

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 Netherlands would favour the reformulations of strategic goals 1 and 3 as follows:
Strategic Goal One: promote creative intellectual activity (instead of to promote an IP Culture)*

Strategic Goal Three: further development of International IP Law, taking into account different levels of development (instead of progressive development of IP Law)

The Netherlands aims for policy-coherence for development. This means that we want to take interests of developing countries into account when we are designing national policies and when we are formulating our position for international negotiations. Since we have been active in the discussions on the development agenda we would like to adjust the strategic goals in the proposed way.

Under strategic goal one we have taken the goal as laid down in article 1 of the Agreement between WIPO and the UN when WIPO became a specialised agency of the UN in 1974. Under strategic goal three Development of International IP law should take account of the interests of all the members of the international IP community. By adding this sentence, this might be better possible.

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?

No comment

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).

No specific priorities

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 view of the Netherlands is that the proposals set out in Annex III could possibly be improved upon through the use of national examples/precedents. The Netherlands would need more information to be able to judge whether targets and benchmarks could be extended to other areas of the organisation.

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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?

No comment

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 usual starting point of the Netherlands is zero nominal growth but it is difficult to comment in the absence of a 5 (or even 10) year corporate plan giving 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.

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 this question is difficult to answer. The question also relates to questions 8 & 9. Member states are unlikely to welcome a deficit on the one hand and paying customers aren't likely 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?

As to the level of reserve, the external auditors recommended that reserves should be equivalent to 6 months expenditure (Recommendation 5, para 57 of their report on the 04/05 biennium). However, the rationale for this recommendation is not clear without corporate plan context or explanation of the risk factors involved. The Netherlands would only be able to answer these questions when it fully understands the rationale for the recommendation.

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?

Apparently only 6% of liability was provided in 04/05. From 2010 onwards IPSAS accounting standards will require full disclosure. The Netherlands thinks it would be useful if liabilities would start to be disclosed from now on and if consideration starts to be given now on how to finance these liabilities.

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?

The Netherlands would like to suggest that for the executive summary of the (draft) Program and Budget contains the following 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.*
 - *How Human Resources are shared between headquarters and field offices 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 Organisation.*
 - *an accommodation strategy.*

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?

No comment

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>. A confirmation copy may be sent by post.

[Annexes follow]