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Assemblies of the Member States of WIPO

**Fifty-Ninth Series of Meetings
Geneva, September 30 to October 9, 2019**

**DECISION PARAGRAPHS PROPOSED BY THE UNITED STATES OF AMERICA FOR
INCLUSION IN DECISIONS ON THE REPORT ON THE PROGRAM AND BUDGET
COMMITTEE**

Proposal submitted by the Delegation of the United States of America

In a communication to the Secretariat received on September 5, 2019, the Delegation of the United States of America submitted the enclosed proposal in the framework of the Agenda Item "Report on the Program and Budget Committee (PBC)".

[Annex follows]

PROPOSED DECISION PARAGRAPHS FOR INCLUSION IN DECISIONS ON
THE REPORT ON THE PROGRAM AND BUDGET COMMITTEE

Proposal submitted by the Delegation of the United States of America

ITEM 13 OF THE CONSOLIDATED AGENDA
REPORT ON THE PROGRAM AND BUDGET COMMITTEE

Proposed decision:

1. The Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned:

- (i) Took note of the “List of Decisions Adopted by the Program and Budget Committee” (documents WO/PBC/29/7 and WO/PBC/30/15);
- (ii) Decided to approve the recommendations made by the Program and Budget Committee as contained in the same documents; and
- (iii) Decided, that as to the outstanding issue indicated in document WO/PBC/30/15 under the decision in respect of Agenda Item 11 “Proposed Program and Budget for the 2020/21 Biennium” (document A/59/8), paragraphs (iii) and (iv), to approve the revised Proposed Program and Budget as submitted to the Assemblies of WIPO in document A/59/8.

2. In taking these decisions, the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned:

- (i) Recognized that in the past, each union has contributed toward the Common expense of the Organization;
- (ii) Noted that the Proposed Program and Budget provides that each registration system union shall contribute a small amount equivalent to one per cent of the revenue of the union toward the Common expenses of the Organization, and that the amount the Lisbon Union would contribute in 2020/21 would be a mere 8,000 CHF (one per cent of 779,000 CHF of income). This is a significantly smaller percentage than previously allocated¹;
- (iii) Noted that the provisions of several WIPO-administered treaties, including, for example, Article 11 of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration require their unions to adopt budgets that include their contribution to the common expenses of the Organization;
- (iv) Recalled the 2015 decision of the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned:
 - (a) to note the “decision of the Lisbon Union Assembly to adopt measures by the 2016 Assemblies to eliminate the Lisbon Union’s projected biennial deficit, as described in the 2016/17 biennium WIPO Program and Budget (1.523 million Swiss francs);” and

¹ The Lisbon Union contributed 5,000 CHF toward common expenses of the 8,000 CHF income shown in the triennial budget for 1978, for example, (AB/VIII/2) (June 24, 1977), which is available at: https://www.wipo.int/mdocsarchives/AB_VIII_1977/AB_VIII_2_E.pdf. According to this data, the Lisbon Union’s income percentage towards common expenses in 1978 was approximately 62%.

- (b) to decide “to approve a loan from the reserves of the Contribution-financed unions to the Lisbon Union in order to fund the operations of the Lisbon System for 2016/17, in case such measures are not sufficient to cover its projected biennial deficit. Such loan shall be provided on the basis that no interest shall be payable and that it would be repaid when the Lisbon Union reserves would allow it to do so;”
- (v) Recalled also the 2017 decision of the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned that:
 - (a) “in accordance with the treaties of the fee-financed unions, each union should have revenue sufficient to cover its own expenses;”
 - (b) “fee-financed unions with a projected biennial deficit in the 2018/19 biennium should examine measures in accordance with its own treaty to address that deficit;”
 - (c) “if any union in any given biennium does not have sufficient revenue and reserves to cover its projected expenses, the amount required to fund the operations of such union is provided from the net assets of the Organization and is disclosed in the financial statements of the Organization and is to be repaid when the reserves of such union allow it to do so;” and
 - (d) “for the 2018/19 biennium, if any fee financed union does not have sufficient revenue to cover its expenses, the required amount ... shall be provided from the reserves of the Contribution Financed Unions, if those reserves are fully sufficient, otherwise from the reserves of the other fee financed unions;
- (vi) Further decided that:
 - (a) in accordance with the treaties of the fee-financed unions, each union should have revenue sufficient to cover its own expenses;
 - (b) “fee-financed unions with a projected biennial deficit in the 2020/21 biennium should examine measures in accordance with its own treaty to address that deficit;
 - (c) if any union in any given biennium does not have sufficient revenue and reserves to cover its projected expenses, the amount required to fund the operations of such union is provided from the net assets of the Organization and is disclosed in the financial statements of the Organization and is to be repaid when the reserves of such union allow it to do so; and
 - (d) for the 2020/21 biennium, if any fee financed union does not have sufficient revenue to cover its expenses, the required amount shall be provided from the reserves of the Contribution Financed Unions, if those reserves are fully sufficient, otherwise from the reserves of the other fee financed unions; and
- (vii) Acknowledged that pursuant to past practice, the Annual Financial Report and Financial Statements, Revenue, Expenses and Reserves by Segment, will include the net deficits of the unions in deficit, and notes reflecting the loans made as indicated above.

3. The Assemblies further noted that the allocation methodology for the income and budget by union is a cross cutting topic and decided that the PBC will continue the discussions on the methodology on the allocation of income and expenditure by unions in its future sessions based on relevant documents and other proposals by Member States.

4. The Assemblies further noted the fact that all diplomatic conferences contemplated in the 2020/21 biennium, that may be held under the auspices of WIPO during the 2020/21 biennium and funded by the resources of the Organization, will be open to the full participation of all WIPO Member States in accordance with the Recommendations of the Development Agenda.

[End of Annex and of document]