|  |  |  |
| --- | --- | --- |
|  | WIPO-E | **E** |
| A/55/4  |
| ORIGINAL: ENGLISH |
| DATE: SEPTEMBER 23, 2015 |

**Assemblies of the Member States of WIPO**

**Fifty-Fifth Series of Meetings**

**Geneva, October 5 to 14, 2015**

DECISIONS TAKEN BY THE PROGRAM AND BUDGET COMMITTEE

*Document prepared by the Secretariat*

1. This document contains “List of Decisions” taken by the Program and Budget Committee (PBC) at its twenty-third session (July 13 to 17, 2015) (document WO/PBC/23/9) and the twenty-fourth session (September 14 to 18, 2015) (document WO/PBC/24/17).
2. The following decision paragraph is proposed.
3. *The Assemblies of the Member States of WIPO and of the Unions administered by it, each as far as it is concerned:*

*(i) took note of the “List of Decisions” (documents WO/PBC/23/9 and WO/PBC/24/17); and*

*(ii) approved the recommendations made by the PBC as contained in documents WO/PBC/23/9 and WO/PBC/24/17.*

1. In particular, the Assemblies of the Member States of WIPO and of the Unions administered by it, each as far as it is concerned,are invited to consider the issues referred to in document WO/PBC/24/17 under items 10 (1), 10 (2), 10 (6) and 13.

[Documents WO/PBC/23/9 and WO/PBC/24/17 follow]

|  |  |  |
| --- | --- | --- |
|  | WIPO-E | **E** |
| wo/pbc/23/9 |
| ORIGINAL: ENGLISH |
| DATE: JULY 17, 2015 |

**Program and Budget Committee**

**Twenty-Third Session**

**Geneva, July 13 to 17, 2015**

LIST OF DECISIONS

*prepared by the Secretariat*

1. OPENING OF THE SESSION
2. ADOPTION OF THE AGENDA

document WO/PBC/23/1

*The Program and Budget Committee adopted the agenda*.

1. PROGRAM PERFORMANCE REPORT FOR 2014

document WO/PBC/23/2.

*The Program and Budget Committee (PBC), having reviewed the Program Performance Report (PPR) for 2014 (document WO/PBC/23/2), and recognizing its nature as a self‑assessment of the Secretariat, recommended that the Assemblies of the Member States of WIPO:*

1. *acknowledge Programs’ progress made in 2014 towards achieving the expected results;*
2. *take note of the second progress report on Capital Master Plan; request the Secretariat to pay due attention to those projects which have significant delays and to report back to the PBC through the PPR.*
3. FINANCIAL SITUATION AS OF END 2014: PRELIMINARY RESULTS

document WO/PBC/23/INF.1.

1. DRAFT PROPOSED PROGRAM AND BUDGET FOR THE 2016/17 BIENNIUM

document WO/PBC/23/3.

*The Program and Budget Committee (PBC), having completed a comprehensive first reading of the draft proposed Program and Budget for the 2016/17 biennium, Program by Program under each Strategic Goal:*

1. *agreed to the modifications proposed by Member States to program narratives, including the results frameworks in Programs 1, 9, 10, 11, 13, 14, 16, 17, 18, 25, 28 and 30;*
2. *requested the Secretariat to issue a revised version of the draft proposed Program and Budget for the 2016/17 biennium based on (i) for the upcoming session of the PBC, and an updated version of the Q&A document;*
3. *took note, inter alia, of the following points for further consideration in the upcoming session of the PBC:*
	1. *Program 3: TAG;*
	2. *Program 6: proposal to split Program 6 (Madrid and Lisbon Systems) into two separate programs and reflect this split in all appropriate sections, tables and annexes in the revised draft of the Program and Budget 2016/17; and*
	3. *Program 20: New External Offices including potential reference in paragraph 33 (in the Financial and Results Overview) and WIPO Coordination Office to the United Nations New York.*
4. *Took note that the following issues were raised by some Delegations in respect of Program 6, and were referred to the 24th session of the PBC:*
	1. *Separate the Accounting for Lisbon and Madrid Systems – i.e., two separate programs with separate Expected Results;*
	2. *Ensure that the Lisbon System’s use of and contribution to WIPO services and operating costs are accurately reflected as expenses, whether direct or indirect, or income, as appropriate;*
	3. *Balance the Lisbon Budget as provided under the Lisbon Agreement, including its Geneva Act, when it comes into force, without the use of other Unions’ Income, general Member State Contributions or income not derived from the Lisbon Union;*
	4. *Request that the Secretariat conduct a Study on Lisbon’s Financial Sustainability;*

* 1. *Request that the earmark for a diplomatic conference in the 2016/17 biennium be conditional on full participation; and*
	2. *Request that the Secretariat review Annex III, including the allocation of miscellaneous income, and whether, as in the case of the rental income that is directly attributable to the Madrid Union, the miscellaneous income can be more accurately attributed according to how the assets from which this income was acquired and are being maintained.*
1. *requested the Secretariat to:*

* 1. *present to the 25th session of the PBC, concrete proposals to contain the After-Service Health Insurance (ASHI) liability. These proposals may take into consideration, but should not be limited to, the results presented by the Working Group on ASHI established by the High-level Committee on Management (HLCM) of the Chief Executives Board;*
	2. *continue its efforts to identify and implement further savings and cost-efficiencies and to report, including its quantification, to 25th PBC session, through the Program Performance Report, on the progress made; and*
	3. *provide an update at the 24th session of the PBC on the progress made in respect of the implementation of the Hedging Strategy for PCT Income (WO/23/REF) as approved by the PCT Working Group.*
1. PROGRESS REPORT ON THE IMPLEMENTATION OF THE JOINT INSPECTION UNIT’S (JIU) RECOMMENDATIONS PUT FORWARD IN THE “REVIEW OF MANAGEMENT AND ADMINISTRATION IN THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)”

document WO/PBC/23/4.

*The Program and Budget Committee:*

* + 1. *took note of the Secretariat’s updated comments on the Joint Inspection Unit’s (JIU) Report “Review of Management and Administration in the World Intellectual Property Organization” (JIU/REP/2014/2) as set out in document WO/PBC/23/4, and noted that recommendations 2, 3, 4, 5, 8, 9 and 10, addressed to the Director General have been fully implemented; and*
		2. *requested the Secretariat to continue to report on the outstanding recommendations in the future under the regular progress reports provided to Member States on the implementation of JIU recommendations.*
1. PROPOSAL TO REFORM AND ENHANCE PROGRAM PERFORMANCE AND FINANCIAL REPORTING

document WO/PBC/23/5 Rev.

*The Program and Budget Committee (PBC), having reviewed the consolidated responses of the Member States to the questionnaire on the format and content of a comprehensive and integrated biennial performance report, requested the Secretariat to:*

* + 1. *continue with the current reporting documents, and*
		2. *take into consideration the qualitative inputs provided by the Member States for the preparation and improvement of the program performance and financial reports in future cycles.*
1. POLICY ON INVESTMENTS

(i) REVISED POLICY ON INVESTMENTS (TO BE EFFECTIVE ON DECEMBER 1, 2015)

document WO/PBC/23/6.

1. *The Program and Budget Committee (PBC), recognizing the need for an Investment Policy to be effective December 1, 2015, recommended to the Assemblies of the Member States of WIPO to approve the revised Policy on Investments contained in document WO/PBC/23/6, Annex II, amended as follows:*
2. *Proposed changes to paragraph 2 to read:*

*The primary objectives of the Organization’s investment management, in order of importance, shall be (i) preservation of capital; (ii) liquidity and (iii) within the constraints of (i) and (ii), the rate of return.*

1. *Proposed changes to paragraph 3 to read:*

*The Organization’s investments shall be distributed among multiple institutions, with the aim of dividing investment monies amongst a minimum of four institutions, if possible, with no more than 30 per cent of the investment monies to be held with any one institution. All of the Organization’s investments may be placed with a single institution which enjoys sovereign risk and AAA/Aaa1 rating.*

*2. The Program and Budget Committee recommended to the WIPO General Assembly to request the Director General to coordinate with other UN Agencies in Switzerland on a joint letter to convey to the Host country’s competent authorities and to the UN General Assembly, through the UN System Chief Executives Board for Coordination, Member States’ concerns regarding the impact on WIPO finances of the Swiss National Bank’s current negative interest rate policy and the challenges that it poses to Switzerland-based Agencies in their everyday finances, especially taking into account that their activities in Swiss francs are linked with their headquarters and everyday operations in Switzerland.*

(ii) PROPOSAL FOR ADDITIONAL REVISIONS TO POLICY ON INVESTMENTS

document WO/PBC/23/7.

*The Program and Budget Committee, recognizing the need for two investment policies (one covering operating and core cash and a second one covering strategic cash), recommended that two such policies should be prepared for approval at its next session and that the two policies should include the following:*

1. *the definition of short-term investments as those maturing within one year;*
2. *minimum credit ratings for short-term investments to be
A-2/P-2 for banks and government bonds, A3-P3 for corporate bonds;*
3. *revised minimum credit ratings for medium and long-term investments to be A-/A3 for banks and government bonds, BBB-/Baa3 for corporate bonds;*
4. *a reduction in the minimum number of financial institutions (from the ten stipulated in the current Investment Policy), amongst which operating cash can be held, to four institutions, with no more than 30 per cent of the investment monies to be held with any one institution;*
5. *the use of external fund managers to manage core and strategic cash;*
6. *the payment of both of the scheduled loan repayments related to the New Building which are due in November 2015 and January 2016;*
7. *a revised list of acceptable asset classes as follows:*
8. *Within the investment policy applicable to operating and core cash:*

*I. Cash or equivalent:*

*(a) Call, savings or deposit accounts*

*(b) Certificates of deposit/time deposits*

*(c) Structured deposits*

*(d) Cross-currency deposits*

*II. Money market investments:*

*(a) Commercial paper*

*(b) Repurchase/reverse repurchase agreements*

*(c) Banker’s acceptance*

*III. Bonds, notes or other obligations (short, medium or long-term) and other fixed income products:*

*(a) Government bonds*

*(b) Sub-sovereign bonds – provincial, municipal or territorial bonds for example*

*(c) Supranational bonds*

*(d) Corporate bonds*

*(e) Private placements*

*IV. Real Estate Investment Trusts (REITs)*

1. *Within the investment policy applicable to strategic cash:*
2. *All asset classes stipulated for use with operating and core cash;*
3. *Direct real estate holdings;*
4. *Equities and equity funds;*
5. *Hedge funds.*
6. PROPOSAL ON WIPO POLICY RELATED TO RESERVES (NET ASSETS)

document WO/PBC/23/8.

1. *The Program and Budget Committee (PBC), having reviewed the comprehensive revised policy proposal that includes target setting, liquidity considerations and the management, use and reporting of the available surpluses above the target level, taking into consideration the Member States’ comments and guidance, as well as the recommendations of Audit and Oversight bodies in this respect, recommended to the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned, the approval of the Policy related to Reserves contained in Annex I of document WO/PBC/23/8, with principle 3 for the utilization of reserves amended as follows:*

*“Principle 3:  Proposals for the use of available reserves should be limited and for one-time projects for capital improvements and exceptional circumstances, as decided upon by the Assemblies of the Member States and of the Unions, each as far as it and its available reserves are concerned.  Capital projects would typically be identified in a long‑term capital master plan and may be defined as projects related to construction/refurbishment and Information and Communication Technology that are needed to keep an Organization's facilities and systems fit-for-purpose through significant expansion or additions."*

1. *The PBC recommended to the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned, that the Working Capital Funds (WCF) component of 2 million Swiss francs for the PCT Union be returned to the Member States of the PCT Union, through deductions from contribution invoices in the 2016/17 biennium.*
2. GOVERNANCE AT WIPO

background documents WO/PBC/18/20, WO/PBC/19/26 and WO/PBC/21/20.

*The Program and Budget Committee (PBC) decided to continue its deliberations on "Governance at WIPO" at the 24th session of the PBC on the basis of the attached draft texts.*

(see Annex I and II of the present document)

1. PROPOSED DEFINITION OF “DEVELOPMENT EXPENDITURE” IN THE CONTEXT OF THE PROGRAM AND BUDGET

background document WO/GA/43/21.

*The Program and Budget Committee (PBC), having engaged in a constructive discussion on the definition of “development expenditure”, decided to continue its deliberations on this matter at the 24th session of the PBC on the basis of the attached draft text.*

(see Annex III of the present document)

1. CLOSING OF THE SESSION

[Annexes follow]

**VICE-CHAIR´S PROPOSAL FOR GOVERNANCE**
(3rd version dated July 17, 2015)

The Program and Budget Committee (PBC) recommends to the General Assembly (GA) the adoption of the following measures, without prejudice to the existing WIPO rules of procedure, to increase the efficiency and effectiveness of WIPO governance and WIPO meetings:

1. To launch open ended informal and targeted consultations, guided by the Chair of the PBC, to address governance issues at WIPO, in line with Recommendation nº1 of the 2014 WIPO JIU report. These consultations will first define the topics that will be addressed. The results of these consultations will be presented to the 2016 PBC and the 2016 GA for its consideration and decision.
2. Meetings should strive to end in a timely manner. Only in exceptional cases, as necessary to obtain a satisfactory result, should meetings be extended beyond the normal working hours, preferably no later than 7 p.m.
3. Avoid overlap of official meetings and avoid, if possible, holding consecutive meetings of various committees unless there is a clear connection between them.
4. Secretariat should continue its efforts to post working documents in all official languages two months prior to meetings in order to allow delegations sufficient time to analyze and consult on them.
5. Increase the early nomination of Chairs and Vice-chairs in a transparent manner, if possible, before the opening of the Committee session.
6. Request Secretariat to report to Member States on the division of responsibilities between the PBC and the Coordination Committee (CoCo) and possible measures to increase its efficiency and also report on studies of other UN Agencies’ governance structure taking into account their specificities.
7. When proposing a calendar of official meetings, the Director General should primarily take into account the expected workload and pay attention to the average number of official meeting days of the last five years and, if possible, avoid increasing that number.
8. Reduce, when possible, the customary duration of WIPO Committees, taking into account the Committees’ agenda. This will not affect Committees whose duration is specified by the GA.
9. The PBC requests Secretariat to inform Member States of the results obtained with the implementation of such measures at the next PBC session. The PBC will then evaluate these measures and decide upon its continuation or modification.

 [Annex II follows]

**PROPOSAL OF THE CENTRAL EUROPEAN AND BALTIC STATES**

(Agenda Item 10: Governance at WIPO)

The Program and Budget Committee will consider possible deficiencies in WIPO’s governance in line with recommendation number 1 of the 2014 JIU report with a view to identifying remedies if needed and report to the General Assembly.

[Annex III follows]

**REVISED DEFINITION OF “DEVELOPMENT EXPENDITURE”**

(as at July 17, 2015)

Expenditure is qualified as “*development expenditure”* when it is used to finance development-oriented [assistance/activities] provided by WIPO to developing countries and Least Developed Countries (LDCs) and the equivalent expenditure is not provided to developed countries. Consistent with past practice, countries with economies in transition are included for the purpose of the Program and Budget. In addition, the development activities financed by WIPO [shall/are those that are considered to] contribute to:

* Enabling developing countries to derive benefits from the IP system, [to reduce the costs of its use], and to better protect [their] inventions and creations around the world; and,
* Reducing the knowledge gap between developed and developing countries by facilitating developing country access to knowledge and supporting their engagement in innovating, producing, using and absorbing technologies, new forms of expressions and creativity.

It is understood that the following activities, [*inter alia]*, [shall seek/are considered to contribute] towards achieving the above impact:

* + development of national intellectual property strategies, policies and plans in developing countries;
	+ development of national (and where relevant regional) legislative, regulatory and policy frameworks that promote a balanced IP system (including related research);
	+ support for the engagement of developing countries in global and regional decision-making and dialogue on IP;
	+ building modern state-of-the-art national IP administrative infrastructure;
	+ support-systems for users of the IP system in developing countries;
	+ training and human capacity building in developing countries;
	+ promotion of innovation and creativity, technology transfer and access to knowledge and technologies in developing countries (including related research).

[It is further understood that “*development expenditure*” is not used to finance the Organization’s management, administrative and finance-related activities or functions. **/** The Organization’s management, administrative and finance-related activities or functions specific to development-oriented assistance are to be understood as “*development expenditure”*.

[End of Annex III and of document]

|  |  |  |
| --- | --- | --- |
|  | WIPO-E | **E** |
| wo/pbc/24/17  |
| ORIGINAL: ENGLISH |
| DATE: SEPTEMBER 18, 2015 |

**Program and Budget Committee**

**Twenty-Fourth Session**

**Geneva, September 14 to 18, 2015**

LIST OF DECISIONS

*Document prepared by the Secretariat*

1. OPENING OF THE SESSION
2. ADOPTION OF THE AGENDA

document WO/PBC/24/1

*The Program and Budget Committee adopted the agenda contained in document WO/PBC/24/1 Prov.*

1. REPORT BY THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC)

document WO/PBC/24/2

*The Program and Budget Committee recommended to the WIPO General Assembly to take note of the Report by the WIPO Independent Advisory Oversight Committee (IAOC) (document WO/PBC/24/2)*

(a) WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC) MEMBERSHIP ROTATION

document WO/PBC/24/3

*The Program and Budget Committee (PBC):*

*(i) decided to set up an IAOC Selection Panel comprising seven representatives of Member States, in line with paragraphs 18 and 19 of document WO/GA/39/13; and,*

*(ii) took note that the Secretariat would subsequently launch an IAOC selection process, as of 2016, in accordance with the provisions contained in document WO/GA/39/13 and the IAOC terms of reference, with a view to the Selection Panel submitting its recommendations at the PBC’s September 2016 session.*

1. PROPOSED REVISIONS OF THE TERMS OF REFERENCE OF THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC)

document WO/PBC/24/4

*The Program and Budget Committee (PBC) recommended to the WIPO General Assembly to approve the proposed revisions of the Terms of Reference of the WIPO Independent Advisory Oversight Committee (IAOC) contained in Annex I of document WO/PBC/24/4.*

1. REPORT BY THE EXTERNAL AUDITOR

document WO/PBC/24/5

*The Program and Budget Committee recommended to the General Assembly and other Assemblies of the Member States of WIPO, to take note of the Report by the External Auditor (document WO/PBC/24/5).*

1. ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT DIVISION (IOD)

document WO/PBC/24/6

*The Program and Budget Committee took note of the Annual Report of the Director of the Internal Oversight Division (IOD) (document WO/PBC/24/6).*

1. PROGRESS REPORT ON THE IMPLEMENTATION OF JOINT INSPECTION UNIT (JIU) RECOMMENDATIONS

document WO/PBC/24/7

*The Program and Budget Committee (PBC):*

*(i) took note of the present report;*

*(ii) welcomed and endorsed the Secretariat’s assessment of the status of the implementation of recommendations under JIU/REP/2014/8 (Recommendation 2); JIU/REP/2014/6 (Recommendation 3 and 4); JIU/REP/2014/3 (Recommendation 2); JIU/REP/2014/1 (Recommendation 1 and 2); JIU/REP/2012/10 (Recommendation 8); JIU/REP/2011/4 (Recommendation 12); JIU/REP/2011/1 (Recommendation 2); JIU/REP/2010/3 (Recommendation 6 and 8) as set out in the present report; and*

*(iii) called on the Secretariat to propose assessments for the open recommendations made by the Joint Inspection Unit (JIU) for Member States’ consideration.*

1. ANNUAL FINANCIAL STATEMENTS 2014; STATUS OF THE PAYMENT OF CONTRIBUTIONS AS AT JUNE 30, 2015

(a) ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS 2014

document WO/PBC/24/8

*The Program and Budget Committee (PBC) recommended to the General Assembly and other Assemblies of the Member States of WIPO to approve the Annual Financial Report and Financial Statements 2014 (document WO/PBC/24/8).*

(b) STATUS OF THE PAYMENT OF CONTRIBUTIONS AS AT JUNE 30, 2015

document WO/PBC/24/9

*The Program and Budget Committee took note of the Status of the Payment of Contributions as at June 30, 2015 (document WO/PBC/24/9).*

1. ANNUAL REPORT ON HUMAN RESOURCES

document WO/PBC/24/INF.1

1. PROPOSED PROGRAM AND BUDGET FOR THE 2016/17 BIENNIUM

documents WO/PBC/24/11 and WO/PBC/24/16 Rev.

1. *The Program and Budget Committee (PBC) having completed a comprehensive second reading of the proposed Program and Budget for the 2016/17 Biennium as contained in document WO/PBC/24/11, requested the introduction of the following modifications agreed at its 24th session in a revised version of the proposed Program and Budget for the 2016/17 biennium to be submitted to the 2015 Assemblies:*
	1. *Changes to the program narratives, including the results frameworks in Programs 3 and 20 and paragraph 33 (in the Financial and Results Overview); and*
	2. *Separation of the budgetary presentation of the Madrid and Lisbon Systems, currently under Program 6, implying a split of this Program into two different Programs with each Program having full details of the Results Framework, including a separate set of Expected Results for the Madrid and Lisbon Systems, Budget by Result, and Budget by Object of Expenditure as well as revision of relevant summary tables and annexes.*
2. *The PBC took note that no consensus was reached on the following issues raised by some delegations:*
	1. *The earmarking of funds for any diplomatic conferences in 2016/17 be conditional on such conferences being open to the full participation of all WIPO Member States (regarding paragraph 20); and*
	2. *The need for a revision of the methodology on the allocation of income and expenditure by Unions, including the allocation of miscellaneous income of the Organization. In this regard, the PBC recognized that, this being a cross cutting topic, further work and discussions among the Member States would be needed with the assistance of the WIPO Secretariat.*
3. *The PBC noted the options for financial sustainability of the Lisbon Union, as outlined in document WO/PBC/24/16 Rev. and recommended that the Lisbon Union consider, in accordance with the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, options with a view to addressing the financial sustainability of the budget of the Lisbon Union at the upcoming 32nd session of the Assembly of the Lisbon Union. The PBC requested the Secretariat to provide appropriate support in this regard.*
4. *The PBC recommended that, during the 55th Series of the Assemblies of WIPO Member States, all fee-funded Unions convene before the discussion on the proposed Program and Budget 2016/17 at the 2015 WIPO Assemblies.*
5. *The PBC requested interested Member States to continue consultations on outstanding issues with a view to approving the proposed Program and Budget 2016/17 during the 2015 Assemblies of Member States to the benefit of WIPO and its Member States.*
6. *The PBC, having discussed the issue of new External Offices, decided to refer it to the 2015 General Assembly*.
7. *The PBC recalled its earlier request at its 23rd session for the Secretariat to:*
8. *present to the 25th session of the PBC, concrete proposals to contain the After‑Service Health Insurance (ASHI) liability. These proposals may take into consideration, but should not be limited to, the results presented by the Working Group on ASHI established by the High-level Committee on Management (HLCM) of the Chief Executives Board; and*
9. *continue its efforts to identify and implement further savings and cost-efficiencies and to report, including its quantification, to 25th PBC session, through the Program Performance Report, on the progress made.*

Update on Proposal of Patent Cooperation Treaty (PCT) Working Group Concerning Hedging Strategy for PCT Income

document WO/PBC/24/INF.3

*With regard to the recommendation of the PCT Working Group contained in document PCT/WG/8/15, the Program and Budget Committee (PBC) was informed through document WO/PBC/24/INF.3 of several issues regarding the implementation of a hedging strategy for PCT fees. After careful consideration of the issues contained therein, the PBC recommended to the Assembly of the PCT Union:*

*(i) to allow for more time for the Secretariat to further analyze these issues in detail in order to properly assess all the challenges associated with the implementation of such a hedging strategy; and accordingly,*

*(ii) to postpone its decision with regard to the recommendation quoted above until such analysis has been undertaken.*

1. REVISED POLICY ON INVESTMENTS

document WO/PBC/24/10

*The Program and Budget Committee (PBC) recommended to the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned, to approve the two investment policies (Operating and Core Cash and Strategic Cash) (document WO/PBC/24/10), amended as follows:*

1. *Annex I, paragraph 23, 1st sentence to read: Both operating and core cash investments may only be held with institutions with a short-term rating of A-2/P-2 or a long-term rating of A-/A3 or higher.*
2. *Annex II, paragraph 20(b), 1st sentence to read: Investments made by external fund managers may only be held with institutions with a short-term rating of A-2/P-2 or a long-term rating of A-/A3 or higher.*
3. FINAL REPORT ON THE PROJECT TO UPGRADE SAFETY AND SECURITY STANDARDS FOR THE EXISTING WIPO BUILDINGS

document WO/PBC/24/12

*The Program and Budget Committee took note of the contents of the Final Report on the Project to Upgrade the Safety and Security Standards for the Existing WIPO Buildings (document WO/PBC/24/12).*

1. PROGRESS REPORT ON THE CONSTRUCTION PROJECTS

See document: WO/PBC/24/13

*The Program and Budget Committee deferred the discussion on the final Progress Report on the New Construction Project and New Conference Hall Project to the Assemblies of the Member States of WIPO.*

1. PROGRESS REPORT ON THE IMPLEMENTATION OF A COMPREHENSIVE INTEGRATED ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM IN WIPO

document WO/PBC/24/14

*The Program and Budget Committee took note of the Progress Report on the Implementation of a Comprehensive Integrated Enterprise Resource Planning (ERP) System (document WO/PBC/24/14).*

1. FINAL REPORT ON THE INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) CAPITAL INVESTMENT PROJECT

document WO/PBC/24/15

*The Program and Budget Committee recommended to the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned, to:*

*(i) take note of the contents of document WO/PBC/24/15; and*

*(ii) approve the closure of the Information and Communication Technology Capital Investment Project.*

1. GOVERNANCE AT WIPO

background documents WO/PBC/18/20, WO/PBC/19/26, WO/PBC/21/20 and WO/PBC/23/9.

*The Program and Budget Committee (PBC), recognizing the need to address the issue of governance, in accordance with the request of the 54th Assemblies of the Member States of WIPO:*

1. *engaged in active discussions on this subject at both its 23rd and 24th sessions. These resulted in the proposals made during the 23rd session, as reflected in Annexes I and II of document WO/PBC/23/9, and in the Chair’s document circulated during the 24thsession (attached as Annex I to the present document (WO/PBC/24/17)). While divergences in the views of delegations remained, delegations expressed willingness to continue discussions on this subject;*
2. *agreed that discussions continue on the subject of governance at WIPO during the PBC’s 25th session in light of recommendation 1 of the JIU’s Review of Management and Administration in the World Intellectual Property Organization (MAR) (document JIU/REP/2014/2); and*
3. *agreed that Member States would provide proposals for specific topics for discussion in good time prior to the 25th session, and no later than July 1, 2016, and requested the Secretariat to compile these as part of the documentation for that session.*
4. PROPOSED DEFINITION OF “DEVELOPMENT EXPENDITURE” IN THE CONTEXT OF THE PROGRAM AND BUDGET

background documents WO/GA/43/21 and WO/PBC/23/9.

*The Program and Budget Committee (PBC) recommended to the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned, to approve the revised definition of development expenditure as contained in Annex II of document WO/PBC/24/17 and requested the Secretariat to:*

1. *Apply the revised definition of development expenditure for the estimation of development expenditure in the draft proposed Program and Budget 2018/19;*
2. *Disclose in the “Results Framework and Program and Budget, including Development Share by Results” chart the following additional information:*

*The estimated amount of fee reductions as a percentage of total income indicating that fee reductions are granted in accordance with the eligibility criteria for certain applicants from certain countries (primarily, but not limited to, developing and least developed countries) set out in the PCT Schedule of Fees (information to be disclosed in a footnote and in a separate color).*

1. CLOSING OF THE SESSION

 [Annexes follows]

**PROGRAM AND BUDGET COMMITTEE CHAIR´S PROPOSAL FOR GOVERNANCE**

(as at September 18, 2015)

A. The Program and Budget Committee (PBC) recommends to the General Assembly holding two one day long open ended informal sessions, guided by the Chair of the PBC, prior to the 25thPBC session, to address governance issues at WIPO, in line with Recommendation 1 of the 2014 WIPO Joint Inspection Unit (JIU) report. The objective of the informal sessions will be to identify possible topics, such as the management and the number of meetings, governance structure of WIPO and the role of PBC and Coordination Committee (CoCo), and to help prepare formal discussions at the 25 th PBC session. The Secretariat will help compile Member States’ contributions on this topic to facilitate such debate.

B. The PBC recommends to the General Assembly the adoption of the following measures, without prejudice to the existing WIPO rules of procedure, to increase the efficiency and effectiveness of WIPO governance and WIPO meetings:

* Meetings should strive to end in a timely manner. Only in exceptional cases, as necessary to obtain a satisfactory result, should meetings be extended beyond the normal working hours, preferably no later than 7 p.m.
* Avoid overlap of official meetings and avoid, if possible, holding consecutive meetings of various committees unless there is a clear connection between them.
* Secretariat should continue its efforts to post working documents in all official languages two months prior to meetings in order to allow delegations sufficient time to analyze and consult on them.
* Increase the early nomination of Chairs and Vice-Chairs in a transparent manner, if possible, before the opening of the Committee session.
* When proposing a calendar of official meetings, the Director General should primarily take into account the expected workload and pay attention to the average number of official meeting days of the last five years and, if possible, avoid increasing that number.
* Reduce, when possible, the customary duration of WIPO committees, taking into account the committees’ agenda. This will not affect committees whose duration is specified by the General Assembly.

The PBC requests Secretariat to inform Member States of the results obtained with the implementation of such measures (point B) at the next PBC session. The PBC will then evaluate these measures and decide upon its continuation or modification.

[Annex II follows]

**REVISED DEFINITION OF “DEVELOPMENT EXPENDITURE” FOR ACCOUNTING PURPOSES**

Expenditure is qualified as “*development expenditure”* when it is used to finance development‑oriented activities provided by WIPO to developing countries and Least Developed Countries (LDCs) and the equivalent expenditure is not provided to developed countries. Consistent with past practice, countries with economies in transition are included for the purpose of the Program and Budget. In addition, the development activities financed by WIPO are those that are considered to contribute to:

* Enabling developing countries to derive benefits from the IP system, and to better protect inventions and creations around the world; and,
* Reducing the knowledge gap between developed and developing countries by facilitating developing country access to knowledge and supporting their engagement in innovating, producing, using and absorbing technologies, new forms of expressions and creativity.

It is understood that the following activities are considered to contributetowards achieving the above impact:

* + development of national intellectual property strategies, policies and plans in developing countries;
	+ development of national (and where relevant regional) legislative, regulatory and policy frameworks that promote a balanced IP system (including related research);
	+ support for the engagement of developing countries in global and regional decision- making and dialogue on IP;
	+ building modern state-of-the-art national IP administrative infrastructure;
	+ support-systems for users of the IP system in developing countries;
	+ training and human capacity building for developing countries;
	+ promotion of innovation and creativity, technology transfer and access to knowledge and technologies in developing countries (including related research).

It is understood that the expenditure under strategic goals relating to efficient administrative and financial support structure to enable WIPO to deliver its programs and a responsive communications interface between WIPO, its Member States and all stakeholders are excluded in the calculation of development expenditure for accounting purposes though some contributes to development activities.

 [End of Annex II and of document]