualism. Thank you.

197. Chair: I thank the Distinguished Representative of Japan for that information. Well, yes, of course, on this outstanding item, I'm, of course, prepared to give you more time if Delegations still need more time to discuss within their Groups and in their consultations with other Groups. So, I wish to give you some time now before we go for an informal session. As mentioned yesterday, there is still time to nominate candidates for the Program and Budget Committee Vice-Chair for the next biennium. We have received a proposal for the PBC Chair and a proposal for a Vice-Chair. Thank you very much indeed for your collaboration and constructive engagement on that matter. Agenda Item 11 will be dealt with before the closure of the Committee. So, Group B and Mexico have asked for more time for internal discussions on the pending items. I'm not going to call for an informal session now. We are going to suspend the meeting and come back at 11:30. So you have an hour and a quarter to continue discussing these issues and then I'll take a decision whether to continue in a formal session or informal session. Of course, that will depend on the information that you give me on the outcome of your internal deliberations. So, the meeting is suspended until 11:30 AM and I do hope that your discussions are fruitful.

198. Chair: Good morning, Distinguished Delegates, Ladies and Gentlemen let's get back to our formal meeting to see if we can continue to make progress with our agenda, working together in a very constructive way as has been the case so far. I would like to open the floor for

comments from Delegations who wish to communicate the outcome of their informal discussions on these two outstanding items on the funding of the participation of Indigenous Peoples and Local Communities in IGC meetings and the discussions underway concerning multilingualism and in particular the written proposals contained in the document we circulated yesterday. So, as I said, the floor is open if Delegations wish to comment on either of those two issues.

199. Japan: Thank you, Chair for giving us a lot of time for our consultations. We would also like to thank the proponents of the alternative language proposals about multilingualism. As for the proposal to put some wordings regarding multilingualism in the Proposed Program of Work and Budget document, as we mentioned in the discussion yesterday, we believe all the alternative language proposals are too granular to put in the aforementioned document. More importantly, we have serious and systemic concerns about this since we are still in the process of discussing the possible introduction of new languages in the Madrid and Hague Working Groups. There is no legitimate reason to mention these ongoing discussions in the Proposed Program of Work and Budget document before reaching any conclusion in the relevant Working Groups. We also need to take note that there is a different membership in the Program and Budget Committee and the relevant Working Groups. From our perspective, it's not fair to put this language in the Proposed Program of Work and Budget document without any conclusion in the relevant Working Groups. Therefore, we have seriously considered what might be a possible way forward on this topic. We would like to propose to mention them in the decision paragraph of this Agenda Item 9 instead of inserting any language in the Proposed Program of Work and Budget document. We strongly believe that would be a possible way for all the Members of this Program and Budget Committee to finally agree. Thank you very much.

200. Chair: Thank you very much indeed to the Delegation of Japan for that statement on behalf of Group B. We have fully understood your proposal. So, I would also like to ask if other Groups and those proposing alternative language for the Proposed Program of Work and Budget for 2026/27 if we could agree to that. I understand that this is premature and that we will need to have a look at it in more detail. But I would like to hear your views on this idea of incorporating some language within the decision paragraph on this document for recommendation to the General Assembly rather than including the language in the Proposed Program of Work and Budget within the Brands and Designs Sector implementation strategies.

201. Estonia: Thank you. Thank you very much, Chair. Following the discussions held yesterday and today, our Group would like to express concern about the current situation. We believe that each Working Group should be allowed to decide what is best for them, as everybody has the responsibility to determine their own work and the outcomes of their tasks. In this regard, our position is broadly aligned with that of Group B, as expressed earlier by the Delegate of Japan. Thank you very much.

202. Chair: Thank you very much indeed, Estonia. We have taken note of the CEBS Group's position.

203. Algeria: Thank you, Chair. At the outset, I would like to thank you, Chair, for your leadership of the negotiations as regards the issue of multilingualism. On behalf of the Group of Arab States, China, Russian Federation and Brazil, we would like to thank the Group B Coordinator for his remarks. We would also like to ask you, Chair, for a little more time to consult amongst the countries and the Group of Arab States to review the Group B proposal. Thank you.

204. Chair: Thank you very much indeed, Algeria. I understand that you are speaking on behalf of a group of Delegations who are considering the alternative language that's been submitted in writing. It is my understanding that Group B, supported by the CEBS Group, hasn't yet presented a proposal in writing but a concept for consideration. So, I would like Delegations to consider a concept on which to work. I think that it would be useful to guide your discussions as we move on towards a draft proposal in this decision paragraph. I understand that you need more time to consider this proposal. Could I get some idea as well on the status of the discussion on the funding of the participation of Indigenous Peoples and Local Communities in IGC meetings? That point was also outstanding, and I think some Delegations have been discussing it and have been continuing to consider that issue. Has any progress been made in that regard? The floor is open if any Delegations wish to comment.

205. Mexico: Yes, thank you, Chair. That's right. Our Delegations continue to discuss this issue, but we haven't yet reached a specific drafting proposal that could be supported by the whole group. The good thing about our discussions is that when we do submit a proposal, I sincerely hope that it will benefit from the support of Delegations from various Groups. I think that will be very important for future discussions. But we do require a little bit more time.

206. Chair: I thank the Delegation of Mexico. Yes, of course, you may have more time. We will come back at 3:00 PM for our meeting to give you more time for informal discussions. I encourage you to participate in these discussions together and go beyond your own Groups to try to find consensus. We will come back for our formal session at 3:00 PM and enjoy your lunch break as well. Thank you.

207. Chair: Good afternoon, Distinguished Delegates. We recommence our afternoon session, continuing on Agenda Item 9, which is indeed the heart of our work. There are still some questions open. Some Delegations and Groups asked for extra time to make progress in their debates, so I would like to thank them for their constructive efforts. The floor is open.

208. China: Thank you, Chairman. Good afternoon, Colleagues. On behalf of the Group of Arab States, Russia, and Brazil, China would like to thank the Delegation of Japan for the proposal on behalf of Group B. After careful discussions with the relevant Groups and countries, we are still not in a position to accept the latest proposal from Group B. We still strongly support proposal F as reflected in the circulated proposals. This proposal fully embodies the basic points of our joint proposal and accommodates the concerns of some other countries. We believe it is a balanced and reasonable text. The Chinese Delegation has noted that the multilingual system holds core value in the system. We noticed that in the regional discussions, we all recognized that multilingualism is an important value to the United Nations. China has noted that during the discussions with the regional Groups, there is a general recognition of the significance and the core value of multilingualism for WIPO as a specialized UN agency. Therefore, China cannot understand why terms like "promote" and "expansion" cannot be included in the text. China would also like to further understand the rationale and logic of the Groups and countries that oppose these terms. For an international organization like WIPO, which is actively promoting innovation and looks to the future, expanding its language regimes in its service systems is a necessary and reasonable choice. Likewise, China cannot understand why some resources cannot be pre-allocated within the BDS Sector. We believe that resource allocation does not imply preconditions. This is simply to facilitate the Organization's timely implementation of tasks once the relevant mandates are approved in the next biennium. We believe this is a forward-looking and proactive measure. Yesterday, we already mentioned an existing precedent. We

also have other precedents. If some Groups and countries need a further sense of certainty, then we have agreed to add the phrase “without”. We believe that this should be sufficient. With regard to the amendment proposed by the Delegation of Germany yesterday, we understand and accept the logic behind it. Therefore, we have modified the relevant wording. We have changed “in” to “of,” since the discussion on expanding the language regimes is taking place in the Working Groups, but the expansion itself targets the system. China reiterates its strong support for proposal F as currently reflected in the main text of the budget proposal. However, in the spirit of constructiveness, we are willing to continue consultations with all parties based on this text. Thank you.

209. Algeria: Thank you very much, Chair. The Group of Arab States supports the statement of the Distinguished Delegation of China and we also share all the points that the Chinese Delegation has already raised. The Group of Arab States thanks the Distinguished Delegation of Japan speaking on behalf of Group B for the idea that he has presented. However, we see that this proposal does not reflect the priority that our Group attaches to the principle of multilingualism in general, and to the introduction of further languages to all WIPO systems, particularly the Madrid System. The Group refers to the fact that the documents of the PBC in previous sessions have referred to the discussions in all entities of WIPO. Consequently, the introduction of languages will not be a precedent in the work of the Organization. What cannot be a precedent is to include in the decision a particular subject matter. The Group of Arab States is not in a position that would allow it to accept the introduction of this matter in the draft decision, and we call upon the representative of Group B and other groups to continue the discussion in an open and constructive spirit in order to reach common ground on this particularly important matter.

210. Brazil: Thank you very much, Chair, and thank you for the additional time you have given us for consultations among our Groups. Brazil would like to join the previous Delegations from China and Algeria on this point, and, in our national capacity, would like to express again our appreciation for the constructive engagement demonstrated by various Regional Groups and Delegations throughout this process. We would like to begin by noting the common ground and the consensus around the support for multilingualism within this Organization, which is great to hear. It is definitely a fundamental principle that underpins inclusivity, transparency, and meaningful participation by all Member States. In this context, we would like to express our concern regarding the proposal by Group B to shift our discussions away from the current agenda item 9 to the decision point, as was proposed this morning. With respect to the rationale presented by the Distinguished Representative of Group B, we must disagree with the notion that the Proposed Program of Work and Budget should refrain from referencing the work of WIPO Committees. As other Delegations have already expressed, we have in the current draft proposal, and in previous versions of the WIPO Program of Work and Budget consistently included references to ongoing work across various WIPO Committees. Those references are not only appropriate, but they are essential to ensure coherence and transparency in the allocation of resources and also in order to reflect the integrated nature of WIPO activities. So, in summary, Brazil is not in a position to go along with the proposal from Group B, and we would like to reiterate our support for the compromise proposal that we presented yesterday, proposal F. We also stand ready to work with other Delegations in order to find a consensual solution. Thank you so much, Chair.

211. Estonia: Thank you very much, Chair. On behalf of the CEBS Group, we would like to thank Group B for their proposal presented by the Distinguished Delegate of Japan. We find it to

be a good compromise that could be acceptable to all. So, we can accept this proposal. We can go along with that. Thank you.

212. Egypt: Thank you, Chair. The Egyptian Delegation aligns itself with the statements delivered by the Distinguished Delegates of China, Algeria, and Brazil. I would like to thank the Distinguished Delegate of Japan for presenting the proposal on behalf of Group B and for the constructive engagement on this important matter. I have been listening attentively to the remarks expressed by Group B during their previous intervention in the morning session. In this respect, I would like to make the following remarks: First, according to WIPO's Financial Regulations and Rules, specifically Regulations 2.20, 2.21, and 2.22, the Director General shall submit the Proposed Program of Work and Budget to the Program and Budget Committee for discussion, comments, and recommendations to be transmitted to the Assemblies of the Member States for consideration and adoption. We believe that the Committee is entitled to consider all budgetary and program proposals, which then must be endorsed and adopted by the supreme body of this house, which is the Assemblies. By this logic, we cannot prejudge the Committee's consideration of any of the proposals by using the rationale for the restrictiveness of its membership. We believe that this Committee is entitled to consider all budgetary and program proposals. We also believe that we should exercise caution when raising the issue of the restricted membership of the Committee and its ability or mandate to address certain programmatic matters. This concern could apply to many other issues in the Proposed Program of Work and Budget beforehand, including, but not limited to, the Lisbon and the Hague Systems, and other matters in the current Proposed Program of Work and Budget. Third, I would like to recall that in the Program of Work and Budget for 2024/25, under the Copyright and Creative Industries sector, there was a clear reference to discussions in the SCCR on substantive agenda items, including exceptions and limitations, as per the SCCR agenda. I thank you, Chair.

213. Russian Federation: Thank you very much, Chair. From our side, we would also like to speak in favor of supporting the comments made by the Distinguished Representatives of China, Algeria, Brazil, and Egypt. In our view, the proposed compromise solution, which takes into account all points of view and is contained in proposal F should be maintained in the text of the Proposed Program of Work and Budget and should not be brought to the draft decision. This is something that should be one of the main priorities of the future biennium, and we believe that this is a very important area of work. Many Member States have repeatedly spoken about this, and since we, this current Committee are discussing the contents of the Proposed Program of Work and Budget, the onus is upon us to formulate the draft as we all wish to see it. For that reason, I would underscore once again that we fully agree with all of the arguments put forward by the distinguished speakers earlier, and we would insist on the fact that the text should be kept in the version as we have proposed and as you see in point F of the text of the Proposed Program of Work and Budget. Thank you.

214. Namibia: Thank you very much, Chair, for giving me the floor. The African Group supports the proposal by the Delegations of China, Algeria, Egypt and Russia. Thank you.

215. Chair: Thank you for your comments. I do not have any other speakers on the list. As such, you can see that there is still some disagreement on how to approach the issue of multilingualism within page 29 of the English version, that is the Proposed Program of Work and

Budget for 2026/27. There are also some other pending issues. If any other Delegations or Groups would like to take the floor, please do so.

216. United States of America: Thank you, Chair. The United States has three proposals to raise at this time. First, as stated repeatedly at PBC 38, the United States objects to the framing of this document in terms of the Sustainable Development Goals (SDGs). WIPO should not prioritize the implementation of the SDGs or direct its work in an attempt to implement the SDGs. At PBC 38, the Secretariat clarified that WIPO does not budget for the SDGs but rather budgets for WIPO's expected results in the Strategy House. The inclusion of unnecessary aesthetic elements, graphics, and language implying that WIPO's Proposed Program of Work and Budget is guided by the UN 2030 Agenda for Sustainable Development and the SDGs gives a false impression of the manner in which WIPO's work is driven. As such, the United States requests these elements be removed from the Proposed Program of Work and Budget. At PBC 38, the Secretariat also clarified that WIPO's implementation strategies are driven not by the SDGs but by the expected results of the Medium-Term Strategic Plan. The extent to which WIPO's work can be labeled as a contribution to the SDGs is simply a product of WIPO working towards its expected results. The United States also requests removing from the Proposed Program of Work and Budget any language calling for WIPO to conduct its work or devote resources towards implementing the SDGs, including, for example, the Regional and National Development Sector's fourth priority and the section of the narrative on the Global Challenges and Partnership Sector entitled "2030 Agenda for Sustainable Development and the Sustainable Development Goals." Second, as noted at the 38<sup>th</sup> session of the PBC, the United States strongly objects to the increase in the budget for the Lisbon System as currently found in document WO/PBC/39/8. On top of the increase in expenditure, the Lisbon System is expected to generate less revenue than was projected for the prior biennium, further exacerbating the ever-ballooning Lisbon Union deficit. Regarding the application projections for the Lisbon System, the United States is concerned that WIPO is choosing to disregard the estimates of the Chief Economist in favor of significantly higher estimates provided by the Lisbon Registry. We note that the Proposed Program of Work and Budget uses numbers provided by the Chief Economist for the PCT, Madrid, and Hague Systems. We also note that Lisbon has only met its target application numbers twice since 2018. The United States supports efforts to achieve financial sustainability for all of the fee-funded Unions, including Lisbon. The United States maintains its desire for a study to examine issues and help illustrate paths for financial sustainability for the Lisbon and Hague Unions and to help the PBC identify lessons learned from stronger revenue-generating Unions. The United States does not support, once again, increasing the budget or increasing the deficit for the Lisbon System. As such, the United States proposes correcting the Lisbon estimates throughout the Proposed Program of Work and Budget to use the application and income estimates provided by the Chief Economist, rather than those provided by the Lisbon Registry. This would result in a corrected estimated fee income of 224,000 Swiss francs. The United States also proposes that the Lisbon Union's total expenditure be reduced from 3,651,000 Swiss francs to 3,257,000 Swiss francs before IPSAS adjustment. This would ensure Lisbon's estimated deficit before IPSAS adjustment does not exceed Lisbon's estimated deficit from the Program of Work and Budget for 2024/25. Lastly, the United States cannot accept the creation of a new Development Acceleration Fund. This fund, which is currently proposed to have an allocation of over 3 million Swiss francs, is an inappropriate expansion of WIPO's development-related technical assistance projects without oversight from the broader membership. WIPO already has a mechanism by which Member States can consider and approve technical assistance projects - the CDIP. Under this Proposed Program of Work and Budget, 4.5 million Swiss francs are already allocated to CDIP projects.

We see no justification for the creation of an additional fund serving a similar purpose but without Member State oversight. As such, the United States cannot support this fund, and we request the removal of references to and budget allocations for the Development Acceleration Fund from this Proposed Program of Work and Budget. Thank you, Chair.

217. Chair: Thank you very much for your comments. I should like to ask the Distinguished Delegate of the United States to send in your statement in writing so that this can be reflected and the Secretariat can include that in our discussion documents. Would any other Delegation like to take the floor on any of these issues that we are looking at or any other open issue? Please feel free to request the floor.

218. Switzerland: Regarding the Lisbon system, Switzerland supports maintaining the current target of 80 applications per year for the Lisbon system, as well as the proposed budget for the Lisbon System. Annex V does not provide a reliable basis for reducing the targets for the next biennium. The Lisbon estimates as presented in Annex V are subject to various qualifications. First, according to the Secretariat, the forecast includes only an 80 per cent confidence interval, leaving open the possibility of a significantly higher performance. The accession of new members with a very high number of GIs to the Geneva Act may, at any time, hugely change the situation. With this in view, it is important for the Organization to keep an adequate level of staff and expertise. Second, both the demand for international registrations and the estimated income are impacted by the fact that most Lisbon Members have by now transitioned from the 1967 Act to the 2015 Geneva Act. Third, we note that, contrary to the trademark system, the number of potential geographical indications is limited, taking into account their strict eligibility requirements, thanks to which we all enjoy the quality and reputation of GI-protected products. Annex V actually proves the usefulness and necessity of GI capacity-building and awareness-raising in order to enable all current Lisbon members to increase and facilitate their use of the system. Finally, it is in the interest of the WIPO membership to include ambitious targets for all of the international registration systems. We do not wish to lower this ambition on the basis of the very preliminary assessment that resulted in the figures in Annex V. I thank you.

219. France: We support the budget that has been proposed for the Lisbon System. Over the last two years, nine new members have joined the Geneva Act of the Lisbon Agreement, four of whom are developing countries and least developed countries. So, there is a high need to build capacity and raise awareness on how to efficiently use the system. This requires greater resource allocation and given the surplus of 7.6 million Swiss francs for the next biennium, we note that the budget proposed for the Lisbon System is intended to respond to the needs of new members in terms of capacity building. We also thank the Secretariat for having added information on the Lisbon System in Annex V, and we support the proposed income objective per year for the biennium 2026/27. However, Annex V is not a trustworthy or reliable basis to project for all future biennia. We have a number of reservations on Annex V. First of all, it is just based on linear extrapolation, if I may say so, whereas there are a number of other modalities that could be used for forecasting. Also, the estimates are based on an 80 per cent confidence interval only, which we're not sure is appropriate, and this leaves room for much higher performance. Furthermore, the accession of new members to the Geneva Act from different geographical regions could, of course, impact the situation at any moment. Given this, it is important for the Organization to have an adequate level of estimation for financing in terms of staff, expertise, and related needs. The requests for international registration and the related estimates are also impacted by the fact that most Lisbon Members have now transitioned to the Geneva Act. Annex V, in fact, proves the usefulness of geographical indications and the Geneva Act. As has already been mentioned, we need to allow all current members of the

Lisbon System to grow and to facilitate their better use of the system. It is in the interest of all WIPO Members to have ambitious indicators for the system. We do not want to reduce this ambition based on the very preliminary approximations found in Annex V. Thank you very much, Chair.

220. Ghana: Thank you very much, Chair. We support the proposed budget allocation for the Lisbon System and align ourselves with the statement delivered by Switzerland on this matter. Thank you.

221. Hungary (Observer): Hungary supports the statements delivered by Switzerland, France, and Ghana. First, we would like to thank the Secretariat for providing the requested information on the Lisbon System in Annex V of the Proposed Program of Work and Budget. We believe that the estimated demand for services contained in Annex V cannot serve as a basis for challenging the target of 80 applications per year, originally proposed in the Proposed Program of Work and Budget, and thus, for reducing the budget of the Lisbon System. The forecast in Annex V has only an 80 per cent confidence interval. This means that it is difficult to predict what revenues the Union can expect and, therefore, what performance it will be able to achieve. A much higher performance could be expected if new WIPO Members accede to the Geneva Act of the Lisbon Agreement. This could significantly increase the number of international registrations or other transactions, generating more income. In order for the Organization to be prepared for such a change in the demand for services, appropriate human and financial resources must be provided. An adequate level of staff and expertise, as well as the provision of IT services are essential to meet the justified needs of Lisbon Members when it comes to facilitating their use of the system, capacity building, and awareness raising in the field of GIs. Producers and stakeholders from developing and developed countries must be able to rely on a system that is effective, efficient, and consistently provides services at a high level. These services should continue to be provided even if there are no major changes. For this, it is essential to ensure an adequate budget, which is in the fundamental interest of stakeholders, users, and Member States. We fully agree with the ambitious goal embodied in the envisaged 160 international applications for the next biennium. We find it realistic and achievable, and we support maintaining this figure. Our Delegation would not support lowering the original target of 80 applications per year or the proposal to reduce the budget of the Lisbon system. I thank you, Chair.

222. Portugal: Thank you, Chair, for giving me the floor. Portugal supports the previous statements by Switzerland, France, Ghana and Hungary. We also support the current proposed budget and maintain the current target of applications for the Lisbon System. We have to take into account the expected accession of new members to the Lisbon System with a very high number of GIs that will be reflected in the work of the Lisbon Registry. The Lisbon Registry should keep an adequate level of staff and expertise for that purpose. Contrary to other systems, the number of potential geographic indications is limited, taking into account its strict eligibility. This cannot be used against the adequate budgeting of the Lisbon System. This eligibility and its criteria was a given when the Lisbon Agreement dating from 1967 became a WIPO administered treaty. It is in the interest of the WIPO membership to include ambitious targets for all the systems. We do not wish to lower this ambition on the basis of preliminary assessments that reflected in Annex V, which is based on a forecast that includes only 80 per cent confidence interval, leaving open the possibility of a significantly higher performance. And I

would like to correct myself. The Lisbon Agreement dates from 1958. It was revised by the Stockholm Act of 1967, which then became administered by WIPO. Thank you.

223. Algeria: Thank you, Chair. Our Delegation wishes to reiterate our support for the budget allocated to the Lisbon System, and we share all the sentiment expressed by the previous speaker in this regard. Thank you.

224. Tunisia: Thank you very much, Chair. My Delegation aligns itself with the statements made by previous Delegations and we reiterate the adequacy of current budgets for the Lisbon System given the increasing number of countries that are joining the system and the needs which are associated with that. Thank you very much.

225. Italy: Thank you very much, Chair. We would like to support the statements made by our Distinguished Delegates from Switzerland, France, Ghana, Hungary, Portugal, Algeria, and Tunisia. We support the current budget for the next biennium and the forecast concerning the Lisbon System. GIs directly contribute to local economic development by encouraging the growth of small and medium-sized enterprises, boosting tourism, and creating job opportunities. They also promote responsible land management, often based on traditional rural practices that respect the environment, protect biodiversity, and preserve the landscape. We have heard on several occasions Member States call for strengthening the important support to TCEs and TKs in order to defend local traditional products and productions. We believe that GIs embrace these very same principles. Now is the right time to support enterprise resilience, for which IP plays a key role. The Lisbon System is part of a global IP framework, and it is also part of the regional framework. We believe that GIs embody the same principles. The Lisbon System is part of the commitment to reach WIPO's goals in line with its mandate. Italy is committed to pursuing WIPO's financial sustainability and welcomes improved transparency in the Proposed Program of Work and Budget. We are also ready to engage and improve the effectiveness of each action that can be implemented in this regard. Thank you very much, Chair.

226. Poland: Thank you very much, Chair. Poland joins the voices of other speakers who expressed their support for retaining the budget for the Lisbon System for the very same reasons. We see it as a good source for growth for the development of local and regional communities and for small and medium-sized enterprises. This is very much needed today and for this very reason we would also support retaining the budget as it is presented in the Proposed Program of Work and Budget. Thank you very much.

227. Namibia: The African Group strongly supports the current Proposed Program of Work and Budget with regards to the allocation of resources to the Development Agenda as well as the new Development Acceleration Fund. We also support the way the Sustainable Development Goals are reflected. Thank you.

228. Brazil: Thank you, Chair. Brazil would like to start by thanking the Distinguished Delegation of the United States of America for sharing additional proposals during this afternoon. We look forward to receiving specific language in writing on this matter. With regard to the first and third points raised, we would like to add our voice to what has just been said by the Distinguished Representative from the African Group. We would like to reiterate our view on the pertinence and accuracy of the explicit reference in the Proposed Program of Work and Budget to both the WIPO Development Agenda and to the Sustainable Development Goals. As we have already expressed during PBC 38, it is our view that the current document adequately reflects WIPO's strategic priorities and is fully aligned with the Organization's Medium-Term

Strategic Plan for 2022–2026, which we were able to collectively agree upon as Member States. We therefore support our shared and continued efforts to ensure that the IP system is inclusive, representative, and responsive to the needs and priorities of all, including our developing countries. Brazil is particularly pleased with the increased budget allocation to developmental activities, including through the creation of the Development Acceleration Fund, which we consider a significant step toward strengthening WIPO's commitment to development-oriented initiatives and to the effective implementation of WIPO's Development Agenda Recommendations. Finally, we still trust that the discussions during the sessions will be able to reflect a common understanding that WIPO's financial sustainability needs to go hand-in-hand with its development-oriented responsibility, being a UN system organization. We remain committed to working constructively with all Delegations and with the Secretariat to advance a Proposed Program of Work and Budget that is balanced, transparent, and development oriented. I thank you very much.

229. Republic of Moldova: Thank you, Chair. First of all, I would like to express our sincere thanks to the Distinguished Delegate of the United States for sharing the additional proposals. Since the Republic of Moldova is a member of the Lisbon System, allow us to express support for the proposal to maintain the proposed budget as it stands, thus aligning fully with the concerns, but also with the justification that has been put forward by my previous colleagues from other countries, namely Switzerland, France, Ghana, Hungary, Portugal, Tunisia, and Italy. The way we see it, the current target, which is also reflected with respect to 80 applications per year under the Lisbon System, for example, is a continued commitment to the System's potential and to promoting the international protection of geographical indicators. It is in the collective interest of the WIPO membership to maintain ambitious targets for international registration systems, and in particular, in this case, for the Lisbon System. We should not allow preliminary and potentially conservative forecasting to lead us into reducing our strategic goals for the Lisbon System. On the contrary, we should continue to encourage broader use and greater awareness. Thank you.

230. Spain: Thank you very much, Chair. The Delegation of Spain supports Switzerland, France, Hungary, Tunisia, Moldova and we support the proposed budget for Lisbon System. As has been said, GIs are attractive and beneficial to the overall IP system. Thank you.

231. Egypt: Thank you, Chair. Our Delegation aligns itself with the statement delivered by the Distinguished Delegate of Namibia on behalf of the African Group and we thank the Distinguished Delegate of the United States for their proposal. Egypt highly values WIPO's continued commitment to its Development Agenda and UN 2030 Sustainable Development Goals and supports in this regard the current Proposed Program of Work and Budget with regard to the allocation of resources to the Development Agenda as well as the new Development Acceleration Fund which demonstrates the pivotal role WIPO is playing in fostering innovation and supporting the Development Agenda in respective Member States in alignment with WIPO's Medium-Term Strategic Plan 2022-2026. I thank you, Chair.

232. Peru: Thank you very much, Chair. We would also like to echo the previous voices on the Lisbon System. We fully support the budget as set out. We believe that the addition of new members is not a remote possibility. We believe it is something that can be achieved and which can lead profoundly transform the operational and financial landscape of the system. Therefore, we need to maintain an adequate level not only of personnel, but also of expertise as a strategic necessity for its proper functioning. The main point that I would like to emphasize is that it is necessary to strengthen the system and protection of GIs because these are essential tools for

developing countries. This is a tool which our communities, and in particular our producers and our smallest companies use. So, strengthening capacities and awareness-raising about the use of GIs is not a mere complement; this is essential. We believe that this is what will allow our current members to truly benefit from the system. And that was on the Lisbon System. I would also like to support the WIPO Development Acceleration Fund. We believe this is important to help developing countries.

233. Ghana: Thank you, Chair. Ghana aligns with the statement delivered by Namibia on behalf of the African Group. We support the increased allocation to developmental activities, including the proposed Development Acceleration Fund which is meant to boost WIPO's impact through the existing regular support, and we welcome this initiative. We also support the references within the Proposed Program of Work and Budget to the WIPO Development Agenda and the SDGs. Thank you.

234. Mexico: Thank you, Chair. Mexico also aligns itself with Delegations which have expressed their support to referencing the Sustainable Development Goals in the Proposed Program of Work and Budget and the Development Acceleration Fund as currently reflected. References to SDGs does not imply an external mandate above and beyond WIPO's mandate but rather underpinning WIPO's mandate within IP as a development tool. WIPO's agenda is supported by all Member States and already intends to support IP in development. Including information on the SDGs in the budget is complimentary. This helps us to map out how projects help foster national and international development, increase accountability, and ensure the evaluation of projects. This also helps us articulate our work better with the international system and other agencies, and it helps us mobilize funds. So, this does not limit our sovereignty but rather opens up greater opportunities for collaboration. The majority of Member States recognize that SDGs are an important framework for shaping public policy in a voluntary manner and ignoring this would not be constructive to the work of WIPO and the United Nations.

235. Algeria: Thank you, Chair. Algeria aligns itself with the statement of the African Group. Algeria expresses its strong endorsement of the Proposed Program of Work and Budget, in particular the provisions relating to allocation of resources in support of the Development Agenda as well as the establishment of the Development Acceleration Fund which we view as timely and as a strategic initiative. We further commend the Organization's efforts to systematically mainstream the Sustainable Development Goals across its program and activities in line with its broader mandate to promote inclusive and sustainable development.

236. Indonesia: Thank you, Chair. Indonesia would like to start by echoing previous speakers who have emphasized the importance of the proposed Development Acceleration Fund. As we stated in our general statement, we welcome the establishment of the WIPO Development Acceleration Fund as a significant step towards making the IP system more inclusive and development oriented. From this Delegation's perspective, the Development Acceleration Fund responds to a distinct and complimentary need and is intended to enhance and accelerate the implementation of the agenda by enabling more agile, targeted and demand-driven support to Member States. We therefore respectfully call on Delegations to view the Development Acceleration Fund as a strategic and necessary complement and not a duplication of existing mechanisms and as a concrete step towards mainstreaming development across the Organization. Thank you, Chair.

237. Chair: I thank you for your comments. We have concluded our list of speakers for the time being. Unless any other Delegation would like to take the floor, please do feel free to

request the floor should you wish so. It does not appear that any other Delegations are requesting the floor. I thank you for this broad debate regarding the various issues that we have on the table. It appears that we don't have any agreement on any of the proposals and we have not yet moved on to the funding for Indigenous Peoples and Local Communities. I believe we still have a lot to do on that matter. As such, we are now going to take a 15 minute break and then I will communicate the action plan for the rest of the afternoon. So, 15 minutes break, please. Thank you.

238. Chair: Good afternoon, Distinguished Delegates. Having held a few informal conversations and listened to all of your interventions in the plenary session, we still have five pending issues, multilingualism, funding of the participation of Indigenous Peoples and Local Communities in the IGC meetings and the three proposals that the United States has just put forward. As such, since some proposals will be sent in and circulated, this session has now concluded for today. We will kick off again tomorrow at 10:00 AM with informals in an attempt to make progress on our agenda. Have a very good afternoon and see you tomorrow at 10:00 AM, Thank you.

239. Chair: Good morning, Distinguished Delegates. We will continue with our work today but first allow me to change to my mother tongue again. A very good morning, Ladies and Gentlemen, Distinguished Delegates. As you know, we will continue today with the key part of our agenda, which is Agenda Item 9. I intend to set today's meeting aside to making progress as well as we can. I would urge that you all work constructively to try to find solutions and make progress as quickly as we can. I would like to move to an informal setting to discuss some of these issues. But before I do that, I wish to call your attention to the fact that yesterday, after intense work on the part of a group of Member States from different regional groups, a proposal was circulated on the financing of Indigenous Peoples and Local Communities to the IGC. I ask the proponents to introduce that proposal if they wish. The floor is open if there are requests for the floor in that respect.

240. Mexico: Thank you very much, Chair. I don't know if we could see the proposal reflected on the screen? Thank you very much. As you mentioned, a group of countries from different regions has been working previously and during this session on a proposal to strengthen the Voluntary Fund that facilitates the participation of Indigenous Peoples in the work of the IGC. This suggestion, of course, follows up on the idea initially proposed by the majority of GRULAC countries. Our text recognizes the recurring budgetary difficulties of the Fund and exceptionally proposes the use of unallocated resources from the WIPO regular budget to finance up to three indigenous representatives only when the Fund does not have sufficient resources, and under clear conditions. The measure proposed by this group of countries responds to the principle of inclusivity but also reinforces the legitimacy and representativeness of our discussions in that Committee and in WIPO in general. It also responds to the mandate we agreed upon at the last IGC session, which strengthens the approach to presenting evidence and national and regional experiences. The active and diverse participation of Indigenous Peoples in our discussions is essential to moving forward and making the discussion legitimate and efficient. The proposed mechanism is of limited application; it will not entail an increase in mandatory contributions and follows the rules of the Fund and WIPO's Financial Regulations and Rules. In addition, an evaluation is planned for presentation in the WIPO Performance Report. Let me add that Mexico remains committed to the Voluntary Fund and is working to secure a new contribution in the next biennium. However, as a developing country, we face certain limitations, and for us, encouraging the participation of more States that share the value of inclusivity is important, and

we believe this proposal goes in that direction. It is a balanced proposal, and we hope other countries can support it.

241. Australia: Thank you, Chair. As this is the first time Australia is taking the floor we would like to compliment you on the smooth and efficient running of the meeting so far and are confident that under your leadership we will have a very productive meeting. We also would like to thank the Secretariat for the excellent preparations for this meeting. Australia supports the statement made by the Distinguished Delegate of Mexico and thanks all the Delegations from across many regional groups who have contributed to this proposal that we are now considering. Australia strongly supports progress on the work of the IGC and considers the participation of Indigenous Peoples as a key issue for ensuring the legitimacy of the IGC's work. Therefore, we strongly support this proposal. The proposal which has the Voluntary Fund as the primary source of funding but exceptionally having funding from the budget to complement Member States' voluntary contributions would allow for greater certainty and consistency to ensure the participation of Indigenous Peoples. We hope Member States can have an open mind and consider this proposal favorably. Thank you, Chair.

242. Canada: Thank you, Chair. Canada wishes to recognize the hard work and collaborative spirit that contributed to the development of this text for our collective consideration. This proposal reflects the outcome of interregional goodwill and serves as a clear recognition of the importance, relevance and uniqueness of the contributions of indigenous voices to the work of the IGC which Member States may not be able to fully capture on their own. Canada strongly supports Member States' and 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. Their active involvement in the IGC's work is essential to inform the membership's deliberations on these important issues. Canada has long recognized the challenges associated with the regular depletion of the Voluntary Fund and has, therefore, approached this session with an interest in considering creative proposals and novel solutions that might be able to address the budget shortfalls that have created barriers to the participation of Indigenous Peoples in the meetings of the IGC while still championing a Voluntary Fund that remains critical to supporting the participation of Indigenous Peoples. We believe this proposal can help address these barriers while also incentivizing future contributions to the Voluntary Fund. We also believe this proposal can achieve these goals while respecting the core principles of the Voluntary Fund and in a manner that is fully aligned with WIPO's Financial Regulations and Rules. Canada wishes to reiterate its sincere appreciation for the interregional dialogues that have helped ensure the widest possible support for this proposal. This proposal is an extraordinary step and one that Canada believes takes WIPO in the right direction.

243. Ecuador: Thank you, Chair. I have the honor of taking the floor on behalf of the vast majority of countries in GRULAC and we wish to express our firm support for the proposal introduced by the Distinguished Representative of Mexico on behalf of the interregional group of Delegations on the financing of the participation of Indigenous Peoples and Local Communities. We welcome the constructive engagement shown in working on this proposal which reflects a collective commitment in response to a widely shared concern about the current state of the Voluntary Fund. The proposal respects shared values of inclusion to ensure the effective participation of key stakeholders in these discussions within the IGC over the course of the next biennium. We believe that this initiative is aligned to the fundamental principles and values of inclusion and representative participation that ensures the effective participation of Indigenous Peoples and Local Communities in the discussions of the IGC which is vital to ensure the

legitimacy, rich dialogue and the substantive progress in discussions during the course of the next biennium. Thank you.

244. Switzerland: Thank you, Chair. Switzerland thanks the Distinguished Delegate of Mexico for presenting the proposal and thanks all Delegations involved in its preparation. We strongly support the involvement of Indigenous Peoples and Local Communities at the IGC. The proposal goes in the right direction and Switzerland is ready to support it. I thank you.

245. Germany: Thank you very much, Chair. Good morning to everyone. Germany also thinks that the proposal is a very good initiative that goes in the right direction. From our perspective, the participation of representatives of Indigenous Peoples and Local Communities in sessions of the IGC is very important. We think that the participation is necessary because of the mandate which provides for an exchange of information on real world problems where representatives of Indigenous Peoples are supposed to give insights. We think that their participation is very important. We also see that the funding as currently practiced *via* the Voluntary Fund does not work because it is depleted. We think that the backup from the budget is a good idea. We value that there are some guardrails in the proposal that for us are very important, namely that the first source of funding should always be the Voluntary Fund and that the funding from the regular budget is a backup on an exceptional basis. The proposal is drafted as a pilot project which is also very good. For us also it is important that still there is an incentive for Member States to contribute to the Voluntary Fund which also is the case. All in all, we support the proposal. Thank you very much.

246. Brazil: Thank you very much, Chair and good morning, colleagues. This Delegation would like to thank the Distinguished Delegation of Mexico for presenting this proposal in continuation of the discussions we had during PBC 38 and in the first days of this session. Brazil would like to add our voice to what has been said by other Delegations during the sessions, Australia, Canada, Ecuador, Switzerland and Germany in order to reiterate the importance of ensuring effective and meaningful participation of Indigenous Peoples and Local Communities representatives in the IGC meetings. We also express our concern regarding the current depletion of the WIPO Voluntary Fund for this objective. The lack of adequate resources has been undermining this effective and meaningful participation in the work of the IGC and this is a participation that we see as indispensable to the legitimacy and to inclusiveness of our discussions in WIPO. Brazil would also like to add our voice to recognize the constructive spirit we had among several Delegations in these days and in the preparation of this session. Also, we thank the Secretariat for their contribution to the proposal that we have in front of us and we express our strong support for the proposal as it is presented. As others might have already explained, this is quite a constructive exercise, and a balanced one, that takes into consideration the importance of the IPLC representatives' participation and at the same time the reality that we have of a healthy financial situation at WIPO. We would call upon others to engage in the discussions on this proposal so we can have a broad consensus around it. I thank you very much, Chair.

247. France: Thank you, Chair. We would like to thank the Delegation of Mexico for presenting this initiative as well as all Member States who have worked on this proposal in a constructive spirit. This proposal is a step in the right direction to ensure the meaningful participation of Indigenous Peoples and Local Communities from every region of the world in the work of the IGC, although we hope that the Voluntary Fund will finance their participation. Geographic and cultural diversity is essential to ensure that the work of the IGC reflects the richness and plurality of traditional knowledge and cultural expressions worldwide. Hence the

importance of the participation of Indigenous Peoples and Local Communities in the work of the IGC. Thank you.

248. Dominican Republic: Thank you very much, indeed, Chair. The Dominican Republic supports the proposal introduced by the Distinguished Representative of Mexico on the participation of Indigenous Peoples and Local Communities. Our Delegation believes that this issue is of great importance because it promotes equitable geographical participation within the Organization and, as other colleagues have stated, it also moves the Organization in the right direction. Thank you.

249. United States of America: Thank you, Chair. We thank the Distinguished Delegate of Mexico for presenting this proposal. The United States supports the active participation of Indigenous Groups in the IGC. Notwithstanding the need to have relevant parties at the table, we have concerns regarding proposals that would allow WIPO's core budget to pay for this participation. The Voluntary Fund was set up to keep the contributions to the Fund apart from the regular budget. All Member States, especially those who support this proposal, are welcome to contribute freely to the fund which was set up exactly for this purpose, or fund Indigenous Peoples from their regions directly or through Funds-in-Trust. We cannot support using WIPO's regular budget for this purpose and we are not in a position to support the proposal. Thank you, Chair.

250. Guatemala: Thank you, Chair. As this is the first time we are taking the floor at this session, we are pleased to see you leading our work with your usual outstanding leadership. The Delegation of Guatemala expresses its support for the proposal presented by the Delegation of Mexico on behalf of this interregional group of Delegations on the financing of the participation of Indigenous Peoples and Local Communities. We believe that this proposal responds to the needs we have frequently raised about the contributions to the Voluntary Fund. It strengthens the principles of inclusion and effective participation of Indigenous Peoples and Local Communities in accordance with the mandate of the IGC. Thank you.

251. United Kingdom: As this is the first time I'm taking the floor in this session, I would also like to congratulate you on your position and your excellent chairing of our session so far. The UK would like to thank the Distinguished Delegate of Mexico for presenting this proposal and the Member States who have worked very hard on it. The UK believes in the participation of Indigenous Peoples and Local Communities as observers in the IGC and their contributions are important to the discussions that we have. And to this end, we encourage all Member States to consider contributing to the Voluntary Fund to allow their participation. However, the UK is unable to support the use of core WIPO funding for their participation. Although there are attempts to include guardrails in this proposal, we cannot support this proposal at this time. But we remain willing and committed to engage on this topic and the proposal further. Thank you.

252. Estonia: Thank you very much, Chair and good morning, Colleagues. Unfortunately, as we just received it now, we don't have our Group's position yet. But as we are supporting the participation of indigenous communities in the work of WIPO and the IGC, we are ready to study this proposal and compose our position. So, thank you very much.

253. Sweden: Thank you, Chair. Thank you, Mexico, for the proposal which is an initiative in the right direction. However, Sweden advocates budget restrictiveness when it comes to financing participation in IGC meetings for interest groups *via* WIPO's regular budget. We

consider that this financing should be provided via the Voluntary Fund to which interested parties can choose to make contributions. Thank you.

254. Namibia: Namibia is pleased to take the floor on behalf of the African Group. The African Group appreciates the efforts made by the various Delegations on drafting the proposal. The African Group underscores the importance of the full, effective and meaningful participation of Indigenous Peoples and Local Communities in the IGC sessions. We recognize that their voices, knowledge system and contributions are essential. In this regard, the African Group strongly supports the provision of a dedicated, predictable and sustainable funding to enable the effective participation of Indigenous Peoples, particularly those from developing countries. We reiterate that ensuring the inclusion of Indigenous Peoples in the work of the IGC is very crucial. In this regard, the African Group supports the proposal for funding of IPLCs to participate in the IGC sessions. Thank you.

255. Chair: Thank you to the proponents for presenting the proposal and thank you for all of your inputs from Delegations and Groups who have taken the floor. Quite clearly, this is an issue where I think there is room to work and try to find a consensus solution. That's what we are going to do within the Committee. I would now like to give the floor to Delegations who wish to mention other proposals that were circulated and presented yesterday. The Delegation of the United States presented proposals to the Committee, and they have circulated a version of those that is also available for the consideration of the Committee. I wish to invite Delegations who wish to address any of those proposals now to take the floor.

256. Ecuador: Thank you, Chair. I have the honor of delivering the statement on behalf of GRULAC and I wish to thank the Secretariat for preparing the document for the Proposed Program of Work and Budget for 2026/27. GRULAC welcomes the overall approach of the Program of Work and Budget which reflects WIPO's strategic priorities to ensure that the international Intellectual Property system is inclusive, representative and aligned with the needs and priorities of developing countries, benefiting all. We in particular welcome the fact that the Proposed Program of Work and Budget for 2026/27 includes significant resources for development activities, reaffirming WIPO's commitment to the Development Agenda to ensure inclusive innovation, sustainability and cooperation. This agenda is a fundamental pillar to ensure that the Intellectual Property system adequately meets the needs of Member States, especially through programs that promote the empowerment of Small and Medium-sized Enterprises (SMEs), capacity building in local communities, and the active inclusion of women and youth in the innovation ecosystems from which we all benefit. We particularly welcome efforts to adapt technical cooperation to national priorities and strengthening institutional capacities, including the development of national IP strategies, the modernization of IP Offices, as well as initiatives that promote environmental sustainability and digital inclusion. In this regard, the Group encourages the Secretariat to continue strengthening ties with Regional IP Offices in order to build resilient and inclusive ecosystems. We believe that it is essential to strengthen the capacities of Member States to use IP as a tool for social, economic and cultural development. Finally, regarding the new proposals presented yesterday by the Delegation of the United States, the Group believes that efficiency should never compromise the principles of solidarity and cooperation. We therefore express our willingness to continue engaging constructively with all Member States and with the Secretariat in the adoption of the Program of

Work and Budget for 2026/27 for the benefit of a fairer, more equitable international Intellectual Property system that serves development needs.

257. United Kingdom: Thank you, Chair. I make this statement on behalf of a number of countries: Albania, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Georgia, Greece, Hungary, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Monaco, Montenegro, Netherlands, North Macedonia, Norway, Poland, Portugal, Republic of Moldova, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, UK and Ukraine. This Group agrees to the framing of the Proposed Program of Work and Budget for 2026/27 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. This group of like-minded countries recognizes the Global Challenges and Partnerships Sector as an important part of WIPO's efforts to address pressing environmental and socioeconomic issues through Intellectual Property. 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. We find the current balance of the Proposed Program of Work and Budget to be appropriate. Thank you, Chair.

258. Dominican Republic: Thank you, Chair. Distinguished Delegates, the Dominican Republic is grateful for the opportunity to take the floor to respond to the proposals submitted by the Delegation of the United States, specifically regarding the proposal to modify the Lisbon System's projections and reduce its budget. Our Delegation does not agree with this proposal because we believe this System is key for the promotion of original products and geographical indications in developing countries. Therefore, limiting its technical and operational resources restricts its reach and usefulness, particularly for regions that need institutional support in order to use the mechanism. A reduced budget impedes the improvement of services, promotion, and digitization of the system.

259. Japan: Thank you, Chair. If I may, I want to make a statement regarding the multilingualism issue. We would like to thank the proponents for the consideration of our proposal to move the wording regarding multilingualism from the Proposed Program of Work and Budget to the decision paragraph of the Committee. We have considered the responses in depth internally, but our position remains the same. As I mentioned yesterday, we have serious and systemic concerns to put this wording in the Program of Work and Budget document since we are still in the process of discussing the possible introduction of new languages in the relevant Working Groups. It is going beyond the responsibility of this Committee to put these words in the document before reaching a conclusion in these Working Groups. We recall that one Delegate among the proponents mentioned yesterday that the aim of having the proposed wording in the Program of Work and Budget document is to pre-allocate some budget for the purpose of rapid implementation after reaching a conclusion in the Working Groups, but we believe it is exactly prejudging the outcome of our ongoing discussion and it is not the right way to secure budgetary resources before reaching a conclusion. In addition, some Delegates among the proponents mentioned yesterday that there was a precedent in the previous Program of Work and Budget document which refer to the discussions in the SCCR, but we believe that that one was introduced in the Program of Work and Budget document after we all agreed on the related project in the SCCR and we have never seen any precedent to introduce wordings in the PBC document that would prejudge the outcome of discussions in other meetings. Considering these points, there is no room for us to accept introducing the proposed

alternative wording in the Program of Work and Budget document. On the other hand, we are ready to constructively engage in elaborating the additional paragraph to reflect the ongoing discussions in relevant working groups and we believe that would be a practical and meaningful way to reach a consensus in this Committee. Thank you, Chair.

260. Chair: I thank the Distinguished Representative of Japan on behalf of Group B who has brought the issue of multilingualism to the discussion and clearly this discussion remains open as well, so if anyone wishes to address that issue, they may. We are dealing with all of these issues under the same agenda item, so clearly you may intervene on any of these issues. The floor is open if you wish to speak on any of the issues that we have been addressing.

261. Estonia: Thank you very much, Chair. Regarding the multilingualism issue, our Group cannot accept prejudging the outcomes of the discussions in the working groups, so thus we can only go along with the language in the decision paragraph, and we support the statement made on behalf of the Group B by the Distinguished Delegation of Japan. Thank you.

262. Chair: We take note of your statement and since there are no further requests for the floor, as I said a moment ago, we are going to need a 15 minute break and then we will come back at 11:00 a.m. in informal session.

263. Chair: Good afternoon, dear Distinguished Delegates from different Member States and Groups. Let me switch to Spanish now. As we agreed this morning, we are now going to move on to an informal session which will be held in Room NB.0107. We invite Group Coordinators plus four Delegations. There will be interpretation services. Delegates who are not in Room NB.0107 will be able to follow discussions in the WIPO Conference Hall. Due to technical reasons, we are now going to commence at 3:30 pm in informals to work on the proposals. Thank you very much.

264. Chair: Good morning, Distinguished Delegates, Ladies and Gentlemen. We will continue today with Agenda Item 5, Proposed Program of Work and Budget for 2026/27 in plenary and then we will move to an informal session. Yesterday afternoon, we had a very constructive open and transparent exchange of views in the informal session on the outstanding items under Agenda Item 9. I thank all Delegates for your engagement and effort to bridge gaps, and I am also certain that you have continued to dialogue and work with each other across Groups to find solutions. Let me summarize my understanding of where we stand on each outstanding items. I start with multilingualism. From the views expressed I heard willingness to find solutions. As you recall we had several proposals for inclusion in the implementation strategies for the Brands and Designs Sector (proposals A – F), and one proposal from Group B for text to be included in the decision paragraph. The Delegations of Portugal, France and Germany suggested that proposal E move to the decision paragraph; proposal D is therefore superseded. Secondly, regarding the financing of representatives of Indigenous Peoples and Local Communities (IPLC), while the cross-group proposal enjoys broad support, some Delegations have expressed strong concerns. Again, I am hoping that you have been able to reflect and consult to see if there is any progress on this item. Thirdly, regarding the Lisbon income estimates and expenditure budget proposal, the United States Delegation explained yesterday that their interest was to have consistency in the use of the Chief Economist's forecast for all the global IP registration systems. I heard yesterday strong opposition to this proposal. Fourthly, on the Development Acceleration Fund (DAF), the United States Delegation explained its proposal for the removal of DAF associated references and budget. However, I heard opposition from Member States to this. And the last outstanding item, the United States Delegation's proposal to remove all

references to the SDG 2030 agenda and goals, in the plenary and informal sessions, I heard that this proposal would be difficult for Delegations to accept, given WIPO's status as a specialized agency of the United Nations. We have had several sessions in plenary. I am now in your hands as to how you would like to proceed. We may make better progress in informal discussions, therefore, I am happy to give you more time to consult and I am ready to convene informal consultations if that would be helpful to move things forward. I am also working with the Secretariat on the decision paragraph. However, this still depends on the progress of discussions this morning and this afternoon. I now open the floor to Delegates who wish to intervene in this formal plenary setting.

265. Algeria: Thank you, Chair. Good morning, dear Colleagues. I would like to speak about the outstanding agenda item on multilingualism. We listened carefully to the discussions yesterday in the informal session and we thank all Delegations who reflected on the various proposals. In the spirit of reaching a compromise and to move forward on this matter, there is a proposal by the Group of Arab States, China, the Russian Federation and Brazil on new language in the Proposed Program of Work and Budget for 2026/27. The language reads as follows - proposal G: "Continue to support the ongoing discussion on the potential expansion of the languages of the international registration systems." This proposal is from the Group of Arab States, China, the Russian Federation and Brazil. We believe that this language is factual and strikes a good balance among the interests of the different Member States. I thank you, Chair.

266. Chair: Thank you for the proposal. We have a new proposal G, as displayed. I now open the floor for responses to the proposal. The new proposal which is proposal G is as displayed on the screen, and as heard from the spokesperson on behalf of the Group of Arab States, China, the Russian Federation and Brazil. The floor is open.

267. Spain: Thank you, Chair, and a very good morning. At the outset, I would like to thank you for your efforts yesterday and this morning in trying to reach a conclusion. As an advocate of multilingualism, we are aware of the implications of the different proposals. We wish to indicate our support for the efforts made by the Portuguese, French and German Delegations with their proposal so that we can try and make progress on the issues that we do not have substantive differences on. We believe that this proposed decision recognizes the importance of the debates on this matter and the need for them to continue, especially given that the Working Groups are continuing their technical discussions on the matter.

268. Chair: Thank you, Delegation of Spain. They were referring to the proposal I mentioned earlier on which is proposal E, which is no longer a proposal, it is in the decision paragraph.

269. Japan: Thank you, Chair, and thank you for the constructive reflection on the comments in the informal sessions yesterday. We have just received the new proposal and need time to consider the proposal and to consult within the Group. Thank you.

270. Chair: Thank you, Distinguished Delegate of Japan. If there are no further requests for the floor, let us move to the next outstanding issue which is the financing of representatives of Indigenous Peoples and Local Communities (IPLC). I made my Chair's summary a moment ago. So, I wonder if any progress has been made in your discussions and if anyone wants to take the floor. We have the proposal which is under your consideration and the Secretariat has displayed this on the screen, this will be useful for your discussions. The Distinguished Delegate of Mexico you have the floor.

271. Mexico: Thank you, Chair. We request more time. We will return with an update on the status of our proposal.

272. Chair: Thank you, Delegation of Mexico for your statement. Since there are no requests for the floor, I suggest we move to the next outstanding issue which is related to the Development Acceleration Fund. I do not see any request for the floor on this item so we can now move to the next outstanding issue, Lisbon income estimates and expenditure budget. I give the floor to the Delegation of Germany.

273. Germany: Thank you, Chair, for giving us the floor and for the opportunity to elaborate further on a specific point relating to the Lisbon System raised during yesterday's informal session. After yesterday's informal session we took a deeper look at the figures in the Proposed Program of Work and Budget for 2026/27 and noticed a discrepancy between the estimated applications under the Lisbon System on page 7, and the figure provided in Annex V. More specifically, the estimated number of Lisbon applications for 2026 on page 7, is 80, whereas the respective number in Annex V, is 65. We would like to explore whether this discrepancy might stem from the possibility that the lower estimates in Annex V do not yet reflect the recent reforms to the GI system at EU level, specifically EU Regulation 2023/2411 and EU Regulation 2024/1143, introduced as a comprehensive reform of the protection of Geographical Indications expanding, for instance, the system to cover craft and industrial products and, in the agricultural sector, the reforms to streamline and simplify the application procedures. From our perspective, both regulations are likely to lead to a significant increase in the number of applications. We would therefore appreciate that the Proposed Program of Work and Budget for 2026/27 might take this into account, and it be clarified in this regard. Thank you.

274. Switzerland: Thank you, Chair. We thank the Distinguished Delegate of Germany for this proposal. Switzerland thinks this makes a lot of sense and we would support this proposal. Thank you very much.

275. Portugal: Thank you, Chair, for giving me the floor. Portugal supports the interventions of the Delegations of Germany and Switzerland. We think that the numbers in Annex V do not reflect the incoming legislation from the European Union (EU), the expansion of the system to arts and crafts and the streamlining on the agricultural side. The forecasts of the Chief Economist, as he stated in plenary, lacks historical data. So, it is fragile in that sense. Additionally, the new EU legislation should increase the number. Therefore, the number of estimated applications seems much more reasonable than the forecast.

276. United States of America: Thank you, Chair. Thank you, Delegations of Germany, Switzerland and Portugal, for your statements. The United States is interested in ensuring that these forecasts are as accurate as possible, and our Delegation is willing to engage in a dialogue on this issue. We are a bit hesitant to engage in Member States providing specific inputs on exactly what the Chief Economist should be considering in every forecast. Our primary interest here is ensuring accuracy of the forecast, which we note, based on the Chief Economist's statement earlier this week, is lacking input. With that in mind, we are willing to engage on this issue and we thank Germany for their proposal. Thank you.

277. Spain: Thank you, Chair. I simply wanted to support the proposal from the Delegation of Germany and the statements delivered by the Delegations of Switzerland and Portugal. We believe that this data should also be taken into account.

278. France: Thank you, Chair. The Delegation of France aligns itself with the statements from the Delegations of Germany, Switzerland, Portugal and Spain. We would like to recall our opposition to any amendment to the estimates in the Proposed Program of Work and Budget for 2026/27 prepared for the Lisbon System. The Chief Economist told us that there was not enough data to develop these estimates, and I think it is important to take that into consideration and to also trust that the Secretariat will bear in mind future amendments at the European Union level, and new accessions which will provide more filings for GIs. Thank you.

279. Chair: Thank you for your statement. As I see no further requests for the floor on this issue we can move to the last outstanding issue, which is the proposal from the United States Delegation to remove all references to the Sustainable Development Goals (SDGs) and the 2030 Agenda from the budget for the next biennium. Are there any requests for the floor relating to that summary in the informal discussions that took place yesterday? The floor is open.

280. South Africa: Thank you, Chair. I speak on behalf of the African Group. The Group objects to the proposal to remove the reference to the SDGs, including the Development Acceleration Fund. It is our view that the Development Acceleration Fund represents an important step to what fostering inclusive innovation ecosystems is about, particularly in developing and least developed countries, by leveraging Intellectual Property to drive local innovation and economic development. This Fund has the potential to close existing capacity gaps and catalyze sustainable IP-based growth. We believe this initiative aligns with WIPO's Development Agenda and demonstrates a practical commitment to advancing innovation as a tool for empowerment and equity. In this regard, we encourage the continued and explicit integration of SDGs in WIPO's program and performance framework. IP should serve as an enabler of broader global objectives, including poverty reduction, climate action, gender equality and resilient infrastructure. In this regard, embedding the SDGs in WIPO's work ensures that innovation and creativity are directed towards solving the world's most urgent challenges.

281. Argentina: Thank you, Chair. Argentina reiterates that the 2030 SDG Agenda is composed of political and non-legally binding statements and every sovereign State has the right to interpret them and to adapt them to their own national values and specific circumstances. Therefore, Argentina reserves its position on the references to the 2030 Agenda and the SDGs and underscores that any reference to those concepts should fully respect the sovereignty of States and their right to define their own national policies. We reiterate our commitment to development which should be built from the perspective of the diversity of national positions.

282. Pakistan: Thank you, Chair. The APG reiterates its steadfast support for WIPO's development-oriented work. We underscore the importance of technical assistance, capacity building and policy support that are aligned with the 2030 SDG Agenda and the WIPO Development Agenda recommendations. We believe that the Development Acceleration Fund is aimed at promoting the agreed goals among Member States. These efforts are essential to empower developing countries, LDCs and countries in transition to harness the benefits of IP for inclusive and sustainable development. We recall the UN General Assembly Resolution on the 2030 SDG Agenda which was adopted by unanimity. It states that SDGs are indivisible and integrated and that all resources must be mobilized under the UN system for these efforts. As such, we do not think these goals can be isolated from the UN system or the work of UN specialized agencies. I thank you.

283. China: Thank you, Chair. Dear Colleagues, good morning. The Chinese Delegation supports, in the Proposed Program of Work and Budget for 2026/27, references to the SDG 2030 Agenda and goals. Thank you.

284. Ghana: Thank you, Chair. Ghana supports the statement delivered by South Africa on behalf of the African Group. Thank you.

285. Russian Federation: Thank you, Chair. The Russian Federation supports the current structure of the Proposed Program of Work and Budget for 2026/27, and we would like to maintain the references to the Sustainable Development Goals in the document. Thank you.

286. Chair: Thank you very much for your statements. I see no further requests for the floor. We have been discussing the different outstanding issues including multilingualism and the financing of representatives of Indigenous Peoples and Local Communities. Some Delegations have requested more time for consultations; therefore, the meeting is adjourned now at 11:20 a.m. and I propose that we resume at 12:30 p.m. to take stock of your progress. I encourage you to engage constructively in your discussions.

287. Chair: Good afternoon, Delegates. I will now open the floor. Some Delegations had asked for more time for negotiations regarding the outstanding issues. I invite the Group Coordinators to share with us any indication of progress thus far.

288. Japan: Thank you, Chair. Group B extends its thanks to the proponents of the proposals for their sincere reflection of our concerns that have been expressed during this PBC session. We still have serious systemic concerns to the new proposals put forward this morning. Nonetheless, we would like to engage in finding a middle ground to move forward. So, we request more time for bilateral consultations with the proponents to find an acceptable middle ground, and we hope this will conclude during lunchtime. Thank you very much.

289. Estonia: Thank you very much, Chair. We would also like to thank the Distinguished Delegate of Algeria for the new proposal. We still have very serious concerns regarding having this language in the document, we need more time for negotiations in our Group and for talks with other Groups to see if we can find a common ground. We are willing to work on this proposal today.

290. Chair: Thank you, Delegation of Estonia. As there are no requests for the floor, as Chair and on behalf of the Secretariat I will give you more time for consultations; I can see that there is already constructive engagement between the proponents and the other speakers in this discussion. There are two additional topics which I would like to mention. Firstly, when we resume in the formal plenary session this afternoon, I would like us to begin with Agenda Item 11, Election of the Chair and two Vice-Chairs of the Program and Budget Committee (PBC) for the next sessions. I believe candidates have already been nominated by Member States. Secondly, the Secretariat and I are working on a proposed decision paragraph for Agenda Item 9, however, the decision paragraph depends on any agreement reached on multilingualism. I encourage you to continue with your constructive engagement so that we have something to incorporate in the decision paragraph for your consideration. The meeting is now suspended, and we will reconvene at 3:00 p.m. Thank you.

291. Chair: We will now return to Agenda Item 9. We are going to follow the same order as this morning. We will start first by covering the topic of multilingualism in the registry systems.

And I now open the floor to anyone who would like to speak. The Distinguished Delegation of Japan on behalf of Group B you have the floor.

292. Japan: Thank you, Chair. And thank you again to the original proponents of the language regarding multilingualism to reflect our comments during this week. We still have serious concerns about putting language in the Program of Work and Budget document. However, in the spirit of compromise, we would like to present a counterproposal, for the following language to be put in the document. "Continue to support the ongoing discussions on possible introduction of new languages in the international registration systems, without prejudice to the outcome." Can the Secretariat display the proposal? I have already circulated it by email. We believe the original proponents could also agree with this proposed language as a final landing zone to be agreed by all Member States present here today. Thank you very much.

293. Chair: The Group B proposal is displayed on the screen right now. The floor is still open for Delegations who wish to speak regarding this proposal.

294. Algeria: Thank you, Chair. I am taking the floor on behalf of the Group of Arab States, China, the Russian Federation and Brazil. We would like to thank the Distinguished Delegate of Japan on behalf of Group B for the amendments to our proposal. I would like to say that we believe our initial proposal reflects our interests, but in the spirit of compromise we can go along with the proposal to be included in the Program of Work and Budget document as a way forward to achieve consensus. We also would like to extend our thanks to all the Distinguished Delegates of Group B, the CEBS Group, as well as all the Delegations for their constructive engagement which has allowed us to reach this agreement. We look forward to continuing in the same spirit to address other outstanding matters.

295. Chair: Thank you very much for your intervention. Would anyone else like to take the floor? It seems that no one is opposed to introducing this language in the document so we can celebrate the fact that one of our outstanding items is about to be closed without any further opposition.

296. Switzerland: Thank you very much, Chair. Switzerland supports the statement by the Delegation of Japan on behalf of Group B. We would like to remind you that our Delegation is still very concerned about certain systemic issues. The Program of Work and Budget is not the correct document to cover certain debates that are still being discussed within WIPO. The Program of Work and Budget should limit itself to containing essential information on the budget without mentioning substantial discussions that are taking place in other Committees and WIPO Working Groups that for now have no impact on the budget of the Organization. Switzerland, however, would like to join the consensus and be constructive. However, we would like to insist on the fact that we cannot accept that this happens again in the future. In other words, that other Member States insert into the Program of Work and Budget subtopics that they think are a priority. Thank you.

297. Poland: Thank you very much, Chair. I apologize for prolonging this discussion. Firstly, I would like to extend our wholehearted thanks to everyone who has contributed to reaching this consensus, and for arriving at this very important and critical moment that gives us hope that we can work towards also achieving consensus on other issues that are still ahead of us in the work of the PBC. Poland will not stand in the way of reaching the consensus that has been reached. However, we also join the Distinguished Delegate of Switzerland in voicing the same concerns. From the very beginning, we have expressed our doubts about inserting this kind of language

and provision in this Program of Work and Budget document, and we continue to express our doubts. For the record, we hope that it does not create a precedent for future discussions on future Program of Work and Budget documents. This is why we asked for the floor. Thank you.

298. Chair: Thank you very much. We have taken note of your intervention. Since there are no requests for the floor we can move to the next outstanding item on the financing of representatives of Indigenous Peoples and Local Communities. Several efforts have been made to reach consensus, I now ask if this matter has been resolved or if there have been any changes? I will now give the floor to the GRULAC Coordinator.

299. Ecuador: Thank you, Chair. On behalf of the majority of the countries of GRULAC, we would like to request more time to continue internal consultations with our Member States before returning to you with a progress update. Thank you.

300. Chair: Thank you very much. I have taken note, and as there are no requests for the floor we can move to the next item, the Development Acceleration Fund, following the proposal from the Delegation of the United States. The floor is open. Distinguished Delegation of the Dominican Republic, you have the floor.

301. Dominican Republic: Thank you very much, Chair. I would just like to reiterate what we already said during the informal sessions and what many countries have already expressed today. Our Delegation cannot support the elimination of the Development Acceleration Fund because limiting or eliminating this fund would affect substantive programs such as technical assistance, capacity building and outreach to vulnerable communities to assist them in the development of IP. WIPO also has a mission that has been recorded in its mandate and this mission should be strengthened, not weakened.

302. China: Thank you, Chair, for giving me the floor. I would like to ask whether we can still speak on the issue of multilingualism.

303. Chair: Yes, of course. You can still take the floor to speak on multilingualism. We have not concluded the discussion on Agenda Item 9 yet, so please go ahead.

304. China: The Delegation of China appreciates the efforts made by all Parties to reach a consensus. Although we still harbor some concerns and doubts about the new text, we have once again reviewed the consensus reflected in the relevant Decisions of last year's Madrid and Hague Working Groups on the introduction of new languages. In the spirit of constructiveness, we are willing to demonstrate maximum flexibility and will not obstruct the adoption of this text. Nonetheless, we are especially surprised and puzzled by the comments made in yesterday's formal discussions and informal consultations by the distinguished Delegations of the United States of America and Switzerland that the sponsor was trying to set a backdoor for the language issue by adopting the relevant proposal, and we feel obliged to respond to those comments. First, as we have repeatedly highlighted before, our previous joint proposals and subsequent amendments aim to promote multilingualism for the Madrid and Hague Systems, bearing in mind the long-term health of the Organization and reflecting the demands of a wide range of users worldwide. Second, there is no merit or basis for the assertion by the Delegations of the United States of America and Switzerland that the sponsor was attempting to set a backdoor in the budget proposal. During the 38th Session of the PBC, the Secretariat had clarified that the text of the joint proposals would not affect the allocation of budget. The Organization enjoys a high degree of freedom and flexibility in financial allocation, and the

Secretariat will also decide how to implement the relevant arrangements in the budget proposal according to actual circumstances. Therefore, we genuinely cannot comprehend how Member States can manage to set a backdoor in the Secretariat's budget allocation and implementation. Should the opportunity arise, we would be most interested in learning from the Swiss Delegation about how they might exercise creativity in this regard. Third, the distinguished Delegation of Switzerland indicated during the consultations that the budget proposal should be a document full of certainty. We appreciate their relentless pursuit of certainty. However, China wishes to point out that, as a specialized agency of the United Nations that relies primarily on fees from the service Systems for its operation, the planning and utilization of the Organization's budget depends mainly on the revenue situation and the Organization's strategic priorities. Although in recent years the Organization has been able to maintain relatively good revenues, such revenues are highly dependent on the attractiveness of the various service Systems to users, which is subject to considerable uncertainty under the current economic conditions. Moreover, we still have two Systems - the Hague and Lisbon - operating in deficit.

305. Japan: Thank you, Chair. We would just like to raise our concerns about the issue of the meetings themselves. We just heard some comments made by the Distinguished Delegate that contained important information that was just made in the informal session but was cited in the statement in plenary. We believe it might violate the regulations or rules we agreed to for informal meetings, and that would be very improper for our meetings. So, we would like to express our serious concerns regarding such behavior.

306. Namibia: Thank you, Chair, for giving us the floor. Namibia is pleased to make this statement on behalf of the African Group. The African Group reiterates its strong support for the proposed Development Acceleration Fund as outlined in the Proposed Program of Work and Budget for 2026/27 document. We view this Fund as a vital instrument for delivering the benefits to the Member States, mostly developing countries. Thank you.

307. Chair: If there are no further requests for the floor, let's move to our next issue. We have seen that there is no agreement on this particular issue. Therefore, we should move to the Delegation of the United States' proposal on the estimates and expenditure budget of the Lisbon System. As we have been doing with the other outstanding items, I now open the floor for comments from Delegations on this issue.

308. France: Thank you, Chair. As we have repeated on a number of occasions during this session of the Committee, we oppose the two proposals linked to the Lisbon System that have been tabled by the Honorable Delegation of the United States. Thank you.

309. Chair: Thank you, for your statement. Since there are no requests for the floor we can now move to the last outstanding issue, which is also a proposal from the United States Delegation to remove all references to the SDG 2030 agenda and goals in the Proposed Program of Work and Budget for 2026/27.

310. United Kingdom: Thank you, Chair. I would like to make this statement on behalf of the same group of like-minded countries on whose behalf I spoke yesterday. We would like to reiterate that WIPO has a responsibility to deliver its core mandate, including the filing and registration systems, to its customers. It should always do this with appropriate consideration for financial care and prudence. WIPO is also a member of the UN family, and as such, should adhere to the Sustainable Development Goals and we support WIPO's efforts to address

pressing environmental and socioeconomic issues through Intellectual Property. Thank you, Chair.

311. Chari: Thank you very much indeed for your statement. Of the five outstanding issues, we have reached a consensus on one of them. Another remains open because Delegations have asked for more time to consider it. It doesn't look like there is going to be a possibility of any agreement on the other issues. So on that premise, I'll work with the Secretariat on a decision paragraph that I hope I'll be able to provide to you as quickly as possible. Since it is now five minutes past 4:00 pm and we have to close our session, I would like to ask the GRULAC Coordinator to consider how long they think they need to consult because I don't think we can give them any more than 30 minutes.

312. Ecuador: We only need 15 minutes to consult and come back with an update.

313. Chair: Thank you very much indeed for your effort and for being so prompt. I suggest a half hour break and we'll come back to proceed with our session.

314. Chair: Thank you. Distinguished Delegates, good afternoon. Allow me to reopen this session. As you know, we have one outstanding issue where some Delegations have asked for some extra time and that's the issue relating to the financing of representatives of Indigenous Peoples and Local Communities at the next sessions of the IGC. I would like to open the floor to hear about this issue from Delegations.

315. Mexico: Thank you very much indeed, Chair. I'm taking the floor to share with you a few thoughts from those who have supported this proposal during the course of this session. We regret, that in spite of the broad support expressed by numerous Delegations for the proposal, we haven't been able to move forward because of a lack of agreement from just a few Member States. This is particularly unfortunate because this proposal sought to respond to a recurring and widely recognized problem. As far as we have understood from the comments made and from the discussions yesterday, the substantive objection is to the supposed principle of not using the regular budget to support the participation of observers. However, we would like to underscore that this is not an absolute practice nor a permanent one. It's not set in stone. Member States have a responsibility to decide on a limited or exceptional use of regular funds when they believe that that could improve the functioning of the Organization, making it more efficient, legitimate and inclusive. That was precisely the objective of our proposal, to offer a very balanced measure subject to strict conditions and aligned with the rules of the Organization and its financial status. It has also been said that Member States should look out for the interests of the users of the Intellectual Property system and that it was not clear how they would benefit from this proposal. We believe that that is a very restricted view. Indigenous Peoples and Local Communities are key actors and stakeholders of the ecosystem of traditional knowledge and the Intellectual Property ecosystem as a whole. Their participation enables the IGC to build a stronger, more balanced and more workable legal instrument for all, including the users themselves, a normative basis which properly reflects the realities on the ground and provides legal certainty and clarity for those dealing with that type of knowledge. Guaranteeing the participation of Indigenous Peoples is not just a symbolic gesture. It's a basic precondition for our discussions to reflect the reality on which we are supposedly adopting rules. Their continued presence brings legitimacy, in-depth knowledge and that connection to reality, especially in a Committee which has decided to take decisions on the basis of tangible experiences and evidence. So the debate does not stop here, but we have decided to withdraw our proposal. The WIPO Voluntary Fund continues to face constraints and there is still the need

to guarantee the effective participation of Indigenous Peoples. That will always be the case. Therefore, we reiterate our commitment to this issue and we believe that at a more appropriate moment we can come back to this issue where there may be a better willingness to find constructive solutions.

316. Australia: Thank you, Chair. We support the statement made by the Distinguished Delegation of Mexico. Australia reiterates its support for consensus decision making in WIPO. While Australia is extremely disappointed that we could not reach consensus on this interregional proposal, which in our view was a well-balanced proposal and enjoyed wide support, we want to once again express our appreciation and thanks to all Delegations who contributed to this proposal. The proposal demonstrated that we can work constructively together and bridge differences across groups. While this proposal could not reach consensus, the discussions this week did confirm that there is a widely shared view on the importance of the meaningful participation of Indigenous Peoples and Local Communities in the work of the IGC. Therefore, we strongly encourage all members to consider making a contribution to the Voluntary Fund. Thank you, Chair.

317. Canada: Thank you, Chair. Canada stands by the proposal for the funding of Indigenous Peoples for the IGC. We believe it is a valuable proposal and one that provides a creative pathway to supporting the essential participation of Indigenous Peoples as unique voices within the IGC. Notwithstanding the strong efforts of numerous Member States, we regret that the proposal could not generate consensus among Member States. The proposal wasn't designed to be controversial. While it may have been new, it was based on pragmatism. It was both purpose driven and limited in scope. It was also financially responsible, transparent and most importantly supported by Member States across regions. Canada values consensus within this Organization. It is how decisions related to the functioning of this Organization should be made in all of its forums. Canada will, therefore, not seek to pursue the proposal at this time, but we wish to state our disappointment in this result. Thank you again to the Delegations who worked earnestly in advance of, and on the margins of, our daily agenda this week to develop this proposal. Canada values the process and the interregional support that this proposal yielded. Thank you.

318. Peru: Thank you, Chair. My Delegation echoes the sentiments expressed by Mexico on behalf of this group of countries. We deeply regret that we haven't been able to reach a consensus in respect of the financing of the effective and sustained participation of Indigenous Peoples and Local Communities. We believe that this is a question of principle, and that the discussion of instruments in the IGC for the protection of traditional knowledge and traditional cultural expressions should ensure that the custodians of those people should have a voice. We are talking about Indigenous Peoples and Local Communities who historically have been excluded and as a very minimum, this Organization should make necessary efforts, of course respecting a budgetary rigor to ensure their participation. We are talking about rules and laws that concern them. Most of the countries here have recognized that their effective participation is very valuable and essential and legitimate for the process. When we cannot hear their views, I do think that undermines the legitimacy of the decisions that we take and, indeed, the legitimacy of this Organization itself. This goes beyond being a budgetary issue. It is a question of legitimacy. So just to reiterate our support and continued commitment to the participation of

Indigenous Peoples and Local Communities, we just want to say that for all of those who are involved in this process that remains the case.

319. Indonesia: Thank you, Chair. I'm delivering this statement on behalf of the interregional grouping of like-minded countries in the IGC. We would like to echo the expression of regret that the proposal to improve the financing for Indigenous Peoples and Local Communities through the Voluntary Fund could not be moved forward despite broad support from a majority of Member States. This proposal, as others mentioned, aimed to enhance inclusivity and ensure balanced participation of IPLCs in our negotiations, something that the group considers essential for the legitimacy and effectiveness of the process. In this regard, the group remain committed to supporting the meaningful participation of IPLCs in the IGC and call on all Delegations to reflect on this shared responsibility as we move forward. I thank you, Chair.

320. Namibia: Namibia is pleased to deliver the statement on behalf of the African Group. The African Group appreciates the efforts made by the various Delegations in seeking consensus on the issue of funding for Indigenous People and Local Communities. However, it is deeply regrettable that despite those efforts, no positive outcome has been achieved. The continued lack of funding remains a serious concern and will continue to hinder the effective participation and meaningful contribution of IPLCs in the work of the IGC. We believe that inclusive participation is essential to the legitimacy and the success of those negotiations at the IGC and we therefore urge Delegations to contribute to the Fund. Thank you.

321. Chair: Thank you very much for your statement. It doesn't appear that Delegations are asking for the floor at this point. I think we can conclude one of the other outstanding issues. It is no longer outstanding because the proponents have withdrawn their proposal. I think we have a pretty good idea about how the decision paragraph is going to look for the benefit of the Secretariat who is drafting that decision. I would ask you for another five minutes so that we can come up with a proposal for the decision paragraph.

322. United Kingdom: Thank you, Chair. I wondered whether I could take us briefly back to one of the proposals from the United States, the Development Acceleration Fund. I have been having a few conversations with other Delegates on this topic and I wondered whether I could beg your indulgence to have perhaps a little more than five minutes to see if we can make a bit of progress on that issue. Thank you, Chair.

323. Chair: Yes, of course. In that case, I propose a 15-minute break and then I will open the meeting once again. In the meantime, we will keep working on the decision paragraph. So let's come back in 15 minutes.

324. Chair: Distinguished Colleagues, please go to your seats so we can resume our meeting. Well, a very good afternoon once again, Distinguished Delegates. We have seen some Delegations that have been negotiating and they continue to discuss and, of course, that's very healthy. That's very good in any Committee in WIPO but I'm talking about this particular Committee because I'm chairing this Committee. Delegations have asked for more time to address the issue of the Development Acceleration Fund. I wondered if they wish to take the floor at this point. The floor is open.

325. United Kingdom: Thank you, Chair. Thank you very much for the extra time. I'm incredibly grateful. I wanted to put forward on behalf of the UK a proposal. We think it's really important that WIPO can deliver impactful work on the ground to support innovation and

Intellectual Property. I wondered whether Colleagues might consider naming the new fund the Innovation Acceleration Fund and whether that might be acceptable. I would ask that to be considered. Thank you very much.

326. United States of America: Thank you, Chair. Thank you to the Distinguished Delegate from the United Kingdom for your proposal. I believe we would benefit from a bit more time to discuss that both internally and with other Member States. I would ask you for another perhaps 30 minutes. Thank you.

327. Chair: In the spirit of continuing negotiations, I can give you another 30 minutes and I sincerely hope that these negotiations can be fruitful. So I invite us to resume again in half an hour.

328. Chair: Good afternoon, dear Colleagues, Distinguished Delegates. Please go back to your seats so we can resume our work. Thanks for your patience. I'm giving you all some time, some space for discussions which regardless of the outcome, I believe, could pave the way for further discussions and which would, no doubt, facilitate future conversations among Member States. Let us now resume on the pending items under Agenda Item 9. I would first like to give the floor to Delegations. Does anyone wish to speak regarding the Development Acceleration Fund?

329. United Kingdom: I would like to thank you for the extra time. I would like to thank all Delegations for considering our proposal and for engaging with me on it. After some good consultations and discussions, we feel at this stage that it is appropriate for us to withdraw this proposal. Thank you very much, Chair.

330. Chair: I thank the Delegation of the United Kingdom. The proposal continues as an open point. There has been no change. In other words, we can look at the draft decision that the Secretariat will share with you on the screen.

331. Poland: Thank you very much, Chair. This is not about the language in the proposed decision, but I would like to make a statement on behalf of several countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, France, Georgia, Latvia, Lithuania, North Macedonia, Malta, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Republic of Moldova, Slovakia, Slovenia, Spain, Sweden, Ukraine, and the United Kingdom. The countries that I have just named continue to express concerns over the operations of the WIPO External Office in Moscow as well as the proposed budget allocation vis-a-vis its deliverables in the context of the economic and geopolitical issues resulting from the continued Russian war of aggression against Ukraine. The group of countries has systematically raised this issue in the course of the discussion on the Proposed Program of Work and Budget for 2026/27. We intend to continue the dialogue with the WIPO Secretariat to receive more in-depth information regarding the Office's activities and operations. We also request the Secretariat to closely monitor the work program implementation and budget utilization of the Moscow External Office during the 2026/27 biennium. In this context, and emphasizing the need for more transparency and better understanding of the operations and impacts of the work of the External Office in Moscow, we kindly request the Secretariat to include more detailed information in the WIPO Performance Report 2024/25 based on questions

raised in the discussion during this PBC. We are ready to further engage with the Secretariat regarding this at any stage.

332. Russian Federation: Thank you, Chair. We note that the statement that was delivered by the Delegation of Poland on behalf of the group of countries is absolutely unacceptable. The attempts to politicize the work of WIPO including when considering the Program of Work and Budget is absolutely unacceptable. After the week in which a lot of work has been carried out, and we have to note the constructive efforts that have been undertaken over the course of this week, and now we have to hear politicized statements that do not have any relation to the discussions that have been conducted over the course of the week. We repeat that we are not willing to agree with hearing such statements which we believe to be completely unacceptable.

333. Chair: Would any other Delegation like to take the floor with regard to the Agenda Item 9 decision? Otherwise I will assume that there is no opposition to the paragraph and we can adopt it. So the floor is open for your comments. Very well. I conclude thus that we adopt the draft decision.

334. Spain: On behalf of the Spanish Delegation, we would like to thank Mr. José Antonio Gil Celedonio for the excellent chairing of this meeting and for carrying out his mandate over this biennium. Thank you for your dedication and your patience in the plenary. We also take this opportunity to congratulate the new appointed PBC Chair and Vice Chairs.

335. Chair: Thank you very much. Thank you very much for those very kind words. Thank you to my Delegation.

336. Mexico: It has been very refreshing to have you Chair the session in Spanish. Today we are talking about multilingualism. It is a value that we are placing very highly. Mexico found it very interesting and refreshing to hear you speaking in your mother tongue, the second most widely spoken language in the world. There are many Spanish speaking artists that are famous in the world and I would encourage everyone to use their Spanish and raise awareness about how important this language is.

337. Chair: Thank you also for your very kind words.

338. Egypt: Thank you so much, Chair. I would like to join the others in expressing our appreciation and congratulations to you. If you may, just before we move to the closing, there was the reference to Annex I in the amended, final decision. If you can just put it on the screen because there have been too many amendments to this proposal and just to be sure that this is the agreed upon and in all languages.

339. Chair: Yes, I believe you can see this now on the screen. Is it correct? I thank the Distinguished Delegate of Egypt. As I said before, we will now have a 10-minute break. Distinguished Delegate, all good things come to an end.

340. (document WO/PBC/39/8) decision:

1. *The Program and Budget Committee (PBC), having completed its comprehensive review of the Proposed Program of Work and Budget for 2026/27 (document WO/PBC/39/8), agreed to the following modification as reflected in Annex I:*

*i. Reflection of multilingualism in the BDS implementation strategies.*

2. *The PBC requested the Secretariat to revise the Proposed Program of Work and Budget (document WO/PBC/39/8), to reflect the modification listed in paragraph 1 above to be submitted to the 66th series of meetings of the WIPO Assemblies.*

3. *The PBC further decided to refer the following outstanding items discussed during PBC 39, to the 66th series of meetings of the WIPO Assemblies:*

*ii. Removal of all references to the 2030 Agenda for Sustainable Development and SDGs from the Proposed Program of Work and Budget for 2026/27;*

*iii. Adjusting estimated applications and income for the Lisbon System and budget for the Lisbon Union;*

*iv. Removal of the Development Acceleration Fund and associated references and budget.*

## **ITEM 10 FINANCING PLAN TO RESTORE THE COVERAGE OF LONG-TERM EMPLOYEE BENEFITS AT WIPO**

341. Discussions were based on document WO/PBC/39/9.

342. Chair: We now turn to agenda Item 10 – Financing Plan to Restore the Coverage of Long-Term Employee Benefits at WIPO. I forgot to thank the Human Resources Team who have been with us this morning on the previous item. During the 34<sup>th</sup> Session of the PBC, Member States raised concerns about the 80 per cent target for the level of coverage of WIPO's long-term employee benefit liabilities and expressed a preference for a higher coverage to fund the projected liability considering the Organization's strong financial position. Pursuant to Rule 103.20 of the Financial Regulations and Rules on Long Term Liabilities: "The Controller shall ensure that a funding plan is in place for long-term liabilities, drawing on the reserves and subject to the approval by the Assemblies of WIPO."

343. Secretariat: Thank you, Chair. Good morning, Delegates. You may recall that in 2022 the Assemblies approved an annual charge of up to 10 per cent of personnel costs starting with the biennium 2024/25 to fund the long-term employee benefit liabilities in WIPO. During the session of the PBC of the same year, Member States had raised concerns on the 80 per cent target for the level of coverage of WIPO's long-term employee benefit liabilities and expressed aspirations for a higher coverage to fund the projected liability considering the Organization's strong financial position. WIPO completed its asset liability management study in May of this year. The study was prepared by an independent actuary, Aon Suisse SA, based on financial information available as of December 31, 2024 as a starting point. Different projections and scenarios and sensitivity analysis were considered for the calculation of the liabilities and projected funding ratio given a variety of investment return targets and levels of contributions. The asset and liability management study revealed that WIPO's long-term employee benefit

liabilities have increased by 104 million Swiss francs since the previous study was completed in 2022. The increase in liabilities was primarily due to unfavorable medical premium increases since 2022 and a lower discount rate in the calculation of the liability. The increase created a funding gap that makes achieving 100 per cent coverage in 20 years less likely under the current financing plan. Finally, the asset and liability management study concluded that an additional lump sum of 50 million Swiss francs would immediately restore coverage to 82 per cent and combined with ongoing contributions and expected annual investment returns of 2.3 per cent, the projected coverage of the long-term employee benefit liabilities at WIPO to 90 per cent after 20 years. WIPO is well positioned to implement this proposal. Our accumulated reserves total 909.8 million Swiss francs with daily operating cash averaging 302 million Swiss francs, well above the 222.5 million reserve target. The core investment portfolio provides 931.4 million Swiss francs of liquidity and we have no external borrowings. This transfer would not compromise our reserve target levels. The 50 million Swiss francs transfer represents prudent financial management, and we immediately restore the coverage to 82 per cent and address Member States' preference that WIPO meets higher coverage levels while ensuring our ability to meet long-term obligations to current and future retirees. The proposed decision is that the PBC recommends to the Assemblies of WIPO approval of a transfer of 50 million Swiss francs to the strategic investment portfolio for covering long-term employee benefit liabilities. Thank you. I'm ready to take any questions.

344. Japan: Thank you, Chair. On behalf of Group B, I would like to thank the Secretariat for the preparation of document W/PBC/39/9 - Financing Plan to Restore the Coverage of Long-Term Employee Benefits at WIPO. However, we must express our concern regarding the significant deterioration of the funding ratio for long-term employee benefit liabilities which has dropped from 79 per cent in 2022 to 70 per cent as of December 2024. We are even more concerned about such a substantial shortfall given the unfavorable development in medical insurance premiums which has only come to light less than two weeks prior to this meeting. We believe that adequate market monitoring, proactive attitude and timely informing of such critical developments are essential for sound financial governance and for enabling WIPO, and where it is necessary Member States, to respond appropriately. While we acknowledge the Secretariat's proposal to transfer 50 million Swiss francs to the strategic investment portfolio in combination with ongoing contributions of 10 per cent of personnel costs in order to raise the funding ratio to 82 per cent and set a trajectory toward 90 per cent in 20 years, we are concerned that further cash injection will be needed in the future if the level of investment return remains around 2.3 per cent. Consequently, we would like to ask how the Secretariat intends to address the remaining shortfall beyond the 90 per cent funding ratio projected for 20 years from now and what are the concrete plans or further measures under consideration to ensure full funding in the long term. Furthermore, we urge the Secretariat to provide greater transparency and regular updates on the performance of the strategic investment portfolio and progress towards the funding targets. In conclusion, Group B supports this proposed funding plan as a pragmatic response to the current challenges, but we emphasize the importance of ongoing monitoring, transparent reporting and the continued commitment to long-term financial sustainability. Moreover, we stress the need for earlier identification and communication of major financial issues as well as a clear strategy for achieving full funding. Thank you, Chair.

345. Italy: Thank you very much, Chair. Italy is in favor of the transfer of 50 million Swiss francs in combination with ongoing contributions of 10 per cent of personnel costs as a measure to place the Organization on track for a projected coverage of 90 per cent in 20 years, bringing the funding closer to the target of 100 per cent coverage of the long-term employee benefit liabilities. Nevertheless, we want to reiterate our opinion that a more active utilization of the fund

is imperative for the coverage of the long-term employee benefit liabilities and in line with an acceptable level of risk for an organization such as WIPO. A higher benchmark for annualized investment returns instead of the current benchmark is credible and reasonable. Moreover, Italy believes that it is not the unique measure that can be implemented for the containment of future cash injections in order not to deviate WIPO's financial resources from their main objectives. You can fully rely on our cooperation and commitment to reach WIPO's mission together with its long-term financial sustainability. Thank you, Chair.

346. Japan: Thank you, Chair. I'm speaking in my national capacity. The Delegation of Japan supports Group B's statement. We appreciate the Secretariat's preparation of the document WO/PBC/39/9, Financing Plan to Restore the Coverage of Long-Term Employee Benefits at WIPO. While we would like to emphasize the need for earlier identification of major financial issues, we support the proposed financing plan as a practical and realistic approach to address the existing challenges. Thank you, Chair.

347. Chair: I think the Secretariat needs about a minute to coordinate a response, but I'm not going to have a break. While the Secretariat prepares to respond, I'd just like to refer to something which I believe is very important. As you know, at the end of this session of the Program and Budget Committee, there will be an election of a new Chair and two Vice-Chairs of the Committee. I encourage all Groups to continue to put forward candidates. We only have a candidate from the African Group for Chair and one from Group B for a Vice-Chair. I would encourage Delegations, particularly Groups who haven't done so yet, to consider the possibility of putting forward candidates for one of the Vice-Chairs of the Committee. But this was just an information point that I wanted to share with you. Please don't leave your seats. The Secretariat just needs a moment or two to prepare its reply. Thank you very much for your patience. The Director of the Finance Division will now respond to the points raised.

348. Secretariat: Thank you very much for your support. We take note of your comments. We will be coming back at the next PBC with some proposed revisions to our policy on investments as we updated yesterday and that would be quite a good opportunity to engage with Member States on this subject. Of course, as reported yesterday, measures for cost containment are ongoing. There is a specific Committee within the Organization that is looking at these issues on an ongoing basis with the idea of finding the best way for cost containment. And just to add that we are committing that in the future we will consider how to provide more frequent updates and monitoring and also reporting back to Member States in a timely manner when developments happens. Thank you very much.

349. Chair: Thank you for your statement on behalf of the Secretariat. I see no further requests for the floor, in which case I will now proceed to read out the decision paragraph for Agenda Item 10: Financing Plan to Restore the Coverage of Long-Term Employee Benefits of WIPO, document WO/PBC/39/9. Nobody has objected to anything in this decision paragraph. So if there are any comments, please make them now. Otherwise, I take it that we can adopt the decision paragraph. I see no comments. Therefore, the paragraph is adopted. It is so agreed. That concludes consideration of Item 10. Thank you very much once again for all of your excellent work this morning. There have been some very interesting and constructive discussions. Of course, they have been fairly swift. That's always a very good thing in this Committee. We have moved on now very well with our agenda. I'm sure you are all very busy. We will be back at 3:00 p.m. to address Item 11 and move on with our discussion on the Proposed Program of Work and Budget for 2026/27. The meeting is now adjourned.

350. The Program and Budget Committee (PBC) recommended to the Assemblies of WIPO, each as far as it is concerned, to approve a transfer of 50 million Swiss francs to the Strategic Investment Portfolio, which is earmarked for covering the long-term employee benefit liabilities at WIPO.

#### **ITEM 11 ELECTION OF THE CHAIR AND TWO VICE-CHAIRS OF THE PROGRAM AND BUDGET COMMITTEE (PBC)**

351. Chair: Distinguished Delegates, please take your seats so we can continue our last session of this PBC 39 session. As anticipated, we will begin with Agenda Item 11, Election of the Chair and two Vice-Chairs of the Program and Budget Committee (PBC) for the 2026 and 2027 sessions. I will continue to speak in Spanish, my mother tongue. At the 63<sup>rd</sup> Assemblies of WIPO in 2022, the Assemblies decided to modify the electoral cycle of officers (Chair and two Vice-Chairs) stipulated in Rule 9(2) of the General Rules of Procedure, such that their terms of office begin following the final meeting of the session during which they were elected. I now open the floor for nominations for the Chair of the 2026 and 2027 PBC sessions. I see that Namibia on behalf of the African Group would like to take the floor. Please go ahead.

352. Namibia: Thank you, Chair, for giving us the floor. Namibia takes the floor on behalf of the African Group. The African Group nominates His Excellency Ambassador Alaa Hegazy, Permanent Representative of Egypt in Geneva for the Chair of the Program and Budget Committee position. We thank you.

353. Chair: Thank you very much for your nomination. As there are no requests for the floor we will now move on to Delegations who would like to nominate anyone to the position of the Vice-Chairs of which there are two for this Committee. I will now give the floor to the Distinguished Delegation of Japan on behalf of Group B. You have the floor.

354. Japan: Thank you, Chair. Group B is pleased to nominate Mr. Christian Schernitzky, First Counsellor at the German Mission to the UN in Geneva, as a candidate for Vice-Chair of the PBC.

355. Chair: Thank you. Thank you very much, Japan, for your nomination. And now the Distinguished Delegation of Ecuador, Group Coordinator for GRULAC, would like to take the floor.

356. Ecuador: Thank you, Chair. It is an honor for GRULAC to nominate Ms. Alison Urquizo, Delegate, from the distinguished Delegation of Peru to the position of Second Vice-Chair for the PBC.

357. Chair: Thank you very much. As there are no requests for the floor, I understand that there is consensus regarding the nominations. Therefore, I propose the following decision paragraph which I am going to read now.

358. The Program and Budget Committee (PBC) elected, for its sessions to be held in 2026 and 2027: H.E. Ambassador Alaa Hegazy, Permanent Representative of Egypt in Geneva as the Chair of the

PBC; Mr. Christian Schernitzky, First Counsellor at the German Mission to the UN in Geneva and Ms. Alison Urquizo, First Secretary at the Permanent Mission of Peru to the UN and WTO in Geneva as the Vice-Chairs of the Committee.

359. Egypt: The Delegation of Egypt wishes to express its appreciation and thanks for the support extended by the various Groups for the nomination of His Excellency Ambassador Alaa Hegazy as Chair of the Program and Budget Committee for the 2026/27 biennia. We look forward to continuing our engagements and constructive deliberation within this Committee. I thank you, Chair.

360. Chair: Thank you, Delegation of Egypt, for taking the floor. Would anyone else like to take the floor now? The Distinguished Delegation of Germany, the candidate for Vice-Chair would like to take the floor.

361. Germany: Thank you, Chair. There is no opposition from our Delegation for the nominations, I would like to thank for the support for our nomination.

362. Peru: I would be remiss if I did not take this opportunity to thank all the other members for their support for my nomination. Thank you.

363. Chair: Thank you very much. We can conclude this item as there is consensus. No one is opposed. So, let us adopt this decision paragraph. Congratulations to the new PBC Chair and the two new Vice-Chairs for the next biennium.

## **ITEM 12 CLOSING OF THE SESSION**

364. Chair: We will now conclude this 39<sup>th</sup> PBC Session. We shall now read out the list of decisions of the Committee. I would ask the Secretariat to kindly put the draft decisions on the screen as per usual practice. These are all the decisions that the PBC has taken this week. I thank you very much for your constructive work. There will also be an annex including the agreed amendment as mentioned by the Distinguished Delegate of Egypt. I would like to thank you for your tremendous work. This list of decisions will be shared with all the Group Coordinators so that Members have a record of all the decisions and as per usual, this will also be published on the PBC website. And now, for his closing remarks, I would like to call on the Director General, Mr. Daren Tang to make his final remarks.

365. Director General: Thank you, Chair. Let me start by congratulating you, dear Jose Antonio, for bringing up your experience in your previous capacity as well as in your current capacity to oversee, guide and direct our work this week, supporting this very important set of deliberations throughout the week. So thank you so much. I think the coke zero machine has run out of cans, but all for a good cause helping us to have your energy high as you guided us in our work. I would also like to congratulate the incoming Chair, Ambassador of Egypt as well as our incoming Vice Chairs, Mr. Christian Schernitzky of Germany and Ms. Alison Urquizo of Peru. We welcome you and we look forward to working closely with you. I would also like to thank the Group Coordinators. You are first in the hall, last to leave. You have the difficult task of herding big groups with many different Member States, sometimes with very different views and, of course, throughout that, keeping your patience, your flexibility, trying to find compromises within your group, of course, and then working together with other Group

Coordinators to move the issues along. It isn't an easy task, but your work is, I'm sure, very deeply appreciated by your Member States and by us at the Secretariat. And, of course, thanks to all the Member States of this Committee for your hard work and constructive engagement. We have reached many important outcomes this week in a broad range of audit and oversight, governance and financial items, and, of course, with regards to the budget, I think we are almost there, but we will have to support you as you take that budget discussion now to the General Assembly, which will just be in a few weeks time. Lastly, I also have to thank the many colleagues involved at the Secretariat, those on the podium, that have been here, visible, running around, supporting you as Member States, but also those that are less visible but no less important, our conference services, our colleagues involved in documentation, interpretation, IT, protocol, and all of those who helped this meeting run day and night, night and day. So with that, I know it's late in the day, and I won't want to delay you as you make your way back to capitals. I wish you a safe journey. For those of you who are staying here in Geneva, just to thank you again, all of you, for your hard work. I wish you a restful weekend, a well-deserved break, and see you very soon in just a few weeks time at our General Assembly. Thank you very much.

366. Chair: Thank you for your kind words. And, yes, we all need to go back to our homes, our capitals. I would like to also echo the thanks that the Director General has mentioned. Thank you to all of you for your tremendous commitment during the course of this week. We made rapid progress in the first part of our Committee, which enabled us to have sufficient time to negotiate the other complex issues related to the Program of Work and Budget. It is very noteworthy, in my opinion, that we were able to take decisions on all the items of the agenda. And in addition to this, we have held important conversations on essential issues related to the PBC for the next biennium, which now paves a clear path to continue our conversations on those matters that are still open and those that will be sent to the Assemblies in just a few days. I would like to obviously thank the interpreters who enabled us to be multilingual. I would also like to thank you for the fact that during the informal sessions in the various rooms the interpreters were always available and worked wonderfully. So thank you to the interpreters. I would also like to thank the staff, the conference service staff and the Secretariat for the wonderful support over the course of this week. Before I conclude, this is my last session at this Committee. And as some of you know, I have been in this Committee for six years, from 2020 to 2025. I have been very fortunate to work with all of you and to endeavor to work in the spirit of this Organization. The anchor is the Program of Work and Budget obviously. It has been a pleasure to work with the Ambassador from India, Ambassador from Pakistan, Ambassador from Poland who was Vice-Chair and then Chair. And it has been an honor to work with all of you who also occupied the Vice-Chair positions. It has been an honor to work with these Ambassadors and with you Colleagues and to have worked with each and every one of you. My last words of thanks go to my Delegation, the Delegation of Spain who have stood steadfast by me this whole time to carry out my work and who entrusted this task to me. I thank my Group, Group B, who nominated me. Without any further ado, I should also like to echo what the Director General said. I wish you a safe journey home and an enjoyable evening in this very hot day in Geneva. I should like to adjourn the PBC 39<sup>th</sup> Session. Thank you.

[Annex follows]

**ANNEX: LISTE DES PARTICIPANTS / LIST OF PARTICIPANTS**

I. ÉTATS MEMBRES/MEMBER STATES

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

AFRIQUE DU SUD/SOUTH AFRICA

Tsholofelo Glenda TSHEOLE (Ms.), Deputy Permanent Representative, Permanent Mission, Geneva

Reginald Thilivhali RATSHITANGA (Mr.), Counsellor (Political), Permanent Mission, Geneva

ALGÉRIE/ALGERIA

Belgacem TABAI (M.), conseiller, Mission permanente, Genève

ALLEMAGNE/GERMANY

Christian SCHERNITZKY (Mr.), First Counsellor, Permanent Mission, Geneva

Viola ZOLLITSCH (Ms.), Advisor, Section III B 5, Federal Ministry of Justice and Consumer Protection, Berlin

ARGENTINE/ARGENTINA

Nadia Soledad SOCOLOFF (Sra.), Consejera, Misión Permanente, Ginebra

BRÉSIL/BRAZIL

Cristina ALEXANDRE (Ms.), Counsellor (Intellectual Property), Permanent Mission to the World Trade Organization (WTO), Geneva

Fernando Linhares ASSIS (Mr.), Economic Affairs Advisory, National Institute of Industrial Property (INPI), Rio de Janeiro

Fabio MUNIZ DE ALMEIDA MANDU (Mr.), Specialist, International Relationship Coordination, National Institute of Industrial Property (INPI), Rio de Janeiro

CANADA

Gabrielle DOLGOY (Ms.), Senior Trade Policy Officer, Intellectual Property, Digital Economy, and Innovation Division, Global Affairs Canada, Ottawa

Francis LORD (Mr.), Senior Trade Policy Officer, Intellectual Property, Digital Economy, and Innovation Division, Global Affairs Canada, Ottawa

Amira KHADR (Ms.), Senior Policy Analyst, Canadian Intellectual Property Office (CIPO), Ottawa

### CHILI/CHILE

Pablo LATORRE (Sr.), Propiedad Intelectual Attaché, Misión Permanente ante la Organización Mundial del Comercio (OMC), Ginebra

### CHINE/CHINA

LI Weiwei (Ms.), Minister-Counsellor, Permanent Mission, Geneva

YANG Zhilun (Mr.), Minister-Counsellor, Permanent Mission, Geneva

HE Xiang (Mr.), Second Secretary, Permanent Mission, Geneva

YAO Yue (Mr.), Third Secretary, Permanent Mission, Geneva

ZHANG Ling (Ms.), Director, International Cooperation Department, China National Intellectual Property Administration (CNIPA), Beijing

WANG Hua (Ms.), Deputy Director, International Cooperation Department, China National Intellectual Property Administration (CNIPA), Beijing

ZHONG Yan (Mr.), Deputy Director, International Cooperation Department, China National Intellectual Property Administration (CNIPA), Beijing

YAO Yuan (Mr.), Professor, Government Audit Academy, Nanjing Audit University, Nanjing

### COLOMBIE/COLOMBIA

Álvaro Alejandro GÓMEZ OCAMPO (Sr.), Ministro, Misión Permanente, Ginebra

Herman de Jesús GUTIÉRREZ GUTIÉRREZ (Sr.), Director General, Dirección Nacional de Derecho de Autor (DNDA), Bogotá

Juan Sebastián SÁNCHEZ POLANCO (Sr.), Asesor, Dirección Nacional de Derecho de Autor (DNDA), Bogotá

### ÉGYPTE/EGYPT

Alaa HEGAZY (Mr.), Ambassador, Permanent Representative, Permanent Mission, Geneva

Mohamed HASSANIN (Mr.), First Secretary, Permanent Mission, Geneva

EL SALVADOR

Carmen Aída FUENTES APARICIO (Sra.), Ministra Consejera, Representante Permanente Adjunta, Misión Permanente ante la Organización del Comercio (OMC), Ginebra

Coralia OSEGUEDA (Sra.), Consejera, Misión Permanente, Ginebra

ÉMIRATS ARABES UNIS/UNITED ARAB EMIRATES

Sarah MCHAREK (Ms.), International Organizations Executive, Permanent Mission to the World Trade Organization (WTO), Geneva

ESPAGNE/SPAIN

María del Carmen MARTÍNEZ DE LA PEÑA (Sra.), Consejera, Misión Permanente, Ginebra

José María CALLEJA ROVIRA (Sr.), Secretario General, Secretaría General, Oficina Española de Patentes y Marcas (OEPM), Ministerio de Industria y Turismo, Madrid

Covadonga PERLADO DÍEZ (Sra.), Jefa de Área, Departamento de Coordinación Jurídica y Relaciones Internacionales, Oficina Española de Patentes y Marcas (OEPM), Ministerio de Industria y Turismo, Madrid

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Piret URB (Ms.), Counsellor, Permanent Mission, Geneva

Kadri KROODO (Ms.), Legal Advisor, Intellectual Property Law Department, Estonian Patent Office, Tallinn

ÉTATS-UNIS D'AMÉRIQUE/UNITED STATES OF AMERICA

Marina LAMM (Ms.), Intellectual Property Attaché, Permanent Mission, Geneva

Laura HAMMEL (Ms.), Senior Level Intellectual Property Attorney for Global Outreach, United States Patent and Trademark Office (USPTO), Alexandria

Gordon KLANCNIK (Mr.), Patent Attorney, Office of Policy and International Affairs, United States Patent and Trademark Office (USPTO), Alexandria

Andrew MOORE (Mr.), Attorney-Advisor, United States Patent and Trademark Office (USPTO), Alexandria

Chelsea COWAN (Ms.), Advisor, Department of State, Washington, D.C.

## FÉDÉRATION DE RUSSIE/RUSSIAN FEDERATION

Viktoria GALKOVSKAYA (Ms.), Deputy Head, Federal Service for Intellectual Property (ROSPATENT), Moscow

Vladislav MAMONTOV (Mr.), Acting Director, International Cooperation Department, Federal Service for Intellectual Property (ROSPATENT), Moscow

Evgeniia KOROBENKOVA (Ms.), Adviser, Multilateral Cooperation Division, International Cooperation Department, Federal Service for Intellectual Property (ROSPATENT), Moscow

Aleksandr PRISHCHEP (Mr.), Deputy Director, Federal Institute of Industrial Property (FIPS), Moscow

Anton MINAEV (Mr.), Senior Counsellor, Permanent Mission, Geneva

Dmitry PODLESNYKH (Mr.), First Secretary, Department of International Organization, Ministry of Foreign Affairs, Moscow

Anastasiia TOROPOVA (Ms.), Second Secretary, Permanent Mission, Geneva

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

## FRANCE

Carole BREMEERSCH (Mme), conseillère (Propriété intellectuelle), Affaires globales, Mission permanente, Genève

Lucas FROMENT (M.), conseiller, Mission permanente, Genève

Elodie DURBIZE (Mme), responsable, Pôle des affaires européennes et internationales, Service juridique et international, Institut national de la propriété industrielle (INPI), Courbevoie

## GHANA

Audrey Akweley Yebowaa NEEQUAYE (Ms.), First Secretary, Permanent Mission, Geneva

## GUATEMALA

Eduardo SPERISEN YURT (Sr.), Embajador, Representante Permanente, Misión Permanente ante la Organización Mundial del Comercio (OMC), Ginebra

Flor de María GARCÍA DÍAZ (Sra.), Consejera, Misión Permanente ante la Organización Mundial del Comercio (OMC), Ginebra

ITALIE/ITALY

Delfina AUTIERO (Ms.), Senior Expert Officer, Italian Patent and Trademark Office (UIBM), Ministry of Enterprises and Made in Italy, Rome

JAPON/JAPAN

ITO Yuichi (Mr.), First Secretary, Permanent Mission, Geneva

TAJIMA Hiroki (Mr.), First Secretary (Political Affairs), Permanent Mission, Geneva

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