

# WIPO



DATE: October 4, 2006

## WORLD INTELLECTUAL PROPERTY ORGANIZATION GENEVA

### QUESTIONNAIRE

#### ON THE

#### DRAFT PROGRAM AND BUDGET FOR THE 2008/09 BIENNIUM

#### I. BACKGROUND

This questionnaire is the first step of the new mechanism for the preparation and follow up of the Program and Budget of the Organization following the adoption of that mechanism by the 2006 session of the Assemblies of the Member States, as illustrated in Annex I.

Member States' replies to the questionnaire shall be published on the website (see below) in the original language, and analyzed by the Secretariat. These replies will guide the Secretariat in the preparation of the Director General's outline document on the next program and budget proposal which will be reviewed at the informal session of the Program and Budget Committee scheduled to take place in December 2006.

#### II. QUESTIONS

##### QUESTION 1: STRATEGIC GOALS

The Program and Budget for the 2006/07 Biennium is elaborated on the basis of five strategic goals. These are:

- Strategic Goal One: To Promote an IP Culture
- Strategic Goal Two: To Integrate IP in National Development Policies and Programs
- Strategic Goal Three: Progressive Development of International IP Law
- Strategic Goal Four: Delivery of Quality Services in Global IP Protection Systems
- Strategic Goal Five: Greater Efficiency of Management and Administrative Support Processes within WIPO

Does your Government consider that the program and budget for the 2008/09 biennium should continue to be based on the same strategic goals? If not, please elaborate.

*The usefulness or appropriateness of the goals is difficult to assess as they are very general statements. There is no clear sense of 'destination', nor strategies to reach that destination. The operating plans to implement such strategies, together with underlying bases,*

*assumptions and risk factors, depend on greater specific detail emerging in the planning process. The ideal structure would be to have long term goals, medium term objectives for working towards those goals, and short term actions to achieve the objectives. Each can be given deadline dates, and measured in terms of progress towards achievement. This is particularly so in relation to goal one, where “IP Culture” can be interpreted in many ways. In relation to goal 2, the ongoing debate in WIPO indicates that it is not integration of IP into development policies but rather ensuring that IP policies are consistent with the developments goals of the world community and balance needs of rights holders and other stakeholders.*

## QUESTION 2: PROGRAMS

./ The 2006/07 Program and Budget consists of 31 programs organized under the five strategic goals referred to above. This is illustrated in Annex II (Strategic Framework). Does your Government consider that the 2008/09 Program and Budget should continue to be based on the same programs? Should any program(s) be added? If so, please explain which ones and why. In your opinion, what would be the objective of any suggested new program and what would be the expected results (measurable outcomes)? Should certain programs or groups of programs be consolidated? If so, how?

Does your Government have any views on the respective level(s) of resources of the program(s) of the Organization? In your Government’s view, should any upward or downward adjustment(s) be made?

*Ditto response to Q1 above but at a minimum a clear sense of priority is required with as many as 31 programs.*

## QUESTION 3: PROGRAMMATIC PRIORITIES

Kindly indicate which are the programmatic areas of the Organization’s work to which your Government attaches the greatest importance (priorities).

*Ditto response to Qs 1 and 2. That said, the UK attaches great importance to Internal Oversight and “enhancing the relevance, effectiveness, efficiency, accountability and integrity of WIPO’s operations and activities”. The effective operation of the PCT and Madrid systems is also important. The need for an inclusive agreement on the relationship of IP and development is important but should be covered by work already planned. Capacity Building should be clearly targeted with defined outcomes and assessments.*

## QUESTION 4: EFFICIENCY-GAIN TARGETS

./ The 2006/07 Program and Budget contains a number of efficiency-gain targets and related benchmarks. These are reproduced in Annex III. Does your Government have suggestions for ways in which these targets and benchmarks can be further improved or extended to apply to other areas of the Organization’s work?

*The proposals set out in Annex III could be improved upon. In a national setting, UK approaches to efficiency-gain targets are often output focused and determined by the type of work being assessed. On policy work, we consider options for prioritization and/or sunseting of activities, as well as options for reducing overall resources/input while*

*maintaining output levels. On operational work, we consider options for cost recovery, staff/output ratios and productivity.*

#### QUESTION 5: RESULTS-BASED BUDGET

The 2006/07 Program and Budget contains a number of objectives, expected results (measurable outcomes) and performance indicators, on a program by program basis. These results frameworks were elaborated to facilitate the assessment of the performance and impact of a given program. Please indicate for which programs you consider a further refinement of the results framework to be necessary. Could you provide examples of objectives, expected results (measurable outcomes) and performance indicators for such programs? Do you consider the quantification of the performance indicators (i.e. targets) to be useful?

*The UK strongly supports a Results Based Management approach. As already mentioned, a longer term corporate plan which gives a clear sense of 'destination', the strategies to reach that destination and the operating plans to implement such strategies, together with underlying bases, assumptions & risk factors would assist WIPO in further implementing and mainstreaming this approach.*

#### QUESTION 6: LEVEL OF EXPENDITURE

The 2006/07 Program and Budget represents a 1.5 per cent increase over the revised budget for the 2004/05 biennium. What are the views of your Government on what the evolution of the level of expenditure of the Organization in the 2008/09 biennium should be?

*The UK normally supports zero nominal growth as the starting point for any budget. Any proposed additional expenditure must be justified separately. But, once again, it is difficult to comment in the absence of a longer term corporate plan. But we would emphasize that the first priority is to achieve greater efficiency rather than increased spend.*

#### QUESTION 7: BUDGETARY POLICY

In the 2006/07 Program and Budget the level of expenditure matches the expected level of income, with no deficit and no surplus. This budgetary balance was welcomed by Member States. Numerous delegations also expressed the wish that budgetary balance should become a policy in the medium term. In the view of your Government, should the 2008/09 Program and Budget continue to be based on full budgetary balance?

*Again, without a corporate plan it is difficult to answer with certainty. But, the objective of the organization should be to aim for a small positive outcome rather than plan for deficit or large surplus. This question also relates to questions 8 & 9. Member States are unlikely to welcome a deficit on the one hand and paying customers are unlikely to welcome a large surplus on the other.*

#### QUESTION 8: LEVEL OF RESERVE AND WORKING CAPITAL FUNDS

In the year 2000, Assemblies of the Member States determined that the target level of reserve and working capital funds of the Organization should correspond, on average, to 18 per cent

of biennial expenditure (document A/35/15, paragraph 151). In its 2006 report, the External Auditor recommended that this target be reviewed and increased to 25 per cent of biennial expenditure (Report of the Auditor to the Assembly of the Member States of WIPO on the 2004-2005 Biennium, paragraph 57, Recommendation 5). Does your Government consider that the target level of reserve funds should be reassessed by Member States? Should the 2008/09 Program and Budget be based on the target level established by Member States in the year 2000 or should the Secretariat base its proposals for the 2008/09 biennium on the approach recommended by the External Auditor? And, should the Organization generate any surplus in the 2008/09 biennium, would your Government consider that this surplus should remain in the reserves? Or should it be utilized for a specific purpose? If so, which?

*The External Auditor notes that reserves should be equivalent to 6 months expenditure (Recommendation 5, para 57 of their report on the 04/05 biennium). It would be helpful to better understand the rationale for this – and once understood, include it in any corporate plan, clearly setting out the risk factors involved.*

**QUESTION 9: FUTURE ACTUARIAL LIABILITY FOR SEPARATION FROM SERVICE (RETIREMENTS) AND POSTSERVICE MEDICAL BENEFITS**

The Organization has contractual obligations to provide staff members with certain benefits at the time of their retirement. The Organization also has a contractual obligation to provide retired staff members with post-service medical benefits. These contractual obligations have long-term financial implications and therefore represent a financial liability for the Organization. With the adoption, by the United Nations system of organizations, by 2010 at the latest, of the International Public Sector Accounting Standards (IPSAS), UN organizations, including WIPO, shall be required to record them in the accounts. As shown in the Financial Management Report for 2004/05, a provision corresponding to six per cent of biennial staff (post) expenditure was made to start covering such liability. Would your Government consider it appropriate that a similar amount be earmarked under the 2008/09 Program and Budget to cover such liability?

*Only 6% of liability was provided in 2004/05. From 2010 onwards, IPSAS accounting standards will require full disclosure. The UK would support disclosing full liability now and giving consideration to how it is to be financed.*

**QUESTION 10: INFORMATION**

Is there any other information that your Government would like to see in the draft Program and Budget for 2008/09 document?

- ./. *Some suggested budget presentation improvements are set out in the attached document.*

## QUESTION 11: OTHER ISSUES

Is there any other issue your Government would like to address in the context of the preparation of the next draft Program and Budget of the Organization?

*The UK is unclear about the questionnaire's usefulness as drafted, and without the necessary contextual information such as a longer term plan for WIPO. To facilitate future exchanges of this kind, the UK would like to propose WIPO facilitate discussions on preparing a longer term plan. This may be most appropriately undertaken in the Program and Budget Committee. The discussion should also draw on any advice from the Audit Committee. A draft proposal could then be presented in due course to the General Assembly.*

### III. PROCEDURES FOR REPLY

It would be appreciated if the completed questionnaire could be returned to the International Bureau before Friday, November 3, 2006. It will not be possible to reflect replies received after that date in the Director General's outline. The questionnaire is also available in electronic form on the Organization's Website <<http://www.wipo.int/about-wipo/en/pb/>> and may be transmitted by e-mail to <[controller.mail@wipo.int](mailto:controller.mail@wipo.int)>. A confirmation copy may be sent by post.

[Attachment follows]

## **SUGGESTIONS FOR THE EXECUTIVE SUMMARY OF WIPO P&B**

### Key Elements:

- Size of the overall regular budget.
- How it compares to the budget of the previous biennium in cash and percentage terms, excluding any assumptions for inflation.
- How spending is linked to results.
- Any key changes in the budget, with explanations why.
- Budget risk factors.
- A maximum of 3 or 4 statistical tables showing:
  - Total budget, disaggregated by main budget headings eg strategic objectives, human resources.
  - How the budget compares overall and across individual budget headings to the previous budget both in cash and percentage terms excluding inflation assumptions.
  - The extent to which increases are due to inflation and how inflation rates are calculated and sourced on the assumption that different inflation rates may apply to different regions.
  - How the budget overall and against individual budget headings is delegated between headquarters and field offices overall and against individual regions.
  - How Human Resources are shared between headquarters and field offices overall and against individual regions in terms of staff numbers, grade, status, gender and costs.
  - Efficiency gains eg by reducing expenditure on travel, more efficient ways of working, information technology.
- The Budget should also show, with clear timescales and proposed resources, how it intends to move forward on reform and modern management practices, particularly in regard to results-based management (RBM). Such as:
  - an effective Human Resources strategy for WIPO.
  - monitoring progress towards results.
  - ensuring that WIPO's objectives are specific, measurable, and time bound.
  - moving away from defining objectives in a 'top-down' manner to a process which fully engages, and secures the commitment of, senior managers; and where objectives cascade down to all levels of the Organization.
  - an accommodation strategy.

[End of Attachment]