

DG Opening Speech – 34th Session of the Program and Budget Committee

Daren Tang

27 June 2022

Excellencies,

Distinguished Delegates,

Dear Friends,

Good morning, and welcome to the 34th Session of the Program and Budget Committee.

At the outset, I would like to thank the outgoing Chair, Ambassador Sabri Bachtobji, and the Vice-Chairs, Mr José Antonio Gil Celedonio and Ambassador Katrina Naut, for chairing and guiding the work of this Committee for the past year – a year of significance for WIPO as we, the incoming Administration, took office, evolved WIPO's budgetary and reporting practices, and presented the biennial budget for the first time.

I would like to take this opportunity express our deep appreciation to all Regional Coordinators and to all Member States for your direction, input and engagement – we are grateful for your desire to do so in an iterative, consultative and constructive manner.

Dear colleagues,

When we presented the biennial budget last year, we were still in the midst of the covid crisis. It was an autumn of optimism, but the light at the end of the tunnel remained distant throughout winter. Now it seems that we may have at last emerged from the tunnel, but it is to a dark and stormy sky casting long shadows on our journey.

The invasion of Ukraine. A global inflationary spike. Disruptions in food, energy and other global supply chains. A looming possibility of recession. And all these on top of the economic and social fall-out of the pandemic, whose costs and consequences are becoming all too clear, with the UN estimating that close to 80 million persons dropped into extreme poverty in 2021.

Ladies and gentleman, when we presented our budget to you for the first time last year, I said that this was not a “business as usual” budget, but one designed to transform WIPO to better serve the world. The Medium Term Strategy Plan encapsulated this transformative vision of WIPO, sharing with you the need to shift IP from a technical, legal matter of concern only to specialists and experts, to a powerful catalyst for jobs, investments, and, ultimately, economic and social growth and development.

Together we will continue on this path so that we can harness the power of innovation and creativity to help you transform your economies, lift your people, and also overcome our common global challenges.

The work of this Committee is critical because you help guide and direct us in successfully and effectively transforming our work from strategies to outcomes and impact. Our ability to execute strategy for impact is, in turn, based on the attentive and prudent management of the Organization’s resources and people, as well as ensuring the highest standards of corporate governance and oversight.

This is why your work is not just crucial to WIPO’s development, but for innovators and creators around the world.

Dear Members of the PBC,

Allow me now to present the salient results of our work since the last time we met last year.

On the agenda, you will find our Annual Financial Statement, as well as the WIPO Performance Report for the biennium 2020-21. I believe that these two documents show strong results both in terms our finances and work program.

On finances, despite the continued challenges posed by the pandemic, demand for our global IP services continues to be robust. I have in fact observed to many of you before that “despite” may not be an accurate description and that the pandemic has very likely accelerated a shift of businesses to digital, and of economies to technology and innovation, resulting in a surge of IP applications not just before WIPO but also before national IP offices around the world. These figures echo larger innovation trends in 2021 showing increases in venture capital activity,

especially in Africa and Latin America, and continued increases in R&D expenditure at both the company and country level around the world.

The results are that PCT applications in 2021 have held steady at 0.9 percent, but we have seen major growth in Madrid, which up 14 percent; and Hague, which is up 16 percent. The usage of the services of the WIPO Arbitration and Mediation Center is up 22 percent, interestingly and positively, with half the users being SMEs. All these have resulted in a biennial surplus of 244.8 million Swiss Francs – the highest ever for WIPO.

All in all, what is happening is that IP, innovation and creativity is becoming more and more important to more and more economies, including developing countries and emerging economies.

Turning to our work, our priority since we last met has been simple – to execute the strategy with energy and effectiveness so that we can create impact for you. As part of our efforts to raise our performance standards, and in line with the recommendations of the External Auditor, we have strengthened the rating scale of the WIPO Performance Report, lifting the threshold of the “fully achieved” category so that it is only achieved when we hit *100 percent* of target values.

Excellencies,

Like you, our work has been complicated by the fits and starts caused by the pandemic. And in the midst of transforming our organizational culture, it has been like changing the engines of a ship whilst ensuring that the ship continues to power through choppy seas and sudden storms.

But I am proud to share with you that there has been no letup in the resilience, conviction and energy of my colleagues, coupled with your strong support.

As the Performance Report sets out, there are a number of encouraging indicators to report across our sectors. As a snapshot:

In 2020-21, the WIPO Academy trained over a quarter of a million people, with a real broadening of work to go beyond training in technical IP knowledge, to include the building and imparting of practical IP skills. Our courses, more and more, are tailored to entrepreneurs, start-

ups, SMEs, creators, teachers, youths – those on the ground who may not want to become IP experts but need to know enough IP as part of their basic work and life skills. Our IP for diplomats and trade negotiators course is proving to be a big hit, with 25 countries already signed up for it this year.

Our IP Diagnostics tool for SMEs has helped over 3,000 business owners understand their IP assets in the first six months since its launch in November, generating over 800 personalized reports. We are particularly pleased that both developed and developing countries are using it, and it has already been translated into six languages, with two more on the horizon.

Our network of Technology and Innovation Support Centers has expanded by 44 percent over the biennium, to encompass 88 national networks. While our growing web of Intellectual Property Training Institutions – which stand at 12 right now but will grow into close to 30 over the next years – organized over 2,000 training activities reaching more than 160,000 beneficiaries.

This year's World IP Day, themed around IP and Youth: Innovating for a Better Future, attracted record engagement. We received over 15 million impressions across our digital platforms, held nearly 600 events reaching people in 189 Member States, the largest participation ever for World IP Day.

We have also seen a considerable rise across our engagement platforms, with double-digit growth in WIPO social-media following to over 350,000 followers. This includes strong engagement with our recently launched Instagram account, where 60 percent of followers are below the age of 35.

At the same time, our technology matchmaking platform WIPO GREEN has grown to cover nearly 130,000 needs, technologies and patents with contributions from every single WIPO Member State. WIPO's Accessible Books Consortium is another platform that has grown substantially – it now provides 750,000 accessible works in 80 languages to people who are blind or visually impaired around the world.

On our work with other UN Agencies and partners, we were pleased to join the UN Sustainable Development Group from 1st January this year, and we are continuing to work with the Group to bring innovation and our expertise to the fulfillment of the SDGs. And in April, alongside the World Health Organization and World Trade Organization, we launched the 'Trilateral COVID-19

Technical Assistance Platform’ – a one-stop shop that allows Member States to tap and access the expertise of all three organizations and is a direct result of our strengthened cooperation around the issues of IP, public health and trade.

In the area of policy-making and thought leadership, we have also continued to build momentum behind our conversations on IP and Frontier technologies, with the last conversation attracting close to 1000 persons. And it is pleasing to note that the Global Innovation Index continues to shape policy development around the world, with around two-thirds of countries that participated in our first survey indicating that they use the GII to improve the strength of their innovation ecosystems.

The work of our Committees and Working Groups has also picked up, with a return to normal hours of meeting, coupled with the hybrid format that allows for more participation. Though the environment for consensus remains challenging, the Secretariat remains committed to providing the best support that we can for you, and these meetings remain an important global forum for the exchange of views, the sharing of best practices and the building of networks. We have also demonstrated that progress is possible when there is a collective will – just this Friday, the new WIPO standard ST.26, which is the result of consensus from all of you, will be launched across the world.

Excellencies,

We are also delivering new projects that are bringing IP to the grassroots, including to youth, female entrepreneurs and indigenous and local communities who, as we have observed, have traditionally been underserved by the global IP ecosystem.

Highlights include WIPO’s first project on IP and Women Entrepreneurship in the Arab region, which is helping 35 female entrepreneurs in Jordan’s Petra region register, manage and commercialize their IP rights in relation to handicrafts that they make. And a new project we are taking forward in the Mexican state of Oaxaca that is supporting the production of the traditional silk “Seda de Cajonos” by groups of indigenous women, through combining its GI status with branding support so that this artisanal product can reach new markets.

This year has also seen the launch of our Young Experts Program – a two-year long program here at WIPO’s Geneva HQ, where 11 young experts from around the world have the

opportunity to broaden their IP knowledge and skills, so that they become the next generation of IP and innovation leaders.

Sound financial management is the bedrock of this work. It is what enables WIPO to make a difference in places where our support is needed the most, and it allows us to react to fast-moving events, such as through our package of COVID-19 support measures. So far I am pleased to report that 29 countries have tapped on the package, but I would like to make an appeal for more Member States to access the package and we stand ready to assist those who are interested in doing so.

This is just a snapshot of the work that we are doing, and with your support, we look forward to scaling them up, as well as delivering on those which will be rolled out in the weeks and months and years to come.

But as you well understand, healthy finances are not to be taken for granted. This is especially true when the global economic outlook remains as volatile as it is today.

Take investment performance. Around the world, portfolios that are invested in global assets are suffering. This includes WIPO's Core Cash and Strategic Cash portfolios, which are both down by a little over 6 percent this year.

It is important to stress that WIPO's investment strategies for both portfolios are aligned with the best practices for UN agencies. They are based on a long-term horizon and are designed to withstand market volatility. While unwelcome, short-term turbulence can be weathered through responsible management, and that is what we intend to do. The investment advisor will appraise you of the current situation in more detail and our verdict that it is right to stay the course.

Additionally, we have also seen a significant increase in employee benefit liabilities, due to a change in actuarial assumptions that has been implemented across all public service organizations. During 2021, these obligations rose to 615.8 million Swiss Francs, up from 495.3 million the year previously, with further increases projected in the years ahead.

In order to ensure coverage of this liability, a proposed funding plan is presented for your consideration. The purpose of the plan is to ensure that over the longer term we will achieve

what we consider to be a reasonable coverage of the liability through careful and pragmatic management.

In sum, we will continue to implement the Program and Budget and execute the Medium Term Strategy Plan in a manner that is energetic, effective and impactful, so that we can support you in the transformation of your economies and societies, and contribute to overcome the global challenges that we face.

Excellences,

Turning to the other agenda items, it would be right for me to start by thanking the independent oversight bodies for their work. We take their recommendations seriously and see them as our partners and allies in further refining our corporate governance and oversight.

I am pleased to share with you that our External Auditor has recognized our approach to risk management and internal controls as one of the strongest within the UN system and we look forward to engaging constructively with them as we reinforce governance, transparency, accountability, efficiency and compliance.

Other items before you this week, pertain to proposals including the Revision of the Financial Regulations and Rules, which will ensure a clear and enabling regulatory framework that reflects the current business model. The Risk Appetite Statement has also been revamped so that it is enmeshed with our Strategy and makes concrete what risks managers in WIPO need to pay attention to and manage as we take forward the strategic pillars of the MTSP.

A supplementary Capital Master Plan proposal concerning the PCT RSP Hybrid Phase project is also before you for consideration. The security and resilience of the PCT's operations are of critical importance to innovators and creators around the world. We have proposed a hybrid solution, which combines the advantages of the public cloud, including for storing documents which are in the public domain, combined with local and secure infrastructure to keep the highly confidential PCT documents under the strict control of WIPO.

I also want to touch on the implementation of the Revised Language Policy adopted at the last Assemblies. As well as issuing new guidelines on translation to all staff, new translation

business models are being developed to harness human and machine intelligence for the cost-effective promotion of multilingualism.

We are also developing implementation plans on piloting machine translation for ring-fenced pages of the WIPO website, amongst other measures. By doing so, we hope to give life to the Policy by reducing translation costs and using AI-based translation technologies to connect with wider audiences in more languages. A side-note here is that our work is benefitting other UN agencies too, which are also deploying our tools and services to generate efficiencies and better serve their stakeholders.

Finally, the items following decisions of the 2021 Assemblies and PBC 33 include the ToR for the evaluation of WIPO External Offices and the Methodology for Allocation of Income and Expenditure by Union. In respect of these items, the Secretariat will be guided by Member States on how you wish to proceed and stand ready to support the PBC membership as requested.

Excellences,

As IP, innovation and creativity increase in importance around the world, we know that the resonance of our work is growing. This is clear from my conversations with Ministers, Ambassadors, and innovators and creators on the ground. Across all regions and economies of all sizes, there is a growing understanding that IP is not just a technical vertical, but a horizontal catalyst for economic and social development.

I am pleased with the steps we've taken since last year's budget was approved but I'm also clear that we have more work to do to deliver the results that you expect of us and to turn the ambitions of the Program and Budget and MTSP into reality.

Dear members of the PBC, that's the road ahead of us, and it's a road that I look forward to travelling with you all together.

Thank you very much and warm wishes for a productive week ahead.