

REVISED PROPOSAL FOR PROGRAM AND BUDGET 2004-2005

INTRODUCTION

Intellectual Property Perceptions

1. The World Intellectual Property Organization (WIPO) is operating in a time of rapid evolution, and perceptions of the role of intellectual property (IP), in both international and national affairs. IP has come to center stage as a key element in international trade and investment. At the core of these developments is a reappraisal of how knowledge – cultural, technological and commercial – contributes to success in a global economic environment. The increasing recognition of the positive contribution of the IP system that WIPO has helped to precipitate through the demystification campaign launched in 1997 has sparked widespread interest in IP as a powerful catalyst for applying new ideas and creativity to economic life, generating new industries, new products and new services, while reinforcing traditional areas of commercial and industrial enterprise. The judicious and strategic use of IP rights is not only integral to the operations of many successful businesses, but also plays an increasing role in national planning as an essential ingredient of economic, cultural and social well being. As a result, IP is no longer taken as an inert set of legal titles, but as an economic asset that realizes the potential of knowledge and creativity, an asset that embodies the longer-term interests and developmental potential of each WIPO Member State.

IP for Economic, Social and Cultural Development

2. Today, a country's potential well-being is measured in part by its capacity to create, introduce, manage and exploit intellectual assets, not by its endowment of land, labor and capital alone. A well-functioning IP system offers a tool of immense potential for policy-makers seeking to lay the groundwork for future economic, social and cultural development and prosperity. Several countries have already

adopted national strategies which anchor IP considerations firmly within the national policy-making process, whereas many others need to critically assess their options, and to craft and implement IP strategies corresponding to their own needs and economic situation. Government and business leaders, and public policy analysts, widely acknowledge the pivotal role of balanced and effective IP protection in the knowledge economy. But a major challenge remains for many countries: how to realize this insight in practice.

Practical and Policy Support for the Diverse Needs of Member States

3. WIPO is well-positioned to respond to these challenges in 2004-2005. The greater value attached to judicious IP management has fuelled increased demand for WIPO's global protection services under the Patent Cooperation Treaty (PCT), Madrid System and the Hague System. These services contribute in an immediate way to making the international IP system a more accessible, practical option for more diverse IP interests by reducing the costs and complexity of its use. WIPO will enhance its services to meet the needs of a steadily widening range of beneficiaries. A key task for the future is to refine these services to ensure that many more prospective right holders, including Small and Medium-sized Enterprises (SMEs) in development, Least Developed Countries (LDCs) and developing countries, can pursue their IP interests in the expectation that the international system will operate in a high quality and affordable manner that responds to their practical needs.

4. Complementing this essentially practical task is the policy challenge: how to deliver on the immense promise of IP as a power tool for development for those countries which are still working on reshaping, adapting and refining the IP strategies that correspond to their specific needs and interests. WIPO will assist its Member States in meeting this challenge, in the conviction that adept and informed IP strategies are the key to bridging divisions in knowledge and the gaps in utilization and harvesting of the intellectual property system that exist today.

The Shared Need: Developing an Informed IP Culture

5. To meet these challenges, WIPO will emphasize and support the development of an IP culture during 2004-2005. A dynamic IP culture enables all stakeholders to play their distinct roles within a coherent, strategic whole, and to realize the potential of IP as a power tool for economic, social and cultural development. A dynamic IP culture is founded on the maintenance of an effective, balanced IP system, but also requires active, well-informed and diverse users of the system, assisted by lower entry barriers, thus allowing for the astute and successful use of Intellectual Property Rights (IPRs) by a much wider range of constituencies. WIPO will leverage the

achievements of the demystification campaign, which has already provided a sound basis for further work, and will also enhance its support for Member States' efforts in developing IP systems and promoting the strategic use of IP rights. The chief evidence of progress in this direction will be the accumulation and effective exploitation of national IP assets by a wide range of economies. This should progressively foster more productive investment, cooperative research and development, technology exchange, national brand-making, and leverage of traditional industries into distinctive enterprises in the global market, leading in turn to job creation and the retention and enhancement of cultural diversity and intellectual human capital: in short, poverty reduction and more equitable prosperity in a globalizing economy, while reinforcing distinctive local characteristics and effectively valuing economic and cultural diversity.

Consolidating Program Activities to Support Strategic Goals

6. WIPO's program activities have been realigned and refocused to give effect to this strategy. This represents a decisive shift towards capitalizing on WIPO's past substantial investment in legal, technical and administrative infrastructure, particularly over the last three biennia. This entails a consolidation of activities and a greater emphasis on coordinated program delivery: accordingly, the number of main programs for 2004-2005 has been reduced to 13 (compared to 18 in the previous biennium), and clustered into four parts. Part I, Policy and Direction, concerns overall direction of the entire program and budget. Part II, Intellectual Property Systems and Issues, aims to develop IP systems, forge international consensus on key IP issues, and enhance the services WIPO provides to the users in the market and research sectors through its global protection systems. Part III, Intellectual Property for Economic, Social and Cultural Development, aims to develop practical understanding and to construct and implement the tools required by the diverse stakeholders in the IP system. Part IV, Administrative Services, provides for administrative support to WIPO's other program areas and for management of resources that allows for constant adjustment to ensure that services remain at a high quality and respond to the rapidly changing and increasingly sophisticated demands of program delivery.

Meeting New Needs and New Challenges, and Forging New Partnerships

7. Several programs have been refocused to ensure that WIPO's activities concentrate effectively on the creation of an IP culture. Main Program 11, Intellectual Property for Development and Prosperity; Creation of IP Culture, will coordinate and disseminate expert advice and background information for policy-makers and entrepreneurs seeking to use IP as a power tool for economic and

commercial development. The vision and strategy of WIPO recognize that collective leadership is essential for the creation of an IP culture. To give practical effect to this insight, sub-program 11.3, Cooperation with the Private Sector, will catalyze partnering arrangements between the private and non-government sectors and the government sector. Much of the practical expertise in the strategic management of IPRs, and skilled capacity to use the IP system to yield tangible benefits, resides in the private sector, and this know-how and practical experience is invaluable for the realization of potential of IPRs. The knowledge economy has been driven by new technologies and scientific advances: developments in information and communications technology and in life sciences have drawn particular scrutiny because of their capacity as enabling technologies and their potential to transform a wide range of technological, industrial and social patterns. These technologies also pose unprecedented challenges for the existing IP system. WIPO's responses to these challenges will be coordinated through two new sub-programs: Copyright-based Business and Culture Development (sub-program 5.2) and Intellectual Property and Life Sciences (sub-program 7.2).

Building Strategic Links and Feedback Loops Between Key Programs

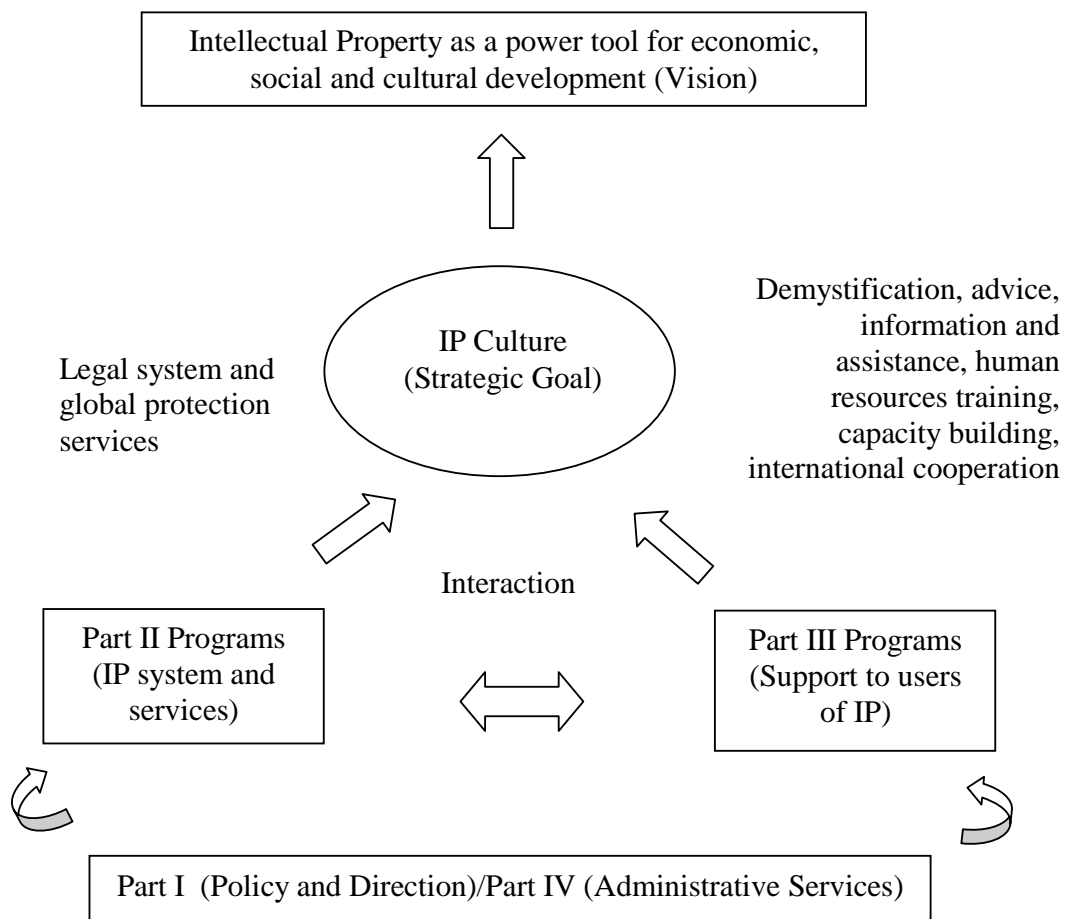
8. There is no one-size-fits-all IP system and no single template for successful management of IP assets. Each country must adapt and adjust its own national IP system, tailoring it to serve its particular needs and interests. IP policy settings must be made with an eye both to the broader policy environment and the practical needs of the users of the system. This means that developing a meaningful and worthwhile IP culture will entail close interaction and reinforcement between Part II programs on the IP systems and issues, and Part III programs on IP for economic, social and cultural development. The Part II programs will respond to the challenges of rapid changes in technology, trade and economic life. The programs of Part III will assist creators and innovators in actively utilizing the IP system – the practicalities of developing an IP culture. Feedback from users of the system garnered during the implementation of Part III programs will therefore help to shape the future directions of Part II programs. Chart 1 below illustrates how these programs will interact to realize WIPO's strategic goal and vision.

From Vision to Reality; Concrete Means and Specific Deliverables

9. The theme of WIPO's activities will be transforming a vision for the role of IP in national and international economic life into a practical reality. Abstract knowledge and insights about the potential of IP assets will be transformed into reality. Hence program activities will concentrate on yielding specific, tailored outcomes and tangible deliverables which play a direct role in the strategic use of the

IP system for economic gain and social benefit. Each program is designed to produce deliverables, which contribute directly to strategic goals. Particular emphasis will be given to the global protection systems and services (the PCT, Madrid, the Hague and Lisbon systems) in 2004-2005. Further development in the services and coverage of the PCT and Madrid systems is planned. These are not only WIPO's major income sources, but are also strategically important vehicles: they are one of the most concrete ways WIPO supports users of the IP system worldwide, ensuring that the benefits of IP protection can be enjoyed by a greater range of constituencies and enabling wider participation in the creation of an IP culture.

Chart 1
An Overview of the Relation among WIPO's Vision, Strategy and Programs



Overview of Budget

10. The proposed budget for 2004-2005 amounts to Sfr638,800,000. This reflects a decrease of Sfr30,000,000 or 4.5 per cent compared to the revised budget for 2002-2003 of Sfr668,800,000. The reduction is proposed despite an increase in the level of activities, in particular under the global protection systems. This is possible due to the completion of major infrastructure projects in the area of information technology and buildings during 2002-2003 and the phasing out of the corresponding funding requirements mainly met from surplus reserve resources. In addition, the efficiency gains derived from the infrastructure investments will become available as of 2004. The income for the 2004-2005 biennium is estimated at Sfr588,150,000, which reflects an increase of Sfr90,725,000 or 18.2 per cent over the revised income for 2002-2003 of Sfr497,425,000. The reserve at the end of 2005 will amount to Sfr42,401,000. The 2004-2005 proposals are indicated in Table 1 together with the estimates for 2002-2003 and the actual for 2000-2001.

Table 1
Budget, Income and Reserves 2002-2003 and 2004-2005
(in thousands of Swiss francs)

	2000-2001 Actual	2002-2003 Initial	Variation		2002-2003 Revised	Variation		2004-2005 Proposed
	A	B	C	C/B(%)	D=B+C	E	E/D(%)	F=D+E
A. Budget	558,344	678,400	(9,600)	(1.4)	668,800	(30,000)	(4.5)	638,800
B. Income	520,759	531,782	(34,357)	(6.5)	497,425	90,725	18.2	588,150
Difference, B-A	(37,585)	(146,618)	(24,757)		(171,375)	120,725		(50,650)
C. Reserves ^a	264,426	117,808			93,051			42,401

^a End biennium

11. The proposed budget 2004-2005 is elaborated in detail in Chapter A of the document. This is followed by the presentation of the revised budget 2002-2003 in Chapter B that adjusts the approved budget in accordance with the workload flexibility formulas and changes in standard costs. The financial indicators 1998-2009 are presented in Chapter C together with the income estimates and resource plan 2002-2003 and 2004-2005.

12. The financial indicators illustrate the peak in budget growth during the 2002-2003 biennium and subsequent reductions during 2004-2005 as already anticipated during the previous budget process. The premises plan shown in Annex A illustrates the reduction in rental cost due to utilization of new WIPO-owned facilities and the benefits of automation resulting from the IMPACT Project are illustrated in Annex C. The process of accommodating increased level of

activities while maintaining budget requirements will continue with the conclusion of the new construction project in 2007 and the associated efficiency gains. An update of the project is presented in Annex B.

13. Substantial growth in the level of registrations and filing has been experienced in the past, particularly for the PCT and Madrid systems, and is anticipated to continue although at a reduced rate. The level of income has increased at a slower rate, reflecting the substantial decreases of PCT fees during recent years. Fees are expected to remain stable in the coming years until the new construction project has been completed. This is made possible by drawing temporarily on the reserves. As of 2009, the reserves will be replenished close to the recommended level, thus giving the flexibility to expand the level of activities and/or to cut fees further.

14. The revised proposal for program and budget is presented in accordance with the result-based management framework introduced at WIPO in 1997. The document spells out how programs will be implemented, by linking program activities to concrete WIPO deliverables, described in terms of tangible, measurable and achievable outputs. These deliverables are designed to generate outcomes and produce a positive impact at national, regional and international levels. These are described precisely as expected results to be measured by specific performance indicators, within the framework of the objectives determined for each sub-program. The budget policy and presentation are described in Appendix A, including the general approach, a calculation of budget stages, the arrangements for determining budget allocation by Union, the working assumptions on standard cost rates, the workload flexibility formulas for budget adjustments, and the definitions of budget headings. Appendix B lists the proposed Member States contributions, Appendix C presents the Schedule of Fees and Appendix D shows the list of acronyms and abbreviations.

15. The Program and Budget Committee is invited to express its views on the proposals contained in this Revised Proposal for Program and Budget 2004-2005, and to recommend it to the Assemblies of the Member States for approval at its meeting in September 2003.

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[Chapter A follows]

A. REVISED PROPOSAL FOR PROGRAM AND BUDGET 2004-2005

1. SUMMARY OF BUDGET ESTIMATES

16. The proposed budget for the 2004-2005 biennium amounts to Sfr638,800,000, which reflects a budget decrease of Sfr30,000,000 or 4.5 per cent as compared with the revised budget for 2002-2003 of Sfr668,800,000. The budgetary approach reflected in the proposals are summarized as follows:

- consolidation and re-alignment of programs to WIPO's vision and strategy with particular emphasis on deliverables in each program;
- budget for new program initiatives;
- budget for anticipated growth in global protection services under the PCT, Madrid and The Hague systems;
- budget for the 2004-2005 phase of the new construction project;
- budget for mandatory cost increases, in particular increases in salary and common staff costs;
- reflect efficiency gains following the completion of the ex-WMO building project and the start of the IMPACT operation in 2003;
- ensure that the proposed budget envelope stays within anticipated funding available during the 2004-2005 biennium and complies with the financial plan up to 2009;
- ensure that the reserves during the next years are adequate to support sound financial operation; and
- exercise maximum budgetary restraint.

17. The budget by Union is shown in Table 2. For contribution-financed Unions, the budget remains at Sfr38,411,000. This represents a zero nominal growth for activities funded from Member States contributions. Decreases are presented for the PCT Union of Sfr22,780,000 or 4.3 per cent, for the Madrid Union of Sfr5,617,000 or 7.1 per cent, for the Hague Union of Sfr554,000 or 4.2 per cent and for Others of Sfr1,049,000 or 10.6 per cent. The detailed budget allocations by Union and Main Program are presented in Table 7 of this Chapter.

Table 2
Budget 2004-2005: Budget Variation by Union
(in thousands of Swiss francs)

Union	2000-2001 Actual A	2002-2003 Revised B	Budget Variation						2004-2005 Proposed F=B+E
			Program		Cost		Total		
			Amount C	% C/B	Amount D	% D/C	Amount E=C+D	% E/B	
Contri.-fin. Unions	37,771	38,441	(817)	(2.1)	817	2.1	-	-	38,441
PCT Union	444,135	528,499	(33,741)	(6.4)	10,961	2.1	(22,780)	(4.3)	505,719
Madrid Union	61,674	78,613	(7,164)	(9.1)	1,547	2.0	(5,617)	(7.1)	72,996
Hague Union	10,786	13,314	(820)	(6.2)	266	2.0	(554)	(4.2)	12,760
Others	3,978	9,933	(1,102)	(11.1)	53	0.5	(1,049)	(10.6)	8,884
TOTAL	558,344	668,800	(43,644)	(6.5)	13,644	2.0	(30,000)	(4.5)	638,800

18. As indicated in Table 2, the budget decrease of Sfr30,000,000 or 4.5 per cent includes a decrease for program variations of Sfr43,644,000 or 6.5 per cent, partly offset by an increase in cost variations of Sfr13,644,000 or 2.0 per cent. Program variations, i.e. changes in activities, will be further illustrated below by main program and object of expenditure. Cost variations, i.e. changes in the cost structure, include an amount of Sfr6,103,000 for regrading of posts within post category, Sfr2,144,000 covering delayed growth for posts established during the second year of the 2002-2003 biennium, Sfr3,278,000 for increases in salary and common staff costs and Sfr2,119,000 for cost increases for non-post objects of expenditure. Details on the distinction between program and cost variations are described below in Appendix A.2 and the standard rates for cost variations are listed in Appendix A.4.

19. The budget for the 2004-2005 biennium is presented by the 13 main programs and 4 program parts in Table 3. The decreases in program variation of Sfr43,644,000 reflect adjustments primarily in the overhead and support activities. Presented are, in particular, program decreases of Sfr61,758,000 or 41.7 per cent for Main Program 13 (Information Technology) and program increases of Sfr22,465,000 for Main Program 12 (Resources Management). Decreases for Main Program 13 are the result of the completion of major IT development and deployment work during 2002-2003; increases for Main Program 12 are required to accomodate the 2004-2005 budget provision of Sfr80,950,000 for the new construction project. In the following, a summary of program variation is provided according to the program structure presented in Table 3.

Table 3
Budget 2004-2005: Budget Variation by Program
(in thousands of Swiss francs)

		2002-2003 Revised	Budget Variation						2004-2005 Proposed
			Program		Cost		Total		
		Program	A	Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A
Part I: Policy and Direction									
01	Constituent Organs of the Member States	4,500	(142)	(3.2)	28	0.6	(114)	(2.5)	4,386
02	Direction and Executive Management	29,384	(1,011)	(3.4)	1,008	3.4	(3)	(0.0)	29,381
Total, I		33,884	(1,153)	(3.4)	1,036	3.1	(117)	(0.3)	33,767
Part II: Intellectual Property Systems and Issues									
03	Patents and the Patent Cooperation Treaty (PCT) System	134,589	(5,346)	(4.0)	3,802	2.8	(1,544)	(1.1)	133,045
04	Trademarks, Industrial Designs and Geographical Indications	39,256	(105)	(0.3)	1,007	2.6	902	2.3	40,158
05	Copyright and Related Rights	7,513	941	12.5	23	0.3	964	12.8	8,477
06	WIPO Arbitration and Mediation Center	6,685	(746)	(11.2)	(25)	(0.4)	(771)	(11.5)	5,914
07	Selected Issues of Intellectual Property	6,265	541	8.6	266	4.2	807	12.9	7,072
Total, II		194,308	(4,714)	(2.4)	5,072	2.6	358	0.2	194,666
Part III: Intellectual Property for Economic, Social and Cultural Development									
08	Cooperation with Developing Countries	53,900	194	0.4	1,048	1.9	1,241	2.3	55,141
09	Cooperation with Certain Countries in Europe and Asia	5,163	277	5.4	142	2.8	419	8.1	5,582
10	The WIPO Worldwide Academy (WWA)	14,688	24	0.2	360	2.5	384	2.6	15,072
11	Intellectual Property for Development and Prosperity; Creation of IP Culture	18,344	(197)	(1.1)	353	1.9	156	0.9	18,500
Total, III		92,095	298	0.3	1,903	2.1	2,200	2.4	94,295
Part IV: Administrative Services									
12	Resources Management	195,264	22,465	11.5	4,076	2.1	26,541	13.6	221,805
13	Information Technology	148,176	(61,758)	(41.7)	1,515	1.0	(60,243)	(40.7)	87,933
Total, IV		343,440	(39,293)	(11.4)	5,591	1.6	(33,702)	(9.8)	309,738
Unallocated		5,073	1,219	24.0	42	0.8	1,261	24.9	6,334
TOTAL		668,800	(43,644)	(6.5)	13,644	2.0	(30,000)	(4.5)	638,800

20. Part I (Policy and Direction) covers a proposed budget of Sfr33,767,000 that reflects a program decrease of Sfr1,153,000 or 3.4 per cent. Main Program 01 (Constituent Organs of the Member States) shows a program decrease of Sfr142,000 or 3.2 per cent in accordance with previous expenditure patterns. Main Program 02 (Direction and Executive Management) includes a program decrease that reflects the redeployment of resources from support to substantive programs listed in Parts II and III.

21. Part II (Intellectual Property Systems and Issues) covers a proposed budget of Sfr194,666,000 that reflects a program decrease of Sfr4,714,000 or 2.4 per cent. Main Program 03 (Patents and the Patent Cooperation Treaty (PCT)) includes a program decrease of Sfr5,346,000 or 4.0 per cent. The budget reduction is made possible through the efficiency gains obtained by the partial deployment of IMPACT and re-engineering of business processes as illustrated in Annex C. The budget provision provides for anticipated increases in the number of PCT applications by 8.8 per cent in 2004 and 9.6 per cent in 2005 as illustrated below in Chapter C (Financial Indicators, Income Estimates and Resource Plan). Main Program 04 (Trademarks, Industrial Designs and Geographical Indications) reflects a small program decrease of Sfr105,000 or 0.3 per cent in accordance with the anticipated number of registrations and renewals under the Madrid, Hague and Lisbon systems. Main Program 05 (Copyright and Related Rights) includes a program growth of Sfr941,000 or 12.5 per cent to support the implementation of the WIPO treaties on copyright. Main Program 06 (WIPO Arbitration and Mediation Center) shows a program decrease of Sfr746,000 or 11.2 per cent in accordance with the anticipated demand for dispute resolution services. An increase in program activities in the amount of Sfr541,000 or 8.6 per cent is proposed for Main Program 07 (Selected Issues of Intellectual Property).

22. Part III (Intellectual Property for Economic, Social and Cultural Development) covers a proposed budget of Sfr94,295,000 which reflects program increases of Sfr298,000 or 0.3 per cent. Main Program 08 (Cooperation with Developing Countries) reflects a small program increase of Sfr194,000 or 0.4 per cent to maintain the high profile of the activities. Main Program 09 (Cooperation with Certain Countries in Europe and Asia) includes a program increase of Sfr277,000 or 5.4 per cent to strengthen program delivery. Main Program 10 (The WIPO Worldwide Academy (WWA)) shows a program increase of Sfr24,000 or 0.2 per cent to facilitate program adjustments. Main Program 11 (Intellectual Property for Development and Prosperity; Creation of IP Culture) reflects program decreases of Sfr197,000 or 1.1 per cent.

23. Part IV (Administrative Services) covers a proposed budget of Sfr309,738,000 which includes program decreases of Sfr39,293,000 or 11.4 per cent. As described above, Main Program 12 (Resources Management) includes program increases of Sfr22,465,000 or 11.5 per cent. The Main Program accommodates, among others, a budget provision of Sfr80,950,000 for the 2004-2005 implementation phase of the new construction described in Annex B. As noted above, Main Program 13 (Information Technology) reflects program decreases following the work progress of major IT development and deployment work during 2002-2003 for the IMPACT, PCT E-filing and WIPONET projects. Ongoing development efforts and the

operation of both IT systems are covered, among others, within the reduced budget proposed for the 2004-2005 biennium.

24. The proposed budget 2004-2005 includes an unallocated amount of Sfr6,334,000 that represents about 1.0 per cent of the program budgets in accordance with previous practice.

25. Budget variations by object of expenditure for the 2004-2005 biennium are presented in Table 4.

Table 4
Budget 2004-2005: Budget Variation by Object of Expenditure
(in thousands of Swiss francs)

Object of Expenditure	2000-2001	2002-2003	Budget Variation						2004-2005
	Actual	Revised	Program		Cost		Total		Proposed
	A	B	Amount C	% C/B	Amount D	% D/C	Amount E=C+D	% E/D	F=B+E
Staff Expenses									
Posts	228,499	297,295	(4,137)	(1.4)	11,525	3.9	7,388	2.5	304,683
Short-term Expenses	44,902	21,020	1,430	6.8	142	0.7	1,572	7.5	22,592
Total	273,401	318,315	(2,707)	(0.9)	11,667	3.7	8,961	2.8	327,275
Official Travel and Fellowships									
Staff Missions	12,935	14,779	(1,316)	(8.9)	81	0.5	(1,235)	(8.4)	13,544
Third Party Travel	21,573	20,715	(391)	(1.9)	137	0.7	(254)	(1.2)	20,461
Fellowships	5,387	5,706	(633)	(11.1)	34	0.6	(599)	(10.5)	5,107
Total	39,895	41,200	(2,340)	(5.7)	252	0.6	(2,088)	(5.1)	39,112
Contractual Services									
Conferences	6,074	6,844	(540)	(7.9)	39	0.6	(501)	(7.3)	6,343
Consultants	16,306	28,621	(10,779)	(37.7)	116	0.4	(10,663)	(37.3)	17,958
Publishing	5,542	7,154	(1,909)	(26.7)	31	0.4	(1,878)	(26.3)	5,276
Other	69,926	93,189	(44,919)	(48.2)	336	0.4	(44,583)	(47.8)	48,606
Total	97,848	135,808	(58,147)	(42.8)	522	0.4	(57,625)	(42.4)	78,183
Operating Expenses									
Premises & Maintenance	107,252	97,041	(28,841)	(29.7)	536	0.6	(28,305)	(29.2)	68,736
Communication & Other	16,193	19,722	(1,143)	(5.8)	112	0.6	(1,031)	(5.2)	18,691
Total	123,445	116,763	(29,984)	(25.7)	648	0.6	(29,336)	(25.1)	87,427
Equipment and Supplies									
Furniture & Equipment	11,385	19,140	(6,333)	(33.1)	84	0.4	(6,249)	(32.6)	12,891
Supplies & Materials	12,370	11,382	674	5.9	72	0.6	746	6.6	12,128
Total	23,755	30,522	(5,659)	(18.5)	156	0.5	(5,503)	(18.0)	25,019
Construction	-	21,119	53,974	255.6	357	1.7	54,331	257.3	75,450
Unallocated	-	5,073	1,219	24.0	42	0.8	1,261	24.9	6,334
TOTAL	558,344	668,800	(43,644)	(6.5)	13,644	2.0	(30,000)	(4.5)	638,800

26. As shown in Table 4, staff expenses amount to Sfr327,275,000 and reflect decreases in program resources of Sfr2,707,000 or 0.9 per cent. The resources cover the cost of posts as identified in Table 6 and short-term requirements. The budget provision for short-term expenses of Sfr22,592,000 is sufficient to fund approximately 145 short-term contracts through the financial period. In addition and in accordance with the budget policy of WIPO, savings in staff costs generated

through vacant posts can be utilized for the funding of short-term employees. As an indication of magnitude, some 300 people were employed on short-term contracts in early 2003, funded from savings under post vacancies and from dedicated budget provision for short-term expenses. Travel and Fellowships amount to Sfr39,112,000 and reflect a decrease in program resources of Sfr2,340,000 or 5.7 per cent.

27. Contractual Services amount to Sfr78,183,000 and reflect program decreases by Sfr58,147,000 or 42.8 per cent mainly due to the completion of work by external IT contractors and consultants in 2003. Remuneration of consultants is in a similar range as compared to staff, with an average monthly cost of some Sfr10,000. As an indication of magnitude, some 60 consultants were employed in early 2003. In addition, the cost of experts and lecturers are funded under the same budget provision. Operating Expenses amount to Sfr87,427,000 and reflect program decreases of Sfr29,984,000 or 25.7 per cent mainly due to the completion of the ex-WMO building in 2003 and lower rental costs due to the availability of new WIPO-owned premises. Equipment and Supplies amounts to Sfr25,019,000 and reflect program decreases of Sfr5,659,000 or 18.5 per cent, in particular reductions in requirements for furniture and equipment. Construction amounts to Sfr75,450,000 and reflects program increase of Sfr53,974,000 or 255.6 per cent due to the implementation of the new construction project in accordance with the project plan outlined in Annex B.

28. Budget allocation by main object of expenditure and program is illustrated in Table 5. A presentation by detailed object of expenditure is included in the description of each main program. Post variations by post category and program for the 2004-2005 biennium are presented in Table 6.

29. By the end of 2005, a total number of 1,004 posts is proposed which reflects no change as compared to the end of 2003. It is further recommended to adjust the structure of the posts by establishing five posts in the Director category and 67 in the Professional category, offset by the decrease of 72 posts in the General Service category. The proposed increase from 46 Director posts and above by five to 51 is seen to bring in line the distribution of posts with previous arrangements following the increase in the overall number of posts. Whereas in 1999, the number of D-posts accounted for 5.6 per cent of total posts, this share has decreased to 4.6 by 2003. The proposed adjustment would increase the share of D-posts to 5.1 per cent by 2005. The proposed increase of posts in the Professional category and the decrease in the General Service category reflects the result of post classifications. Whereas new posts have been established in the past at the General Service category only, the re-engineering of business processes, in particular in the PCT operation in the context of the IMPACT Project, has resulted in the upgrading of General Service posts to the Professional category.

30. As indicated, the total number of posts remains at 1,004 when comparing the status of end-2003 with end-2005. Within this period, the number of posts are adjusted in accordance with estimated workload projections under the global protection systems. In accordance with this approach, it is anticipated that 52 General Service posts will be phased in during the biennium, including 27 posts in 2004 and 25 posts in 2005. In order to provide for this gradual phasing-in, the total

Table 5
Budget 2004-2005: Budget allocation by object of expenditure and program
(in thousands of Swiss francs)

<i>Program</i>	<i>Staff Expenses A</i>	<i>Official Travel & Fellowship B</i>	<i>Contractual Services C</i>	<i>Operating Expenses D</i>	<i>Equipment & Supplies E</i>	<i>Construction F</i>	<i>Unallocated G</i>	<i>Total H=A+...G</i>
Part I: Policy and Direction								
01 Constituent Organs of the Member States	-	3,386	1,000	-	-	-	-	4,386
02 Direction and Executive Management	22,190	2,346	1,811	2,814	220	-	-	29,381
Total, I	22,190	5,732	2,811	2,814	220	-	-	33,767
Part II: Intellectual Property Systems and Issues								
03 Patents and the Patent Cooperation Treaty (PCT) System	108,455	1,495	9,104	10,937	3,054	-	-	133,045
04 Trademarks, Industrial Designs and Geographical Indications	32,103	1,195	3,939	2,524	397	-	-	40,158
05 Copyright and Related Rights	4,945	1,568	1,847	92	25	-	-	8,477
06 WIPO Arbitration and Mediation Center	4,668	410	734	82	20	-	-	5,914
07 Selected Issues of Intellectual Property	4,613	1,240	1,098	71	50	-	-	7,072
Total, II	154,784	5,908	16,722	13,706	3,546	-	-	194,666
Part III: Intellectual Property for Economic, Social and Cultural Development								
08 Cooperation with Developing Countries	29,706	15,906	7,079	757	1,693	-	-	55,141
09 Cooperation with Certain Countries in Europe and Asia	2,816	1,465	931	60	310	-	-	5,582
10 The WIPO Worldwide Academy (WWA)	5,765	6,518	2,324	94	371	-	-	15,072
11 Intellectual Property for Development and Prosperity; Creation of IP Culture	12,802	897	4,344	329	128	-	-	18,500
Total, III	51,089	24,786	14,678	1,240	2,502	-	-	94,295
Part IV: Administrative Services								
12 Resources Management	69,455	525	6,659	61,322	8,394	75,450	-	221,805
13 Information Technology	29,757	2,161	37,313	8,345	10,357	-	-	87,933
Total, IV	99,212	2,686	43,972	69,667	18,751	75,450	-	309,738
Unallocated	-	-	-	-	-	-	6,334	6,334
TOTAL	327,275	39,112	78,183	87,427	25,019	75,450	6,334	638,800

Table 6
Budget 2004-2005: Post Variation by post category and program
(in thousands of Swiss francs)

Program	End 2003 Revised				Post Variation				End 2005 Proposed			
	D	P	G	Total	D	P	G	Total	D	P	G	Total
Part I: Policy and Direction												
02 Direction and Executive Management	10	30	15	55	3	(5)	5	3	13	25	20	58
Part II: Intellectual Property Systems and Issues												
03 Patents and the Patent Cooperation Treaty (PCT) System	4	73	290	367	1	40	(34)	7	5	113	256	374
04 Trademarks, Industrial Designs and Geographical Indications	5	22	73	100	(1)	8	--	7	4	30	73	107
05 Copyright and Related Rights	1	6	2	9	1	1	1	3	2	7	3	12
06 WIPO Arbitration and Mediation Center	--	2	11	13	--	4	(4)	--	--	6	7	13
07 Selected Issues of Intellectual Property	1	6	3	10	1	1	(1)	1	2	7	2	11
Total, II	11	109	379	499	2	54	(38)	18	13	163	341	517
Part III: Intellectual Property for Economic, Social and Cultural Development												
08 Cooperation with Developing Countries	12	35	29	76	(1)	6	(7)	(2)	11	41	22	74
09 Cooperation with Certain Countries in Europe and Asia	--	4	2	6	1	--	--	1	1	4	2	7
10 The WIPO Worldwide Academy (WWA)	1	8	7	16	--	(1)	--	(1)	1	7	7	15
11 Intellectual Property for Development and Prosperity; Creation of IP Culture	3	13	22	38	1	4	(8)	(3)	4	17	14	35
Total, III	16	60	60	136	1	9	(15)	(5)	17	69	45	131
Part IV: Administrative Services												
12 Resources Management	8	64	148	220	(1)	8	(17)	(10)	7	72	131	210
13 Information Technology	1	62	31	94	--	1	(7)	(6)	1	63	24	88
Total, IV	9	126	179	314	(1)	9	(24)	(16)	8	135	155	298
TOTAL	46	325	633	1,004	5	67	(72)	--	51	392	561	1,004*

D- level posts include posts for DG, DDG's, ADG's and Directors.

** Post total 952 at beginning 2004, with 27 General Service posts established in 2004 and 25 General Service posts in 2005.*

number of posts established at the beginning of 2004 is reduced to 952 as compared to 1,004 posts approved up to the end of 2003.

31. With regard to main programs, the main changes between end-2003 and end-2005 include additional seven posts for Main Program 03 (Patents and the Patent Cooperation Treaty (PCT)) and Main Program 04 (Trademarks, Industrial Designs and Geographical Indications). Post increases for the PCT system under Main Program 03 are considerably lower as compared to the post increases that would result when applying the PCT flexibility formula. This is possible due to the efficiency gains derived from IMPACT as outlined in Annex C. Increases for the Madrid System under Main Program 04 follow the anticipated increase in workload as illustrated in Table 22. Increases of three posts are also indicated for Main Program 02 (Direction and Executive Management) and Main Program 05 (Copyright and Related Rights) and increases of one post for Main Program 07 (Selected Issues of Intellectual Property) and Main Program 09 (Cooperation with Certain Countries in Europe and Asia). Decreases are reflected for Main Program 12 (Resource Management) by 10 posts, Main Program 13 (Information Technology) by six posts, Main Program 11 (Intellectual Property for Development and Prosperity; Creation of IP Culture) by three posts, Main Program 08 (Cooperation with Developing Countries) by two posts and Main Program 10 (The WIPO Worldwide Academy (WWA)) by one post. There is no change in posts reflected for Main Program 06 (WIPO Arbitration and Mediation Center).

32. Resource allocation by main program and Union is illustrated in Table 7. The arrangement for determining budget allocation by Union is described in Section 3 of Appendix A. The costs of the two main programs listed under Part I of the budget are considered overhead and shared equally between the Unions in accordance with the size of the respective Union budget at a rate of 5.3 per cent. The five main programs included in Part II cover activities fully or mainly attributable to a specific Union. This includes Main Program 03 (Patents and the Patent Cooperation Treaty (PCT)) being covered essentially under the PCT Union and Main Program 04 (Trademarks, Industrial Designs and Geographical Indications) under the Madrid and Hague Unions. Main Program 05 (Copyright and Related Rights) is covered fully and Main Program 07 (Selected Issues of Intellectual Property) to a large extent under the contribution-financed Unions. Main Program 06 (WIPO Arbitration and Mediation Center) is funded under Others in accordance with the recording of corresponding income. The four programs included in Part III cover crosscutting issues and are shared among all Unions in accordance with available resources. Finally, the two main programs included in Part IV are support activities. Similar to the approach chosen for Part I, the costs are shared equally among the Unions. In addition, an adjustment is introduced for the new construction project included in Main Program 12 (Resources Management). The new construction is funded partly from resources previously earmarked for this purpose and mainly accumulated from PCT surplus funds.

Table 7
Budget 2004-2005: Budget allocation by Union and Program
(in thousands of Swiss francs)

Program	Contri.-fin. Unions		PCT Union		Madrid Union		Hague Union		Others		Total	
	Amount A	% of total	Amount B	% of total	Amount C	% of total	Amount D	% of total	Amount E	% of total	Amount F=A+...E	% of total
Part I: Policy and Direction												
01 Constituent Organs of the Member States	264	0.7	3,472	0.7	501	0.7	88	0.7	61	0.7	4,386	0.7
02 Direction and Executive Management	1,768	4.6	23,260	4.6	3,357	4.6	587	4.6	409	4.6	29,381	4.6
Total, I	2,032	5.3	26,732	5.3	3,858	5.3	675	5.3	470	5.3	33,767	5.3
Part II: Intellectual Property Systems and Issues												
03 Patents and the Patent Cooperation Treaty (PCT) System	5,322	13.8	127,723	25.3	-	-	-	-	-	-	133,045	20.8
04 Trademarks, Industrial Designs and Geographical Indications	1,205	3.1	-	-	34,937	47.9	4,016	31.5	-	-	40,158	6.3
05 Copyright and Related Rights	8,477	22.1	-	-	-	-	-	-	-	-	8,477	1.3
06 WIPO Arbitration and Mediation Center	769	2.0	-	-	-	-	-	-	5,145	57.9	5,914	0.9
07 Selected Issues of Intellectual Property	2,718	7.1	3,364	0.7	636	0.9	354	2.8	-	-	7,072	1.1
Total, II	18,491	48.1	131,087	25.9	35,573	48.7	4,370	34.2	5,145	57.9	194,666	30.5
Part III: Intellectual Property for Economic, Social and Cultural Development												
08 Cooperation with Developing Countries	2,206	5.7	49,902	9.9	1,930	2.6	1,103	8.6	-	-	55,141	8.6
09 Cooperation with Certain Countries in Europe and Asia	223	0.6	5,052	1.0	195	0.3	112	0.9	-	-	5,582	0.9
10 The WIPO Worldwide Academy (WWA)	603	1.6	13,640	2.7	528	0.7	301	2.4	-	-	15,072	2.4
11 Intellectual Property for Development and Prosperity; Creation of IP Culture	740	1.9	16,742	3.3	648	0.9	370	2.9	-	-	18,500	2.9
Total, III	3,772	9.8	85,336	16.9	3,301	4.5	1,886	14.8	-	-	94,295	14.8
Part IV: Administrative Services												
12 Resources Management	8,473	22.0	187,936	37.2	19,492	26.7	3,946	30.9	1,958	22.0	221,805	34.7
13 Information Technology	5,292	13.8	69,614	13.8	10,048	13.8	1,756	13.8	1,223	13.8	87,933	13.8
Total, IV	13,765	35.8	257,550	50.9	29,540	40.5	5,702	44.7	3,181	35.8	309,738	48.5
Unallocated	381	1.0	5,014	1.0	724	1.0	127	1.0	88	1.0	6,334	1.0
TOTAL	38,441	100.0	505,719	100.0	72,996	100.0	12,760	100.0	8,884	100.0	638,800	100.0

33. The proposed budget and funds-in-trust resources are indicated by main program in Table 8. It is anticipated that Main Program 08 (Cooperation with Developing Countries) will implement an amount of Sfr14,391,000 of trust fund resources in addition to the allocation of Sfr55,141,000 under the regular budget. It is further anticipated that Main Program 10 (The WIPO Worldwide Academy (WWA)) will implement Sfr1,000,000, Main Program 11 (Intellectual Property for Development and Prosperity; Creation of IP Culture) an amount of Sfr712,000, Main Program 13 (Information Technology) an amount of Sfr642,000, Main Program 05 (Copyright and Related Rights) an amount of Sfr280,000, and Main Program 12 (Resource Management) an amount of Sfr200,000.

Table 8
Budget 2004-2005: Allocation of proposed budget and Funds-In-Trust
by Program
(in thousands of Swiss francs)

<i>Program</i>	<i>Proposed Budget A</i>	<i>Funds-in- Trust B</i>	<i>Total C=A+B</i>
Part I: Policy and Direction			
01 Constituent Organs of the Member States	4,386	-	4,386
02 Direction and Executive Management	29,381	-	29,381
Total, I	33,767	-	33,767
Part II: Intellectual Property Systems and Issues			
03 Patents and the Patent Cooperation Treaty (PCT) System	133,045	-	133,045
04 Trademarks, Industrial Designs and Geographical Indications	40,158	-	40,158
05 Copyright and Related Rights	8,477	280	8,757
06 WIPO Arbitration and Mediation Center	5,914	-	5,914
07 Selected Issues of Intellectual Property	7,072	-	7,072
Total, II	194,666	280	194,946
Part III: Intellectual Property for Economic, Social and Cultural Development			
08 Cooperation with Developing Countries	55,141	14,391	69,532
09 Cooperation with Certain Countries in Europe and Asia	5,582	-	5,582
10 The WIPO Worldwide Academy (WWA)	15,072	1,000	16,072
11 Intellectual Property for Development and Prosperity; Creation of IP Culture	18,500	712	19,212
Total, III	94,295	16,103	110,398
Part IV: Administrative Services			
12 Resources Management	221,805	200	222,005
13 Information Technology	87,933	642	88,575
Total, IV	309,738	842	310,580
Unallocated	6,334	-	6,334
TOTAL	638,800	17,225	656,025

[Program Presentation follows]

2. PROGRAM PRESENTATION

MAIN PROGRAM 01

CONSTITUENT ORGANS OF THE MEMBER STATES

Summary

34. The number of Member States of WIPO has grown from 125 in 1990 to 179 in 2003, representing an average annual growth of five per cent over the last 13 years. Membership in all the WIPO-administered Unions has also increased, particularly in the industrial property registration treaties (the Patent Cooperation Treaty (PCT), the Madrid System, and the Hague System). Calls on WIPO's services and program activities continue to rise, essentially at two levels: users and administrators of the IP system which interact in numerous daily transactions with the global protection systems; and policymakers from the Member State, representing ever more diverse sets of policy interests are increasingly calling on WIPO to provide support and technical, legal and policy input, reflecting both the growing importance of IP issues on a broad range of policy fronts, and the challenge of using IP more effectively as a policy tool for economic, social and cultural development in their countries with widely differing needs and interests.

35. At the General Assembly of 2002, Member States authorized the Director General to streamline and simplify WIPO's governance and constitutional structure to reinforce the transparency, efficiency and effectiveness of the Organization. The work concerning constitutional reforms will continue during the 2004-05 biennium.

36. The Assemblies of the Member States will continue to provide policy input and strategic direction to the Director General so as to ensure timely and effective strategic planning and decision-making. This will ensure that WIPO's policy and program directions continue to meet the expectations of Member States, that program activities will meet their diverse needs and interests, and be implemented transparently, accountably and efficiently.

37. Main Program 01 serves WIPO's strategic goals by organizing the policy and management forums in which Member States address the policy issues that are essential to effective program execution and management by the Director General and the International Bureau, and, as necessary, to build the international consensus required to buttress the implementation of the WIPO programs.

38. In practice, Main Program 01 will ensure that all the organs of the Member States meet on time and in a systematic manner, in accordance with the WIPO Convention and the WIPO treaties that are currently in force or will enter into force during the biennium.

39. The WIPO Convention establishes three governing bodies, or organs: the General Assembly (comprising all States members of WIPO which are also members of the Paris or Berne Unions); the Conference (comprising all States members of WIPO); and the Coordination Committee (the members of which are elected from among the members of WIPO and of the Executive Committees of the Paris and Berne Unions). Other WIPO-administered treaties currently in force provide for the following additional organs:

- (1) Paris Union Assembly
- (2) Paris Union Executive Committee
- (3) Berne Union Assembly
- (4) Berne Union Executive Committee
- (5) Madrid Union Assembly
- (6) Hague Union Assembly
- (7) Nice Union Assembly
- (8) Lisbon Union Assembly
- (9) Locarno Union Assembly
- (10) PCT Union Assembly
- (11) IPC (International Patent Classification) Union Assembly
- (12) Vienna Union Assembly
- (13) Budapest Union Assembly
- (14) WIPO Copyright Treaty Assembly
- (15) WIPO Performances and Phonograms Treaty Assembly

40. The Paris Union Conference of Representatives and the Lisbon Union Council have both decided not to meet in future, and the Berne Union Conference of Representatives, the Hague Union Conference of Representatives, and the Nice Union Conference of Representatives have been dissolved (document A/35/15, paragraphs 132-3). When the Patent Law Treaty (PLT) enters into force, its Contracting Parties may establish an Assembly: its first meeting is expected during the 2004-05 biennium.

41. The Assemblies and Conferences of the Member States meet in ordinary session every other year. The Assemblies of the PCT and Madrid Unions have agreed to finance the travel and Daily Subsistence Allowance (DSA) of one government official from each Member State to their meetings in ordinary or extraordinary session. The Coordination Committee and the Executive Committees of the Paris and Berne Unions also meet in ordinary session once a year. The

Program and Budget Committee is expected to meet four times during the biennium to consider proposals on WIPO program and budget matters.

SUMMARY OF MEETINGS EXPECTED TO BE ORGANIZED IN 2004-2005

Meetings of the Organs of the Member States	Number of Meetings	Days per meeting	Number of languages
Sessions of the Assemblies of the Member States September 2004*	1	10	6
Sessions of the Assemblies of the Member States September 2005*	1	10	6
Ordinary Meetings of the Coordination Committee	2	3	6
Meetings of the Program and Budget Committee	4	3	6
PLT Assembly (may be established upon entry into force of the PLT)	1	3	3

*Including meetings of the PCT, Madrid and Hague Assemblies

42. The documentation and organizational needs of these meetings will be provided essentially under Main Program 12, Resources Management, under the coordination of Main Program 02.

Resource Description by Object of Expenditure

43. Total resources of Sfr4,386,000 reflect a program decrease of Sfr142,000 or 3.2 per cent with respect to the corresponding amount in the 2002-2003 biennium.

44. For travel and fellowships, an amount of Sfr3,386,000 is shown, a program decrease of Sfr136,000 or 3.9 per cent. This includes resources for the travel of about 450 government officials to the sessions of the Assemblies of the PCT and Madrid Unions in 2004 and 2005 as well as costs related to the preparation of the Organs of Member States.

45. For contractual services, an amount of Sfr1,000,000 is shown, a program decrease of Sfr6,000 or 0.6 per cent. This includes resources to cover the cost of interpretation and other conference costs related to the holding of two sessions of the Assemblies of Member States, two meetings of the Coordination Committee and up to 4 meetings of the Program and Budget Committee in 2004 and 2005.

Table 9.1 Detailed Budget 2004-2005 for Main Program 01

A. Budget Variation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

	2002-2003 Revised A	Budget Variation						2004-2005 Proposed E=A+D
		Program		Cost		Total		
		Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
I. By Sub-program								
01.1 Constituent Organs of the Member States	4,500	(142)	(3.2)	28	0.6	(114)	(2.5)	4,386
II. By Object of Expenditure								
Travel and Fellowships	3,500	(136)	(3.9)	22	0.6	(114)	(3.3)	3,386
Contractual Services	1,000	(6)	(0.6)	6	0.6	--	--	1,000
TOTAL	4,500	(142)	(3.2)	28	0.6	(114)	(2.5)	4,386

C. Budget Allocation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

<i>Object of Expenditure</i>	<i>Program COMS</i>
Travel and Fellowships	
Third Party Travel	3,386
Contractual Services	
Conferences	1,000
TOTAL	4,386

MAIN PROGRAM 02

DIRECTION AND EXECUTIVE MANAGEMENT

02.1 Office of the Director General

02.2 Policy Advice, Advisory Commissions, Internal Oversight and External Relations

02.3 Strategic Planning, Budget Control and Legal Affairs

02.4 Liaison Offices and External Coordination

Summary

46. The emergence of a knowledge economy means that IP issues are critical to national, regional and international policy-making in most areas of economic endeavor. As economic and social structures evolve at an accelerating pace, WIPO is called upon to plan and deliver programs which are flexible, well-targeted and realistic, closely mapping the diverse needs of Member States with disparate economic profiles and responding to short and medium-term needs and priorities. IP-related issues are increasingly complex and cut across diverse fields of expertise. Effective management of the International Bureau, and the delivery of practical and useful programs requires the Director General to consider a diverse array of specific expertise, and to use that expertise in the broader policy and operational context.

47. The Director General will meet these challenges and carry out his executive functions and responsibilities with the direct assistance of his senior officials and the Office of the Director General (sub-program 02.1); the Special Counsel and the Internal Audit and Oversight Division (sub-program 02.2); the Office of Strategic Planning and Policy Development, the Internal Policy Coordination Office, the Office of the Controller; the Office of Legal and Organization Affairs (sub-program 02.3), and the Liaison Offices in New York, Washington D.C. and Brussels (sub-program 02.4). These senior officials and concerned offices provide the Director General with information, analysis, and legal and policy advice required for the direction, executive management and implementation of program activities. They also provide him with feedback on program performance, results achieved, and strategic options to enhance the effectiveness and responsiveness of WIPO's programs. During the 2004-2005 biennium, this Main Program will enhance external

relations and coordination and build upon a strong foundation laid in the previous biennium, working closely with partners in Member States, IGOs, NGOs, and other interest groups, where appropriate, through WIPO's Liaison Offices (sub program 02.4). The Director General will continue to receive advice from the Policy Advisory Commission and the Industry Advisory Commission, the operations of which will be covered by this Main Program (sub-program 02.2).

48. Main Program 02 consolidates all of these executive management functions and resources needed for the purpose of ensuring systematic linkages and coherent coordination of policy directions.

SUB-PROGRAM 02.1

OFFICE OF THE DIRECTOR GENERAL

Objective: To provide administrative support to the Director General.

Expected Result	Performance Indicator
Effective and efficient operation of the Office of the Director General.	Feedback from the Director General.

49. The Director General exercises executive decision-making on all matters pertaining to overall direction, management and policy execution in the implementation of all of WIPO's programs and activities. The Office of the Director General provides administrative support and coordinates with other executive management offices to ensure that the Director General receives timely and substantive assistance.

Activities

- Preparation of substantive correspondence on various issues with governments of Member States, regional organizations, NGOs, other institutions and prominent individuals;
- preparation of speeches, briefing materials and statements for the Director General, including the consolidation of substantive contributions of program managers for his personal attention;
- coordination of the servicing of the Assemblies and Conferences of Member States;

- provision of substantive support and follow-up to the Senior Management Team meetings and decisions;
- provision of administrative support, protocol, liaison and representation including organization of official ceremonies and similar functions, and making travel and other arrangements for the Director General and his party on official missions.

SUB-PROGRAM 02.2

POLICY ADVICE, ADVISORY COMMISSIONS, INTERNAL OVERSIGHT AND EXTERNAL RELATIONS

Objective: To advise the Director General concerning policy directions, external relations and executive management of WIPO.

Expected Results	Performance Indicators
1. Timely provision of the most appropriate policy advice to the Director General.	Feedback from Member States on the results of policy advice in the direction and executive management of the Director General.
2. Better reflection of international trends and the needs of the market sector through inputs and advice from the Policy Advisory Commission (PAC) and the Industry Advisory Commission (IAC).	Number of recommendations made to WIPO resulting in policy or program initiatives.
3. Higher media profile for WIPO and IP issues in general and clarity and accuracy of press articles and of the public writings and statements on IP and WIPO.	Number of articles relating to WIPO appearing in the world press and accuracy of their content.
4. Coherent and comprehensive evaluation used as a tool for the management of WIPO's activities.	The results of evaluations are used to improve the performance and the design of on-going and new programs.
5. Compliance with WIPO's regulations, rules and procedures.	Internal audit reports indicate that the level of non-compliance is minimal.

50. This sub-program aims to provide the Director General with policy advice, information and analysis he needs to ensure that the overall direction and executive management of WIPO responds promptly and effectively to the changing role of IP in economic, social and cultural development. This sub-program will also cover the

service to the Policy Advisory Commission (PAC) and Industry Advisory Commission (IAC), which will continue to provide objective and informed external expert advice to the Director General, particularly with respect to policy-making, medium-term planning, processes and the needs in the market sector. With regard to WIPO's external relations, the sub-program will seek to strengthen the existing close cooperation and coordination with organizations within the United Nations system and other relevant IGOs, especially the WTO and UPOV. Under this sub-program, WIPO will also cultivate new contacts and foster cooperation with a wider range of stakeholders at the executive level.

51. External relations will be further enhanced by a strategic approach to media relations, and effective and judicious protocol services for the Director General and other elements of the Secretariat. Contacts at the highest political level have been significantly expanded, to lay the groundwork for the development of a stronger IP culture. This sub-program will foster a cordial and fruitful atmosphere during high-level activities. It also includes conduct of media relations and public affairs, which will aim to improve general understanding of IP and to dispel misapprehensions about its impact. The creation of an IP culture will require efforts in transmitting core messages about IP to policy-makers in government and the private sector, media outlets, in particular journalists from developing countries.

52. This sub-program also includes internal audit and oversight functions, which will strengthen accountability and organizational learning, and ensure the efficient use of resources in WIPO's operations. The consolidation of WIPO's evaluation practices and the further development of the evaluation system will continue to be pursued during the biennium. The sub-program will provide the Director General with objective, systematic and independent reviews of program implementation and impact, with a view to determining the relevance, effectiveness, efficiency and sustainability of program results measured against their objectives. Internal audit will examine, review and appraise the use of resources in the implementation of approved programs and mandates to determine if they have been used economically, efficiently and in compliance with the applicable rules and regulations. In addition to financial, performance and operational audits, WIPO's investigation framework and procedures will be enhanced.

Activities

- Provision of policy advice to the Director General on internal oversight, program-related affairs and external relations with Member States, international and national organizations in the implementation of WIPO's policies and programs;
- conduct of inter-agency affairs and WIPO's external relations with the United Nations system and other IGOs, especially the WTO and UPOV, including participating in relevant meetings organized by those organizations, providing support to the Director General at the CEB meetings of the UN, and representing WIPO at the UN Communications Group;

- administrative and documentation support and coordination of the agenda and related studies for the Policy Advisory Commission and the Industry Advisory Commission;
- making protocol arrangements for all high-level and diplomatic events;
- ensuring a regular and timely flow of information including core WIPO messages to opinion makers in public and private sectors and civil society, promoting understanding of IP issues, including meetings with journalists from Member States, and monitoring and evaluating media coverage of IP issues and of WIPO;
- preparation of Program Performance Reports and conduct of selected program and project evaluations, and assistance to program managers in planning and conducting evaluations, and in using the results of evaluation to improve performance;
- planning and conducting financial, operational and management audits, preparation of an annual internal audit report, and follow-up on the implementation of recommendations;
- cooperation with the external auditors, including support in audit planning, preparation, follow-up and financing;
- preparation of guidelines and procedures for investigation, and conduct of investigations, as required, jointly with other relevant sectors of WIPO.

SUB-PROGRAM 02.3

STRATEGIC PLANNING, BUDGET CONTROL AND LEGAL AFFAIRS

Objective: To assist and advise the Director General on strategic planning, budget control and legal affairs.

Expected Results	Performance Indicators
1. Increased coherence and integration of WIPO programs.	Feedback from Member States on the relevance of the content and structure of WIPO programs, and more efficient use of resources.
2. High quality, results-based budgetary documents and management reports available at required dates.	Approval by Member States of budgetary documents.

Expected Results	Performance Indicators
3. Timely quality advice and assistance to Member States, the Director General and other entities on a wide range of legal issues relating to the work of the Organization.	Feedback from Member States, the Director General and other entities on the appropriateness and timeliness of the received advice.

53. Under this sub-program, the Director General will be provided with assistance and advice on overall strategic direction, internal policy coordination, budget planning and control, and legal matters. The analysis of evolution in the policy context of IP, and the assessment of possible implications for WIPO will ensure that program activities are adjusted and redirected in the light of strategic changes. As WIPO's activities are required to expand to meet Member States' and stakeholders' interests, and yet program activities must be coordinated at an increasingly complex and sophisticated level, effective internal coordination will be indispensable in order to ensure better use of resources and increased efficiency. The program budget cycle will also be enhanced by the introduction of an Enterprise Resource Planning system (ERP) which will improve WIPO's Results-Based Budgeting (RBB), Activity-Based Control (ABC), annual allotments and workplans.

54. The number and the variety of the legal issues that arise in the work of the Organization have multiplied as the Organization has grown and its activities have become more complex. This sub-program covers provision of Secretariat's services in relation to the on-going work on the constitutional reform and enhancing the Director General's effectiveness as depositary of WIPO-administered conventions and agreements. It also includes general legal services to protect the Organization and minimize legal risk through the timely provision of legal advice to the Director General and other units of the Secretariat. Legal support and contract reviews during negotiation of substantial contracts are provided to enhance their effectiveness.

Activities

- Providing the Director General with information and analysis of emerging issues and changes in the IP policy environment, particularly in the context of economic, social and cultural development for better focus and synthesis of WIPO's overall policies and alignment with the stated vision, strategy and goals of the Organization;
- assisting program managers in ensuring internal policy coordination and adjustment of the Organization's programs and activities, with a view to eliminating duplication and redundancy, while ensuring continued relevance, coherence and efficiency;
- preparation of the draft Program and Budget for the 2006-2007 biennium including preparation for regular sessions of the Program and Budget Committee;

- certifying commitment to incur obligations in conformity with, among others, availability of budget authorization, available funding and the principles of economical use of resources;
- coordination of the preparation and review of the annual workplans and monitoring of implementation in accordance with Activity-Based Control (ABC);
- support for the development, testing and deployment of new automated finance and budget systems;
- provision of legal advice related to the administration and work of WIPO, on questions concerning the legal status of WIPO, its privileges and immunities, and on questions concerning its staff;
- provision of secretariat services in relation to the legal, administrative and constitutional elements of diplomatic conferences and other meetings of Member States, and secretariat services, including preparation of documents, for the implementation of decisions on Constitutional Reform;
- performance of depositary functions in relation to international treaties and agreements administered by the Organization;
- representation of the Organization before the WIPO Appeal Board and the ILO Administrative Tribunal in all cases affecting the Organization, and preparation of related briefs and other documents;
- oversight of contracts to ensure that WIPO's contractual obligations are in its best interests, substantively and legally, are legally sound, and comply with its internal regulations and applicable law;
- provision of legal advice in the course of the preparation of contracts under negotiation by the Organization and review of contracts before they are entered into by the Organization;
- provision of legal advice, upon request, regarding external claims by and against the Organization.

SUB-PROGRAM 02.4

LIAISON OFFICES AND EXTERNAL COORDINATION

Objective: To enhance WIPO's links with, and to promote a better understanding of WIPO's vision and objectives in, the European Community, national and international organizations and institutions in Washington, and the UN headquarters in New York.

Expected Results	Performance Indicators
1. Increased awareness of, and support for WIPO's objectives and work in the field of IP in New York at the UN, in the private sector, media, diplomatic community, and international institutions.	<ul style="list-style-type: none"> • Level of coordination and number of joint initiatives with the UN, international institutions and the IP community. • Number of positive references to WIPO in the media in New York.
2. Increased awareness of, and support for WIPO's objectives and work in the field of IP among government, private sector, media, diplomatic community, and international institutions such as the World Bank, in Washington D.C.	<ul style="list-style-type: none"> • Number of contacts between Liaison Office and government officials. • Number of events sponsored for IP community (industry groups, associations). • Number of positive references to WIPO in the media in Washington, D.C.
3. Increased awareness of, and support for WIPO's objectives and work in the field of IP within relevant European Community institutions and organizations.	<ul style="list-style-type: none"> • Level of awareness of WIPO's aims and activities among key European decision makers and opinion formers; the reflection of this awareness in IP discussions and decisions. • Level of understanding of WIPO's objectives and activities among industry associations and NGOs. • Number of positive references to WIPO in economic, specialist and mass media based in Brussels.
4. A coherent partnership approach to activities for the development and use of the IP system for economic and social development.	<ul style="list-style-type: none"> • Consultations and cooperation between WIPO, the UN, the European Commission and other governmental and intergovernmental institutions on relevant activities. • Number and range of joint or coordinated projects identified and implemented. • Feedback and evaluation on the impact of these projects.

55. WIPO has established Liaison Offices in New York, Washington D.C. and Brussels as strategic channels through which WIPO strengthened its contact and network with the international IP community, including governments from developing countries without permanent representation in Geneva, industry leaders and NGOs. They assist WIPO headquarters in achieving program objectives, especially in targeting key decision makers in the government sector and the private sector, opinion formers and commentators, and the general public. Situated within major concentrations of diplomatic activity and international dialogue, the three Liaison Offices give WIPO a broader range of engagement, at a time when IP is receiving increasing attention in diverse array of policy processes, and a much

broader range of interlocutors are in need of information on WIPO's role and activities as well as information on the IP system and specific IP issues.

56. The Liaison Offices are well situated to contribute to meetings of relevant IGOs and NGOs, to make better known WIPO's positions on matters of common interest, especially on recent developments in the field of IP and how IPRs can best be deployed as a tool for economic development. The Liaison Offices will develop mutually beneficial working relations and coordinate closely with organizations that lay outside of WIPO's traditional scope of consultation and cooperation, but are now emerging as valuable new partners for WIPO. The Liaison Offices will keep WIPO abreast of developments in policy debates and in international matters, and ensure a flow of feedback from IGO and NGOs, industry and professional associations and other interested bodies that may have an impact on or interest in the operations of WIPO.

Activities

- Liaison and outreach with diplomatic representatives, government agencies, intergovernmental and non-governmental bodies, and the private sector;
- establish partnerships with relevant organizations to host seminars and conferences on IP issues and WIPO activities;
- representing WIPO at briefings, hearings and meetings; information gathering, analysis and reporting on IP policy issues and processes; reporting on developments in the UN and in other bodies and agencies based in Brussels, New York and Washington; general support for the Geneva headquarters as required;
- initiating and monitoring joint projects between WIPO and European entities;
- briefing representatives of industry, businesses and professional associations, civil society and NGOs, including workshops, symposia and seminars, on IP in general, specific aspects of IP of direct concern to them, and on WIPO's role in the promotion and protection of IP;
- periodic briefings for UN staff on recent developments at WIPO, and on select topical and emerging IP issues and on WIPO's contribution;
- outreach to and capacity building for the diplomatic community through training courses, briefings by staff members and in collaboration with other UN bodies such as UNITAR.

Resource Description by Object of Expenditure

57. Total resources of Sfr29,381,000 reflect a program decrease of Sfr1,011,000 or 3.4 per cent with respect to the corresponding amount in the 2002-2003 biennium.

58. For staff resources, an amount of Sfr22,190,000 is shown, a program increase of Sfr75,000 or 0.4 per cent. This includes resources of:

- (i) Sfr21,634,000 for posts, reflecting three additional positions with respect to the previous biennium, the reclassification of three positions to D level, and the reclassification of another two posts, and
- (ii) Sfr556,000 for short-term expenses.

59. For travel and fellowships, an amount of Sfr2,346,000 is shown, a program decrease of Sfr1,014,000 or 30.3 per cent. This includes resources of:

- (i) Sfr1,487,000 for 240 staff missions, and
- (ii) Sfr859,000 for travel of government officials in connection with the holding of two sessions of the Policy Advisory Commission, two sessions of the Industry Advisory Commission, related preparatory task force meetings, and seminars for journalists.

60. For contractual services, an amount of Sfr1,811,000 is shown, a program decrease of Sfr1,185,000 or 39.7 per cent. This includes resources of:

- (i) Sfr525,000 for conferences to cover the cost of interpretation and related costs of holding the sessions of the policy and industry advisory commissions as well as other meetings,
- (ii) Sfr1,010,000 for consultants services,
- (iii) Sfr176,000 for publishing services, and
- (iv) Sfr100,000 for other expenditures, including protocol services.

61. For operating expenses, an amount of Sfr2,814,000 is shown, a program increase of Sfr1,059,000 or 61.0 per cent. This includes resources of:

- (i) Sfr1,440,000 for premises and maintenance to cover the operational costs of WIPO external liaison offices in New York, Washington D.C. and Brussels, including rental expenses and
- (ii) Sfr1,374,000 for communications, Auditor's fees, on-line news sources, representation and other expenses, including the cost of participation in United Nations bodies.

62. For equipment and supplies, an amount of Sfr220,000 is shown, a program increase of Sfr54,000 or 32.7 per cent. This includes resources of:

- (i) Sfr50,000 for furniture and equipment and
- (ii) Sfr170,000 for supplies and materials.

Table 9.2 Detailed Budget 2004-2005 for Main Program 02**A. Budget Variation by Sub-program and Object of Expenditure** *(in thousands of Swiss francs)*

		2002-2003 Revised	Budget Variation						2004-2005 Proposed
			Program		Cost		Total		
			Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
		A	B	B/A	C	C/A	D=B+C	D/A	E=A+D
I. By Sub-program									
02.1	Office of the Director-General	3,206	(66)	(2.1)	128	4.0	62	1.9	3,268
02.2	Policy Advice, Advisory Commissions, Internal Oversight and External Relations	8,993	411	4.6	303	3.4	714	7.9	9,707
02.3	Strategic Planning, Budget Control and Legal Affairs	13,272	(3,515)	(26.5)	521	3.9	(2,994)	(22.6)	10,278
02.4	Liaison Offices and External Coordination	3,913	2,159	55.2	56	1.4	2,215	56.6	6,128
TOTAL		29,384	(1,011)	(3.4)	1,008	3.4	(3)	--	29,381
II. By Object of Expenditure									
	Staff Costs	21,153	75	0.4	962	4.5	1,037	4.9	22,190
	Travel and Fellowships	3,344	(1,014)	(30.3)	16	0.5	(998)	(29.8)	2,346
	Contractual Services	2,985	(1,185)	(39.7)	11	0.4	(1,174)	(39.3)	1,811
	Operating Expenses	1,737	1,059	61.0	18	1.0	1,077	62.0	2,814
	Equipment and Supplies	165	54	32.7	1	0.6	55	33.3	220
TOTAL		29,384	(1,011)	(3.4)	1,008	3.4	(3)	--	29,381

B. Post Variation by Post Category

Post Category	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	10	3	13
Professionals	30	(5)	25
General Service	15	5	20
TOTAL	55	3	58

C. Budget Allocation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

Object of Expenditure	Sub-program				Total
	1 ODG	2 PAACIOER	3 SPBCLA	4 LOEC	
Staff Costs					
Posts	2,386	7,151	9,094	3,003	21,634
Short-term Expenses	39	148	306	63	556
Travel and Fellowships					
Staff Missions	700	272	285	230	1,487
Third Party Travel	--	859	--	--	859
Contractual Services					
Conferences	--	510	15	--	525
Consultants	20	256	240	494	1,010
Publishing	10	10	156	--	176
Other	5	65	30	--	100
Operating Expenses					
Premises and Maintenance	--	--	--	1,440	1,440
Communication and Other	88	416	132	738	1,374
Equipment and Supplies					
Furniture and Equipment	10	20	20	--	50
Supplies and Materials	10	--	--	160	170
TOTAL	3,268	9,707	10,278	6,128	29,381

MAIN PROGRAM 03

**PATENTS AND THE PATENT COOPERATION
TREATY (PCT) SYSTEM**

03.1 Development of International Patent Law and Services

03.2 The PCT System

03.3 International Patent Classification (IPC)

Summary

63. The WIPO Patent Agenda, launched by the Director General during the last biennium, will continue to address the future evolution of the international patent system, ensuring that the work to be undertaken is directed towards achieving a common goal; the international patent system should become more user-friendly, accessible and cost-effective for all Member States, and provide an appropriate balance between the rights of inventors and the general public, while at the same time taking into account the implications for the developing world. The WIPO Patent Agenda will also address all the pertinent issues that Member States agree to include in the course of on-going discussions. The development of the international patent system, including the PCT, needs to occur in a manner consistent with the formulation of national, regional and international strategies and laws for the use of the patent system as a policy tool to gain benefits for the countries concerned. The WIPO Patent Agenda aims at ensuring that such developments are coordinated to the maximum extent possible, given variations in national priorities and policies. It is recalled that, in September 2002, following discussions on options for developing the international patent system, the General Assembly, the Paris Union Assembly and the PCT Union Assembly noted the contents of the memorandum and decided to keep the WIPO Patent Agenda issue on the agenda for discussion at their next session in 2003.

64. The principal objective of the PCT, in the interests of the users of the patent system, patent administrations and the general public, is to streamline the filing and processing of patent applications in more than one country by reducing duplication of the work of national filing and processing and by rendering more economical the grant of patents, resulting in less diversion of public resources for patent

administration. High priority is therefore placed on operational excellence in the PCT, providing services of high value and efficiency.

65. Sub-program 3.1 concerns the development of international patent law and services, focusing on substantive and procedural harmonization of patent law, as well as on the development and adoption of reforms of the PCT System. The Secretariat will support the Standing Committee on the Law of Patents (SCP), which deals with clusters of interrelated patent law issues, and gives Member States an effective mechanism for setting priorities, allocating resources and ensuring the coordination and continuity of on-going work. The sub-program will continue work in the procedural law reform area, promoting the entry into force of the Patent Law Treaty (PLT). The sub-program will also examine the need for modifications to the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure in order to simplify deposit procedures. It will also focus on the initiative to reform the PCT, and will support the Committee and the Working Group on Reform of the PCT set up by the Assembly of the PCT Union to consider reform proposals.

66. Sub-program 3.2 covers the management and operation of the PCT system, and provides legal information, advice and training on the PCT. It also implements the PCT reforms adopted by the PCT Assembly, develops strategic management measures to help ensure the continued success of the PCT. The use of the PCT has increased enormously over the past decade as more States have joined the PCT Union and growing numbers of patent applicants have chosen to file PCT applications. As efforts continue to meet user and Member State needs and to increase use of and benefit from the PCT, an important new focus for this sub-program will be the development of strategic measures and practices to manage the increasing PCT workloads as well as to define indicators for following trends in patent applications as they may relate to the PCT. Alongside these measures will be an enhanced effort to reach out to Industrial Property Offices and PCT users to ensure that PCT beneficiaries receive adequate knowledge of the system and that the system responds satisfactorily to their needs.

67. Sub-program 3.3 provides the administrative and information services for the maintenance, revision, reform and promotion of the IPC system for governments, IGOs, research and development establishments, and the general public. It also concerns the improvement of international patent searches through the development of recommendations to ISAs for the extension of the non-patent part of PCT minimum documentation to include, among other things, traditional knowledge publications.

SUB-PROGRAM 3.1

DEVELOPMENT OF INTERNATIONAL PATENT LAW AND SERVICES

Objective: To further develop the international patent system, including laws and services, and including reform of the PCT system in accordance with the interests and policies of Member States.

Expected Results	Performance Indicators
1. Enhanced international cooperation in the area of patent law and practice.	Feedback and reports on meetings of the SCP regarding the further harmonization of patent law.
2. Enhanced international cooperation in the area of the international deposit of microorganisms for the purposes of patent procedure.	Decision by Member States to examine the further development, including a possible revision, of the Budapest Treaty.
3. Increased awareness of the benefits of adherence to the WIPO-administered patent treaties, especially the PLT.	Number of adherences or preparations for adherence by Member States.
4. Improvement of the PCT system, in line with the objectives of PCT reform set out by the PCT Assembly, including simplified and streamlined procedures, reduced costs for users, and enhanced quality of service.	<ul style="list-style-type: none">• The PCT Assembly adopts amendments of the PCT Regulations to give effect to reform.• Feedback and reports on meetings regarding PCT reform (the PCT Assembly, and the Committee and Working Group on Reform of the PCT).
5. Enhanced international cooperation in developing the international patent system.	Number and quality of reports and studies identifying the effects of proposals relating to the international patent system on Member States, particularly developing and least-developed countries.

68. Patent laws differ from country to country, creating difficulties for patent applicants and owners, in particular in terms of the complexity and cost of obtaining patent protection in multiple countries. In addition, an increasing workload faces patent offices throughout the world, due to rising numbers of patent applications and duplication of work. The Patent Law Treaty, adopted in 2000, has contributed to harmonizing and streamlining patent formalities and procedures, but does not address issues of substantive patent law. Thus, the Member States have agreed to continue discussions in the Standing Committee on the Law of Patents (SCP) concerning further harmonization of patent law, in particular substantive issues of patent law. In addition, specific demands and needs have arisen in relation to the Budapest Treaty and the presentation of DNA sequence listings in patent applications.

69. Efforts on PCT reform began in October 2000 when the Assembly of the PCT Union established the Committee on Reform of the PCT to consider specific proposals; a Working Group on Reform of the PCT was subsequently established. Based on the preparatory work of these two bodies, the Assembly agreed on the general objectives of PCT reform and, in October 2002, unanimously adopted a first set of amendments of the PCT Regulations. The general objectives of PCT reform include simplifying the system and streamlining of procedures, reducing costs for applicants, maintaining balance between workload of PCT Authorities and quality of services provided, aligning PCT provisions with those of the PLT, and ensuring that the system works to the advantage of all Offices, irrespective of their size. In line with these objectives, further work on PCT reform will include consideration of possible modifications to the PCT International Search and International Preliminary Examination Guidelines, possible further amendments of the PCT Regulations, and the possible revision of the Treaty itself.

70. Modifications of the Administrative Instructions under the PCT designed to enable the implementation of electronic filing and processing of international applications and related documents entered into force on January 7, 2002. These modifications to the Administrative Instructions established the necessary legal framework (Part 7) and technical standards (Annex F). As filing and processing of international applications and related documents in electronic form become possible, the legal framework may need to be adapted and modified in the light of practical experience gained and of new technical developments.

71. The work undertaken by the International Bureau and by Member States in their cooperation with WIPO ensures that the proposals for reform of the PCT system are transparent and clearly presented for decision and analysis by Member States. Also, this work aims to ensure that the international patent system becomes more user-friendly and accessible, that it facilitates greater use by all Member States and a broader range of beneficiaries, particularly in developing countries and the SME sector, that it provides an appropriate balance between the rights of inventors and the general public, and that it relates to the development and IP policy objectives of all Member States.

Activities

- Convening four meetings of the SCP (and any Working Group it sets up) to consider current issues relating to the law of patents, including: opportunities for further harmonizing substantive patent law and increased convergence of patent practices; the desirability and feasibility of further development of the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the purposes of patent procedure (this may include harmonized rules for public access to deposited biological material, provisions in the Treaty on the time of filing of microorganisms and consideration of a possible system for the single deposit in a data bank of DNA sequence listings referred to in a patent application, with the effect of replacing the whole contents of the listing); and preparation of the appropriate action to facilitate discussions of Member States on the protection of industrial property in outer space;

- preparation of studies on important issues relating to the law of patents that might not yet be ready for consideration by the SCP, but where Member States will benefit from expert analysis;
- promotion of the entry into force of the PLT, by increasing the understanding of the principles of procedural patent law harmonization, including correspondence, legal advice, missions for speaking at and attendance of seminars and advising national governments, and, at the appropriate time, establishment of the PLT Assembly;
- administration and promotion of WIPO-administered treaties in the area of patents (including the Paris Convention and the Budapest Treaty), by promoting the understanding of the international principles relating to the law of patents, including correspondence, legal advice, missions for speaking at and attendance of seminars and advising national governments, preparation and provision of advice concerning WIPO documents and publications;
- publication of an updated version of the *Guide to the Deposit of Microorganisms under the Budapest Treaty*;
- updating of the WIPO guides on the licensing of biotechnology and on the licensing of integrated circuits, to promote licensing as an efficient tool to facilitate the transfer of technology and the commercialization of industrial property rights;
- convening six meetings of the Committee and/or the Working Group on Reform of the PCT to consider proposals for reform of the PCT system;
- preparation of PCT reform related proposals for revising the PCT itself, amending the PCT Regulations, and modifying the PCT International Search and International Preliminary Examination Guidelines;
- convening of and participation in meetings of PCT Offices and Authorities related to PCT reform, and promotion of PCT reform activities, including correspondence, legal advice, missions for speaking at and attendance of seminars and advising national governments, preparation and provision of advice concerning WIPO documents and publications;
- development of documentation for policy-makers and users aimed at awareness-building in Member States related to PCT reform, presented in clear formats to promote widespread understanding of the issues involved;
- preparation of proposals for modifying the Administrative Instructions under the PCT, participation in meetings and seminars and providing legal advice related to the filing and processing of international applications and related documents in electronic form (PCT-SAFE);

- designing programs, developing guidelines and best practices as well as undertaking case studies to achieve cost-effective solutions for the administration of the patent system, particularly in smaller industrial property offices;
- meeting with policy-makers at national, sub-regional, regional and international level for assistance for, consideration of, and exchange of views on policy issues in the field of patents.

Where appropriate, activities under this sub-program will be coordinated with other relevant Main Programs, especially Main Programs 07, 08, 09 and 11.

SUB-PROGRAM 03.2 THE PCT SYSTEM

Objective: To provide in a swift, reliable, easy to use, and cost-effective manner the IP protection services entrusted to the International Bureau under the PCT, and to contribute to the further strengthening of the PCT system.

Expected Results	Performance Indicators
1. Increase in the productivity of PCT operations in the International Bureau.	<ul style="list-style-type: none">• Ratio between the total number of PCT staff and the number of international applications.• Comparison between the growth in the total PCT expenditures and the growth in the number of international applications.
2. Processing in a swift, reliable and cost-effective manner of up to 130,500 international applications in 2004 and 143,000 in 2005 and up to 6,500 international applications in the International Bureau acting as receiving Office in 2004 and 7,000 in 2005; processing up to 121,000 international preliminary reports on patentability (both under Chapter I and Chapter II) and publishing up to 121,000 pamphlets in 2004 and 131,000 in 2005.	<ul style="list-style-type: none">• Number of international applications and international preliminary reports on patentability received and processed, and number of pamphlets published.• Timeliness of processing (including publications and reports) of the international applications.• Number of international applications processed in the International Bureau acting as Receiving Office.
3. Improved operations of the PCT system, including simplifying and streamlining procedures, reducing costs for users, providing quality service.	<ul style="list-style-type: none">• Implementation of all PCT reform related amendments of the PCT Regulations adopted by the Assembly.

Expected Results	Performance Indicators
	<ul style="list-style-type: none"> • Promulgation and implementation of modifications to the Administrative Instructions under the PCT. • Feedback and reports on meetings regarding non-reform related matters (including the PCT Assembly and the Meeting of International Authorities (MIA) under the PCT).
4. Increase in knowledge of the PCT system, improved bilateral exchanges between the International Bureau and Industrial Property Offices, and improved exchanges with users.	<ul style="list-style-type: none"> • Quality, quantity and accessibility of PCT information. • Number of Industrial Property Offices and users and users groups with which exchanges of views are established on a regular basis.
5. Effective and timely resolution of legal problems arising in the administration of the PCT system or in the processing by the International Bureau of PCT applications.	<ul style="list-style-type: none"> • Number and quality of solutions proposed. • Feedback and reports on problems resolved.
6. Improved productivity in translation of abstracts and IPERs, and introduction of the translation of international search opinions.	Increase in the number of translations in each category.
7. Timely and cost-effective implementation of changes to the PCT system, and enhanced efficiency of the services rendered under the PCT, including the assessment of trends in patent applications filed worldwide.	Creation and implementation of appropriate policies, practices, databases and management project systems.

72. This sub-program provides the operational, managerial, legal, and external relations framework that enables the PCT system to function and to meet the demands of an increasing number of PCT users and PCT Member States.

73. *PCT Operations:* The role of PCT Operations is to ensure the processing by the International Bureau of international patent applications, including the formal examination of applications, the translation of titles, abstracts, international search opinions and international preliminary examination reports, as well as the publication of international applications. It also covers the growing volume of activities of the International Bureau acting as Receiving Office. When first established, the PCT system did not anticipate that annual applications would significantly exceed 100,000. As a result, a principal focus of PCT Operations is to continue to meet the challenge of providing high quality service to PCT users while adapting its workflow methods and automation systems to guarantee the timely and effective processing of an ever-growing number of applications. Ongoing refinement of its new Processing

Team structure and the continued deployment and implementation of the Information Management for the Patent Cooperation Treaty (IMPACT) system and the PCT-SAFE electronic filing and processing system will be key factors in enabling the International Bureau to meet its challenge.

74. *PCT Strategic Management:* In an era of heightened economic volatility and technological change, and with an increasing call for the adoption of more modern and cost-effective management measures, it is clear that an attitude of “business as usual” will not be appropriate if the PCT System is to continue to provide a dynamic, efficient and effective means for securing patent protection. As a result, a major focus of the PCT System sub-program for the 2004-2005 biennium will be the adoption and implementation of Strategic Management tools. The objective of this initiative will be to further strengthen the PCT system by developing sound quality assessment and change management measures to enhance the International Bureau’s capacity to meet the demands of PCT users and Industrial Property Offices, and to apply statistical analysis and modern business policy to enhance the quality of the services entrusted to the International Bureau under the PCT.

75. *PCT Legal Services:* The principal focus of PCT Legal Services is to ensure the development, implementation and execution of the PCT legal framework, as well as to make certain that PCT users have adequate knowledge of the PCT system through the preparation and delivery of PCT legal information and training activities. It is the responsibility of PCT Legal Services to carry out and guarantee timely and successful implementation of all reforms adopted by the PCT Assembly, including the implementation and dissemination of procedures for processing PCT applications under the Expanded International Search and Preliminary Examination System. It is also the charge of PCT Legal Services to provide legal advice to the International Bureau and Industrial Property Offices in response to the generally more than 1,000 problem cases that arise annually in the processing of international applications. In addition, PCT Legal Services responds annually to approximately 25,000 requests for advice and inquiries from individual PCT users to enable those users to benefit fully from the PCT system.

76. *PCT External Legal Relations:* The continued success of the PCT system requires regular and effective bilateral exchanges between the International Bureau and Industrial Property Offices, in particular with respect to the role of Offices as PCT receiving Offices, designated or elected Offices or International Authorities. A primary focus of PCT External Legal Relations will therefore be to ensure the timely provision of useful and appropriate information, assistance and training to Industrial Property Offices, as well as the receipt of timely feedback from Offices, with the objective of enhancing the quality, productivity and efficiency of the International Bureau’s bilateral relationships. Similarly, the focus of PCT Legal Relations will be to reach out to users and potential users of the PCT system, not only to promote enhanced use of the PCT but also to ensure that the PCT system and the services provided by the International Bureau respond fully to user needs.

Activities

- Formal examination of international applications;
- implementation of procedures for processing applications under the Expanded International Search and Preliminary Examination System;
- monitoring time limits to be observed by receiving Offices, International Searching Authorities and International Preliminary Examining Authorities;
- translation into English and French of international application titles, abstracts and text in drawings;
- translation of international preliminary reports on patentability (under Chapter I and Chapter II) into English;
- publication of international applications in the form of PCT pamphlets;
- publication of data from published international applications in the PCT Gazette in both paper and electronic form;
- processing of international applications filed with the International Bureau as Receiving Office;
- completing deployment of automation systems capable of handling files in electronic form and of supporting automated processes;
- designing programs, developing guidelines and best practices as well as undertaking case studies to achieve cost-effective solutions for the administration of the PCT system;
- defining indicators for effective follow-up of trends in patent applications filed worldwide as they may relate to the PCT;
- proposing legal, procedural and organizational measures in the internal handling of international applications and rendering of other services under the PCT;
- convening of and participation in meetings of PCT Contracting States, Offices and Authorities related to administration of the PCT system; and promotion of PCT activities and results, including correspondence, legal advice, missions for speaking at and attendance of seminars and advising national governments, preparation and provision of advice concerning WIPO documents and publications;
- development of documentation for policy-makers and users aimed at awareness-building in Member States related to the PCT, presented in clear formats to promote widespread understanding of the issues involved;

- contacts, including for the communication of notifications and documents, with Industrial Property Offices, applicants and agents.

Where appropriate, Activities under this sub-program will be coordinated with other relevant Main Programs, especially Main Programs 08, 09 and 11.

SUB-PROGRAM 3.3

INTERNATIONAL PATENT CLASSIFICATION (IPC)

Objective: To ensure the efficient use of the IPC in the electronic environment and to promote worldwide use of the IPC for classifying and searching of invention and intervention like information as well as for retrieval of patent information.

Expected Results	Performance Indicators
1. Increase in the efficiency of the IPC for searching patent documentation resulting from IPC revision.	Number of new entries and other amendments introduced into the eighth edition of the IPC.
2. Accommodation of the IPC to the use in the electronic environment.	Completion of the basic period of IPC reform.
3. Use of automated classification and translation tools by patent offices.	Elaboration of automated tools supporting maintenance and revision of the IPC and creation of classification databases.
4. Extension of the PCT minimum documentation for the further improvement of international searches.	Number of non-patent information sources included in the PCT minimum documentation.

77. This sub-program deals with the administrative and information services provided by the International Bureau for the maintenance, revision, reform and promotion of the IPC for governments, intergovernmental organizations, research and development units, and general public, as well as with the preparation of recommendations to International Searching Authorities with regard to the PCT minimum documentation.

Activities

- Administration of the revision of the IPC through meetings of the IPC Revision Working Group, and promotion of the worldwide use of the IPC by organizing and participating in IPC training courses and workshops;
- coordination of IPC reform and completion of its basic period; publication of the reformed IPC (eighth edition); preparation of documentation for sessions of the IPC Committee of Experts; and elaboration of IT classification tools;
- investigation of the appropriate extension of the non-patent part of the PCT minimum documentation, and preparation of documentation for sessions of the PCT Committee for Technical Cooperation (PCT/CTC).

Resource Description by Object of Expenditure

78. Total resources of Sfr133,045,000 reflect a program decrease of Sfr5,346,000 or 4.0 per cent with respect to the corresponding amount in the 2002-2003 biennium.

79. For staff resources, an amount of Sfr108,455,000 is shown, a program increase of Sfr459,000 or 0.4 per cent. This includes resources of:

- (i) Sfr101,047,000 for posts, reflecting seven additional posts, the reclassification of 35 posts including the reclassification of one position to D-level; and
- (ii) Sfr7,408,000 for short-term expenses.

80. For travel and fellowships, an amount of Sfr1,495,000 is shown, a program increase of Sfr66,000 or 4.6 per cent. This includes resources of:

- (i) Sfr927,000 for 180 staff missions,
- (ii) Sfr568,000 for 100 third party travel in connection with the holding of the Standing Committee on Patents, the Committee on the PCT reform, and the provision of training on the PCT.

81. For contractual services, an amount of Sfr9,104,000 is shown, a program decrease of Sfr2,472,000 or 21.5 per cent. This includes resources of:

- (i) Sfr618,000 for conferences to cover the cost of interpretation and related costs of holding the Standing Committee on Patents, the Committee and Working Group on PCT Reform, the International Patent Classification Committee, the PCT Committee for Technical Cooperation and related meetings,
- (ii) Sfr360,000 for consultants services,
- (iii) Sfr1,172,000 for publishing services including the printing cost of the PCT Gazette, Newsletter and Applicants Guide, and
- (iv) Sfr6,954,000 for other contractual services including cost of special translations.

82. For operating expenses, an amount of Sfr10,937,000 is shown, a program decrease of Sfr2,506,000 or 18.7 per cent. This includes resources of:

- (i) Sfr5,105,000 for premises and maintenance to cover the cost of production of PCT pamphlets and other maintenance costs and
- (ii) Sfr5,832,000 for communication and other expenses, including the cost of mailing PCT material.

83. For equipment and supplies, an amount of Sfr3,054,000 is shown, a program decrease of Sfr893,000 or 22.7 per cent. This includes resources of:

- (i) Sfr781,000 for furniture and equipment and
- (ii) Sfr2,273,000 for supplies and materials.

Table 9.3 Detailed Budget 2004-2005 for Main Program 03

A. Budget Variation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

		2002-2003 Revised A	Budget Variation						2004-2005 Proposed E=A+D
			Program		Cost		Total		
			Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
I. By Sub-program									
03.1	Development of International Patent Law and Services	5,822	(410)	(7.0)	353	6.1	(57)	(1.0)	5,765
03.2	The Patent Cooperation Treaty (PCT) System	126,089	(4,835)	(3.8)	3,349	2.7	(1,486)	(1.2)	124,603
03.3	International Patent Classification (IPC)	2,678	(101)	(3.8)	100	3.7	(1)	--	2,677
TOTAL		134,589	(5,346)	(4.0)	3,802	2.8	(1,544)	(1.1)	133,045
II. By Object of Expenditure									
	Staff Costs	104,347	459	0.4	3,649	3.5	4,108	3.9	108,455
	Travel and Fellowships	1,420	66	4.6	9	0.6	75	5.3	1,495
	Contractual Services	11,519	(2,472)	(21.5)	57	0.5	(2,415)	(21.0)	9,104
	Operating Expenses	13,374	(2,506)	(18.7)	69	0.5	(2,437)	(18.2)	10,937
	Equipment and Supplies	3,929	(893)	(22.7)	18	0.5	(875)	(22.3)	3,054
TOTAL		134,589	(5,346)	(4.0)	3,802	2.8	(1,544)	(1.1)	133,045

B. Post Variation by Post Category

Post Category	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	4	1	5
Professionals	73	40	113
General Service	290	(34)	256
TOTAL	367	7	374

C. Budget Allocation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

Object of Expenditure	Sub-program			Total
	1 DIPLS	2 PCTS	3 IPC	
Staff Costs				
Posts	3,758	95,097	2,192	101,047
Short-term Expenses	117	7,172	119	7,408
Travel and Fellowships				
Staff Missions	371	486	70	927
Third Party Travel	568	--	--	568
Contractual Services				
Conferences	348	74	196	618
Consultants	72	288	--	360
Publishing	147	1,005	20	1,172
Other	20	6,934	--	6,954
Operating Expenses				
Premises and Maintenance	--	5,095	10	5,105
Communication and Other	203	5,589	40	5,832
Equipment and Supplies				
Furniture and Equipment	89	672	20	781
Supplies and Materials	72	2,191	10	2,273
TOTAL	5,765	124,603	2,677	133,045

MAIN PROGRAM 04

TRADEMARKS, INDUSTRIAL DESIGNS AND GEOGRAPHICAL INDICATIONS

04.1 Development of International Law and Services

04.2 International Registration Systems

04.3 International Classifications in the Fields of Trademarks and Industrial Designs

Summary

84. In the constantly changing business environment, trademarks, industrial designs and geographical indications are important tools for the promotion of domestic commerce and international trade which, in turn, contribute to sustainable national economic growth. They are indispensable elements for businesses to design marketing strategies allowing them to identify and promote their goods or services in the market place and to distinguish these goods or services from those of their competitors. An increasing number of governments have realized the important role that trademarks, industrial designs and geographical indications thus play, not only for entrepreneurs but also for their countries' economies and comparative advantage in the global market place.

85. The effectiveness of the strategy depends, in the first place, on the availability of adequate legal protection at the national and international levels. Main Program 04 addresses these questions through the development of the international law of trademarks, industrial designs and geographical indications (sub-program 04.1), the operation, development and promotion of international registration systems to facilitate the acquisition and maintenance of these IP rights in different countries (sub-program 04.2), and the development and promotion of internationally recognized classification systems which facilitate certain procedures for the acquisition and maintenance of these rights (sub-program 04.3).

SUB-PROGRAM 04.1

DEVELOPMENT OF INTERNATIONAL LAW AND SERVICES

Objective: To develop harmonized principles and rules of the law of trademarks, industrial designs and geographical indications and related administrative practices, and to promote a wide recognition and implementation of WIPO-administered treaties and recommendations.

Expected Results	Performance Indicators
1. Revised TLT.	Adoption of the revised TLT by a Diplomatic Conference.
2. Expanded geographical coverage of the TLT.	Number of new contracting parties.
3. Increasingly harmonized rules or guiding principles on trademark law and related administrative practices.	Number of recommendations or guidelines under preparation or adopted.
4. Better understanding among Member States of principles on geographical indications and industrial designs.	Feedback from Member States.
5. Enhanced implementation of the joint recommendations on the protection of marks and other industrial property rights.	Number of new countries implementing the provisions of the joint recommendations.

86. In the framework of sub-program 04.1, WIPO will seek to progressively develop international law in the areas of trademarks, industrial designs, geographical indications and the protection against unfair competition, through meetings of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT). The uncertainty and difficulties for IPR holders in obtaining adequate protection in different markets derive from the differences in laws and administrative practices in various countries. The evolution of technology such as the Internet also poses new challenges to the current principles of industrial property law and to relevant procedures in this domain. The progressive development of international law can contribute to reduce such differences and respond to such challenges in this area.

87. Since the TLT was adopted in 1994, many developments have made its revision and modernization necessary: these include the growth of electronic commerce, and the benefits of electronic filing of trademark applications and related communications. New developments also create a need for an Assembly to be established with the capacity to modify the Regulations under the Treaty. Hence there is a clear rationale for a Diplomatic Conference to be held this biennium to

consider the revision of the TLT, to establish a TLT Assembly, to adapt the TLT to the requirements of electronic filing, and to revise other procedures under the Treaty.

88. Growing recognition of the value of subject matter protected by trademarks, industrial designs and geographical indications fuels demand for the SCT to continue its exploration of how further to develop international law on those rights. In recent years, the General Assembly and the Paris Union Assembly have followed the soft-law approach of adopting several Joint Recommendations on the protection of marks and other industrial property rights. The SCT may wish to formulate additional rules and guiding principles concerning the law of trademarks, industrial designs and geographical indications, and related administrative practices, and propose ways of adopting those rules and principles, including through Joint Recommendations or other forms of soft-law.

89. The sub-program will also seek to promote the implementation of WIPO treaties and recommendations in the area of trademarks, industrial designs and geographical indications by providing legal and administrative advice, and by supporting efforts to combat counterfeiting. Wider recognition and implementation of WIPO treaties and standards (notably the Paris Convention, the TLT, and the Joint Recommendations regarding trademark-related issues) would enhance the benefits derived from the protection of trademarks, industrial designs and geographical indications. This will be achieved through the use of advisory and promotional activities. There will also be a review of the procedure for communicating emblems of states and IGOs to be protected under Article 6ter of the Paris Convention.

Activities

- Convening regular meetings of the SCT (and any Working Group it sets up) to consider current issues, including:
 - revision of the TLT, to establish a TLT Assembly and to introduce features concerning electronic filing and other procedures;
 - further developing international trademark law and promoting the convergence of related administrative practices through the formulation of rules and guiding principles;
 - continuing the work of the SCT on geographical indications, studying, if appropriate, the desirability and feasibility of establishing guiding principles on mutually agreed issues concerning the law of geographical indications and related administrative practices;
 - continuing the work of the SCT on the law of industrial designs and related administrative practices, and on domain names, as appropriate;
- preparing for, and, if agreed, organizing a diplomatic conference to adopt a revised TLT;

- preparing studies on issues relating to the law of trademarks, industrial designs and geographical indications subject to prior agreement among WIPO Member States that might not yet be ready for consideration by the SCT, where appropriate with the help of consultants, including on the protection of industrial designs and ways to effectively combat acts of unfair competition;
- promoting WIPO-administered treaties and joint recommendations in the areas of trademarks, industrial designs and geographical indications through providing legal advice to governments, contributing to seminars and conferences, and disseminating WIPO documents and publications;
- administering the procedure for notifying emblems of States and IGOs under Article 6*ter* of the Paris Convention and in accordance with the 1995 Agreement between WIPO and the WTO; publishing Article 6*ter* communications on CD-ROM and on-line; and reviewing the procedure for communicating these notifications;
- organizing the next in the series of worldwide symposia on the international protection of geographical indications, in cooperation with an interested government, and publishing the presentations made at the symposium.

SUB-PROGRAM 04.2

INTERNATIONAL REGISTRATION SYSTEMS

Objective: To provide in a swift, reliable and cost-effective manner the services entrusted to the International Bureau under the Madrid Agreement and the Madrid Protocol, under the Hague Agreement, and under the Lisbon Agreement, and to promote the development and use of the international registration systems.

Expected Results	Performance Indicators			
1. Swift, reliable and cost-effective processing, without any fee increase, of transactions at the following estimated levels:	<ul style="list-style-type: none">• Number of deposits, renewals and other entries in the International Registers of marks and industrial designs.• Timeliness of international registrations and other recordings.• Comparison between the growth of registration activity and the expenditure related to the growth of registration activity.			
			2004	2005
– under the Madrid System:				
International applications			26,000	28,000
Renewals			7,000	7,500
Total: registrations and renewals			33,000	35,500
Subsequent designations			7,800	8,100
Other changes			64,200	66,800
Refusals and related notifications	112,600	118,200		

Expected Results	Performance Indicators															
<div>– under the Hague System:</div> <table><tr><td>International applications</td><td>4,000</td><td>4,000</td></tr><tr><td>Renewals</td><td>3,900</td><td>4,100</td></tr><tr><td>Total: deposits and renewals</td><td>7,900</td><td>8,100</td></tr><tr><td>Total number of designs contained in the deposits</td><td>20,500</td><td>21,500</td></tr><tr><td>Changes</td><td>4,000</td><td>4,200</td></tr></table>	International applications	4,000	4,000	Renewals	3,900	4,100	Total: deposits and renewals	7,900	8,100	Total number of designs contained in the deposits	20,500	21,500	Changes	4,000	4,200	
International applications	4,000	4,000														
Renewals	3,900	4,100														
Total: deposits and renewals	7,900	8,100														
Total number of designs contained in the deposits	20,500	21,500														
Changes	4,000	4,200														
2. Increased international coverage of the Madrid and Hague Systems.	Number of new Contracting Parties in the Madrid Protocol and in the most recent acts of the Hague Agreement (Geneva Act and 1960 Act).															
3. Improved legal framework for obtaining protection for trademarks under the Madrid System and for industrial designs under the Hague System.	Adoption and implementation of new or amended procedures for the Madrid and Hague Systems.															

90. This sub-program concerns the operation, promotion and development of the Madrid, Hague and Lisbon Systems for the international registration of trademarks, industrial designs and appellations of origin.

The Madrid System

91. The Madrid System facilitates acquisition and maintenance of protection for trademarks and service marks at the international level through the filing of a single application and the management of a single registration. It is governed by two treaties: the Madrid Agreement Concerning the International Registration of Marks of 1891 (“the Agreement”) and the Protocol thereunder of 1989 (“the Protocol”). As of December 31, 2002, 70 States were members of the Madrid System. Of these, 52 were party to the Agreement, 56 were party to the Protocol, and 38 were party to both. Developments during 2002 made it likely that new States and regional IGOs would accede to the system in 2003 or shortly afterwards. This will add large markets to the system, with great potential for increasing its use. Under this sub-program, the International Bureau processes international applications, renewals, subsequent designations and other changes concerning international trademark registrations, as well as refusals of protection and other notifications.

92. The expected new accessions to the Madrid system could dramatically affect its operations. Yet it is difficult to forecast the level of applications in 2004-2005 because of the uncertainty as to whether and when these accessions will actually take place, and how potential new users will respond. Forecasts are based on an estimate of 26,000 applications in 2004 and 28,000 in 2005 (representing an 8.5 per cent increase in 2004 over the 24,000 applications estimated for the year 2003, and a 7.7 per cent increase in 2005).

The Hague System

93. The Hague system for the International Deposit of Industrial Designs facilitates the acquisition and maintenance of protection for industrial designs, at the international level, through the filing of a single application and the management of a single registration. It is governed at present by the 1934 and the 1960 Acts of the Hague Agreement. By December 2002, 30 States were party to either or both of these Acts. A third Act, called the Geneva Act, was adopted in 1999 with the purpose of making the system more flexible and attractive to new Contracting Parties and users. This may come into force in 2003 and into operation in 2004.

94. Around 7,500 applications and renewals were filed and recorded in 2002, a rise of nearly 5 per cent from 2001. The total number of designs contained in the deposits remained stable at around 20,700 whilst, on the contrary, the number of changes recorded soared to reach a figure just under 3,500, representing a 37 per cent increase over 2001. It is likely that the number of applications and renewals will steadily grow, the annual rate of growth during 2004-2005 being estimated at 3.5 per cent over the estimated figure of 7,800 for 2003.

The Lisbon System

95. The Lisbon System for the International Registration of Appellations of Origin facilitates the protection of appellations of origin at the international level through the filing of a single application for registration. It is governed by the Lisbon Agreement of 1958, which by December 31, 2002 had 20 Member States. There are relatively few entries in the international register established under the Lisbon Agreement, and no estimate of new registrations during 2004-2005 is given since they would have marginal impact on the overall operations under this sub-program.

Automation

96. The International Bureau will also continue efforts to further automate the international procedures under these systems, encourage Offices of Contracting Parties and users to communicate with the International Bureau by electronic means, and develop Internet-based publication of data contained in the International Registers (see under Main Program 13).

Development and Promotion

97. These international registrations systems must evolve and adapt to new situations and continue to respond to the evolving needs of users. Several amendments to the Common Regulations under the Madrid Agreement and Protocol (e.g., on the refusal procedure, the contents of international applications and the recording of licenses in the International Register) came into force in April 2002. Offices of Contracting Parties and users will need advice and assistance in connection with the implementation of these amendments over this biennium. Also in 2002, the Madrid Union Assembly requested the International Bureau, subject to consultation with Member States, to make proposals to amend the language regime under the Madrid system for it to consider. In the event of the accession to the

Madrid Protocol by an IGO, further amendments to the Common Regulations could be required in order to take special account of some features relating to the operation of the system with respect to that IGO. If not completed in 2003, these questions may require follow up in 2004-2005.

98. The Geneva Act of the Hague Agreement is likely to enter into force in 2003 and into operation in 2004. This will require the establishment of Administrative Instructions and the adoption of a Schedule of Fees (probably still in 2003) and may provoke interest in amending its Regulations, especially to combine procedures under the 1934 and 1960 Acts.

99. This sub-program will also seek to expand the use and geographical coverage of these systems, and to make them more user-friendly and responsive to users' needs. The benefits of these systems are only available to applicants originating in their Contracting Parties and only extend to the territories of those Contracting Parties. Further accessions to these systems will make them more attractive to users and more responsive to their needs. The success of these systems depends on adequate implementation and efficient running of procedures by the offices of Contracting Parties. This sub-program therefore promotes new accessions and provides advice and assistance to Contracting Parties in the implementation of these treaties.

Activities

Operation of the International Registration Systems

- Formally examining applications for international registration, renewals of registrations or deposits, subsequent designations, changes in the registrations or deposits and refusals by Contracting Parties; and recording these steps;
- supervising and ensuring the quality of operations, and reviewing and improving work practices, including in connection with the expansion of electronic communications and the introduction of electronic filing facilities;
- receiving, indexing, scanning and capturing data from international applications and other documents;
- translating certain data contained in the applications and other documents into the other working languages;
- issuing communications and notifications to the Offices of the Contracting Parties, applicants and right holders;
- verifying, before publication, the contents of, and publishing, the periodicals WIPO Gazette of International Marks, International Designs Bulletin and Appellations of Origin, on paper form and/or electronic carriers and maintaining and improving databases (e.g. ROMARIN);

- Introducing corrections in the International Registers and supplying extracts, certified extracts and certified copies.

Development and Promotion of the International Registration Systems

- Promoting the use of the international registration systems, in particular by:
 - preparing and publishing, on paper and electronic form and on the Internet, information and training material on their features, functioning and benefits, including updates to the *Guide to the International Registration of Marks* and the *Guide to the International Registration of Industrial Designs*, and studies on the relevance of those systems from the viewpoint of business competitiveness and trade development;
 - organizing and participating in training seminars and conferences for users and potential users and providing them with advice on legal and procedural questions arising in the use of these systems;
- providing advice to governments and to offices of Contracting Parties on legal and procedural questions arising from the implementation of the international registration systems and, where interaction between the offices of Contracting Parties and the International Bureau is required in the procedures, advice and training to officials from the offices concerned;
- meeting with government representatives for consideration of, and exchange of views on, policy issues concerning the development of registration systems for trademarks, industrial designs and geographical indications;
- developing guidelines and best practices as well as undertaking case studies on cost effective solutions for administration of registration system on trademarks, industrial designs and geographical indications subject to prior agreement among Member States;
- designing programs aimed at maximizing efficiency in the operation of the procedures under the international registration systems;
- promoting the acceptance of the latest Acts of the international registration treaties by new Contracting Parties and assisting in the implementation of their provisions in domestic law;
- preparing, with the help of working groups to be convened by the Director General, proposals to be considered by the Madrid, Hague or Lisbon Union Assembly aimed at improving the procedures that apply under the international registration systems; convening, if required, extraordinary sessions of the Madrid Union Assembly and the Hague Union Assembly (in addition to their two regular sessions) to consider questions requiring amendments to the Regulations of the treaties concerned.

SUB-PROGRAM 04.3

**INTERNATIONAL CLASSIFICATIONS IN THE FIELDS OF
TRADEMARKS AND INDUSTRIAL DESIGNS**

Objective: To provide industrial property offices and other users with effective tools for the classification of trademarks and industrial designs for the administration and search of trademark and industrial design rights.

Expected Results	Performance Indicators
1. Improved and updated international classifications.	Number of new entries and other amendments introduced or prepared for introduction in the Nice, Vienna and Locarno classifications.
2. Wider acceptance and more effective use of the international classifications.	<ul style="list-style-type: none">• Number of industrial property offices using the international classifications.• Number of people trained in the use of international classifications and evaluation feedback on the effectiveness of the training.

100. WIPO will continue to provide for the development and promotion of the international classification systems for trademarks and industrial designs administered by WIPO, known as the Nice Classification of Goods and Services for the Purposes of the Registration of Marks, the Vienna Classification of the Figurative Elements of Marks and the Locarno Classification for Industrial Designs, which facilitate filing and searching procedures by applicants and offices in many countries.

101. At the end of 2002, the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks had 70 Member States, the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks had 19 Member States and the Locarno Agreement Establishing an International Classification for Industrial Designs had 41 Member States. Industrial property offices and other users in many other States, however, apply those classifications for searching purposes. Wider acceptance of the Nice Classification, in particular, brings about considerable simplification of filing procedures for international applicants and its worldwide acceptance should continue to be encouraged.

102. WIPO will maintain these classifications and provide advice and assistance to industrial property offices and other users of the classifications. It will also investigate how to take advantage of new technologies to improve the dissemination of the classifications, shorten their updating cycle, and facilitate their use by applicants and searching institutions.

Activities

- Preparation of proposed additions and other amendments to the current (eighth) edition of the Nice Classification by convening the Committee of Experts of the Nice Union (one in 2004 and one in 2005), and convening a session of the Committee of Experts in 2005, to consider those proposals;
- preparation of proposed additions and other amendments to the eighth edition of the Locarno Classification, through, in particular, one session of the Committee of Experts of the Locarno Union, in 2005;
- electronic publication of the Nice, Vienna and Locarno International Classifications (along with the International Patent Classification) using a common XML-based publishing platform and integrating advanced linguistic tools for accessing the classification systems;
- publication of the eighth edition of the Locarno Classification on the Internet and on CD-ROM (NIVILO:CLASS);
- preparation of an alphabetical list of the Vienna Classification for incorporation in the new (sixth) edition in 2006;
- preparation of pre-formatted electronic data files containing translations of additions and other amendments to the Locarno Classification;
- provision of advice to industrial property offices and other searching institutions and to the general public on the proper application of the international classifications concerned through correspondence and the publication of classification notices on the Internet;
- organization and conduct of training courses, seminars or workshops on the application of the Nice, Vienna and Locarno classifications.

Resource Description by Object of Expenditure

103. Total resources of Sfr40,158,000 reflect a program decrease of Sfr105,000 or 0.3 per cent with respect to the corresponding amount in the 2002-2003 biennium.

104. For staff resources, an amount of Sfr32,103,000 is shown, a program increase of Sfr595,000 or 1.9 per cent. This includes resources of:

- (i) Sfr30,539,000 for posts, reflecting 7 additional posts, the regrading of one D-level post and
- (ii) Sfr1,564,000 for short-term expenses.

105. These figures do not include the additional posts of translators that would be required if an additional language is added to the language regime of the Madrid System in the light of the discussions held at the Madrid Union Assembly in 2002.

Should the language regime be modified (see document MM/A/34/1), this would require the establishment of 8.5 or additional 16 translators posts, respectively.

106. For travel and fellowships, an amount of Sfr1,195,000 is shown, a program decrease of Sfr178,000 or 13.0 per cent. This includes resources of:

- (i) Sfr469,000 for 90 staff missions,
- (ii) Sfr726,000 for 130 third party travel in connection with the holding of the Standing Committee on Trademarks, a Diplomatic Conference on the Trademark Law Treaty, and the provision of training on the Madrid System.

107. For contractual services, an amount of Sfr3,939,000 is shown, a program decrease of Sfr981,000 or 20.0 per cent. This includes resources of:

- (i) Sfr949,000 for conferences to cover the cost of interpretation and related costs of holding the Standing Committee on Trademarks, a Diplomatic Conference on the Trademark Law Treaty, Committees on the Nice, Vienna and Locarno classifications and related meetings,
- (ii) Sfr663,000 for consultants services,
- (iii) Sfr2,177,000 for publishing services including the production costs of the Gazette of International Marks, the ROMARIN, the International Designs Bulletin and Appellations of Origin, and
- (iv) Sfr150,000 for other contractual services.

108. For operating expenses, an amount of Sfr2,524,000 is shown, a program increase of Sfr502,000 or 25.0 per cent. This includes resources of:

- (i) Sfr100,000 for premises and maintenance and
- (ii) Sfr2,424,000 for communication and other expenses, including the cost of mailing material of the International Registrations Department.

109. For equipment and supplies, an amount of Sfr397,000 is shown, a program decrease of Sfr43,000 or 9.8 per cent. This includes resources of:

- (i) Sfr131,000 for furniture and equipment and
- (ii) Sfr266,000 for supplies and materials.

Table 9.4 Detailed Budget 2004-2005 for Main Program 04

A. Budget Variation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

		2002-2003 Revised A	Budget Variation						2004-2005 Proposed E=A+D
			Program		Cost		Total		
			Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
I. By Sub-program									
04.1	Development of International Law and Services	5,759	152	2.6	5	0.1	157	2.7	5,916
04.2	International Registration Systems	32,175	142	0.4	990	3.1	1,132	3.5	33,307
04.3	International Classifications in the Fields of Trademarks and Industrial Designs	1,322	(399)	(30.2)	12	0.9	(387)	(29.3)	935
TOTAL		39,256	(105)	(0.3)	1,007	2.6	902	2.3	40,158
II. By Object of Expenditure									
	Staff Costs	30,552	595	1.9	956	3.1	1,551	5.1	32,103
	Travel and Fellowships	1,367	(178)	(13.0)	6	0.4	(172)	(12.6)	1,195
	Contractual Services	4,894	(981)	(20.0)	26	0.5	(955)	(19.5)	3,939
	Operating Expenses	2,006	502	25.0	16	0.8	518	25.8	2,524
	Equipment and Supplies	437	(43)	(9.8)	3	0.7	(40)	(9.2)	397
TOTAL		39,256	(105)	(0.3)	1,007	2.6	902	2.3	40,158

B. Post Variation by Post Category

Post Category	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	5	(1)	4
Professionals	22	8	30
General Service	73	--	73
TOTAL	100	7	107

C. Budget Allocation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

Object of Expenditure	Sub-program			Total
	1 DILS	2 IRS	3 ICFTID	
Staff Costs				
Posts	4,116	25,711	712	30,539
Short-term Expenses	59	1,505	--	1,564
Travel and Fellowships				
Staff Missions	155	274	40	469
Third Party Travel	475	231	20	726
Contractual Services				
Conferences	806	88	55	949
Consultants	247	416	--	663
Publishing	20	2,099	58	2,177
Other	--	150	--	150
Operating Expenses				
Premises and Maintenance	--	100	--	100
Communication and Other	28	2,376	20	2,424
Equipment and Supplies				
Furniture and Equipment	10	101	20	131
Supplies and Materials	--	256	10	266
TOTAL	5,916	33,307	935	40,158

MAIN PROGRAM 05

COPYRIGHT AND RELATED RIGHTS

05.1 Development of International Copyright Law

05.2 Copyright-Based Business and Culture Development

Summary

110. This Main Program will strengthen the international copyright and related rights system through more effective protection, development, use, and management of literary and artistic works and other objects of protection. Special attention will be paid to the effective functioning of that system in the digital environment. Priority will be given to the implementation of two clusters of activities, grouped under two sub-programs: Development of International Copyright Law, and Copyright-Based Business and Culture Development. Both sub-programs will adopt an inclusive and participatory approach allowing all interested parties – governments, creators, industry, civil society, and consumers – to play active roles in partnership with WIPO.

111. Under sub-program 05.1, WIPO will promote the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) and provide assistance in the implementation of these treaties. WIPO will also serve as an important forum for discussion as well as facilitating international consensus-building in respect of negotiations on the protection of the rights of broadcasting organizations and of audiovisual performances.

112. The Standing Committee on Copyright and Related Rights (SCCR) will continue to be the main forum for international review and discussions on topical issues in copyright and related rights and in the development of international laws. While continuing with its ongoing work, the SCCR will also develop as a forum for policy discussions and information sharing on the main trends in copyright and related rights in such fields as applicable law in international copyright matters, collective management of copyright, exceptions and limitations to copyright and related rights, technological protection measures and digital rights management, the economics of copyright, resale rights, the ownership of multimedia works, voluntary recordation systems, copyright protection of folklore and the responsibility of Internet service providers.

113. Sub-program 05.2 will promote the continuing vitality of the copyright system by developing studies, tools, and models to facilitate copyright-based business and culture development. In order to show a concrete and evident link between an effective system of copyright protection, and cultural and economic development, the Secretariat will work closely with governments, creators, industry, experts, and users to address the practical problems facing creators, owners, distributors, and users of works. The Secretariat will facilitate international discussions and exchange of experiences in this area.

114. In the digital age, ensuring a legal environment that is supportive of creativity require institutional and public support. Copyright has become more visible to the public and protected works are increasingly part of everyday life. This raises new issues with serious consequences because of changed public perceptions and consumer expectations. Under this sub-program, WIPO will assist Member States in designing appropriate policies and projects to address the critical issues of copyright for creators, civil society and end-users. Efforts aimed at evaluating, analyzing, facilitating, and demonstrating the potential of copyright-based industries and their contribution to wealth creation and cultural development will be further supported. WIPO will develop useful tools and guides to assist Member States in their efforts to promote public awareness of and support for copyright-based industries.

SUB-PROGRAM 05.1

DEVELOPMENT OF INTERNATIONAL COPYRIGHT LAW

Objective: To improve protection of copyright and related rights, and facilitate consensus-building on international copyright law and developments.

Expected Results	Performance Indicators
1. Better understanding, wider adherence and implementation of the WCT and WPPT.	<ul style="list-style-type: none">• Number of countries adhering to and implementing the WCT and WPPT.• Number of countries seeking and receiving advice on implementing the two treaties.• Meetings and missions on substantive copyright issues organized by WIPO.
2. A possible draft treaty on the protection of audiovisual performances.	Progress towards the reconvening of the Diplomatic Conference for the protection of audiovisual performances.
3. A possible draft treaty on the protection of broadcasting organizations.	Progress towards the convening of a Diplomatic Conference on the protection of broadcasting organizations.

Expected Results	Performance Indicators
4. Substantive discussions on the protection of non-original databases.	Progress towards a recommendation on future work on the protection of non-original databases.
5. Fruitful discussions and exchange of experiences on some or all of the following issues: applicable law in international copyright matters, collective management, exceptions and limitations, technological protection, digital rights management, resale rights, ownership of multimedia works, recordation systems, copyright protection of folklore, responsibility of Internet Service providers.	<ul style="list-style-type: none">• Number of new issues examined by the SCCR.• Preparatory work undertaken by the Secretariat on the review of emerging issues.

115. The WCT and the WPPT, which establish the international copyright regime in the digital age, both entered into force in 2002. In order to make these treaties truly universal, WIPO will promote as many accessions as possible. At the same time WIPO will continue providing advice to facilitate effective implementation and use of these treaties.

116. In order to fill in certain legal lacunae in the international protection of related rights, WIPO will intensify its efforts towards facilitating discussions and negotiations aimed at establishing international laws or treaties protecting audiovisual performances and broadcasting organizations. Proposals for the protection of non-original databases remain on the agenda of the SCCR, and WIPO will continue to provide a forum for discussion and possible consensus-building on this subject.

117. WIPO will study and analyze emerging issues for review and discussion in the SCCR. Work on those issues, which are identified in the table above, will take the form of studies, information materials or discussion papers. Those will be presented to the SCCR in the light of the evolution and priority of work of that body. At the same time, there will be an interactive dialogue with governments of Member States, the private sector, including artists and creators of works, and civil society.

Activities

- Convening four sessions of the SCCR;
- national, regional and international meetings organized or attended by WIPO on the implementation of the WIPO Internet treaties and other copyright issues;
- preparing four to six studies and other information products related to topical copyright issues;

- participating in information meetings and regional seminars organized by Member States and the private sector including creators, users, business owners, distributors, scholars, and other persons interested in copyright law and issues;
- advisory missions on copyright issues undertaken by WIPO;
- seminars, information meetings, and consultations held, as well as studies carried out, on some or all of the following emerging issues: applicable law in international copyright dealings, collective management, exceptions and limitations, technological protection, digital rights management, resale rights, ownership of multimedia works, recordation systems, copyright protection of folklore, responsibility of Internet Service providers.

SUB-PROGRAM 05.2

COPYRIGHT-BASED BUSINESS AND CULTURE DEVELOPMENT

Objective: To facilitate the development of copyright-based business and culture development, enhance knowledge and foster dialogue concerning models and tools for management of copyright and related rights and promotion of public awareness.

Expected Results	Performance Indicators
1. Improved international cooperation and use by Member States of information on business management, models and practices involving copyright works, including e-commerce.	<ul style="list-style-type: none">• Number of participants in an international conference on copyright in the digital environment.• Number of participants in meetings and seminars on copyright in the Internet environment and e-commerce.• Information products developed by WIPO on the subject, including on digital rights management.
2. Better information on licensing arrangements for the various categories of copyright products.	Information products on licensing developed by WIPO for the different categories of users.
3. Improved information on existing copyright management systems, practices and issues.	Materials developed on copyright management systems, practices, and issues.
4. Increased awareness of the economic role of copyright among leaders and policy-makers.	<ul style="list-style-type: none">• Number of national public awareness activities organized by Member States.• Policy discussions with governments and business leaders on the economic importance of copyright.

Expected Results	Performance Indicators
5. Higher profile of WIPO as the central international forum for policy debate and development concerning copyright.	<ul style="list-style-type: none"> • Documents prepared for the World Summit on Information Society. • Contributions to major international conferences on copyright issues. • Training programs developed or attended by WIPO.
6. Better understanding by Member States of the competitive advantages of the copyright-based industries.	Number of national surveys on the economic contribution of the copyright-based industries, assisted by WIPO.
7. Better assessment of the value of copyright assets.	Information products and practical tools developed by WIPO.
8. Enhanced supporting infrastructure for creators and copyright-based industries in Member States.	Institution development assistance to creative communities.
9. Better knowledge of copyright among creators and the public.	Training activities and information materials produced by WIPO.

118. The digital environment provides, through e-commerce, better opportunities for use of copyright to support business activities and thus generate income and employment. It also permits different possibilities for managing copyright in works, which are electronically traded. The expansion of e-commerce with copyright products necessitates the development of suitable technical and business models. WIPO will facilitate the exchange of information and experience as well as transfer of know-how through international dialogue and studies, thus enabling the creative community and small businesses to better exploit literary and artistic works.

119. In this context, technology is an important tool for copyright management, including digital rights management, for establishing ownership, promoting licensing as well as the dissemination of creations. Under this sub-program, WIPO will undertake studies on different aspects of the functioning of copyright management systems in order to contribute to policy-making by governments on such questions as copyright management and competition, interoperability, and the relationship between legislative and technological measures.

120. Copyright licensing, including licensing and distribution arrangements on the Internet, as well as non-Internet-based transactions, is a subject of great interest to creators and businesses in many Member States. To this end, WIPO will review and explain terms and conditions in licensing arrangements for various works and prepare practical guides.

121. The public awareness of copyright issues in the information society acquires new dimensions in the light of the use of works of authorship in everyday life. The need to safeguard the fundamental principles of copyright protection as a prerequisite

for future creativity and for successful economic and cultural activities becomes more urgent and necessitates raising the status of copyright as a priority issue in national and international policy debates. The importance of effective copyright protection will be better appreciated by national leaders and policy makers through conducting studies on the economic contribution of copyright-based industries and activities to the national economy. In addition, it will be demonstrated that copyright protection is a powerful tool for development and management of cultural assets.

122. For those industries to prosper, there must be effective copyright enforcement. This Main Program will therefore work closely with other Programs in building strategic partnerships with governments, creators, industry and users for promoting more economic activities in cultural goods, fighting piracy and increasing public awareness.

123. Recognition of the economic importance of copyright-based industries among the Member States will be promoted through WIPO's support in conducting national surveys of those industries, as well as in setting up enabling tools, institutions and infrastructure that encourage the development of, and trade in, literary and artistic works.

Activities

- Organizing an international conference on copyright in the digital environment to address all pertinent issues with legal, judicial, technological, business, management, enforcement and public-awareness impact;
- preparing guides for licensing of works, and a review of business models used in copyright based-industries and other appropriate contractual arrangements;
- updating information materials on digital rights management systems and their operations;
- participating in seminars and workshops on copyright licensing;
- contributing to national and international projects and events in the area of copyright management;
- assisting national studies on the contribution of copyright-based industries to the national economy providing information on policies and activities that facilitate cultural industries;
- participating in meetings, seminars and training courses for policy makers, creators, scholars, business leaders and others relating to management of cultural assets;
- participating in the World Summit on Information Society;

- participating in workshops and conferences on the implications of copyright piracy;
- undertaking missions on policy and institution-building for business and creators;
- participating in or sponsoring five workshops on the economic and business aspects of copyright activities;
- preparing a study on the valuation of copyright assets.

Resource Description by Object of Expenditure

124. Total resources of Sfr8,477,000 reflect a program increase of Sfr941,000 or 12.5 per cent with respect to the corresponding amount in the 2002-2003 biennium.

125. For staff resources, an amount of Sfr4,945,000 is shown, a program increase of Sfr1,154,000 or 30.5 per cent. This includes resources of:

- (i) Sfr4,416,000 for posts, reflecting three additional positions including the reclassification of one position to D-level, and
- (ii) Sfr529,000 for short-term expenses.

126. For travel and fellowships, an amount of Sfr1,568,000 is shown, a program decrease of Sfr227,000 or 12.7 per cent. This includes resources of:

- (i) Sfr519,000 for 100 staff missions,
- (ii) Sfr1,049,000 for 230 third party travel in connection with the holding of the Standing Committee on Copyright and Related Rights, an international conference on copyright in the digital environment, and related meetings.

127. For contractual services, an amount of Sfr1,847,000 is shown, a program increase of Sfr32,000 or 1.8 per cent. This includes resources of:

- (i) Sfr931,000 for conferences to cover the cost of interpretation for the Standing Committee on Copyright, an international conference, workshops and seminars on the area of copyright,
- (ii) Sfr866,000 for consultants services,
- (iii) Sfr20,000 for publishing services and
- (iv) Sfr30,000 for other contractual expenditures.

128. For operating expenses, an amount of Sfr92,000 is shown, a program decrease of Sfr28,000 or 23.3 per cent to cover the cost of communications and other expenses.

129. For equipment and supplies, an amount of Sfr25,000 is shown, a program increase of Sfr10,000 or 66.7 per cent. This includes resources to cover the cost of supplies and materials.

Table 9.5 Detailed Budget 2004-2005 for Main Program 05

A. Budget Variation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

	2002-2003 Revised A	Budget Variation						2004-2005 Proposed E=A+D	
		Program		Cost		Total			
		Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A		
I. By Sub-program									
05.1 Development of International Copyright Law	7,081	127	1.8	103	1.5	230	3.2	7,311	
05.2 Copyright-based Business and Culture Development	432	814	188.4	(80)	(18.5)	734	169.9	1,166	
TOTAL	7,513	941	12.5	23	0.3	964	12.8	8,477	
II. By Object of Expenditure									
Staff Costs	3,790	1,154	30.5	1	--	1,155	30.5	4,945	
Travel and Fellowships	1,785	(227)	(12.7)	10	0.6	(217)	(12.2)	1,568	
Contractual Services	1,803	32	1.8	12	0.7	44	2.4	1,847	
Operating Expenses	120	(28)	(23.3)	--	--	(28)	(23.3)	92	
Equipment and Supplies	15	10	66.7	--	--	10	66.7	25	
TOTAL	7,513	941	12.5	23	0.3	964	12.8	8,477	

B. Post Variation by Post Category

	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Post Category			
Directors	1	1	2
Professionals	6	1	7
General Service	2	1	3
TOTAL	9	3	12

C. Budget Allocation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

	Sub-program		Total
	1 DICL	2 CBCD	
Object of Expenditure			
Staff Costs			
Posts	3,330	1,086	4,416
Short-term Expenses	529	--	529
Travel and Fellowships			
Staff Missions	469	50	519
Third Party Travel	1,049	--	1,049
Contractual Services			
Conferences	931	--	931
Consultants	866	--	866
Publishing	20	--	20
Other	30	--	30
Operating Expenses			
Communication and Other	72	20	92
Equipment and Supplies			
Supplies and Materials	15	10	25
TOTAL	7,311	1,166	8,477

D. Funds-in-Trust by Object of Expenditure (*in thousands of Swiss francs*)

<i>Object of Expenditure</i>	<i>Sub-program 2 CBCD</i>
Staff Expenses	280

MAIN PROGRAM 06

WIPO ARBITRATION AND MEDIATION CENTER

06.1 Arbitration and Mediation Services

06.2 Domain Name Policies and Procedures

Summary

130. In preceding biennia, the WIPO Arbitration and Mediation Center (the “Center”) has focused on the resolution of domain name disputes, in response to strong demands from the market for international, expeditious and reliable services to cope with cybersquatting. But the Center has also administered the arbitration and mediation of cases concerning IP matters such as patent infringement, trademark coexistence agreements, software development agreements, and a variety of licensing instruments. The Center’s arbitration and mediation caseload is likely to continue to increase, driven by rising worldwide demand for alternative resolution of IP disputes, and market acceptance of the Center’s accumulated knowledge and the availability of WIPO-appointed neutrals possessing specialist expertise in diverse aspects of IP.

131. The Center will continue to promote the protection of IP in the domain name system, in partnership with relevant authorities, domain name registrars, and administrators of country-code domains. The Center will continue to work within the framework of the recommendations adopted by the WIPO General Assembly in response to the First and Second WIPO Internet Domain Name Processes. The resulting introduction of the Uniform Domain Name Dispute Resolution Policy (UDRP) in particular has yielded a highly effective remedy against the bad-faith registration by third parties of domain names corresponding to the rights of trademark owners. In the face of the dynamic nature of the demand, the Center meets the challenge of planning its domain name dispute resolution resources by using state of the art infrastructure including on-line case communication, WIPO model documents, and a WIPO case management database.

132. The Center will strengthen its contribution to dispute resolution by training legal professionals from a broad range of Member States in arbitration and mediation skills as applied to IP disputes. Outreach to legal professionals and IP-related professional organizations will be a priority in 2004-2005. The Center will emphasize

collaboration with other WIPO programs and with relevant professional and non-governmental organizations, to foster the formation of skilled IP mediators and arbitrators in developing countries and countries having recently adopted market economies.

133. The strategic position of the Center as the unique global provider of quality services for alternative resolution of IP disputes will allow WIPO to complement its global protection services under the PCT, Madrid and The Hague systems and to provide inventors and creators worldwide with increasingly comprehensive global services covering both the protection and the enforcement of IP rights. The global services of WIPO will add an effective option to users of the IP system, contribute to the development of the IP infrastructure, and lower the barriers to effective exploitation of IP rights of non-traditional users of the IP system such as SMEs and enterprises in developing countries.

SUB-PROGRAM 06.1

ARBITRATION AND MEDIATION SERVICES

Objective: To enhance the protection of IP through the resolution of IP disputes by arbitration and mediation.

Expected Result	Performance Indicators
Increased conventional arbitration and mediation caseload.	<ul style="list-style-type: none">• Number of cases under WIPO Rules.• Number of requests for appointment of WIPO arbitrators and mediators.

134. This sub-program provides services for the resolution of IP disputes in response to requests for mediation and arbitration under the WIPO Mediation Rules, WIPO Arbitration Rules, and WIPO Expedited Arbitration Rules.

135. The Center has been dealing with an increased number of disputes involving IPRs, and will continue to promote increased awareness of alternative dispute resolution services through workshops for arbitrators, mediators and party representatives in the IP, and through the publication of guides and other information materials. The Center will enhance its capacity to deliver quality services by further developing its extensive database of IP-specialized arbitrators and mediators from all regions, allowing for the appointment of highly competent and trusted neutrals for diverse IP disputes.

Activities

- Administering disputes under the WIPO Rules and providing referrals of neutrals from the WIPO list of neutrals;
- promotion of resolution of IP disputes by developing and carrying out specialist training programs that equip IP professionals with arbitration and mediation skills, and by convening conferences in this area;
- producing, publishing, posting and presenting information related to IP arbitration and mediation;
- undertaking training and outreach programs with other institutions, in particular in developing countries and countries in transition, in order to boost the number of WIPO neutrals from these countries.

SUB-PROGRAM 06.2

DOMAIN NAME POLICIES AND PROCEDURES

Objective: To enhance and give effect to the legal framework for the protection of IP in the Internet Domain Name System.

Expected Results	Performance Indicators
1. Effective IP protection in the gTLDs.	<ul style="list-style-type: none">• Implementation of the recommendations and decisions by the WIPO General Assembly with respect to issues including those raised by the WIPO Internet Domain Name Processes.• Number of gTLD cases resolved.
2. Effective IP protection in the ccTLDs.	<ul style="list-style-type: none">• Number of improvements to the design or administration of IP protection mechanisms, including dispute resolution procedures, within ccTLD administrations.• Number of ccTLD cases resolved.

136. The principal legal framework for IP protection in the Internet Domain Name System emerged from the first WIPO Internet Domain Name Process and took the form of the Uniform Domain Name Dispute Resolution Policy (UDRP). Other aspects of that legal framework were examined as part of the Second WIPO Internet

Domain Name Process. This sub-program aims to follow up on this work and to enhance the existing framework, including the generic Top-Level Domains (gTLDs) and the country code Top-Level Domains (ccTLDs).

137. Parties from around the world have come to rely on WIPO to administer and resolve domain name disputes. The Center has processed cases primarily in the .com, .net, and .org domains. It has also administered temporary procedures for the resolution of some 15,000 disputes arising in the start-up phase of more recently established domains such as .biz and .info. Another 100 WIPO cases concerned names in the more than 30 country-code domains whose registration authorities have retained the services of the Center.

138. The Center will continue to enhance the quality of its multilingual services under all policies, thus broadening effective access to this means of resolving disputes concerning trademark rights.

Activities

- Monitoring relevant developments and developing any necessary measures required to improve the protection of IP and related identifiers in the domain name system;
- reviewing domain name registration procedures with a view to determining whether they meet minimum standards for IP protection;
- maintaining an up-to-date version of the WIPO ccTLD Best Practices for the Prevention and Resolution of Intellectual Property Disputes;
- drafting domain name dispute resolution procedures in cooperation with gTLD and ccTLD registration authorities;
- organizing domain name workshops as well as panelist meetings;
- administering domain name cases filed with the Center.

Resource Description by Object of Expenditure

139. Total resources of Sfr5,914,000 reflect a program decrease of Sfr746,000 or 11.2 per cent with respect to the corresponding amount in the 2002-2003 biennium.

140. For staff resources, an amount of Sfr4,668,000 is shown, a program decrease of Sfr519,000 or 9.9 per cent. This includes resources of:

- (i) Sfr4,148,000 for posts, reflecting an unchanged number of positions, the full biennium impact of the discontinuation of 9 positions, the reclassification of four posts and
- (ii) Sfr520,000 for short-term expenses.

141. For travel and fellowships, an amount of Sfr410,000 is shown, a program increase of Sfr97,000 or 31.3 per cent. This includes resources of:

- (i) Sfr270,000 for 50 staff missions,
- (ii) Sfr100,000 for third party travel in connection with the holding of seminars and workshops on Arbitration and Mediation and
- (iii) Sfr40,000 for fellowships.

142. For contractual services, an amount of Sfr734,000 is shown, a program decrease of Sfr204,000 or 21.9 per cent. This includes resources of:

- (i) Sfr100,000 for conferences to cover the cost of interpretation and related costs of organizing seminars and workshops,
- (ii) Sfr534,000 for consultants services, and
- (iii) Sfr100,000 for publishing services to cover the printing cost of arbitration and mediation material.

143. For operating expenses, an amount of Sfr82,000 is shown, a program decrease of Sfr140,000 or 63.1 per cent. This includes resources to cover the cost of communications and other expenses.

144. For equipment and supplies, an amount of Sfr20,000 is shown, to cover the cost of supplies and materials.

Table 9.6 Detailed Budget 2004-2005 for Main Program 06

A. Budget Variation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

		2002-2003 Revised	Budget Variation						2004-2005 Proposed
			Program		Cost		Total		
			Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
		A	B	B/A	C	C/A	D=B+C	D/A	E=A+D
I. By Sub-program									
06.1	Arbitration and Mediation Services	5,427	(1,327)	(24.5)	(39)	(0.7)	(1,366)	(25.2)	4,061
06.2	Domain Name Policies and Procedures	1,258	581	46.2	14	1.1	595	47.3	1,853
TOTAL		6,685	(746)	(11.2)	(25)	(0.4)	(771)	(11.5)	5,914
II. By Object of Expenditure									
	Staff Costs	5,220	(519)	(9.9)	(33)	(0.6)	(552)	(10.6)	4,668
	Travel and Fellowships	310	97	31.3	3	1.0	100	32.3	410
	Contractual Services	933	(204)	(21.9)	5	0.5	(199)	(21.3)	734
	Operating Expenses	222	(140)	(63.1)	--	--	(140)	(63.1)	82
	Equipment and Supplies	--	20	--	--	--	20	--	20
TOTAL		6,685	(746)	(11.2)	(25)	(0.4)	(771)	(11.5)	5,914

B. Post Variation by Post Category

	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Professionals	2	4	6
General Service	11	(4)	7
TOTAL	13	-	13

C. Budget Allocation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

Object of Expenditure	Sub-program		Total
	1 AMS	2 DNPP	
Staff Costs			
Posts	3,114	1,034	4,148
Short-term Expenses	491	29	520
Travel and Fellowships			
Staff Missions	20	250	270
Third Party Travel	--	100	100
Fellowships	--	40	40
Contractual Services			
Conferences	--	100	100
Consultants	384	150	534
Publishing	--	100	100
Operating Expenses			
Communication and Other	52	30	82
Equipment and Supplies			
Supplies and Materials	--	20	20
TOTAL	4,061	1,853	5,914

MAIN PROGRAM 07

SELECTED ISSUES OF INTELLECTUAL PROPERTY

07.1 Genetic Resources, Traditional Knowledge and Folklore

07.2 Intellectual Property and Life sciences

07.3 Intellectual Property Enforcement Issues and Special Projects

Summary

145. This program deals with an array of interrelated IP issues that have come to the forefront of international debate, and are of concern in national policymaking in many countries: IP protection of traditional knowledge and traditional cultural expressions (or folklore), IP aspects of genetic resources, IP in the life sciences and IP enforcement issues. These issues range over a diverse set of interests and policy concerns, but overlap and interact in important ways; the manner in which these issues are managed in the future will determine how IP mechanisms function to promote economic and social development in key areas. At stake, also, is the potential of the IP system to yield benefits for a wide range of beneficiaries. The issues to be dealt with in sub-program 07.1 and 07.2 are characterized by complex and technically demanding policy debates, and pressing demands for technical information and factual analysis, for capacity building, for the development of new IP tools and for the application of IP mechanisms to new areas. WIPO will continue its integrated approach, which combines practical understanding of the operation of IP mechanisms with support for policy debate and complementary capacity-building, so that the untapped potential of individual, community and national IP assets can be realized.

146. The WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) has, from 2001 to 2003, formed a key international forum for considering the relationship between IP and the broader interests concerned with traditional knowledge (TK), traditional cultural expressions (TCEs) or folklore, and genetic resources. It has conducted a broad ranging policy debate, dealing with IP and its interactions with related policy areas such as biodiversity and agriculture, but it has also sought to develop practical solutions for IP concerns raised in the policy debates. Current policy and legal issues

concern, for instance, the interaction between TK and the patent system, the role of customary law and cultures in relation to IPRs, collective interests in traditional cultures and the role of the public domain, and IP aspects of prior informed consent and benefit sharing relating to access to TK and genetic resources. WIPO will continue to provide an international forum for this policy dialogue, and will support this dialogue with more detailed information, legal analysis, and empirical studies, so that future directions chosen by Member States are founded on a solid factual base and a comprehensive understanding of the experience of different countries and of local and indigenous communities who have developed and applied various legal protection mechanisms. This debate reflects concerns that local and indigenous communities should benefit in a practical way from the use of IP protection mechanisms relating to TK and TCEs, and from IP aspects of associated genetic resources, especially given the background of concerns about potential misappropriation and the implications of documenting and otherwise making available TK, TCEs and genetic resources. There are also widely-voiced aspirations to use the distinctive elements of TK and TCEs as IP assets, so as to support the economic and social development, and cultural integrity of communities who consider these as crucial to their identity and well-being. Building on the deliberations of successive IGC sessions, supplemented by extensive consultations, surveys, national and regional policy dialogue, and legal and technical analysis, the IGC's work is reaching a point of maturity, when it can be expected to yield practical strategies that offer tangible benefits for the holders of TK, TCEs and genetic resources. WIPO has established a central core of information about practical options and understanding of the needs and expectations of TK holders. It is now time to put this material to use in useful, adaptable, appropriate and accessible forms at the service of Member States and the communities with particular concerns and interests in this area. These materials will blend policy and legal analysis, empirical study, and tools for capacity-building. Enhanced legal protection and effective use of available legal tools requires an holistic approach, so that policy developments are guided by a practical understanding of the needs, infrastructure and resource requirements of TK holders and other potential beneficiaries in local and indigenous communities.

147. The sub-program 07.2 on life sciences will provide a means for coordinating WIPO's continuing work in supporting and informing international policy discussion in this vital area. Rapid advances in the life sciences have provoked an extensive international debate on the appropriate role and actual impact of IP rights on life science technologies, and their ethical, developmental and health policy implications. These developments also pose challenges for public and private institutions and policymakers, for instance concerning the operational and policy implications of patenting biotechnology materials and research tools; the role of IP in relation to public health (such as the role of IP in relation to access to medicines, and in research on neglected diseases, including through public-private initiatives); and broader public policy issues. This sub-program will enable WIPO to enhance its support for international policy discussions and contribution to practical understanding of these issues, on the basis of program activities from previous biennia, including a renewed focus on the questions raised by the Working Group on Biotechnology (document WIPO/BIOT/WG/99/1).

148. The issues to be dealt with in sub-program 07.3 are characterized by on-going efforts for the reinforcement of international cooperation among national and regional enforcement authorities, relevant intergovernmental organizations and non-governmental organizations. Collaboration with those authorities and organizations in the implementation of existing obligations in the field of enforcement will be strengthened in accordance with the conclusions by the Chair that the Advisory Committee on Enforcement adopted at its first session held in June 2003 (document WIPO/ACE/1/7).

SUB-PROGRAM 07.1

GENETIC RESOURCES, TRADITIONAL KNOWLEDGE AND FOLKLORE

Objective: To enable TK holders and custodians of traditional cultures to derive tangible benefits from the legal protection of their TK, traditional culture expressions (folklore) and associated genetic resources.

Expected Results	Performance Indicators
1. Strengthened international policy dialogue on how TK and TCEs can be legally protected and valorized as assets of indigenous and local communities; identification and articulation of the elements of an international consensus on the IP protection of TK and TCEs and on IP aspects of genetic resources.	<ul style="list-style-type: none">• Feedback from participants in policy forums and consultations, especially representatives of indigenous and local communities and other TK holders, with respect to their ability to legally protect and benefit from TK, TCEs and genetic resources; feedback from Member States on policy issues.• Specific outcomes from international policy processes convened by WIPO.
2. Implementation of specific policy and practical tools in Member States to support the IP protection of TK and TCEs, to enhance practical capacity to benefit from legal protection, and to manage the IP aspects of genetic resources, for the benefit of the owners of TK/TCEs and custodians of genetic resources.	<ul style="list-style-type: none">• Number of policy and practical tools applied in practice.• Evidence of specific benefits arising from the use of IP tools by holders of TK/TCEs and custodians of genetic resources.
3. More effective legal mechanisms for the protection of TK, TCEs and IP aspects of genetic resources.	Feedback from Member States and other stakeholders on usefulness of WIPO generated analyses and reviews of proposed and model legislation, and workshops on legal and technical aspects of legal protection.

149. This sub-program will integrate policy dialogue with practical outcomes, with the aim of yielding tangible benefits to owners of TK and TCEs, as well as benefits to developing country communities rich in genetic resources, building on the extensive information collected and policy dialogue already undertaken in the IGC. This will entail enhanced consultations with indigenous and local communities and their representatives, further legal and technical support for individual Member States and regional initiatives on legal protection, and the production of specific practical tools and information materials to assist indigenous and local communities to derive benefits from legal protection systems and to safeguard their interests against misappropriation, and the unintended loss or erosion of rights. The sub-program will support and facilitate the development of specific outcomes, such as recommendations or best practices, reflecting international consensus on IP issues concerning TK, TCEs and genetic resources.

150. In view of the increased activity in other international fora, and increased interest in civil society and public-private partnerships, and the establishment of the UN Permanent Forum on Indigenous Issues, this sub-program will also aim to enhance productive cooperation, based on WIPO's established IP expertise, with and legal and technical input into other international processes.

Activities

- Convening and supporting international and regional policy-level and expert working meetings to address IP issues concerning TK, TCEs and genetic resources;
- undertaking and supporting regional and national consultations, dialogue, policy development, practical programs, pilot programs, technical studies, legal and technical cooperation, and awareness-raising, with a focus on the enhanced involvement of indigenous and local communities, as well as local legal professionals, research institutions, and academics, including national and sub-regional information and training workshops;
- further development, deployment and adaptation for specific communities and national systems of practical tools for enhancing the positive and defensive protection of TK, including a multifaceted toolkit for the management of IP interests in the documentation of TK, a Guide for the Protection of Expressions of Traditional Culture and a survey of practical experience in legal protection of TK;
- studies and consultations on the use of existing IP systems and further international cooperation on the recognition of disclosed traditional knowledge and genetic resources for the purposes of patent procedure;
- consulting on and developing the elements of a potential international consensus on IP protection of TK and TCEs, and on IP aspects of genetic resources;
- the provision of technical and legal IP assistance and information to other organizations, United Nations bodies, fora and parties dealing with TK, TCEs and genetic resource issues, such as the UN Permanent Forum on Indigenous Issues,

the CBD, the FAO, the IUCN, UNCTAD, UNEP, UNESCO, the WHO, the WTO, the World Bank and the United Nations Human Rights Commission Working Group on Indigenous Populations.

SUB-PROGRAM 07.2

INTELLECTUAL PROPERTY AND LIFE SCIENCES

Objective: To support and enhance informed debate and policy making on intellectual property issues related to life sciences.

Expected Results	Performance Indicators
1. Enhanced international debates and national policy developments concerning life sciences and IP issues.	<ul style="list-style-type: none">• Scope of issues addressed and quality of substantive input to debates.• Extent of engagement with international debates on IP and life-science issues.
2. Strengthened capacity at the national level to promote beneficial public policy outcomes through strategic IP management in relation to the life sciences.	<ul style="list-style-type: none">• Range of activities and nature of feedback on policy developments in Member States concerning life sciences and IP issues.• Quality and impact of information materials developed.

151. This sub-program will seek to develop objective analysis and empirical information, with the aim of supporting debate and facilitating informed policy choices on IP-related questions arising in the area of life sciences. This sub-program will also seek to ensure that policy directions at national and international levels can be developed and reviewed with the support of a greatly enhanced base of practical information, legal analysis and documentation of policy options and strategic national approaches to use of IP in the life sciences. This should assist government agencies and legislators in assessing policy options and formulating recommendations at the national level, while ensuring full understanding of the range and implications of policy flexibilities within the established international framework.

Activities

- Undertaking and supporting national, regional or international consultations on issues on IP and life sciences, and supporting international policy dialogue on these issues, including on practical and policy options for public benefit from life science innovations;

- study of patterns of IP rights based on life science innovations, and compilation of information on trends in the use of IP systems concerning key genetic resources and biotechnologies in the agricultural sector, and their implications for the use of these resources and technologies, in cooperation as appropriate with relevant international organizations such as the FAO;
- preparation of and dissemination of a primer on life sciences and IP for policy makers and other information materials for use in policy formulation and implementation;
- analysis and dissemination of practical information on how policy mechanisms are developed and applied to enhanced public policy outcomes from the IP system in the life sciences;
- the provision of technical and legal IP assistance and information to other organizations, United Nations bodies, fora and parties dealing with issues relevant to IP in the area of life sciences and participation in relevant meetings;
- undertaking of selected activities agreed by the WIPO Working Group on Biotechnology subject to prior consent by the Member States, to the extent that these issues are not addressed under sub-program 7.1.

SUB-PROGRAM 07.3

INTELLECTUAL PROPERTY ENFORCEMENT ISSUES AND SPECIAL PROJECTS

Objective: To address the needs of Member States in developing and strengthening their systems and infrastructure for the enforcement of IPRs and to support discussions in the Advisory Committee on Enforcement.

Expected Results	Performance Indicators
1. Strengthened capacities in national and regional systems for the enforcement of IPRs, including improved understanding of enforcement issues and strategies.	<ul style="list-style-type: none">• Evaluation feedback on the impact of capacity building activities in the area of enforcement.• Strategies initiated and/or systems introduced in Member States in the area of enforcement of IPRs.
2. Enhanced public awareness in the fight against counterfeiting and piracy.	Number of projects and information materials developed at the national level to enhance public awareness in these areas.

Expected Results	Performance Indicators
3. Greater awareness among Member States and other stakeholders of the importance of enforcement of IPRs and exchange of national and regional experiences in the area of enforcement.	Information exchange in the Electronic Forum on Intellectual Property Enforcement Issues and Strategies (IPEIS).
4. Coordination and cooperation with other relevant organizations and the private sector.	Number of joint activities with other relevant organizations and the private sector.

152. This sub-program aims to assist Member States in enhancing national systems for enforcement of IPRs. An effective system for enforcement is essential to address counterfeiting, piracy and all other forms of IP infringement. The approach taken in the sub-program towards the creation of the IP culture is to meet the diverse needs of Member States in establishing an effective enforcement mechanism. The priority under this sub-program is to assist Member States in improving the use of their available resources to develop and strengthen their national systems for the enforcement of IPRs. In this regard, program activities will focus on WIPO's advice on national legislation for the protection of IPRs and effective mechanisms to deal with counterfeiting, piracy, and all other forms of IP infringement.

153. The sub-program will follow up activities previously initiated by the Advisory Committee on Enforcement of Industrial Property Rights (ACE/IP), the Advisory Committee on Management and Enforcement of Copyright and Related Rights in Global Information Networks (ACMEC) and the Consultation Meeting on Enforcement (CME). The Committee will facilitate international cooperation and coordination with relevant IGOs and NGOs, and with the private sector, to combat counterfeiting and piracy, by enhancing public education, technical assistance, national and regional training programs for relevant stakeholders, and the exchange of information on enforcement issues through the IPEIS.

Activities

- Convening and servicing the annual meetings of the Advisory Committee on Enforcement and undertaking activities giving effect to the decisions by the Committee;
- addressing the needs of Member States in developing and strengthening their national and regional systems for the enforcement of IPRs;
- providing, upon request and in consultation with other units concerned, technical and legal assistance to Member States, in relation to the development of strategies and systems for the effective enforcement of IPRs;

- promoting the use of the IPEIS, particularly as a forum whereby enforcement officials such as customs and police officers and staff of IPOs can share information on their respective national experiences;
- collecting, and providing upon request, information on good practices, including cost-effective measures for the enforcement of IPRs;
- collaborating with units responsible for Main Program 08, 09 and 10 to develop and implement structured training programs (including training and information materials) for the judiciary, customs, police and other relevant law enforcement agencies, and to carry out activities, including organization of meetings and seminars on enforcement issues;
- coordinating WIPO activities regarding enforcement and cooperating with other relevant organizations through the sharing of technical expertise and through organizing joint seminars, meetings and training programs on the enforcement of IPRs;
- developing projects and information materials for use in national, regional and international campaigns to enhance public awareness in the fight against counterfeiting and piracy.

Where appropriate, the activities will be carried out in cooperation with other relevant organizations, the private sector, and other Main Programs, including Main Programs 08, 09, and 10.

Resource Description by Object of Expenditure

154. Total resources of Sfr7,072,000 reflect a program increase of Sfr541,000 or 8.6 per cent with respect to the corresponding amount in the 2002-2003 biennium.

155. For staff resources, an amount of Sfr4,613,000 is shown, a program increase of Sfr623,000 or 16.7 per cent. This includes resources of:

- (i) Sfr4,266,000 for posts, reflecting one additional position with respect to the previous biennium, the reclassification of two positions including the regrading of one post as D-level and
- (ii) Sfr347,000 for short-term expenses.

156. For travel and fellowships, an amount of Sfr1,240,000 is shown, reflecting an unchanged amount with respect 2002-2003. This includes resources of:

- (i) Sfr340,000 for 70 staff missions,
- (ii) Sfr900,000 for 200 third party travel in connection with the holding of the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, meetings on intellectual property enforcement and related meetings.

157. For contractual services, an amount of Sfr1,098,000 is shown, a program decrease of Sfr49,000 or 4.3 per cent. This includes resources of:

- (i) Sfr370,000 for conferences to cover interpretation and other costs of the Intergovernmental Committee, Working Group, Advisory Committee on Enforcement and related meetings,
- (ii) Sfr648,000 for consultants services,
- (iii) Sfr60,000 for publishing services and
- (iv) Sfr20,000 for other contractual expenditures.

158. For operating expenses, an amount of Sfr71,000 is shown, a program decrease of Sfr60,000 or 45.8 per cent to cover the cost of communications and other expenses.

159. For equipment and supplies, an amount of Sfr50,000 is shown, a program increase of Sfr27,000 or 117.4 per cent. This includes resources of:

- (i) Sfr30,000 for furniture and equipment and
- (ii) Sfr20,000 for supplies and materials.

Table 9.7 Detailed Budget 2004-2005 for Main Program 07

A. Budget Variation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

		2002-2003 Revised A	Budget Variation						2004-2005 Proposed E=A+D
			Program		Cost		Total		
			Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
I. By Sub-program									
07.1	Genetic Resources, Traditional Knowledge and Folklore	4,758	(1,033)	(21.7)	124	2.6	(909)	(19.1)	3,849
07.2	Intellectual Property and Life Sciences	--	897	--	75	--	972	--	972
07.3	Intellectual Property Enforcement Issues and Special Projects	1,507	677	44.9	67	4.4	744	49.4	2,251
TOTAL		6,265	541	8.6	266	4.2	807	12.9	7,072
II. By Object of Expenditure									
	Staff Costs	3,739	623	16.7	251	6.7	874	23.4	4,613
	Travel and Fellowships	1,232	--	--	8	0.6	8	0.6	1,240
	Contractual Services	1,140	(49)	(4.3)	7	0.6	(42)	(3.7)	1,098
	Operating Expenses	131	(60)	(45.8)	--	--	(60)	(45.8)	71
	Equipment and Supplies	23	27	117.4	--	--	27	117.4	50
TOTAL		6,265	541	8.6	266	4.2	807	12.9	7,072

B. Post Variation by Post Category

Post Category	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	1	1	2
Professionals	6	1	7
General Service	3	(1)	2
TOTAL	10	1	11

C. Budget Allocation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

Object of Expenditure	Sub-program			Total
	1 GRTKF	2 IPLS	3 IPEISP	
Staff Costs				
Posts	1,960	808	1,498	4,266
Short-term Expenses	164	94	89	347
Travel and Fellowships				
Staff Missions	234	50	56	340
Third Party Travel	645	--	255	900
Contractual Services				
Conferences	278	--	92	370
Consultants	418	--	230	648
Publishing	60	--	--	60
Other	10	10	--	20
Operating Expenses				
Communication and Other	50	--	21	71
Equipment and Supplies				
Furniture and Equipment	20	--	10	30
Supplies and Materials	10	10	--	20
TOTAL	3,849	972	2,251	7,072

MAIN PROGRAM 08

COOPERATION WITH DEVELOPING COUNTRIES

08.1 Empowerment for Development

08.2 Special Support Areas

Summary

160. This Main Program will support developing and least developed countries (LDCs) in their initiatives to maximize the use and effectiveness of IP as a tool for economic, social and cultural development.

161. The development of these countries' resources and infrastructure, and their capacity to benefit from the rapid growth of IP as a valuable economic asset in the world economy remains an urgent concern. The strategy shaping this Main Program is based on the insights of research that illustrates how both nations and individual enterprises can develop and promote the use of IP as an economic asset and develop national intellectual property assets. This requires proactive policies beyond the creation of the legal and administrative infrastructure for IP protection. For WIPO to implement this strategy effectively, it will need to tailor its activities to the diverse needs of developing countries and LDCs, and the different requirements and priorities they specify in their cooperation with WIPO. This is a consequence of the significant differences in their existing IP infrastructures, and the diversity of their economic, legal, cultural and technological backgrounds.

162. Many developing countries, particularly LDCs, are only beginning to address the challenge of reaping the economic, social and cultural benefits of upgrading and modernizing their IP infrastructure. WIPO's cooperation with these countries will continue to focus on demystifying IP, promoting understanding of the policy options the IP system offers, and building capacity in the form of an essential IP infrastructure.

163. Many other developing countries have already made significant progress in establishing the IP system. Recent legislative developments have updated their IP

laws and given effect to TRIPS standards, and IP infrastructures have been modernized. Their intellectual property offices (IPOs) are well established and service the essential requirements of IP users. Enforcement officials are receiving critical training; and some countries have established excellent outreach programs for potential and actual users of the IP system. These countries are continuing to broaden and deepen this core set of activities, but they are also taking up the challenge of developing and nurturing the institutions, laws and systems that support and sustain inventiveness and creativity, promote productive investment, and ensure that the IP system is used effectively and skillfully to realize its latent potential for economic and social development.

164. Certain developing countries which have started to strategically use IP are increasingly requesting WIPO to assist them in deriving value from their adoption of IP systems, especially in the area of protecting and valorizing their national and regional inventions and creative works in such a way as to promote economic and cultural development objectives. This task of assisting Member States in optimizing the economic and cultural value of IP is an important undertaking, calling upon WIPO to provide new, highly effective, practical services with clear deliverables designed to support the efforts of Member States.

165. Given these countries' diverse needs, WIPO will continue to consult them closely to tailor its assistance to meet their specific needs. This dialogue will be shaped by various tools such as Nationally (or Regionally) Focused Action Plans ("NFAPs") and other consultative processes. The broad thrust of current program activities remain relevant and will continue through the 2004-2005 biennium. But greater effort will be needed to respond to a more diverse array of requests from Member States, especially those requests arising from national policymakers' growing interest in finding practical answers to strategic questions about how IP functions as a policy tool for economic, social and cultural development. This Main Program will respond to these needs in coordination with Main Program 10 for the development of human resources. It will also dovetail with Main Program 11 which has been more recently designed as a specific response to Member States' growing interest in empowering a wider range of constituencies to use their IP effectively. Capacity-building and IP policy dialogue will more directly reinforce one another, making further use of existing strong links with other program areas concerned with substantive IP legal issues.

166. Planning for this Main Program has taken account of discussions at the Permanent Committee on Cooperation for Development Related to Intellectual Property (PCIPD), and in view of the outcome of the Forum on Strategic Issues for the Future held under the auspices of that Committee in October 2002. They include:

- developing networks to build synergistic relationships among those sectors of the civil society and government that are acknowledged as the catalysts for developing and sustaining intellectual asset development and management on a national scale;
- mobilizing SMEs to increase their competitiveness through the use of IP, given the vital role that these enterprises can play as an engine of economic growth;

- using WIPONET as a powerful tool for South-South knowledge transfer, supporting IPOs in using WIPONET to its maximum, developing a collection of relevant material, preparation of a database for the South-South Learning Network, and organizing an electronic forum for sharing best practices in the use of IP by governments, enterprises and academia in developing countries and LDCs;
- continuing to support creators and owners of copyright and related rights, with a special emphasis on developing collective management organizations in certain regions where the institutional framework is still relatively weak as compared with other parts of the world.

167. There is no “one-size-fits-all” model for the IP infrastructure and systems within developing countries and LDCs confronted with different challenges and diverse needs. WIPO will therefore continue to assist Member States in identifying and customizing the elements they need in their national strategy and policies. This Main Program will seek to ensure that:

- national, regional and international policies emphasize the need to develop and use all forms of IP as an economic asset for developing countries, and there are practical strategies in place to realize this policy goal;
- supporting universities and other educational and research institutions in implementation of IP;
- private sector enterprises, including SMEs, policy makers, the legal profession and related professions, research institutions, and academia and non-governmental organizations, are systematically empowered by the IP infrastructure, by networks, and by other effective frameworks to acquire greater understanding of IP, to promote IP as a tool for economic development, to achieve practical results through collaboration, and to contribute in an informed manner to policy formulation at national, regional and international levels;
- positive links are identified between IP and key areas such as science and technology, education, trade and commerce, food policy and agriculture, public health, the environment, competitiveness, and investment promotion, and other relevant areas, and the mechanisms that strengthen these links are also identified;
- the institutional capacity to address IP issues is strengthened by widening stakeholders’ participation in the benefits of IP systems;
- the role of inventors and creators of IP in technological and cultural development and wealth creation is recognized and supported;
- human resource development in IP and related disciplines is promoted and supported as a fundamental aspect of the strengthening of national IP systems;
- collaboration and synergies with other international and regional organizations, banks and commissions, are promoted in order to raise awareness of IP as an

essential component of economic development policy and to enhance opportunities for practical and results based projects;

- networks of collaboration including South-South cooperation and resource sharing are vital and effective in realizing the promise of IP as a tool for economic development;
- laws and legislative frameworks provide effective protection for IP protection, and facilitate the development, ownership and management of IP; and
- appropriate technologies, including information technology, are used to promote efficient user service in IP administration, networks of communication, outreach programs, and other services that promote IP asset development and management.

168. The activities that flow from this strategy are designed to meet the operational criteria of sustainability, specificity and cost effectiveness. Sustainability is a major challenge to ensure that this Main Program and all WIPO activities are designed and implemented so as to ensure continued impact. An essential part of sustainability is engagement and training of persons to carry on and take ownership of the work, multiplying and sustaining its effect. Specificity implies that the particular needs of individual countries or regions are identified and clearly addressed. Cost effectiveness ensures that activities lead to quality outputs and outcomes at the least possible cost, by focusing on coherent strategies and by identifying deliverables and measuring outcomes wherever possible.

169. The overall strategy and the three operational criteria (sustainability, specificity and cost effectiveness) will be complemented by using the most effective modalities for development cooperation for given activities: expert missions, interactive seminars, symposia, small group workshops, policy consultations, written guides, training programs, case studies and best practices, and interactive training programs in impact areas. Activities will be identified in consultation with Member State governments, including IPOs, the relevant cooperating institutions or organizations, and the intended beneficiaries. Experts, consultants, lecturers and other resources from the developing countries and relevant development and financing institutions will continue to be utilized to the maximum extent possible.

170. The PCIPD shall continue to serve as the main forum for identifying new, and reviewing on-going priorities.

171. It is expected that the Main Program will continue to attract extra-budgetary resources made available to WIPO including by Member States, international funding agencies and recipient countries through cost-sharing and similar arrangements. Contributions in kind will continue to be sought from organizations with special expertise. WIPO's effectiveness in promoting economic development has been substantially enhanced thanks to contributions from Multilateral Funds-in-Trust agreements with France and Japan, and an agreement to jointly organize and finance cooperation for development activities with Australia, Republic of Korea and Singapore.

SUB-PROGRAM 08.1
EMPOWERMENT FOR DEVELOPMENT

Objective: To empower Member States to develop, protect, enforce, manage, and commercially exploit IP as a tool for economic, social and cultural development.

Expected Results	Performance Indicators
1. Propagation of IP as a tool for economic development.	Number and nature of initiatives undertaken at the national level.
2. Developing countries' policy-makers are enabled to formulate policies, particularly in response to emerging IP issues.	Number of fora for policy-makers at the national, regional and international levels and feedback on policy formulation.
3. IPOs cooperate with federations of industries, chambers of commerce, academic and research institutions, including universities, and SMEs to develop linkages and programs directed to a sustained use of the IP system for economic growth.	Number of linkages and programs with the objective of developing and supporting national IP asset development, protection and management.
4. Enhanced knowledge by policy makers, academics, inventors, research institutions, cultural institutions, and private enterprises of how to manage intellectual assets for economic benefit.	Number of human resource development and capacity building programs and effectiveness of such programs.

172. Building upon the rich experience in Cooperation for Development activities in the last few years, and reflecting the new strategic needs of developing countries and LDCs for modern and more effective development, protection and management of IP assets in the knowledge economy, this sub-program will focus on assistance activities aimed at empowering Member States to create, own and exploit IP as well as to strengthen IP administration, protection, and enforcement.

173. Empowerment is achieved through a variety of distinct but interrelated approaches building on the strategies set out in the Main Program description:

- providing support and expertise to policy-makers in Member States who request assistance in IP policy development and strategy formulation in related fields such as science and technology, economic development, education, agriculture, food policy, commerce, culture, finance, and other relevant fields;

- providing support and expertise for initiatives of Member States designed to promote the development, protection and management and the use of national IP assets;
- engaging a wide variety of stakeholders in civil society in the development, exploitation and protection of IP, permitting optimal developmental benefits from IP, promoting linkages among the various parties involved in inventive activity, and building the synergetic relationships among those sectors of the civil society and the government structure;
- promoting and sustaining support to outreach programs on IP to users and new constituencies, including research institutions and universities, traditional knowledge holders, and especially to SMEs to build strategic bridges to this important sector of developing countries' economies;
- promoting and sustaining support to IPOs in their provision of value-added services to users, including services relating to marketing and commercial exploitation of IP assets, IP information, resource networks, consulting services and training programs;
- assisting implementation of national and regional human resource development and capacity building programs in the field of IP and related disciplines with a view to enhancing the capacity of developing countries to develop, protect, and manage IP;
- offering expert legal advice and other types of professional advice on emerging IP issues and policy development that are critical to assisting developing and least developed countries to participate fully in the international consideration of IP-related issues;
- advising developing countries on the benefits of adherence to WIPO-administered treaties, including the global protection systems and providing national administrations and user groups with information and advice on how to take advantage of the potential offered by these systems in order to build a solid infrastructure of IP administration and protection;
- supporting IPOs in streamlining their administration and other functions, by use of information technology, and developing national capacity in terms of professional and administrative skills, including provision of support for technological improvements to make the IP system user-friendly, efficient, and affordable;
- upgrading the institutional capacity of the IP infrastructure to administer IP systems;
- collaborating with regional and international organizations in order to support development cooperation, including raising awareness of IP, stimulating funding for Research & Development (R&D) protected by IPRs, supporting regional networks on information-sharing, and enhancing opportunities for practical and results based projects on IP and economic development.

174. Within the foregoing overall framework, responsibility for program design, coordination and implementation will continue to be under the four Regional Bureaus (for Africa, the Arab States, Asia and the Pacific, and Latin America and the Caribbean) in collaboration with units undertaking activities under sub-programs 7.3 and 8.2 and Main Programs 10 and 11.

Activities

- Meetings of policy-makers at regional, sub-regional and national levels, for strategic consideration of critical policy issues related to use of IP as a tool for economic and cultural development;
- development of IP policies and their implementation frameworks on a national and regional basis to create synergy, linking the various stakeholders who contribute to economic and technological development through inventive and creative activities;
- interactive training programs and symposia designed to highlight the advantages of using the IP system and develop IP assets as a way to boost economic productiveness, competition, and poverty eradication, with practical modalities;
- human resource development in cooperation with other relevant main programs to provide expert advice to Member States concerning the relationship of IP with other fields, such as market development, competition, technology transfer and licensing, science and technology, education and trade;
- assistance in supporting the use of IP systems by SMEs through a variety of activities, including: promotional campaigns targeting Chief Executive Officers of SMEs concerning the benefits of IP as a business strategy; and expanding the use of trademarks and other forms of IP by SMEs as a tool for export competitiveness in regional and global markets;
- in consultation with other units concerned including services of sub-program 7.3, assistance in strengthening capacities to enforce intellectual property norms and laws, especially through programs for judges, customs and policy officials;
- assistance in policy-makers to formulate national IP policies and programs for developing, promoting and managing of IP rights as economic assets with a particular emphasis on local creation and ownership of these assets;
- education of user communities (such as business enterprises, R&D institutions, universities, trade associations, attorneys, associations of IP rights owners and consumer associations) to enable them to effectively use IP systems;
- promotion of, and support to, sub-regional and regional cooperation activities to strengthen capacities to address IP issues;

- support to copyright and related rights administrations at the national, sub-regional and regional levels to enable them to deal with emerging trends and issues;
- assistance in building up national capacities to effectively negotiate agreements for the transfer of technology, including programs for development of licensing and negotiation skills;
- advising on the advantages of, and supporting accession to the global protection system (PCT, Madrid, The Hague and Lisbon systems) and how these systems relate to the needs and developmental goals of Member States;
- training of officials, users and potential users in using the global protection systems, both when a Member State joins a system and through periodic refresher courses; and
- development and promotion of, and support to, national and regional initiatives and programs aimed at empowering rights owners to tap the potential of copyright and related rights protection, to secure circulation of copyrighted material, and to create an enabling market environment conducive to investment.

SUB-PROGRAM 08.2

SPECIAL SUPPORT AREAS

Objective: To facilitate, through special support areas, the attainment of IP goals and development objectives of developing countries and LDC Member States.

Expected Results	Performance Indicators
1. Information on IP legislation made available by WIPO is widely accessible.	Rate of utilization of WIPO-serviced collections and publications of IP law.
2. National legislation of developing countries and LDCs is in consonance with international standards and norms.	Number of draft laws and regulations, comments, advice on compatibility and other legal advice provided by WIPO.
3. Information technology is used as a tool to enhance the efficacy of IP offices.	Number of IPOs introducing new, or upgrading existing, automation systems.

Expected Results	Performance Indicators
4. Enhanced awareness of LDCs' policy-makers and users' groups of the importance of IP issues and strengthened capacity of LDCs to benefit from the IP system.	<ul style="list-style-type: none"> • Number of fora for policy makers and users' groups, and feedback received. • Number and nature of initiatives at the national level.
5. Increased use of collective management societies by creators and artists.	Number of collective management organizations created or strengthened.

175. This sub-program provides services that are of critical importance in ensuring that developing and least developed countries maximize the economic, social and cultural benefits derived from IP systems. Sub-program 8.2 covers four special support areas.

176. *Legal Services.* This sub-program provides legal services to developing countries and LDCs concerning IP and development, including legislative and legal frameworks. In light of the increasing importance and visibility of IP as a tool for economic, social and cultural development, this sub-program will provide, upon request, analysis and advice to countries concerning the design, effect and operation of international, regional and national IP laws and systems. Particular consideration will be given to providing legal services to respond to inquiries concerning how developing countries and LDCs can utilize and benefit from industrial property and copyright systems. In this connection, this sub-program will coordinate with Main Programs 3, 4 and 5.

177. *Support service for LDCs.* The sub-program will further help LDCs to elaborate national and regional strategies to optimize their use of IP as a tool for economic development in ways that are geared to their developmental objectives.

178. *Support Services for Collective Management of Copyright.* The sub-program assists policy makers and collective management organizations in addressing and facilitating the role of such organizations in ensuring the effective commercial exploitation of works, and the proper distribution of revenues from such works to creators and artists.

179. *IP Office Automation Services.* The sub-program provides advisory and technical services to assist developing countries and LDCs in utilizing appropriate information technologies and other matters related to the automation of business processes and administrative work of IPOs. They include the promotion of the use of WIPONET, IP office automation systems, and other information technologies and services, to facilitate efficient administration of IP registration systems, networking, and other IP development and management goals as defined by the concerned Member States.

Activities

- Provision of legislative advice, in consultation with other units concerned, for the preparation of new, and modernizing of existing, legislation, in particular with a view to its compatibility with relevant international treaties, including the TRIPS Agreement;
- developing documentation on, and ensuring the publication of, legislative texts through, notably, the WIPO Collection of Laws for Electronic Access (CLEA) and providing other services under the WIPO-WTO Cooperation Agreement;
- support in elaborating and reflecting national and regional policies in their legislation and legal framework for Member States for effectively responding to emerging IP issues and utilizing the global protection system of WIPO, meeting their developmental needs as far as possible;
- in consultation with other units concerned, legal services upon request to developing countries and LDCs on topics emerging from the review of national intellectual property legislation and policies;
- preparation of case studies on how IP works in connection with marketing, education, science and technology, cultural institutions, research and development and other fields, to empower and promote LDCs to create sustainable solutions to pressing national problems;
- development of material for policy-makers and users' groups aimed at awareness building in the LDCs on the benefits of effective IP systems for attaining development goals;
- designing programs and developing guidelines to achieve cost-effective solutions for the administration and enforcement of IP rights;
- liaising with relevant sub-regional, regional and international organizations particularly to promote the contribution of IP in the development of LDCs;
- assistance in supporting and strengthening activities of existing collective management organizations (including in respect of information technology infrastructure) and in creating new ones, taking into account national and regional circumstances;
- cooperation with relevant collective management organizations and non-governmental organizations at the national, regional and international levels, to strengthen collective management systems in developing countries and LDCs, particularly in light of the fast-evolving digital environment;
- development of appropriate programs to: (i) facilitate compatibility of rights management systems in developing countries and LDCs with international technical standards and systems; (ii) effectively integrate digital technologies in

collective management operations in developing countries and LDCs; and
(iii) facilitate access to international databases and data distribution networks;

- provision of tailor-made training in collective management and mechanisms for appropriate follow-up activities with a view to augment revenues of artists and creators;
- ongoing development and enhancement of the automation systems for collective management organizations at the national and regional level for the management of copyright and related rights;
- consulting and expert technical assistance on IP office automation systems in IPOs to enhance effectiveness, timeliness, and outreach;
- installation of IP office automation systems in IPOs, including provision of cost effective technical advice and expertise, knowledge transfer for the execution and deployment of the automation projects, and training of IPO staff in all aspects of installed automation system, functional as well as technical;
- consulting and expert technical assistance on other information technology topics and projects, upon request, in consonance with national and regional IP development and management initiatives where information technology can serve as a useful tool;
- exploration and design of strategies and initiatives for national and regionally based application development for the WIPONET platform;
- assistance for the establishment, modernization and automation of IP offices including through expert advice, preparation of work manuals, automation projects and human resource development.

Where appropriate, the activities will be carried out in cooperation with other Main Programs including 03, 04, 05, 07, 10 and 11.

Resource Description by Object of Expenditure

180. Total resources of Sfr55,141,000 reflect a program increase of Sfr194,000 or 0.4 per cent with respect to the corresponding amount in the 2002-2003 biennium.

181. For staff resources, an amount of Sfr29,707,000 is shown, a program increase of Sfr160,000 or 0.6 per cent. This includes resources of:

- (i) Sfr26,508,000 for posts, reflecting a reduction of two positions, the reclassification of six posts including the regrading of one D-level position and
- (ii) Sfr3,198,000 for short-term expenses.

182. For travel and fellowships, an amount of Sfr15,906,000 is shown, a marginal program increase of Sfr7,000. This includes resources of:

- (i) Sfr5,712,000 for 1,100 staff missions,
- (ii) Sfr9,394,000 for 2,000 third party travel in connection with the holding of development cooperation activities and
- (iii) Sfr800,000 for fellowships.

183. For contractual services, an amount of Sfr7,079,000 is shown, a program increase of Sfr47,000 or 0.7 per cent. This includes resources of:

- (i) Sfr753,000 for conferences to cover interpretation and other costs of meetings in connection with development cooperation activities,
- (ii) Sfr4,975,000 for consultants services to cover the cost of headquarters and field consultants and experts,
- (iii) Sfr68,000 for publishing services to cover the printing cost of background papers and meeting publications and
- (iv) Sfr1,283,000 for other contractual services to cover development costs of cooperation projects.

184. For operating expenses, an amount of Sfr757,000 is shown, a program decrease of Sfr6,000 or 0.8 per cent. This includes resources of:

- (i) Sfr10,000 for premises and maintenance and
- (ii) Sfr747,000 for communication and other expenses.

185. For equipment and supplies, an amount of Sfr1,693,000 is shown, a program decrease of Sfr14,000 or 0.8 per cent. This includes resources of:

- (i) Sfr999,000 for furniture and equipment, including the provision of information technology hardware within the context of cooperation activities and
- (ii) Sfr694,000 for supplies and materials, including the provision of information technology software within the context of cooperation activities.

Table 9.8 Detailed Budget 2004-2005 for Main Program 08

A. Budget Variation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

		2002-2003 Revised	Budget Variation						2004-2005 Proposed
			Program		Cost		Total		
			Amount	%	Amount	%	Amount	%	
			A	B	B/A	C	C/A	D=B+C	
I. By Sub-program									
08.1	Empowerment for Development	41,146	(1,770)	(4.3)	920	2.2	(850)	(2.1)	40,296
08.2	Special Support Areas	12,754	1,963	15.4	128	1.0	2,091	16.4	14,845
TOTAL		53,900	194	0.4	1,048	1.9	1,241	2.3	55,141
II. By Object of Expenditure									
	Staff Costs	28,663	160	0.6	884	3.1	1,044	3.6	29,707
	Travel and Fellowships	15,795	7	--	104	0.7	111	0.7	15,906
	Contractual Services	6,988	47	0.7	44	0.6	91	1.3	7,079
	Operating Expenses	758	(6)	(0.8)	5	0.7	(1)	(0.1)	757
	Equipment and Supplies	1,696	(14)	(0.8)	11	0.6	(3)	(0.2)	1,693
TOTAL		53,900	194	0.4	1,048	1.9	1,241	2.3	55,141

B. Post Variation by Post Category

Post Category	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	12	(1)	11
Professionals	35	6	41
General Service	29	(7)	22
TOTAL	76	(2)	74

C. Budget Allocation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

Object of Expenditure	Sub-program		Total
	1 ED	2 SSA	
Staff Costs			
Posts	18,649	7,859	26,508
Short-term Expenses	1,978	1,220	3,198
Travel and Fellowships			
Staff Missions	4,772	940	5,712
Third Party Travel	8,354	1,040	9,394
Fellowships	704	96	800
Contractual Services			
Conferences	692	61	753
Consultants	2,901	2,074	4,975
Publishing	57	11	68
Other	640	643	1,283
Operating Expenses			
Premises and Maintenance	--	10	10
Communication and Other	630	117	747
Equipment and Supplies			
Furniture and Equipment	720	279	999
Supplies and Materials	199	495	694
TOTAL	40,296	14,845	55,141

D. Funds-in-Trust by Object of Expenditure (*in thousands of Swiss francs*)

<i>Object of Expenditure</i>	<i>Sub-program 1 ED</i>
Staff Expenses	576
Travel and Fellowships	144
Contractual Services	10,793
Operating Expenses	288
Equipment and Supplies	2,590
TOTAL	14,391

MAIN PROGRAM 09

COOPERATION WITH CERTAIN COUNTRIES IN EUROPE AND ASIA

Summary

186. This Main Program will assist certain countries in Europe and Asia to utilize the IP system for economic development by improving conditions for the mobilization of domestic creative and innovative potential and for enhancing opportunities for foreign investment and transfer of technology. These countries are in transition to a market economy and currently, they are Central European and Baltic States, Caucasian, Central Asian and Eastern European countries, and certain Mediterranean countries.

187. The Main Program is designed to tailor to the varying levels of economic development, needs, and policy orientations of these Member States in order to reinforce their IP system through legislative advice, institution building and development of human resources.

188. With respect to these countries, the work will be directed at consolidating the impact of the technical cooperation projects carried out in the current biennium, as well as at responding to requests for cooperation in various specialized areas of IP. The Program will provide services to ease the transition process for those countries which are expected to become members of the European Union during the 2004-2005 biennium.

189. This Program will respond to requests for increased support in those policy areas that policy-makers, government authorities, users and other constituencies throughout the region have identified as particularly relevant for cooperating countries. These areas include: (i) the enforcement of IP rights; (ii) policy integration with respect to the role of IP and development; (iii) commercialization and evaluation of IP assets arising from research and development, and from creative activity; (iv) better use of the IP system to promote innovation, creativity and increased competitiveness of SMEs; (v) IP implications of information technology, biotechnology, genetic resources, traditional knowledge and folklore; and (vi) strengthening the role of the IP office within national trade policy formulation.

190. In addition to the above areas of emphasis, work will continue in modernization of IP administration, promotion of human resource development in cooperation with the WIPO Worldwide Academy (WWA), support for copyright collective administration, and development of public information programs in

various languages to raise awareness of the role of IP in economic, social and cultural development.

191. Many countries covered by this program are already party to most WIPO-administered treaties, but there is still a need for information on the advantages of accession to, in particular, the Madrid Protocol, the Hague Agreement, the TLT, the PLT, the Budapest Treaty, the WCT and the WPPT.

192. The regional IP organizations active in this region include the European Patent Office (EPO), the Eurasian Patent Office, the Interparliamentary Assembly and Interstate Council for the Protection of Industrial Property of the CIS countries, and the Community Trademark Office (OHIM). This Program will enhance its cooperation with these organizations with the particular aim of ensuring cost effectiveness and improved coordination.

Objective: To strengthen the capacity of Member States to fully utilize the IP system for economic, social and cultural development.

Expected Results	Performance Indicators
1. Conformity of national laws of the countries concerned with relevant international standards and trends.	Number of national laws reflecting WIPO's counsel and advice.
2. Strengthening of administrative and judicial mechanisms for the enforcement of IP rights.	New administrative and enforcement mechanisms introduced in Member States.
3. Enhanced efficiency of IP administrations.	User satisfaction with prompt, easy-to-use and cost effective user services.
4. Effective innovation infrastructure and IP related services at the national and regional level to assist SMEs.	Number of result oriented projects targeted at IPO's, R&D institutions, cultural institutions, and enterprises.
5. Establishment of new, and strengthening of existing, societies for collective management of copyright and related rights.	<ul style="list-style-type: none">• Number of new collective management organizations.• Demonstrated and measurable impact to copyright owners in terms of revenues/royalties collected and distributed.
6. Increased awareness and improved knowledge and skills in the use of the IP system for market competitiveness and development of IP based assets for economic, social and cultural development.	<ul style="list-style-type: none">• Development of strategic IP asset management plans and other IP based asset management tools.• Demonstrated and measurable impact to IP asset owners in terms of revenues/royalties collected and distributed or other economic impact.

Activities

- Advising on advantages of WIPO-administered treaties, and assistance with the accession process and the post-accession phase, as requested;
- advice on compatibility of existing legislation with relevant international treaties, including the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement); advice on the preparation of new legislation and preparation of draft legislation;
- convening national, sub-regional and regional meetings of policy-makers to consider critical policy issues, and supporting consultations with WIPO on these issues, when requested;
- analysis, creation, and dissemination of information, background papers and reference material for IP policy development;
- assistance in examining and addressing the IP implications of new technologies such as the Internet, information technology, and biotechnology, and of genetic resources and traditional knowledge;
- assistance for the establishment, modernization and automation of IPOs to increase their capacity to protect IPRs, including through expert advice, preparation of work manuals, automation projects and Human Resources Development (HRD);
- specialized practical workshops for user communities such as industry (particularly SMEs), R&D institutions, artists, universities, trade associations, attorneys, associations of IPR owners, and consumer associations, to enable them to use IP systems more effectively;
- assistance in examining and promoting the role of IP in enhancing SMEs' competitiveness in collaboration with other relevant programs;
- assisting the establishment and development of IP institutions, networks and systems to facilitate IP asset management and commercialization of the results of research carried out by research institutions, universities, and private enterprise;
- promoting and supporting sub-regional and regional cooperation to strengthen capacity to address IP issues;
- assistance in strengthening IPR enforcement capacities, especially through programs for judges, and customs and policy officials;
- assistance in developing national capacities to train IP officials, lawyers and other practitioners, with a focus on training of trainers;
- assisting the establishment and development of societies for the collective management of copyright and related rights.

The planning and execution of these activities will be integrated with complementary activities under other Main Programs, particularly 07, 08, 10 and 11.

Resource Description by Object of Expenditure

193. Total resources of Sfr5,582,000, reflect a program increase of Sfr277,000 or 5.4 per cent with respect to the corresponding amount in the previous biennium.

194. For staff resources, an amount of Sfr2,816,000 is shown, a program increase of Sfr405,000 or 17.7 per cent. This includes resources of:

- (i) Sfr 2,632,000 for posts, including one additional position at the D-level and
- (ii) Sfr184,000 for short-term expenses.

195. For travel and fellowships, an amount of Sfr1,465,000 is shown, a program decrease of Sfr131,000 or 8.3 per cent. This includes resources of:

- (i) Sfr400,000 for 80 staff missions,
- (ii) Sfr1,065,000 for 240 third party travel in connection with the holding of cooperation activities.

196. For contractual services, an amount of Sfr931,000 is shown, a program decrease of Sfr5,000 or 0.5 per cent. This includes resources of:

- (i) Sfr220,000 for conferences to cover the interpretation and other costs of meetings in connection with cooperation activities
- (ii) Sfr500,000 for consultant services,
- (iii) Sfr40,000 for publishing services to cover the printing cost of background papers and meeting publications, and
- (iv) Sfr171,000 for other contractual services to cover development costs of cooperation projects.

197. For operating expenses, an amount of Sfr60,000 is shown, a program increase of Sfr30,000 or 100.0 per cent to cover the cost of communication and other expenses.

198. For equipment and supplies, an amount of Sfr310,000 is shown, a decrease of Sfr22,000 or 6.7 per cent. This includes resources of:

- (i) Sfr290,000 for furniture and equipment, including the provision of information technology hardware within the context of cooperation activities and
- (ii) Sfr20,000 for supplies and materials, including the provision of information technology software within the context of cooperation activities.

Table 9.9 Detailed Budget 2004-2005 for Main Program 09

A. Budget Variation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

	2002-2003 Revised A	Budget Variation						2004-2005 Proposed E=A+D	
		Program		Cost		Total			
		Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A		
I. By Sub-program									
09.1 Cooperation with Certain Countries in Europe and Asia	5,163	277	5.4	142	2.8	419	8.1	5,582	
II. By Object of Expenditure									
Staff Costs	2,286	405	17.7	125	5.5	530	23.2	2,816	
Travel and Fellowships	1,586	(131)	(8.3)	10	0.6	(121)	(7.6)	1,465	
Contractual Services	931	(5)	(0.5)	5	0.5	--	--	931	
Operating Expenses	30	30	100.0	--	--	30	100.0	60	
Equipment and Supplies	330	(22)	(6.7)	2	0.6	(20)	(6.1)	310	
TOTAL	5,163	277	5.4	142	2.8	419	8.1	5,582	

B. Post Variation by Post Category

	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Post Category			
Directors	--	1	1
Professionals	4	--	4
General Service	2	--	2
TOTAL	6	1	7

C. Budget Allocation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

Object of Expenditure	Program CCCEA
Staff Costs	
Posts	2,632
Short-term Expenses	184
Travel and Fellowships	
Staff Missions	400
Third Party Travel	1,065
Contractual Services	
Conferences	220
Consultants	500
Publishing	40
Other	171
Operating Expenses	
Communication and Other	60
Equipment and Supplies	
Furniture and Equipment	290
Supplies and Materials	20
TOTAL	5,582

MAIN PROGRAM 10

THE WIPO WORLDWIDE ACADEMY

10.1 Distance Learning

10.2 Professional Training

10.3 Policy Development, Teaching and Research

Summary

199. Founded in 1998, the WIPO Worldwide Academy (“Academy”) has served Member States and the IP community for over five years. The Vision and Strategic Direction of WIPO highlights that IP will be a driving force of the knowledge-based economies of the 21st Century. It is therefore imperative for WIPO to show strong leadership in developing the IP system to channel creative potential into sustainable development: to achieve this, HRD is indispensable. The Academy will continue to serve as an educational institution of WIPO devoted to training, teaching and research in IP. It will aim to build the human resources necessary to support the vision and strategy that would see IP promoted and protected worldwide, and IP rights used as a tool for economic, social and cultural development.

200. The Academy is responsible for coordinating and delivery of WIPO programs for human resource development in the field of IP at the global and regional level. It functions through the strategic combination of activities to be undertaken in three sub-programs which deal with distance learning, professional training, policy development and teaching and research. Its target groups include IP professionals, policy makers in IP or related fields, users and beneficiaries of IP in civil society, and others with a stake in the IP system. The Academy’s marketing and promotion activities will continue to reach out to new groups and stakeholders through its Web site and the publication of promotional materials.

201. The demand from Member States for participation in Academy programs will grow further in 2004-2005. Equally, the Academy is receiving ever more requests to

provide expertise in support of specialized IP training programs and projects initiated by academic and training institutions in Member States.

202. A Forum Session on the “WIPO Worldwide Academy: Strategic Directions for the Future” was convened during the Third Session of the Permanent Committee on Cooperation for Development Related to Intellectual Property in 2002. Participants stressed the need to develop human resources in the field of IP to meet the specific requirements of diverse categories of beneficiaries. Recommendations made at that meeting are reflected in the proposed activities to the extent possible.

203. As the Academy’s distance learning program becomes increasingly well known, and as use of the Internet and multimedia learning tools expands worldwide, the number of participants both in general and specialized online courses has expanded, a trend expected to continue.

204. The Academy will continue to strengthen its Professional Training Program to develop the professional skills in IP in developing countries and countries in transition to a market economy.

205. A renewed focus will be given to policy development. These activities aim at exposing senior government officials dealing with the IP policy and administration to IP law and policy issues, and at creating an informed and skilled cadre able to ensure adequate IP protection, develop the IP system, and to manage IP assets.

206. In 2004-2005, teaching and research activity will continue to be important. In order to keep pace with the dynamics of change in the field of intellectual property, it is imperative to conduct scholarship and research. This will provide for a deeper understanding of the issues involved in IP and to seek constructive solutions to these issues. The Academy teaching and research program will contribute to the training of trainers and other professionals needed to address complex IP issues. The program will involve development of teaching and training materials and curricula on intellectual property.

207. The Academy will continue to build strategic partnerships with academic institutions with a proven record of excellence, IGOs and NGOs, focusing on their respective areas of strength in order to build synergies for development. In some cases, the scope of cooperation will include initiation of joint programs leading to the award of degrees/diplomas. By producing publications and promotional materials, the Academy will continue to increase the visibility and reach of its programs and activities.

208. The visibility and outreach of the Academy’s programs and activities will also be expanded through the production of publications and promotional materials.

SUB-PROGRAM 10.1
DISTANCE LEARNING

Objective: To provide and strengthen the competence and expertise in the field of IP for a broad range of target groups, including students and professionals.

Expected Result	Performance Indicators
1. High quality IP curriculum deployed via on line technology, leading to an award of a certificate.	<ul style="list-style-type: none">• Development of new IP Distance learning modules to form a curriculum for IP education.• Feedback from users on the quality of the distance learning curriculum.• Feedback from users on the usefulness of the certificate.
2. Availability of, and facilitated access to, course contents in IP in different languages and at different levels of specialization.	<ul style="list-style-type: none">• Number of modules or stand-alone courses and languages in which they are offered.• Number of participants completing each course offered.• Evaluation feedback by course participants.

209. There is an enormous need for IP education, but only limited resources are available. The Academy therefore uses information technology to reach out to a wider audience for its academic programs. The Distance Learning Program, launched in June 1999, has been successful in achieving this mission. The general course on IP, currently offered in seven languages, has had 11,000 registrants and continues to attract an increasing number of participants from the private sector, government and university students worldwide. The Academy will design, implement and deploy more distance learning modules in 2004-05 and will develop intermediate and advanced certificate programs. The curriculum will consist of a series of modules on fundamental and topical IP subjects.

210. An advanced learning management system has enabled a wide range of courses, in different languages and at different levels of specialization, to be delivered and managed. This allows online course content to be created, and large numbers of students to be administered, through the use of tutors in virtual classrooms and other methodologies. This work will continue in 2004-2005, with increased emphasis on collaborative curriculum design, interactive learning, and user participation in course

design and evaluation. The courses will continue to be produced and distributed on CD-ROMs to expand the scope of delivery, especially in countries with low or expensive Internet connectivity.

211. The Academy has increased its impact by linking distance learning to other training programs, in particular professional training. On-line and face-to-face training programs complement one another, adding value to the overall training outcome, and enable broader coverage in various subjects (see sub-program 10.2).

Activities

- Development and deployment of new distance learning modules on IP;
- creation and offering of intermediate and advanced certificate programs, through distance learning by the Academy or in cooperation with selected institutions;
- establishment of a core faculty in the field of international IP to serve as tutors and resource persons; and
- production and distribution of information materials about the programs of the Academy.

SUB-PROGRAM 10.2 PROFESSIONAL TRAINING

Objective: To enable IP professionals to provide legal and other related services to meet the needs of Member States.

Expected Results	Performance Indicators
1. Upgrading and enhancement of the skills of IP office staff, patent agents, representatives from R&D institutions and industry associations and other professionals from developing countries and countries in transition.	<ul style="list-style-type: none">• Number of participants trained from developing countries and countries in transition to a market economy.• Evaluation feedback by participants on the impact of the training received.

Expected Results	Performance Indicators
2. Design and implementation of programs, in cooperation with partner institutions including IPOs that meet the needs for professional education, in the light of national and regional development policies.	<ul style="list-style-type: none"> • Number of professional educational partnerships concluded. • Feedback from partner institutions.

212. The IP system requires skilled IP officials for it to function effectively. This creates a need for training in IP law, information technology and best practices in the processing of applications and delivery of client services. The Academy will continue to support Member States in the development of human resources through training of their officials, with a central focus on the needs of developing countries and countries in transition to a market economy.

213. More emphasis will be placed on the use of IP as a tool for economic development, with training aimed at developing the skills of users and beneficiaries of the system, including representatives from R&D institutions and industry associations among others.

214. The Academy will consult regularly with partner institutions to improve the content and delivery of training courses and adapt them to meet specific requirements of the target groups.

215. Professional training will be further linked with the distance-learning program, so as to increase the content imparted to participants, and to improve cost-effectiveness (see sub-program 10.1).

Activities

- Organization of one Interregional Intermediate Seminars on Industrial Property and one on Copyright and Related Rights, each followed by practical training, in cooperation with national and regional authorities or related institutions;
- organization of advanced training courses on diverse aspects of IP, including, legal, administrative and economic aspects of industrial property; claims drafting, coordinated patent search and examination procedures; use of patent documentation and information; quality management in the delivery of patent services; and collective management of copyright and related rights; and
- design of professional training and training of trainers programs, jointly with Member States.

SUB-PROGRAM 10.3

POLICY DEVELOPMENT, TEACHING AND RESEARCH

Objective: To build multi-disciplinary capacity in IP policy and better understanding of IP issues among decision-makers, policy advisers, diplomats, professors, and others in the public sector and academia.

Expected Results	Performance Indicators
1. Deeper understanding of the role of IP in sustainable development and greater capacity among policy makers to elaborate and implement IP-based development strategies.	<ul style="list-style-type: none">• Increase in number and wider range of participants attending the General Academy Sessions.• Feedback by participants on the impact of the information received on the formulation of IP based development strategies.
2. Enhanced capacity of decision-makers and relevant policy advisers to formulate appropriate and effective policies for the protection, administration and enforcement of IPRs.	Feedback by participants on the impact of the information received on the formulation of IP policies for the administration and enforcement of IPRs.
3. IP educational materials and curricula made available to teaching institutions.	Number of educational materials and curricula made available.
4. Effective cooperation with educational institutions in the field of IP.	Number of agreements concluded and joint programs launched and implemented. Evaluation feedback on the effectiveness of those programs.
5. Increased research on IP.	<ul style="list-style-type: none">• Number and quality of research programs carried out especially in developing countries.• Number and quality of research papers published and reviewed by the Academy.

216. This sub-program responds to the broadening scope of IP as an issue of relevance to vital policy areas such as health, environment, food, trade, traditional knowledge and culture. As IP grows in importance as a tool for economic development and figures more prominently in bilateral and multilateral negotiations, policy makers need deeper knowledge of this field. Further, the knowledge and skills of policy makers in different

fields can contribute to learning, research, and practical models for development in the field of IP. Accordingly, the Academy will continue to organize general Academy sessions for senior government officials in key positions dealing with the policy aspects of IP. These sessions will promote discussion, consultation and the exchange of views and experiences in IP, and will develop practical capacity to use the IP system as a tool for economic, social, cultural and technological development. The Academy will develop associated educational and teaching materials.

217. Special Academy sessions will be organized on current and contemporary issues in industrial property and copyright and related rights. These issues will continue to be the focus of discussion and debate among decision-makers, policy advisers and other senior officials, as they often influence the formulation of norms and standards for the protection and administration of IP rights at the national and international levels. These sessions will continue to be organized for special target groups such as diplomats, managers, professors, judges, customs officers and other officials involved in various areas of IP administration and enforcement.

218. New Academy sessions will be held for managers of R&D institutions and heads of NGOs, to inform them about commercializing IP, technology licensing, and other IP related transactions.

219. The general and special Academy sessions should promote deeper understanding of the role of IPRs in national and international cooperation and development. They should also strengthen the capacity of decision-makers, policy advisers, managers and other senior officials to formulate and implement policies for the development, management, legislation, administration and enforcement of IPRs.

220. The Academy will implement intensive courses and programs both by itself and in cooperation with other educational institutions of excellence. The rapid pace of developments affecting IP means that courses and curricula should be designed and adapted to be consistent with the present stage of development in diverse Member States. The Academy will achieve this through cooperation with universities committed to training, teaching and research in IP and related fields.

221. The Academy will improve its programs by expanding its roster of speakers to include renowned professors and experts in IP from different parts of the world. It will also seek accreditation with the appropriate authorities for the award of diplomas and degrees. Cooperation with the International Association for the Advancement of Teaching and Research in Intellectual Property (ATRIP) will support these activities.

222. The Academy will organize the Summer School, which introduces graduate students and young professionals to the fundamentals of IP.

Activities

- Organization of general Academy sessions dealing with policy formulation and implementation (to the extent possible, regional and inter-regional sessions held outside Geneva);
- organization of special Academy sessions on specific issues for various target groups;
- development and deployment of a curriculum on inter-disciplinary IP studies for policy makers;
- inter-disciplinary IP policy seminar for wide range of participants from public sector and academia on IP development and management;
- development of educational materials and curricula on IP for teaching institutions;
- cooperation with the International Association for the Advancement of Teaching and Research in Intellectual Property (ATRIP) in selected fields of activity;
- seeking accreditation from competent authorities; and
- organization of the WIPO Summer School Program.

Resource Description by Object of Expenditure

223. Total resources of Sfr15,072,000 reflect a program increase of Sfr24,000 or 0.2 per cent with respect to the corresponding amount in the 2002-2003 biennium.

224. For staff resources, an amount of Sfr5,765,000 is shown, a program decrease of Sfr549,000 or 9.1 per cent. This includes resources of:

- (i) Sfr4,837,000 for posts, reflecting a reduction of one post and
- (ii) Sfr928,000 for short-term expenses.

225. For travel and fellowships, an amount of Sfr6,518,000 is shown, a program increase of Sfr400,000 or 6.6 per cent. This includes resources of:

- (i) Sfr432,000 for 80 staff missions,
- (ii) Sfr1,819,000 for third party travel for participation in seminars, workshops and other academy courses and activities and
- (iii) Sfr4,267,000 for the provision of fellowships.

226. For contractual services, an amount of Sfr2,324,000 is shown, a program increase of Sfr144,000 or 6.6 per cent. This includes resources of:

- (i) Sfr336,000 for conferences to cover interpretation and other costs of seminars, workshops and academy meetings,
- (ii) Sfr1,502,000 for consultant services,
- (iii) Sfr224,000 for publishing services to cover the printing cost of academy material and
- (iv) Sfr262,000 for other contractual services to cover the cost of translations and project development.

227. For operating expenses, an amount of Sfr94,000 is shown, a program increase of Sfr5,000 or 5.6 per cent to cover the cost of communications and other expenses.

228. For equipment and supplies, an amount of Sfr371,000 is shown, a program increase of Sfr24,000 or 7.0 per cent for supplies and materials.

Table 9.10 Detailed Budget 2004-2005 for Main Program 10

A. Budget Variation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

		2002-2003 Revised	Budget Variation						2004-2005 Proposed
			Program		Cost		Total		
			Amount	%	Amount	%	Amount	%	
		A	B	B/A	C	C/A	D=B+C	D/A	E=A+D
I. By Sub-program									
10.1	Distance Learning	5,386	(400)	(7.4)	256	4.8	(144)	(2.7)	5,242
10.2	Professional Training	4,532	936	20.7	--	--	936	20.7	5,468
10.3	Policy Development, Teaching and Research	4,770	(512)	(10.7)	104	2.2	(408)	(8.6)	4,362
TOTAL		14,688	24	0.2	360	2.5	384	2.6	15,072
II. By Object of Expenditure									
	Staff Costs	6,013	(549)	(9.1)	301	5.0	(248)	(4.1)	5,765
	Travel and Fellowships	6,075	400	6.6	43	0.7	443	7.3	6,518
	Contractual Services	2,166	144	6.6	14	0.6	158	7.3	2,324
	Operating Expenses	89	5	5.6	--	--	5	5.6	94
	Equipment and Supplies	345	24	7.0	2	0.6	26	7.5	371
TOTAL		14,688	24	0.2	360	2.5	384	2.6	15,072

B. Post Variation by Post Category

	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	1	--	1
Professionals	8	(1)	7
General Service	7	--	7
TOTAL	16	(1)	15

C. Budget Allocation by Sub-program and Object of Expenditure *(in thousands of Swiss francs)*

Object of Expenditure	Sub-program			Total
	1 DL	2 PT	3 PDTR	
Staff Costs				
Posts	3,624	771	442	4,837
Short-term Expenses	278	345	305	928
Travel and Fellowships				
Staff Missions	102	130	200	432
Third Party Travel	119	300	1,400	1,819
Fellowships	--	2,867	1,400	4,267
Contractual Services				
Conferences	--	155	181	336
Consultants	290	900	312	1,502
Publishing	204	--	20	224
Other	200	--	62	262
Operating Expenses				
Communication and Other	74	--	20	94
Equipment and Supplies				
Supplies and Materials	351	--	20	371
TOTAL	5,242	5,468	4,362	15,072

D. Funds-in-Trust by Object of Expenditure (*in thousands of Swiss francs*)

<i>Object of Expenditure</i>	<i>Sub-program</i>		<i>Total</i>
	<i>1</i> <i>DL</i>	<i>3</i> <i>PDTR</i>	
Travel and Fellowships	300	--	300
Contractual Services	450	250	700
TOTAL	750	250	1,000

MAIN PROGRAM 11

**INTELLECTUAL PROPERTY FOR
DEVELOPMENT AND PROSPERITY; CREATION
OF IP CULTURE**

11.1 Intellectual Property Policy and Development

11.2 Innovators and SMEs

11.3 Cooperation with the Private Sector

11.4 Public Outreach

Summary

229. WIPO is analyzing and documenting how IP works in practice as a tool for economic development, a subject of interest to developing and developed countries alike. It is commonly accepted that IP will be one of the key elements of economic value in the 21st Century. As a legal form to protect new or original knowledge, IP provides an enabling platform for innovation and creativity to be commercially exploited, creating a return for its owners. This in turn yields powerful incentives and rewards for the dissemination of innovation and creativity through commercialization. IP today has become a major element in enterprise valuation and an increasingly important factor in macro-economic and micro-economic growth and development. A dynamic IP culture is supported not only by an effective and balanced IP system, but also by active, well-informed and diverse users of the system. Therefore WIPO's Member States place great emphasis on the effective use of IP assets. In responding to this interest, WIPO has taken up the question of how IP assets are developed, protected, managed and used optimally so that benefits flow not only to individual inventors, creators, and enterprises, but also to society at large.

230. This Main Program is designed to strengthen and coordinate WIPO's approach to address these important issues. It is designed expressly to service the requests Member States make for information on how IP can work in practice as a tool for their economic development, and how it can be used most effectively by individuals, the private sector, public institutions, academia and research institutions. Sub-program 11.1 is a newly developed sub-program in order to address the needs of national policy makers. Sub-programs 11.2, 11.3 and 11.4 continue existing program activities with new approaches targeting the general public, users of the IP system, including those owning and accessing IP-protected material and other important players in the market.

231. The Organization's efforts for demystification will continue to target government leaders and policy-makers, creators and entrepreneurs. However, the demystification campaign for those stakeholders alone is not sufficient for the creation of an IP culture which should be supported by the general public. While the large majority of the public may not have an opportunity to own IPRs, their lives are nevertheless enriched by IP. Therefore, it is imperative to reach out to the public and educate them about the importance and value of individual creativity and innovation, and to enlist their participation in the creation of an IP culture that promotes appreciation and respect for such efforts. Sub-program 11.4 provides for material, tools, networks, mechanisms, facilities and other useful means to enhance communications and demystification campaigns towards the creation of the IP culture.

SUB PROGRAM 11.1

INTELLECTUAL PROPERTY POLICY AND DEVELOPMENT

Objective: To improve the awareness and understanding of policy makers in Member States with regard to the development and management of policies and practices for using IP assets as a tool for economic development.

Expected Results	Performance Indicators
1. Improved analysis and understanding of the relationship of IP to economic development.	Completion of case studies, demonstration projects and publications; and feedback from Member States.

Expected Results	Performance Indicators
2. Strengthened understanding and use of policies development and management of IP assets.	Evaluation results showing level of understanding of IP and economic development, and management of IP assets.

232. This new sub-program is designed to address the role of IP assets as a tool for economic development worldwide. It will provide useful, practical and highly focused services to Member States for policy formulation on IP questions in government departments and other relevant agencies and institutions, such as academic and research institutions, as well as IP asset management services in the new and growing field. The sub-program integrates the expertise already within the Secretariat with the knowledge and practical experience of external experts collected and applied through case studies, research, economic and statistical analysis.

233. Ongoing economic analysis and research relating to IP is vitally important in clarifying and explaining how the IP system contributes to economic growth in both developed and developing countries; and in testing, validating or challenging various assumptions about IP as it functions in the complex, competitive and rapidly evolving economic patterns of today. The importance of the relationship between IP and the global economic environment has now been largely recognized. This relationship is not only significant for enterprises at the micro-economic level, but also at the level of national and the global economy. Yet major empirical and theoretical uncertainty clouds the actual correlation of IP-related factors and economic activity. This creates a great demand for meaningful and objective research data on this subject. Member States have asked WIPO to produce and document information on how enhanced IP protection corresponds to economic growth and to social, cultural and economic development with specific data, models, research, and case studies on a number of topics in order to assist policy makers in formulating better targeted strategies for national economic development.

234. Research on how IP can be developed, managed and commercially exploited as an economic asset, and how this achieves quantifiable returns on investment (also known as the “intellectual asset management” or “IAM”) has been seen in the last decade, and the practical implementation of these insights has become an important field in business in several countries. IAM is used by many enterprises in innovative economies, and is now highly significant for any country as a set of practical means of using IP for economic development. Policy makers are therefore vitally concerned with IAM because it assists them in designing and implementing strategies for promoting economic growth based on IP and human capital.

235. This sub-program will provide Member States with tools for the promotion of IAM in their countries, including guidelines and best practice models for managing intellectual assets. A limited number of demonstration projects will be designed to

highlight the use of IP as a catalyst of economic growth in specific contexts, such as licensing, joint ventures, research and development, educational initiatives and other fields. In this regard, activities will be coordinated with other relevant main programs, especially Main Programs 08, 09 and 10.

Activities

- Research and data gathering on the effect of IP on economic growth;
- conducting a case study on R&D networks in developing countries and on how IP can help exchange data, accelerate research, increase funding, meet human needs, and prevent brain drain;
- conducting a case study on financing IP asset development and R&D networks with a national or regional partner;
- preparing presentations, training modules and a database of policies and practices, to promote the development and management of intellectual assets;
- demonstration projects and case studies on integrating IP into economic forecasting and planning, including within R&D policies and networks.

SUB PROGRAM 11.2 INNOVATORS AND SMEs

Objective: To improve awareness and understanding among governmental, private and civil society institutions worldwide enabling them to formulate and implement policies, programs and strategies to enhance the strategic use of IP assets by innovators and SMEs.

Expected Results	Performance Indicators
1. IP is increasingly perceived as a policy priority in empowering inventors, creators, academics, entrepreneurs and SMEs.	<ul style="list-style-type: none">• Number of national awareness raising programs targeting inventors, creators, academia, entrepreneurs and SMEs.• Number of policies developed or adopted on issues relating to IP for inventors, creators, academia, entrepreneurs and SMEs.

Expected Results	Performance Indicators
2. Better awareness and understanding, and greater use of the IP system among R&D institutions and universities to disseminate and commercialize research results.	Number of R&D institutions and universities which have established IP policies or coordinators to facilitate the development, protection and management of IP assets based on research results.

236. This sub-program targets innovators¹ and SMEs². Innovators and SMEs contribute more than 90 per cent of the GNP in many countries, and R&D institutions and universities contribute most of the knowledge creation in Member States. These knowledge contributors are often an underutilized force for driving business success and economic growth. The sub-program will integrate some activities undertaken by the SMEs Division and the Division for Infrastructure, Services and Innovation Promotion in 2002-2003, and give them a sharper focus. It will design specific strategies to empower groups of potential partners and users of the IP system, who have not had the time, resources and information to understand the importance of, and make effective use of, the IP system to identify, develop, protect and manage the knowledge and IP assets they create. For this purpose, specific national, regional or local services and support structures would be created, developed or reinforced. This sub-program will be carried out under the following themes:

- worldwide concerted efforts should be made in cooperation with other relevant partner organizations, which promote the use of IP for innovation and creation, such as SMEs associations, innovation center networks, business/technology incubators, universities, R&D institutions, science and technology parks, venture capitalists, professional associations, and chambers of commerce and industry;
- attention will be devoted to national and local capacity-building by providing tools, awareness and training material and e-learning programs (e.g. Internet), promoting networking among organizations, training the trainers in utilizing local expertise and WIPO's customized material and tools for innovators and SMEs, IP Coordinators, as well as customized material prepared by other organizations;
- this sub-program will coordinate with other WIPO programs to provide stakeholders with specialized and customized material and tools on various aspect of IP and its use and management which should empower innovators and SMEs

¹ including individual inventors and creators, researchers and administrators at public or non-profit R&D centers, and researchers at universities and other innovation-related organizations.

² Generally this refers to all small and medium sized enterprises including microenterprises, but different definitions of SMEs used in Member States will be respected in the implementation of program activities.

with enhanced knowledge about the role and use of IP for strengthening their competitiveness in the marketplace;

- a concerted effort will be made to use the IP system to facilitate the development of synergic partnerships between government, academia (R&D organizations and research-oriented universities), and industry and the business sector at national, regional and international levels for mutually beneficial results through effective use of commercial channels;
- the possibilities for inventors and innovators to access the financial facilities needed to develop their inventions and innovations, and to protect their IPRs, will be explored by studying the creation of a WIPO fund for financing inventive and innovative activities in developing countries and countries in transition;
- cooperation will continue with other international organizations such as International Telecommunication Union (ITU), United Nations Industrial Development Organization (UNIDO), International Labor Organization (ILO), Organization for Economic Co-operation and Development (OECD), World Bank, Central European Initiative (CEI) as well as NGOs such as World Association for Small & Medium Enterprises (WASME), International Small Business Congress (ISBC), International Association of Science Parks (IASP), European Small Business Alliance (ESBA), International Federation of Inventor's Associations (IFIA), Association of University Technology Managers (of USA) (AUTM), *Agence Universitaire de la Francophonie* (AUF), International Federation of Industrial Property Attorneys (FICPI) and International Confederation of Societies of Authors and Composers (CISAC).

Activities

- Assessing compiling and disseminating guidelines, best practices models and case studies for inventors, creators, academia, entrepreneurs and SMEs through various media, papers, CD-ROMs and the Internet (WIPO web site);
- supporting and participating in awareness-raising events on IP for innovators, inventors, creators, academia, entrepreneurs and SMEs (focusing on specific issues of practical interest such as technology transfer, IP licensing and IP assets management);
- developing awareness, teaching and training materials and guides, and customizing for individual countries a set of practical IP tool kits, targeting schoolchildren, innovators, inventors, creators, academia, entrepreneurs and SMEs;
- preparation of a set of guidelines and checklist on IP valuation, assessment and audit;

- promotion of the use of the IP system for innovation and creativity through the granting of WIPO awards for inventors, creators, academia, entrepreneurs and SMEs;
- exploration of a possible fund for financing IP asset development and management of research results and innovation in developing countries and countries in transition;
- promotion of the multifaceted use of legal, technical and business information in IP documents/databases for undertaking market research, collecting business intelligence, and promoting the commercialization of innovations; this includes the WIPO Patent Information Services for developing countries and countries in transition;
- assistance to SME associations, innovation center networks, business incubators, universities, R&D institutions, professional associations, and chambers of commerce in providing IP-related support services to their members and constituencies;
- conduct of training programs for key partner institutions and business service providers on IP, following a “training the trainers” approach;
- conduct, commission, technically backstop or contribute to research studies on IP and SMEs and conduct studies on areas of particular interest to SMEs (e.g. IP valuation; IP and financing; IP in university-industry relations; IP insurance);
- working with national and regional IP offices to enhance their outreach activities for SMEs.

SUB PROGRAM 11.3

COOPERATION WITH THE PRIVATE SECTOR

Objective: To enhance cooperation with the private sector in support of its more proactive participation in WIPO program activities.

Expected Results	Performance Indicators
1. Transparent and appropriate mechanisms and Guidelines which allow the private sector to play a proactive role in WIPO's activities.	Adoption of Guidelines for cooperation with the private sector.

Expected Results	Performance Indicators
2. Exploration of extra budgetary resources to increase opportunities to expand WIPO projects and augment activities serving to reinforce IP culture, strengthen human resources and build national IP infrastructures.	<ul style="list-style-type: none">• Positive reactions from Member States and the private sector.• Amount of contributions accepted and number of projects approved.

237. WIPO has placed particular emphasis on the interests of the private market sector and benefited from timely and informed inputs from this important constituent as well as from users of the IP system in the preparation of its policy and programs. In the context of this sub-program, “the private sector” includes private persons, non-governmental organizations and others, such as commercial enterprises, industry associations and IP practitioners, interested in contributing to the development of IP laws and services.

238. WIPO will take another step forward towards in facilitating its cooperation with the private sector in order to create an enhanced environment conducive to the effective use of IP as a policy tool for growth. To this end, WIPO will establish necessary mechanisms and Guidelines which will capitalize WIPO’s experience accumulated during the implementation of activities within the framework of extra-budgetary funding agreements with certain governments (see Main Program 08). In the 2004-2005 biennium, WIPO will commence consultations with Member States on the proposed Guidelines, according to principles that Member States indicated at the sixth session of the Program and Budget Committee, including that on compliance with the UN Resolution 56/76 “Towards Global Partnerships,” and that on establishment of procedures through which Member States could ensure the proper implementation of accepted activities in accordance with the proposed Guidelines (see document WO/PBC/6/4).

239. A governance structure and Guidelines for administration and operation of projects and activities under this sub-program will be developed carefully and progressively by the Secretariat in consultation with the Member States, and will be submitted for approval by the competent governing body of WIPO in due course.

240. WIPO would benefit from this new extra-budgetary funding, and sources of practical expertise and other services, through implementation of multi-party (WIPO, governmental and private sector) projects directed at expanding WIPO capabilities in capacity-building and public outreach. The private sector would benefit through the enhancement of the IP culture, in which IP protection is strengthened and respected. Governments and national economies would benefit through the encouragement of the development of local IP infrastructure and human resource development, and reversal of the “brain drain” problem, through expanded innovation at local, country and regional levels, and the resultant expanded economic activity.

Activities

- Preparation of draft Guidelines for approval by the competent governing body of WIPO;
- enhancement of cooperation through promotion of contributions of funding and of proactive participation by the private sector partners in WIPO activities in accordance with the Guidelines;
- development of project activities; review of initial proposals for projects or contributions; implementation of the approved projects;
- provision of timely, accurate and transparent reporting to the competent governing body of WIPO of activities undertaken under this sub-program.

SUB-PROGRAM 11.4 PUBLIC OUTREACH

Objective: To further enhance and promote WIPO's image and to provide WIPO constituents with easier access to top-quality, up-to-date information on IP.

Expected Results	Performance Indicators
1. Attractive, accessible, and user-friendly information products on IP-related subjects.	<ul style="list-style-type: none">• Number of new/revised/updated general and specialized information products.• Number and range of WIPO information products conveying WIPO's corporate image.• Number of conferences and seminars for which publicity materials are prepared.• Number of documents available in each language version of the website and number of visits to website.
2. Increase in the number of WIPO products distributed free of charge, and greater use of information technology as a means to achieve this.	<ul style="list-style-type: none">• Number of WIPO products distributed free of charge.• Number of free publications available in the e-bookshop/WIPO site.

Expected Results	Performance Indicators
3. Increase in marketing activities for WIPO products.	<ul style="list-style-type: none">• Number of events attended.• Number of countries in which WIPO sales agents are located.• Sales volume of WIPO sales agents.• Income generated from advertisements in WIPO periodicals.• Number of users of the e-bookshop information mailing lists.• Revenue from sales of WIPO publications and e-bookshop sales as a percentage of total sales.
4. Greater public understanding of IP and WIPO.	Increase in the volume, range, and quality of television productions, spots, documentaries, and video news releases.

241. Developing and maintaining an effective line of information materials is critical to the success of the Organization's demystification and public outreach campaign. This task becomes more challenging as public awareness of IP increases, giving rise to new issues and controversies that call for response or clarification from the Organization. Information materials and outreach efforts, customized to reach key target groups will be enhanced and disseminated in appropriate formats, including print, multimedia products, the Internet, and other means.

242. WIPO will embark on high profile public awareness events, including use of visuals and poster campaigns, in its efforts to educate the public and raise awareness with regard to counterfeiting and piracy. This initiative will complement activities which are geared towards enhancing national systems for the purpose of further developing international cooperation in support of effective use of IP systems.

Activities

- Creation of new public information products and publications, and updating of existing ones;
- creation of design concepts and advertising materials for WIPO conferences and other events; development of various information stands for WIPO's participation in international fairs, events and seminars;
- further development of WIPO's best-selling general publications;

- processing of orders for the sales of publications and free distribution of information products worldwide; efficient stock management of WIPO publications and information products;
- coordination and implementation of computerized sale and distribution as well as stock management system;
- creation of new outlets and markets for WIPO products through advertising, participation in fairs, expansion of sales agent network, and establishment of contracts for low-cost local publishing of WIPO materials;
- coordination with Member States and other programs in providing WIPO products for local translation and printing;
- development of cooperative projects with private sector and non-governmental entities in supporting WIPO's public outreach activities and in building the image of the Organization;
- cooperation with other WIPO Programs in developing and carrying out joint public outreach activities in order to meet the needs of Member States;
- preparation and organization of meetings, conferences and events aimed to enhance the public awareness on the importance of IP protection;
- contractual arrangements with commercial publishers to market other IP books;
- further improvement of the content of the electronic bookshop;
- establishment of co-publishing agreements with commercial/academic publishers;
- publishing the WIPO Magazine in three languages;
- management of the WIPO Information Center and organization of two exhibitions during the WIPO Assemblies;
- expansion and enhancement of public information content on the WIPO site, including interactive and video materials;
- further improvement and updating of the "look and feel", structure, and navigability of the WIPO site and ensuring harmony and consistency of format and presentation throughout the site and with other subsidiary sites;
- in cooperation with the relevant programs, addition of more material to the different language versions of the website;

- steady production of video clips on WIPO events, visits, exhibitions, etc., for television broadcast and webcast via the WIPO site;
- production of spots (public service announcements) for major television stations worldwide, international and national, and for webcast via the WIPO site;
- production of a series of television documentaries or short films on various aspects of IP, depending on external support available, and arranging for their transmission on international and national channels, with an emphasis in developing countries;
- conception and production of several interactive CD-ROMs on general or specialized issues, to be used in the conjunction with WIPO events and made available on the WIPO website.

Where appropriate, the activities under this sub-program will be carried out in coordination with other main programs, in particular sub-program 2.2 (External Relations), sub-program 12.2 (Knowledge Management) and Main Program 13.

Resource Description by Object of Expenditure

243. Total resources of Sfr18,500,000 reflect a program decrease of Sfr197,000 or 1.1 per cent with respect to the corresponding amount in the previous biennium.

244. For staff resources, an amount of Sfr12,802,000 is shown, a program decrease of Sfr191,000 or 1.5 per cent. This includes resources of:

- (i) Sfr12,124,000 for posts, reflecting a reduction of three positions, the reclassification of five posts including the reclassification of one position to D-level and
- (ii) Sfr678,000 for short-term expenses.

245. For travel and fellowships, an amount of Sfr897,000 is shown, a program increase of Sfr4,000 or 0.5 per cent. This includes resources of:

- (i) Sfr782,000 for 155 staff missions,
- (ii) Sfr115,000 for third party travel in connection with innovation promotion activities.

246. For contractual services, an amount of Sfr4,344,000 is shown, a program decrease of Sfr31,000 or 0.7 per cent. This includes resources of:

- (i) Sfr77,000 for conferences to cover interpretation and other costs of meetings on innovation promotion,
- (ii) Sfr1,769,000 for consultant services,
- (iii) Sfr1,132,000 for publishing services to cover the printing cost of WIPO public information products, including the WIPO magazine, laws and treaty brochures and patent information documents and

- (iv) Sfr1,366,000 for other contractual services to cover the cost of development projects, development of information products and corporate image.

247. For operating expenses, an amount of Sfr329,000 is shown, a program increase of Sfr173,000 or 111.6 per cent. This includes resources of:

- (i) Sfr20,000 for premises and maintenance and
- (ii) Sfr309,000for communications and other expenses.

248. For equipment and supplies, an amount of Sfr128,000 is shown, a program decrease of Sfr152,000 or 54.3 per cent. This includes resources of:

- (i) Sfr50,000 for furniture and equipment and
- (ii) Sfr78,000 for supplies and materials, including creativity awards.

Table 9.11 Detailed Budget 2004-2005 for Main Program 11

A. Budget Variation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

		2002-2003 Revised A	Budget Variation						2004-2005 Proposed E=A+D
			Program		Cost		Total		
			Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
I. By Sub-program									
11.1	Intellectual Property Policy and Development	432	855	197.9	32	7.4	887	205.3	1,319
11.2	Innovators and SMEs	7,669	(973)	(12.7)	140	1.8	(833)	(10.9)	6,836
11.3	Cooperation with the Private Sector	380	601	158.2	14	3.7	615	161.8	995
11.4	Public Outreach	9,863	(680)	(6.9)	167	1.7	(513)	(5.2)	9,350
	TOTAL	18,344	(197)	(1.1)	353	1.9	156	0.9	18,500
II. By Object of Expenditure									
	Staff Costs	12,673	(191)	(1.5)	320	2.5	129	1.0	12,802
	Travel and Fellowships	887	4	0.5	6	0.7	10	1.1	897
	Contractual Services	4,349	(31)	(0.7)	26	0.6	(5)	(0.1)	4,344
	Operating Expenses	155	173	111.6	1	0.6	174	112.3	329
	Equipment and Supplies	280	(152)	(54.3)	--	--	(152)	(54.3)	128
	TOTAL	18,344	(197)	(1.1)	353	1.9	156	0.9	18,500

B. Post Variation by Post Category

Post Category	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	3	1	4
Professionals	13	4	17
General Service	22	(8)	14
TOTAL	38	(3)	35

C. Budget Allocation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

Object of Expenditure	Sub-program				Total
	1 IPPD	2 ISME	3 CPS	4 PO	
Staff Costs					
Posts	946	4,705	442	6,031	12,124
Short-term Expenses	63	210	58	347	678
Travel and Fellowships					
Staff Missions	80	300	100	302	782
Third Party Travel	--	115	--	--	115
Contractual Services					
Conferences	--	77	--	--	77
Consultants	200	670	395	504	1,769
Publishing	--	52	--	1,080	1,132
Other	20	652	--	694	1,366
Operating Expenses					
Premises and Maintenance	--	--	--	20	20
Communication and Other	--	35	--	274	309
Equipment and Supplies					
Furniture and Equipment	--	--	--	50	50
Supplies and Materials	10	20	--	48	78
TOTAL	1,319	6,836	995	9,350	18,500

D. Funds-in-Trust by Object of Expenditure (*in thousands of Swiss francs*)

<i>Object of Expenditure</i>	<i>Sub-program 2 ISME</i>
Staff Expenses	712

MAIN PROGRAM 12

RESOURCES MANAGEMENT

12.1 Financial Operations

12.2 Human Resources and Knowledge Management

12.3 Conference, Languages and Printing Services

12.4 Procurement, Travel and Building Services

12.5 New Construction

Summary

249. Administrative Services support the daily functioning of WIPO. The goal of this Main Program in all its aspects - financial, human resources management, knowledge management, conference management and languages, printing services, procurement, travel and buildings - is to enhance the productivity and cost-effectiveness of WIPO in its service to Member States.

250. One key initiative under this Main Program will be the steps to be taken by Financial Operations to implement new information technology tools in 2004-2005, including the new Finance and Budget Information System undertaken as part of the Administrative Information Management System (AIMS). Proposed extensions of AIMS into other administrative areas will be closely evaluated in order to optimize coordination with financial management.

251. This Main Program will especially emphasize WIPO's most important resource, its staff. The importance of human capital for effective use of the IP system will be a central theme of WIPO's activities in 2004-2005. It is therefore apt for WIPO to take a lead by maintaining and intensifying its efforts towards human resources development, training, knowledge management and collaboration in the many interrelated aspects of WIPO's work. To consolidate this process, the Human Resources Management Division and the Knowledge Management Center and Library are combined into a single sub-program, so as to yield synergies in human resources development and knowledge sharing. These efforts will bear fruit in

WIPO's organizational alignment, greater productivity and coordination of WIPO's activities, a more skilled and informed work force, and more effective services to Member States and users of WIPO services.

SUB-PROGRAM 12.1
FINANCIAL OPERATIONS

Objective: To ensure the efficient execution of all financial operations at WIPO.

Expected Results	Performance Indicators
1. Enhanced efficiency of financial operations.	Successful implementation of the first modules of the new finance information system.
2. All financial operations are executed with probity.	<ul style="list-style-type: none">• Satisfactory report by external auditors.• Income is properly received and expenditures are paid on time.• Accounting conforms to applicable regulations, rules and standards.• Timely distribution to Member States of fees collected under the Madrid and Hague Systems.
3. Funds available for investment are safeguarded and maximum return achieved, based on Investment Advisory Committee decisions.	Return obtained on invested funds.
4. Full transparency, accountability and effective use of resources.	Timely production of financial reports and timely delivery of financial information to Member States and program managers within the Secretariat.

252. Efficient, prudent and transparent financial management will remain central to this sub-program. The improved financial systems mentioned above will support this objective. The effective investment and management of funds will continue, following the advice of the Investment Advisory Committee, with the aim of exercising prudence while maximizing returns.

Activities

- Undertaking all financial operations concerning WIPO and the Unions administered by WIPO, UPOV, cooperation for development activities financed by the UNDP and by trust funds provided by Member States, and the WIPO (Closed) Pension Fund. Financial operations conform to the provisions of the applicable conventions and treaties, WIPO Financial Regulations and Financial Rules, and the UN Accounting Standards;
- in conjunction with information technology staff under Main Program 14, development and implementation of modules of the new, modern integrated Finance and Budget Information System as part of the AIMS Project; and maintenance and running of the old current finance information system, to be replaced step by step by those new modules;
- receipt of contributions of Member States, fees (under the PCT, Madrid, Hague and Lisbon Systems, and the WIPO Arbitration and Mediation Center), of income from sales of publications, of rental of premises and of miscellaneous income; follow-up on debtors; management of current accounts and funds on deposit belonging to users of WIPO's registration systems; development of on-line access for the owners of those funds;
- making all payments, including the payroll, payments to staff, payments to suppliers of goods and services, and distribution to Member States of fees collected for them under the Madrid Agreement and Protocol and under the Hague Agreement;
- investment of available reserves, working capital funds and treasury operating balances¹ in accordance with the approved investment guidelines and the advice of the Investment Advisory Committee; negotiations of special conditions with banks concerning investments, rates of exchange and services offered to the Secretariat;
- keeping accounts and preparation of financial reports, including the Financial Management Report, in a user-friendly format; provision of full financial information to the Office of the Controller, the Internal Audit and Oversight Division, the External Auditor, the Program and Budget Committee, and the Assemblies; provision of timely on-line information to senior management on actual income and expenditure, and to Program Managers on the status of expenditure and commitments by Main Programs and sub-programs;

¹ As of December 31, 2001, the funds available for investments amounted to about 340.2 million Swiss francs, consisting essentially of the following: 243.7 million Swiss francs in the reserve funds and working capital funds of the PCT, Madrid and Hague Unions; 26.8 million Swiss francs for the distribution in 2002 of the 2001 Madrid supplementary and complementary fees and 2001 Hague State fees, and 69.7 million Swiss francs resulting from the current treasury cash flow. (The working capital funds and reserve funds of the Contribution-financed Unions were not available as they were mainly used to cover the arrears in contribution of Member States.)

- participation in meetings of Finance Directors and of Treasurers of the UN organizations, and participation in other UN or non-UN meetings of the same nature.

SUB-PROGRAM 12.2

HUMAN RESOURCES AND KNOWLEDGE MANAGEMENT

Objective: To effectively and efficiently manage and develop human resources as an asset of WIPO and to enhance access to information by WIPO staff and WIPO's broad community of interest through knowledge management.

Expected Results	Performance Indicators
1. Timely and efficient recruitment of high-caliber staff, reflecting gender equity and geographical distribution.	<ul style="list-style-type: none"> • Number of staff recruited meeting WIPO requirements and within established time frames. • Improved geographical distribution. • Higher proportion of women at senior professional and higher category levels.
2. Timely and efficient administration of the benefits and entitlements of all regular staff through the Personnel Management Information System (SIGAGIP/HRAccess).	Feedback from staff on the administration of their benefits and entitlements.
3. Improved compatibility of the WIPO Staff Regulations and Rules with the United Nations Common System.	Number of amendments made to the WIPO Staff Regulation and Rules.
4. Classification of posts in accordance with the standards used within the United Nations Common System.	Percentage of posts classified according to the UN Common System standards.
5. Improved standards of service for staff and temporary employees.	Feedback from program managers and other staff and employees.
6. Timely and accurate information and advice to staff on their rights and obligations.	Feedback from staff on the information and advice provided.
7. Improved work performance through training in IP, IT, communication skills, languages and other relevant subjects.	<ul style="list-style-type: none"> • Feedback from participants and from their supervisors. • Number of staff members mastering two or more working languages recognized by WIPO.

Expected Results	Performance Indicators
8. Appropriate healthcare for staff, retirees and delegates.	Number of staff members, short-term employees, retirees and WIPO delegates benefiting from the care, and reports and comments by all persons concerned (staff, retirees and delegates).
9. Higher awareness of the benefits of health management techniques and a healthy working environment, and better access to these benefits.	Significant reduction in the number of cases of illness linked to the working environment; feedback from program managers and staff.
10. The Library develops its IP-related holdings of various types, including electronic collections, and the range of languages represented, and provides information services to WIPO staff and WIPO's broad community of interest.	<ul style="list-style-type: none"> • Number of IP-related holdings of various types. • Number and types of e-services and new services. • Usage statistics of the Library services, including e-Library services, and feedback from users.
11. Incorporation of knowledge management initiatives in the work of the Secretariat and enhanced collaboration and information access by WIPO staff.	Effectiveness of knowledge management initiatives based on user feedback.
12. Effective contribution to Intranet content and design combined with initiatives to increase staff contribution and use of WIPO Intranet site.	Usage of the services and user feedback.
13. IP-related information services provided to the Member States.	Usage of the services and user feedback.

Human Resources Management

253. The Human Resource Management Division (HRMD) comprises five functional units: Engagements, Entitlements and Classification, Social Security and Welfare, Staff Development, and Healthcare Services. The HRMD will continue to focus on these fundamental operations in order to provide an optimal environment for the work of the Secretariat Staff.

254. Each of these functional units has an important responsibility. Engagements ensures that WIPO can attract and recruit staff of the highest caliber. Entitlements and Classifications manages classification in a fair and effective manner under WIPO and UN Common System rules. The Social Security and Staff Welfare Unit administers participation in the United Nations Joint Staff Pension Fund (UNJSPF) and the WIPO closed Pension Fund, and provides medical, accident and life insurance for staff, dependants, and retirees.

255. The Staff Welfare Unit assists active and retired staff as well as their families as they adjust to and live in Geneva. Staff Development develops and maintains staff expertise through training in IP, languages, communication, management, and information technology. The Medical Unit provides first instance medical care to employees on premises as well as other services related to staff health and well being.

256. In HRMD as a whole, effective use of information technology will be one of the tasks to be addressed in this biennium, requiring careful evaluation of cost-effective options for integrating human resources IT systems with financial management and other relevant linked operations.

Knowledge Management

257. WIPO is a knowledge organization, so its greatest asset is its staff, their experience, valuable institutional memory and networks of contacts. How WIPO will optimize human resources as an asset depends upon how effectively the organization manages knowledge. For this reason, the HRMD has been joined into a single sub-program with the WIPO Knowledge Management Center and Library. To establish the WIPO Knowledge Management Center and Library is a new initiative to enhance the access of staff to information and promotion of the exchange of information and ideas.

258. The Knowledge Management Center will continue to develop and manage a collection dealing with intellectual property and related fields. In addition to continuing to provide conventional library services in a high quality manner, the Center will introduce knowledge management initiatives to provide access to WIPO's corporate memory, to information generated within WIPO, and to electronic reference services. Where appropriate, activities of the Knowledge Management Center and Library will be carried out in coordination with sub-program 11.2, 11.4 and Main Program 13.

Activities

Human Resources Management

- Recruitment, selection, and administration of fixed-term, short-term and other temporary staff;
- development of policies and activities to continue to improve gender-equitable recruitment;
- enhancement of the Appointment Advisory Board process for selection of candidates for staff posts to assure competence, efficiency and integrity;
- administration of staff benefits and entitlements, including helpful provision of advice and information to Staff;

- formulation and implementation of human resources management policies in keeping with the reform program for benefits and remuneration within the UN Common System;
- continuous evaluation and, where necessary, revision of the WIPO Staff Regulations and Rules to reflect changes in the organizational structure of WIPO and to conform to the UN common System;
- updating, classification and revision of job descriptions to conform to the changing responsibilities and requirements of the post, and for processing vacancy advertisements;
- provision of support to the Classification Committee under WIPO Staff Regulations and Staff Rules, including evaluation of all requests for reclassifications of individuals or groups of posts;
- provision of support to the Promotion Advisory Board (PAB);
- managing the cost of social security coverage and social services for staff and their families, improvement of coverage of existing insurance plans, and negotiation of new insurance plans, such as loss-of-earning insurance, through the WIPO Medical and Accident Insurance Management Committee;
- administration of the United Nations Joint Staff Pension Fund and the closed WIPO Pension Fund;
- assistance to new staff members and their families in adapting to living in the Geneva area, and counselling of staff faced with personal or family problems;
- development and delivery of training and continuous education in IP, management and communication skills, languages, and information technology in cooperation with the WIPO Worldwide Academy, the Knowledge Management Center, and the IT Services Division;
- reinforcement of formal training activities through self-learning activities and peer training activities;
- providing medical care for staff, WIPO retirees, delegates and WIPO's guests as outpatient services as well as emergency care and providing pre-employment medical examinations;
- undertaking pre-employment medicals for short-term employees;
- creating and applying measures designed to keep healthcare costs under control, and allowing staff and WIPO to make maximum possible savings;
- carrying out public health promotion programs, epidemiological and diagnostic studies into the health of the staff and occupational diseases, organizing training

modules on stress management and other topics, improving WIPO's sports and leisure program, and other activities related to staff well being; and providing advice on WIPO's healthcare policies and procedures;

- vaccinating staff undertaking overseas missions and providing them with medical travel kits.

WIPO Knowledge Management Center and Library

- Manage library acquisitions (books, periodicals, databases, e-services) with special focus on collection of and access to intellectual property and related literature, extension of the language coverage; circulation of periodicals, management of interlibrary loans, and other related library activities;
- participate in the UN System Electronic Information Acquisition Consortium;
- acquire and develop new e-library services concerning intellectual property and related fields;
- develop improved access to research and information generated at WIPO, including studies, documents, treaties and other materials concerning intellectual property and related fields; develop enhanced reference services for WIPO staff;
- publish an electronic newsletter for the staff and undertake other in-house marketing of library and e-library services;
- organize and run a showcase service to demonstrate the leading edge industrial property information services for WIPO staff and external users of such information.

SUB-PROGRAM 12.3

CONFERENCE, LANGUAGES AND PRINTING SERVICES

Objective: To manage conferences, facilitate understanding of proceedings and publications among Member States and within the Secretariat.

Expected Results	Performance Indicators
1. Efficient conference and other meeting services to delegates and the Secretariat.	Satisfaction of delegates with the conference services provided.

Expected Results	Performance Indicators
2. Increasingly effective and efficient distribution of meeting documents and availability thereof on the WIPO web site.	Timely and accurate distribution of documents.
3. Modern telecommunications links between all buildings occupied by WIPO and cost-effective use of telecommunications.	Overall charges for telecommunications usage remain at the level of the 2002-2003 biennium, despite greater usage.
4. Effective and efficient records management, archives, mail and messenger-driver services.	<ul style="list-style-type: none"> • Timely and responsive operation of records management and archives systems, allied with timely distribution of mail and internal correspondence. • Cost-effective use of mail and other delivery services.
5. Translations of documents in more working languages.	<ul style="list-style-type: none"> • Feedback from delegates on the quality and timeliness of translations. • Volume of translations produced consistent with productivity standards.
6. Production of increased volume of printed material in-house including PCT pamphlets, publications and documents.	Increased output of the internal printing plant, including color printing.
7. Cost-effective production of high quality publications in paper and electronic form.	<ul style="list-style-type: none"> • Number of publications, documents and other material (in paper or electronic form) delivered on time. • Increased amount of publications produced in electronic format (CDs, DVDs, etc.) • Reduction of costs through outsourcing (and insourcing as appropriate) of publication.

259. Under this sub-program, information technology will be used to streamline and modernize processes. Electronic distribution of meeting documents, digital archiving and greater use of the Intranet and Internet will result in even more efficient services. The Languages Service will translate and edit WIPO publications, documents and other material into the working languages of WIPO. Information technology will support the translation process, and new computerized translation-aids will be monitored closely and applied where appropriate. Printing Services will concentrate on meeting the increase in production demands via technology, insourcing in order to save on the use of outside printers, DVD and CD production, and color printing.

Activities

Conference Services

- Servicing conferences and meetings, including electronic provision of information on timing and location of meeting sessions, assignment of conference staff, assistance to delegates, production of lists of participants, and support for multi-media presentations and netcasting;
- arranging conferences and meetings, including preparing cost estimates, scheduling and reservation of facilities (both at WIPO Headquarters and elsewhere), engagement of interpreters and sound recording operators, logistical operations, and organizing official receptions;
- sending invitations and documents for conferences and meetings (in electronic and paper form, in the official languages), and external and internal distribution and archiving of documents;
- distribution of mail throughout the buildings occupied by the Secretariat, with distribution of internal circulars, administrative instructions, notifications and information of a general nature made increasingly via the WIPO Intranet; provision of messenger-driver service for internal needs and for errands within the Geneva area;
- dispatch, via post office and other delivery services, as well as Diplomatic Pouch, of outgoing mail, including PCT pamphlets (under tight deadlines), documents, letters and other material; ensuring most cost-efficient and timely means of dispatch including tracking and tracing;
- storage and archiving of printed material, in-house production of CD-ROMs and other storage systems, high-speed printing, improved desktop publishing, and improved color printing.

Language Services

- Translation of treaties and other international or bilateral instruments, national laws, documents for the Assemblies of the Member States of WIPO, publications, conference reports, working papers for committees of experts and working groups, and other material into Arabic, Chinese, English, French, Russian and Spanish, as required; translations into Portuguese of certain publications, promotional material regarding WIPO-administered treaties and material for meetings in development cooperation activities, as appropriate; translations into German, as part of the administrative support given to UPOV, and into other languages for certain specific activities undertaken for Member States;
- editing, revision and correction of texts produced by or for the Secretariat;

- review and development of the linguistic policy and terminology of the Secretariat, related preparation of glossaries, lists of terms and acronyms, etc., and response to queries from staff related to drafting, language or style; and use and development of on-line terminology databases;
- continued evaluation of the possible further integration of information technology in the translation process, including computer-assisted translation and voice recognition systems; and conduct of pilot projects as appropriate;
- participation in Inter-Agency Meetings on Language Arrangements, Documentation and Publications of the UN system of Organizations.

Printing Services

- Assisting IPOs world-wide in applying new technology to the production of publications;
- development and use of a network print-on-demand system interfaced with the Intranet and electronic digital archiving systems for documents;
- outsourcing periodicals and other publications, including sending and receiving the texts electronically;
- maintenance of floor photocopiers located throughout WIPO;
- operation and maintenance of equipment in the two locations of the Internal Printing Plant; printing of WIPO publications and documents, including the printing of PCT pamphlets; and production of PCT pamphlets and other material in electronic form.

SUB-PROGRAM 12.4

PROCUREMENT, TRAVEL AND BUILDING SERVICES

Objective: To provide cost-effective and appropriate procurement and travel services, and execute overall administrative and technical planning and management of premises and security.

Expected Results	Performance Indicators
1. Delivery of high-quality material, goods and services at the lowest possible cost in a timely manner, using transparent and legally appropriate procedures.	Level of prices and quality of materials, goods and services contracted for.

Expected Results	Performance Indicators
2. Efficient and cost-effective travel arrangements in accordance with accepted security standards.	<ul style="list-style-type: none"> • Timely processing of all travel authorizations and entry-visa applications. • Reduction of the average time needed for processing travel authorizations. • Amount of savings resulting from special fares and arrangements with airlines.
3. Effective management of WIPO premises including effective provision of building security.	Occupancy rate and number of reserve office space, frequency of relocation of staff, number of renting premises and cost of renting space, number of incidents regarding building security.

260. This sub-program will continue to focus on cost-effective procurement, efficient provision of travel services to facilitate missions, and the maintenance and security of premises. Procurement will continue to provide responsible and efficient services to obtain needed materials and products to support the operation of WIPO. Outsourcing will continue where cost savings or need justify it. Expeditious tendering and acquisition procedures will be utilized as well as appropriate contract management.

261. Travel services will continue to focus on the provision of timely and cost-effective travel arrangements for WIPO staff, delegates, experts and consultants. The emphasis in the biennium will be on further enhancing the efficiency of travel services by progressively introducing the automation of travel transactions and related procedures, including integration with the finance system.

262. Building services will maintain existing WIPO premises, allocate office space, provide building security, and ensure suitable facilities and services for all WIPO staff, Member States delegates and other users of the WIPO premises (sub-program 12.5 will deal with the new building construction project). As the premises plan (see Annex A) shows, the overall strategy is to reduce the reliance on renting a number of buildings, with benefits commencing with the availability of the renovated ex-WMO building in 2003, and to enhance efficiency by co-locating staff as far as possible.

Activities

Procurement Services

- Procurement of materials, products and services, including coordinating and issuing tender documents, publication of notices to ensure transparency and accountability, participation in evaluation of bids and contract negotiations in consultation with Legal Counsel, and preparation of contract documents.

Travel Services

- Processing travel arrangements, including visa applications and other related diplomatic services, for some 3,500 missions of government representatives, WIPO staff members, and others attending WIPO meetings in Geneva and abroad;
- coordination with UN agencies to ensure safety and security of all staff members and third parties that undertake WIPO missions;
- negotiating with airlines to obtain savings on travel costs and automation of travel transactions and related procedures;
- coordination of all activities regarding reimbursement of travel expenses and calculation of DSAs with the Finance Division.

Building Services

- management of all WIPO premises, including contractual services for the improvement and modernizing of existing premises and facilities;
- continuing to rent office space, parking and storage space;
- maintenance and enhancement of building security.

SUB-PROGRAM 12.5 NEW CONSTRUCTION

Objective: To continue progress of the authorized new construction in a timely manner, within budget, maintaining technical specifications and providing full information to Member States.

Expected Result	Performance Indicator
Timely and cost-effective implementation of the new construction project.	Progress of the building projects within time and budget constraints imposed.

263. This sub-program concerns the pending construction projects that are required to provide cost-effective premises for WIPO operations. In September 2002, Member States approved the construction of a new administrative building, including parking and a conference hall ("new construction") to cost Sfr190,500,000. The new

construction is expected to be completed in 2007. Member States requested the Secretariat to authorize further work for finalizing technical specifications, taking into account recommendations made in the evaluation report by the Swiss Federal Audit Office. Salient features of the final project plan are provided in annexes together with a mid-term premises plan of WIPO for the next several years.

264. In 2004-2005, a major portion of the new construction project will be undertaken. Specifically, the bulk of overall structural works will be completed by the general contractor. They will include major parts of concrete work, masonry, steel work, metal work, stone work, construction of windows, external insulation and external surface treatment. The architects and engineers will continue to assure the compliance of construction works with project plans and drawings.

265. Total expenditures under the new construction project are expected to reach Sfr80,950,000 or 42.5 per cent of the total project budget of Sfr190,500,000. This amount will include Sfr75,450,000 for the actual construction works; Sfr1,600,000 for the honorariums of architects and engineers; Sfr2,900,000 for the operating expenses, such as site security and insurance; and Sfr1,000,000 for the project management.

Activities

- Management of the new construction project;
- main structural works for the administrative building, including walls, floors, facades and core parts containing elevators and stairs;
- main structural works for the underground parking of the administrative building, including floors, walls and other core parts;
- main structural works for the underground storage area of the administrative building, including floors, walls and other core parts;
- main structural works for the conference hall, including walls, floors, facades and other core parts.

Resource Description by Object of Expenditure

266. Total resources of Sfr221,805,000 reflect a program increase of Sfr22,465,000 or 11.5 per cent with respect to the corresponding amount in the 2002-2003 biennium.

267. For staff resources, an amount of Sfr69,455,000 is shown, a program decrease of Sfr2,867,000 or 4.1 per cent. This includes resources of:

- (i) Sfr63,275,000 for posts, reflecting a reduction of ten posts, the upgrading of eight posts, the regrading of one D-level position and
- (ii) Sfr6,180,000 for short-term expenses.

268. For travel and fellowships, an amount of Sfr525,000 is shown, a program decrease of Sfr133,000 or 20.3 per cent to cover 100 staff missions.

269. For contractual services, an amount of Sfr6,659,000 is shown, a program decrease of Sfr12,950,000 or 66.2 per cent. This includes resources of Sfr606,000 for consultants services, Sfr107,000 for publishing services and Sfr5,946,000 for other expenditure to cover the cost of special service agreements for translation services, training courses and seminars, including language courses, costs of recruitment and systems for staff administration, studies on employment conditions, cost of conference and records management, and the costs associated with the new construction project, such as project management fees and the honoraria of architects and engineers.

270. For operating expenses, an amount of Sfr61,322,000 is shown, a program decrease of Sfr16,843,000 or 21.7 per cent. This includes resources of Sfr55,068,000 for premises and maintenance to cover the cost of rentals of workplaces, parking and storage space, the cost of building maintenance, including security, cleaning, utilities, the maintenance of technical equipment and installations, insurance and other services; operating costs associated with the new construction project, such as site security and insurance; cost of printing and photocopying services, including the maintenance of photocopying machines; cost of communications and other expenses, including bank charges, contribution to the Joint Medical Service and Administrative Tribunal, postage and telephone services.

271. For equipment and supplies, an amount of Sfr8,394,000 is shown, a program increase by Sfr1,284,000 or 18.2 per cent. This includes resources of Sfr3,652,000 for furniture and equipment to cover the cost of standard office equipment, ergonomic equipment, restaurant services and telephone equipment and Sfr4,742,000 for supplies and materials to cover the cost of office and building supplies, paper, stationery and photocopying machine toners.

272. For construction, an amount of Sfr75,450,000 is shown, a program increase of Sfr53,974,000 or 255.6 per cent. This includes resources for the actual construction works for the new construction project, including pre-structural and structural works as described in Annex B.

Table 9.12 Detailed Budget 2004-2005 for Main Program 12

A. Budget Variation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

		2002-2003 Revised A	Budget Variation						2004-2005 Proposed E=A+D
			Program		Cost		Total		
			Amount	%	Amount	%	Amount	%	
			B	B/A	C	C/A	D=B+C	D/A	
I. By Sub-program									
12.1	Financial Operations	13,624	(838)	(6.2)	544	4.0	(294)	(2.2)	13,330
12.2	Human Resources and Knowledge Management	19,659	(1,852)	(9.4)	722	3.7	(1,130)	(5.7)	18,529
12.3	Conference, Language and Printing Services	39,453	364	0.9	1,430	3.6	1,794	4.5	41,247
12.4	Procurement, Travel and Building Services	85,127	(18,365)	(21.6)	987	1.2	(17,378)	(20.4)	67,749
12.5	New Construction	37,401	43,156	115.4	393	1.1	43,549	116.4	80,950
TOTAL		195,264	22,465	11.5	4,076	2.1	26,541	13.6	221,805
II. By Object of Expenditure									
	Staff Costs	69,210	(2,867)	(4.1)	3,112	4.5	245	0.4	69,455
	Travel and Fellowships	656	(133)	(20.3)	2	0.3	(131)	(20.0)	525
	Contractual Services	19,567	(12,950)	(66.2)	42	0.2	(12,908)	(66.0)	6,659
	Operating Expenses	77,656	(16,843)	(21.7)	509	0.7	(16,334)	(21.0)	61,322
	Equipment and Supplies	7,056	1,284	18.2	54	0.8	1,338	19.0	8,394
	Construction	21,119	53,974	255.6	357	1.7	54,331	257.3	75,450
TOTAL		195,264	22,465	11.5	4,076	2.1	26,541	13.6	221,805

B. Post Variation by Post Category

Post Category	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	8	(1)	7
Professionals	64	8	72
General Service	148	(17)	131
TOTAL	220	(10)	210

C. Budget Allocation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

Object of Expenditure	Sub-program					Total
	1 FO	2 HRKM	3 CLPS	4 PTBS	5 NC	
Staff Costs						
Posts	12,121	13,025	26,255	11,874	--	63,275
Short-term Expenses	541	837	4,366	436	--	6,180
Travel and Fellowships						
Staff Missions	144	173	60	148	--	525
Contractual Services						
Consultants	147	--	--	459	--	606
Publishing	7	50	50	--	--	107
Other	40	2,591	609	106	2,600	5,946
Operating Expenses						
Premises and Maintenance	--	--	3,853	48,315	2,900	55,068
Communication and Other	300	718	5,014	222	--	6,254
Equipment and Supplies						
Furniture and Equipment	30	446	640	2,536	--	3,652
Supplies and Materials	--	689	400	3,653	--	4,742
Construction						
Construction	--	--	--	--	75,450	75,450
TOTAL	13,330	18,529	41,247	67,749	80,950	221,805

D. Funds-in-Trust by Object of Expenditure (*in thousands of Swiss francs*)

<i>Object of Expenditure</i>	<i>Sub-program 1 FO</i>
Contractual Services	200

MAIN PROGRAM 13

INFORMATION TECHNOLOGY

13.1 IT Policy and Systems Development

13.2 IT Networks, Operations and Services

13.3 PCT Information Systems

Summary

273. WIPO's investment in staff and non-staff resources in Information Technology (IT) program activities over the last three biennia now allows the Secretariat to benefit from a robust IT infrastructure and IT systems, and to provide effective IT services in support of a wide range of WIPO's activities. WIPO will continue to make strategic use of IT in maximizing the benefits of the IP system and culture. Main Program 13 consists of three sub-programs designed to optimize the internal coordination of the Secretariat's IT units in the planning, development and operation of its automation systems, and to ensure international cooperation and coordination with Member States through the Standing Committee on Information Technologies (SCIT).

274. The IT Main Program in 2002-2003 emphasized the consolidation of existing systems and products with the objective of optimizing resources and capabilities. The results of this work to-date and ongoing efforts in this area will provide the platform for the 2004-2005 biennium. Following the launch of the IMPACT, PCT-SAFE and WIPONET systems, this Main Program will also address the post-implementation review of these major project initiatives, and will continue to enhance the systems and add functionality, where required.

275. An internal IT Policy Board will be established, comprised of representatives of IT and of certain programs where a need for coordination and implementation of IT policies has been identified. The Board will be chaired by the Chief Information Officer, and will be responsible for the formulation, coordination and implementation of strategic IT policies. The Board will also be mandated to ensure the integration and leverage of all IT systems so as to maximize efficiencies of scope and scale, as well as the delivery of quality systems that meet focused user and business needs.

SUB-PROGRAM 13.1
IT POLICY AND SYSTEMS DEVELOPMENT

Objective: To develop and implement IT policies and to ensure continuous enhancement of WIPO's IT systems to meet the needs of Member States and the Secretariat.

Expected Results	Performance Indicators
1. IT activities meet their stated objectives and support the overall vision of WIPO and its Member States	<ul style="list-style-type: none">• Post implementation reviews.• Feedback from users, e.g. WIPO staff and Member States.• Completion of and adherence to the IT Strategic Plan.
2. The optimization of resources within the IT Program.	<ul style="list-style-type: none">• Quantifiable cost and/or performance benefits derived from the coordination of equipment purchase or resource sharing.• Increase in the number of IT staff able to work on different IT systems.• Completion of and adherence to IT Technical Guidelines.
3. Existing systems are updated and remain relevant to WIPO's changing requirements.	<ul style="list-style-type: none">• Number of work plans and change control procedures for system modifications or enhancements.• Number of new user requirements implemented.• Feedback from users.
4. Efficient support to Member State organs dealing with IT matters.	Feedback from delegates.

276. This sub-program aims to develop and implement coordinated IT policies, including information security policies, technical standards and guidelines, within the Secretariat through the internal IT Policy Board, and among Member States through the SCIT.

277. No major capital investment in the deployment of new IT systems is planned for the 2004-2005 biennium. However, this sub-program will include development activities with regard to certain systems which require either significant enhancement, further development or the creation of additional modules. Such activities include the initial deployment and possible expansion of AIMS (Administration Information Management System); the enhancement of the existing IT systems for the international registration operations under the Madrid system and the Hague system, the WIPO Arbitration and Mediation Center; and the refinement of Intellectual

Property Digital Libraries (IPDLs). These high priority requirements will complement and build upon existing systems and will also optimize the use of hardware and software solutions deployed within the Secretariat in order to minimize future maintenance and support costs, and to take advantage of industry-standard technologies, practices and the state-of-the art IT to the maximum extent possible.

278. The AIMS project was launched in the 2002-2003 biennium with the objective of replacing the Secretariat's aging legacy finance system (FINAUT) and BETS (Budget Expenditure Tracking System). The strategic decision to limit the first phase of the AIMS project to budget and finance modules was made for two main reasons; firstly, that as finance is the very core of any integrated management system, its automation should be undertaken first so as to assure the subsequent linkages to any associated systems, and secondly, to implement a pragmatic approach enabling the Organization to only commit to levels of internal automation that are feasible within a given time-frame. The first phase of the AIMS project will be completed, on schedule, with the deployment of a new finance and budget system by mid-2004. The remainder of the biennium will focus on the identification of IT requirements and requisite planning for the possible expansion of the system into other areas of the Secretariat, e.g. HRMD, as resources in subsequent biennia allow.

Activities

- Liaison and coordination with all relevant program areas within the Secretariat through an IT Policy Board;
- review of existing systems and the assessment of the feasibility of new automation initiatives;
- organization of SCIT meetings and secretariat support to the SCIT;
- completion of the initial modules of AIMS;
- development and implementation of WIPO's information security policies and procedures, including monitoring and control activities;
- ongoing support and enhancement of WIPO's business application systems deployed on behalf of, *inter alia*, the Trademark, Industrial Design and Geographical Indications Department, Finance, HRMD and the WIPO Arbitration and Mediation Center;
- identification of staff needs in terms of IT training through surveys, user communication and other appropriate means, and provision of such training.

SUB-PROGRAM 13.2

IT NETWORKS, OPERATIONS AND SERVICES

Objective: To operate efficient, stable, integrated, flexible and secure IT systems, to ensure the necessary network communications infrastructure and to provide IT services for improved information exchange within the Secretariat and among the global intellectual property community.

Expected Results	Performance Indicators
1. Modern IT infrastructure and improved user support to maximize staff productivity.	<ul style="list-style-type: none"> • Actual expenditure does not exceed budget. • Delivery of activities according to work plans. • Number of quality targets met. • Number of network, hardware and software components upgraded to industry standard, where appropriate. • Usage statistics for network services. • Number of staff trained in appropriate technologies.
2. Reliable and stable operation of WIPO's IT systems and services.	<ul style="list-style-type: none"> • Number of service level agreements with user areas and feedback from users on the implementation of those agreements. • Performance against agreed targets. • Percentage of uptime for systems. • Time taken to resolve user-support calls. • Availability of system and user documentation.
3. Reliable and stable operation of WIPONET and WIPO's associated Web-based services.	<ul style="list-style-type: none"> • Number of service level agreements with user areas and feedback from users on the implementation of those agreements. • Performance against agreed targets. • Percentage of uptime for systems. • Time taken to resolve user-support calls. • Availability of system and user documentation.
4. Integration of WIPONET Services with existing IT services, improving efficiency and enhancing the effective use of financial resources.	<ul style="list-style-type: none"> • Number of WIPO's staff and systems using WIPO Web-based services. • Number of integrated WIPONET and existing IT services.

Expected Results	Performance Indicators
5. A full set of Web-based products and services is available to the global IP community, with particular focus on Member State IPOs that are connected to the Internet.	<ul style="list-style-type: none"> • Usage statistics for individual services. • Number of registered WIPONET users using WIPO Web services. • Feedback from users on the relevance of WIPO Web-based services to their business requirements.
6. Enhanced dissemination of IP information.	<ul style="list-style-type: none"> • Number of hits on WIPO hosted Web sites. • Number of pages of information posted in WIPO Web servers. • Number, availability and usage of other web-based services e.g. audio/video conferences and on-line distance learning courses.

279. This sub-program includes the IT operations area which is responsible for the day-to-day management of WIPO's IT infrastructure, application systems and services. It ensures the effective deployment and operation of information technologies to improve the communication and information flow both within the Secretariat and outside. Internal service level agreements will continue to be established with the users of IT products and services, taking into account the relevant business need, service requirements, expected benefits and available resources. Work will also be carried out to produce technical guidelines for the standardization of WIPO's IT infrastructure around common hardware and software platforms.

280. The sub-program also includes the integrated operations of the completed WIPONET system and WIPO's associated Web-based Services (Internet and Intranet). Following the completion of the WIPONET project in 2003 the WIPONET system will be fully integrated into WIPO's existing systems architecture and operational processes and procedures. The full integration of WIPONET with WIPO's existing networks is expected to deliver a holistic package of services to users that takes full advantage of modern Internet-based technologies. It is also expected that some efficiencies will be gained by the optimization and effective use of combined operational resources.

281. Although a part of the IT Program's financial resources has been provisionally allocated to the running of WIPONET (see the Resource Description below), including the ongoing support of user services, a planned study will provide an opportunity to Member States to reassess the current business and financial model with a view to the long-term sustainability and Member States' ownerships of WIPONET.

Activities

- Development and maintenance of the network infrastructure for all WIPO IT production systems;
- provision of IT equipment and technical support to staff and WIPO meetings and conferences;
- management, operation and integration of WIPONET into WIPO's IT operational environment;
- analysis and possible redesign of a development support program for WIPONET;
- enhance support in the Web-based delivery of WIPO programs to end-users;
- continuous skill development of the IT staff supporting WIPO's Web-based infrastructure and services;
- development, maintenance and administration of WIPO's Intranet/Internet systems and services in coordination with Main Program 12 and sub-program 11.4.

SUB-PROGRAM 13.3

PCT INFORMATION SYSTEMS

Objective: To provide ongoing support and development services to all PCT applications systems, thereby improving access to and communication with the PCT system by applicants, IP Offices and the global IP community, whilst providing systems that meet the demands of the increasing number and complexity of PCT applications.

Expected Results	Performance Indicators
1. Reliable and stable operation of the PCT information systems and services.	<ul style="list-style-type: none">• Number of service level agreements with user areas and feedback from users on the implementation of those agreements.• Performance against agreed targets.• Percentage of uptime for systems.• Time taken to resolve user-support calls.• Availability of system and user documentation.

Expected Results	Performance Indicators
2. Fully electronic publication	<ul style="list-style-type: none"> • Quality of electronically produced publications. • Availability and user friendliness of electronically produced publications.
3. A wider range of services to PCT applicants and IP Offices.	<ul style="list-style-type: none"> • Number of transactions available to applicants under PCT-SAFE. • User feedback on quality and range of services offered.
4. IPDLs are available for the PCT.	<ul style="list-style-type: none"> • Extend of data included in libraries. • Availability of importing and/or searching mechanisms. • User feedback by interested parties including IP Offices.
5. Optimization of data exchange processes with respect to IP Offices and other relevant parties.	<ul style="list-style-type: none"> • Number, type and quality of data exchange processes between the International Bureau, IP Offices and other relevant parties. • Security targets met for data exchanges.

282. The IMPACT project, initiated by the SCIT in the 1998-1999 biennium with the aim of automating the PCT, will move into its implementation phase in 2004-2005. Having successfully delivered the Communications on Request systems in 2003 as the first phase of IMPACT, the project will proceed to the next phase by gradually deploying the central system to automate the International Bureau's functions throughout the PCT operations area during the 2004-2005 biennium. Work is also planned to deploy an automated system for the International Bureau as a receiving Office under the PCT. The timelines of the progressive deployment of the IMPACT system have been adjusted due to several findings, in particular, the greater complexity of the project, a longer period of stabilization than initially estimated, as well as the need to implement numerous and complex PCT rule changes by January 1, 2004.

283. The PCT-SAFE system, which provides for the electronic filing of PCT applications, was planned to be fully implemented by the end of 2003. The IMPACT system will enable the efficient electronic processing of PCT applications at the International Bureau, with PCT-SAFE providing secure online communications between applicants and receiving Offices. The automation of PCT procedures shall be further enhanced through the deployment of the CLAIMS system for the management of the evolution of the International Patent Classification and the integration of WIPONET facilities which can provide the necessary, rapid and highly secure communications infrastructure. Finally, the PCT Electronic Gazette (IPDL) will continue to benefit from the capturing of the full-text of PCT applications using Optical Character Recognition (OCR), which will remain as an on-going activity in cooperation with Main Program 03.

Activities

- Ongoing support and enhancement of WIPO's PCT IT systems including, *inter alia*, IMPACT, PCT-SAFE, PCT-OCR, CASPIA, CASPRO, SPIDI and CLAIMS;
- implementation of a fully electronic publication system;
- extension of the PCT-SAFE system to include additional transactions between the applicant and IP Offices;
- support and development of digital libraries for the PCT;
- implementation of full electronic data exchange between the International Bureau and IP Offices.

Resource Description by Object of Expenditure

284. Total resources of Sfr87,933,000, reflect a program decrease of Sfr61,758,000 or 41.7 per cent. The total resources include an amount of Sfr26,484,000 under sub-program 1 (Information Technology Policy and Systems Development), Sfr40,126,000 under sub-program 2 (Information Technology Networks, Operations and Services) and Sfr21,323,000 under sub-program 3 (PCT Information Systems). Under sub-program 1, the budget allocation for the main activities includes Sfr3,937,000 for the Office of the CIO and SCIT support, and Sfr22,547,000 for Systems Support and Development. Under sub-program 2, the budget allocation includes Sfr20,457,000 for WIPONET development and operations, Sfr5,099,000 for IT Internet Services, and 14,570,000 for Technical Services. Under sub-program 3, the budget allocation includes Sfr13,483,000 for IMPACT development and operations (including legacy systems), Sfr5,198,000 for PCT SAFE development and operations, and Sfr2,642,000 for PCT OCR.

285. For staff resources, an amount of Sfr29,757,000 is shown, a program decrease of Sfr2,052,000 or 6.7 per cent. This includes resources of:

- (i) Sfr29,257,000 for posts, reflecting a decrease of six posts with respect to the previous biennium, and the upgrading of a GS post and
- (ii) Sfr500,000 for short-term expenses.

286. For travel and fellowships, an amount of Sfr2,161,000 is shown, a program decrease of Sfr1,095,000 or 33.8 per cent. This includes resources of:

- (i) Sfr1,681,000 for 320 staff missions,
- (ii) Sfr480,000 for third party travel in connection with the holding of the Standing Committee on Information Technology and other meetings.

287. For contractual services, an amount of Sfr37,313,000 is shown, a program decrease of Sfr40,487,000 or 52.2 per cent. This includes resources of:

- (i) Sfr464,000 for conferences to cover interpretation and other costs of holding the standing committee on Information Technology,

- (ii) Sfr4,525,000 for consultant services, including Sfr1,985,000 for technical support of existing network system, e-mail and workstations and Sfr2,540,000 for technical support for running WIPONET, IMPACT, PCT-SAFE and AIMS systems.
- (iii) Sfr32,324,000 for contractual services including Sfr16,305,000 for WIPONET, Sfr7,849,000 for ICC charges, Sfr2,790,000 for IMPACT leasing of IT equipment, Sfr3,373,000 for supporting the existing network system and workstations and Sfr2,007,000 for PCT-OCR.

288. For operating expenses, an amount of Sfr8,345,000 is shown, a program decrease of Sfr12,170,000 or 59.4 per cent. This includes resources of:

- (i) Sfr6,993,000 for maintenance of premises covering cabling, infrastructure maintenance and security, including computer rooms;
- (ii) Sfr1,352,000 for communication and other expenses.

289. For equipment and supplies, an amount of Sfr10,357,000 is shown, a program decrease of Sfr5,954,000 or 36.6 per cent. This includes resources of:

- (i) Sfr6,908,000 for furniture and equipment, including the provision and upgrade of IT hardware and
- (ii) Sfr3,449,000 for supplies and materials, including the provision and upgrade of IT software.

Table 9.13 Detailed Budget 2004-2005 for Main Program 13

A. Budget Variation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

	2002-2003 Revised	Budget Variation						2004-2005 Proposed
		Program		Cost		Total		
		Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
	A							E=A+D
I. By Sub-program								
13.1 IT Policy and Systems Development	17,263	9,038	52.4	183	1.1	9,221	53.4	26,484
13.2 IT Networks, Operations and Services	73,766	(34,500)	(46.8)	860	1.2	(33,640)	(45.6)	40,126
13.3 PCT Information Systems	57,147	(36,296)	(63.5)	472	0.8	(35,824)	(62.7)	21,323
TOTAL	148,176	(61,758)	(41.7)	1,515	1.0	(60,243)	(40.7)	87,933
II. By Object of Expenditure								
Staff Costs	30,669	(2,052)	(6.7)	1,140	3.7	(912)	(3.0)	29,757
Travel and Fellowships	3,243	(1,095)	(33.8)	13	0.4	(1,082)	(33.4)	2,161
Contractual Services	77,533	(40,487)	(52.2)	267	0.3	(40,220)	(51.9)	37,313
Operating Expenses	20,485	(12,170)	(59.4)	30	0.1	(12,140)	(59.3)	8,345
Equipment and Supplies	16,246	(5,954)	(36.6)	65	0.4	(5,889)	(36.2)	10,357
TOTAL	148,176	(61,758)	(41.7)	1,515	1.0	(60,243)	(40.7)	87,933

B. Post Variation by Post Category

Post Category	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	1	--	1
Professionals	62	1	63
General Service	31	(7)	24
TOTAL	94	(6)	88

C. Budget Allocation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

Object of Expenditure	Sub-program			Total
	1 ITPSD	2 ITNOS	3 PCTIS	
Staff Costs				
Posts	9,827	12,404	7,026	29,257
Short-term Expenses	--	300	200	500
Travel and Fellowships				
Staff Missions	171	1,007	503	1,681
Third Party Travel	240	120	120	480
Contractual Services				
Conferences	464	--	--	464
Consultants	1,319	2,256	950	4,525
Other	9,424	17,938	4,962	32,324
Operating Expenses				
Premises and Maintenance	3,342	1,106	2,545	6,993
Communication and Other	58	1,129	165	1,352
Equipment and Supplies				
Furniture and Equipment	1,290	2,060	3,558	6,908
Supplies and Materials	349	1,806	1,294	3,449
TOTAL	26,484	40,126	21,323	87,933

D. Funds-in-Trust by Object of Expenditure (*in thousands of Swiss francs*)

<i>Object of Expenditure</i>	<i>Sub-program 2 ITNOS</i>
Staff Expenses	642

[Chapter B follows]

B. REVISED BUDGET 2002-2003

290. The presentation of a revised budget for the ongoing biennium was first introduced in the context of the proposed budget 2002-2003. It was emphasized that the presentation of a revised budget was not considered a change from previous budget practice, rather than an enhancement of budget transparency. In the following, the revised budget 2002-2003 is elaborated in two steps. First, the initial budget estimates are updated in Chapter B.1 by reflecting the application of the budget flexibility clauses and supplementary adjustments. Second, the revised budget 2002-2003 is reformatted to comply with the new program structure utilized for the 2004-2005 biennium. This is done in Chapter B.2 and provides the basis for comparing, by program, the approved budget 2002-2003 with the proposed budget for 2004-2005.

1. Revision of Initial Budget 2002-2003

291. The revised budget 2002-2003 amounts to Sfr668,800,000, which represents a decrease of Sfr9,600,000 as compared to the initial budget of Sfr678,400,000. Table 10 provides information on the revised budget by Union and type of budget variations. Budget variations include reductions of Sfr4,487,000 for flexibility adjustments and reductions of Sfr5,113,000 for supplementary adjustments. Flexibility variations adjust the budget of global protection systems in case of unforeseen increases and/or decreases in the workload for the second year of the biennium. The adjustments follow the clauses presented in Appendix A.5.

Table 10
Revised Budget 2002-2003: Budget Variation by Union
(in thousands of Swiss francs)

Union	2002-2003 Initial A	Variation						2002-2003 Revised E=A+D
		Flexibility		Supplementary		Total		
		Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
Contri.-fin. Unions	38,612	-	-	(171)	(0.4)	(171)	(0.4)	38,441
PCT Union	530,795	(1,442)	(0.3)	(854)	(0.2)	(2,296)	(0.4)	528,499
Madrid Union	78,945	160	0.2	(492)	(0.6)	(332)	(0.4)	78,613
Hague Union	13,572	(160)	(1.2)	(98)	(0.7)	(258)	(1.9)	13,314
Others	16,476	(3,045)	(18.5)	(3,498)	(21.2)	(6,543)	(39.7)	9,933
TOTAL	678.400	(4.487)	(0.7)	(5.113)	(0.8)	(9.600)	(1.4)	668.800

292. The reduction for flexibility variations of Sfr4,487,000 includes decreases of Sfr1,442,000 due to the anticipated reduction from 122,000 to 120,000 international applications in 2003. For the Hague System, budget allocation is reduced by Sfr160,000 due to the anticipated reduction in the number of 2003 applications for deposits and renewals, decreased from 8,200 to 7,700. The decreases in the estimated number of cases for the Internet domain name dispute resolution process from 3,400 cases to 1,200 for 2003 result in the amount of Sfr3,045,000. For the Madrid system, the number of 2003 applications for registrations and renewals is revised down from 34,500 to 30,700, which would correspond to a reduction of Sfr960,000 according to the flexibility formula presented in Appendix 3 of document WO/PBC/4/2. As a result of proposed adjustments in the flexibility clauses outlined in Appendix A.5 below, a net resource increase of Sfr160,000 is proposed.

293. The reductions for supplementary variations of Sfr5,113,000 include three adjustments. First, a reduction of Sfr2,514,000 as approved by the Assemblies of Member States of WIPO in October 2002 when considering the revised project budget for the new construction and the associated revised program and budget 2002-2003 (paragraph 262, (i), (f), of document A/37/14). Second, a reduction of Sfr12,423,000 for the biennial budget of the new construction project. This reflects the redeployment of the resources from 2003 to 2006-2007 in accordance with the progress achieved and the revised implementation plan as outlined in Annex B. Third, the increase of Sfr9,824,000 for the biennium budget of the ex-WMO building project, reflecting a total increase in the project envelope of Sfr6,885,000 as detailed below in Table 11 and the associated description.

294. Table 10 also indicates the budget variation by Union. Adjustment of Sfr4,487,000 under flexibility variations include the adjustment of the Union budgets for PCT, Madrid and Hague as indicated above. The reduction of Sfr3,045,000 under Others reflect the budget reductions because of lower number of cases for the internet domain name dispute resolution process. The reductions under supplementary variations of Sfr5,113,000 are allocated to the Unions in accordance with the initial funding of the new construction and the ex-WMO building projects. This includes reductions of Sfr171,000 for the Contribution-financed Union, Sfr4,313,000 for the PCT Union, Sfr492,000 for the Madrid Union, Sfr98,000 for the Hague Union and Sfr29,000 under Others. In addition, a redistribution of Sfr3,459,000 to the PCT Union from Others is indicated. This is done without implications for the total amount of variation and in accordance with available funding. The distribution of the reduction by Union follows the previous proposal outlined in Table 12 of document WO/PBC/5/2.

295. As indicated above, the revised budget reflects an increase of the ex-WMO project budget by Sfr9,824,000 for the 2002-2003 biennium under supplementary variations and an increase in the project envelope of Sfr6,885,000. With the completion of the ex-WMO building in 2003, it is possible to present the final budget adjustment in the context of the revised biennial budget proposal. As previously announced to the Program and Budget Committee, it was the intention to cover the cost of any supplementary or unforeseen activities related to the work on the ex-WMO building under the regular budget for premises (see paragraph 67 of WO/PBC/3/5). This was suggested instead of reflecting possible changes in the

context of a submitting a revised project budget for approval. With the completion of the project and the utilization of the integrated program budget format, it is proposed to update the corresponding sub-program relating to the ex-WMO building. Table 11 presents a comparison between the approved and revised project budget of the ex-WMO building. The approved project budget of Sfr59,000,000 increased by Sfr6,885,000 to Sfr65,885,000. The increase is detailed in Part I of Table 11 by main building components, in Part II by object of expenditure and in Part III by biennium budget allocation. Biennial adjustments include a reduction of Sfr2,939,000 to Sfr37,227,000 for the 2000-2001 biennium in accordance with actual expenditure. For the 2002-2003 biennium, an increase of Sfr9,824,000 to Sfr23,739,000 is indicated, with the increase including Sfr5,880,000 for a supplementary contract with the general contractor, Sfr3,500,000 for honarium due to the project architect, Sfr298,000 resulting from a land accident which took place on the site of the ex-WMO building and Sfr146,000 for the installation of the power supply transformer and additional geotechnical study due to the land accident.

Table 11
Approved and Revised Project Budget for the ex-WMO Building
by Main Building Components, Object of Expenditure and Biennium
(in thousands of Swiss francs)

<i>Parameters</i>	<i>Approved Estimates (A/35/11)</i>	<i>Change</i>	<i>Revised Estimates (WO/PBC/7/2)</i>
A. By Main Building Components			
1. Renovation, modernization and connection	33,500	3,909	37,409
2. Additional floor	7,700	899	8,599
3. Extended underground parking	4,800	560	5,360
4. Additional tower	13,000	1,517	14,517
TOTAL	59,000	6,885	65,885
B. Object of Expenditure			
1. <i>Contractual Services</i>			
Honorariums of architects and engineers	7,898	3,500	11,398
<i>Total, B.1</i>	<i>7,898</i>	<i>3,500</i>	<i>11,398</i>
2. <i>Construction</i>			
Pre-structural works	6,883	260	7,143
Structural works	43,385	2,845	46,229
Special equipment/services and external works	834	280	1,114
<i>Total, B.2</i>	<i>51,102</i>	<i>3,385</i>	<i>54,487</i>
TOTAL	59,000	6,885	65,885
C. By Biennium			
1. 1998-1999	4,919	--	4,919
2. 2000-2001	40,166	(2,939)	37,227
3. 2002-2003	13,915	9,824	23,739
TOTAL	59,000	6,885	65,885

296. The supplementary contract of Sfr5,880,000 was awarded to the general contractor in July 2001 following the discussion during the third meeting of the Program and Budget Committee. The contract covered additional works such as the adaptations of the ex-WMO building to existing GBI and GBII building, additional structural works, including improvements of facades, electrical installations, such as

additional cabling and power supply elements, air conditioning installations and office partitions. In accordance with construction norms, the honoraria of the project architect is calculated as a percentage of the total project expenditure. Taking into account the budget increase previously approved and the supplementary contract, the architect honaria had to be reassessed resulting in an increase of Sfr3,500,000. In 2002, land movement on the site of the ex-WMO building resulted in some building damage estimated at around Sfr2,136,000. An external expert determined that liable parties included the insurance company, the general contractor, the architect and WIPO, with the obligation of WIPO estimated in the range of Sfr596,900. The insurance company paid an amount of Sfr769,830. In this context of the payment of additional fees to the architect noted above, WIPO reached a settlement with all parties concerned on the liability relating to the accident which included a payment of Sfr298,000. Finally, an amount of Sfr146,000 is required for the installation of the power supply transformer for the ex-WMO building which will also provide emergency power supply for other WIPO buildings as well as an additional geotechnical study due to the land accident.

297. Table 12 presents the revised budget 2002-2003 by Program. The reduction of Sfr4,487,000 under flexibility variations includes reduction of Sfr1,206,000 under Main Program 06 (Patent Cooperation Treaty System) and Sfr2,010,000 under Main Program 11 (Arbitration and Mediation Center). Increases under the Madrid System are offset by decreases under the Hague System, resulting in no resource change under Main Program 07 (Madrid, Hague and Lisbon systems). In addition to changes in the programs covering the global protection system, the flexibility formula covers associated reductions of Sfr1,271,000 in the support activities for the programs listed in Part IV (Administration). The reduction of Sfr5,113,000 under supplementary variations covers the adjustment of the budget outlined above for the new construction, including decreases of Sfr2,514,000 and Sfr12,423,000, and the increase for the ex-WMO building of Sfr9,824,000 summarised under Main Program 18 (Premises).

298. Table 13 presents the revised budget 2002-2003 by object of expenditure. The reduction of Sfr4,487,000 under flexibility includes a reduction of Sfr3,752,000 under staff expenses and Sfr735,000 under operating expenses for associated rental cost. The reduction of Sfr5,113,000 under other changes covers the following changes. First, a reduction of Sfr2,514,000, reflecting the net result of resource reductions and redeployment for the new construction as approved by the Assemblies of Member States of WIPO in October 2002 and outlined in Table 12 of document A/37/2. Resource reductions and redeployment include an increase under contractual services of Sfr14,682,000, decrease under operating expenses of Sfr50,738,000 and an increase of Sfr33,542,000 under construction. Second, an increase of Sfr 9,824,000 is reflected under operating expenses for the ex-WMO building and a decrease of Sfr12,424,000 under construction for the new construction project as described above.

Table 12
Revised Budget 2002-2003: Budget Variation by Program
(in thousands of Swiss francs)

Program	2002-2003 Initial	Budget Variation						2002-2003 Revised
		Flexibility		Supplementary		Total		
		Amount	%	Amount	%	Amount	%	
	A	B	B/A	C	C/A	D=B+C	D/A	E=A+D
Part I: Policy, Direction and Management								
01 Organs of the Member States	4,500	-	-	-	-	-	-	4,500
02 Direction and Executive Management	11,033	-	-	-	-	-	-	11,033
03 Legal Counsel	3,692	-	-	-	-	-	-	3,692
04 Planning, Budgeting and Control	6,617	-	-	-	-	-	-	6,617
Total, I	25,842	-	-	-	-	-	-	25,842
Part II: Intellectual Property Systems and Global Issues								
05 Development of Industrial Property Law	9,349	-	-	-	-	-	-	9,349
06 Patent Cooperation Treaty System	132,889	(1,206)	(0.9)	-	-	(1,206)	(0.9)	131,683
07 Madrid, Hague and Lisbon Systems	33,245	-	-	-	-	-	-	33,245
08 Development of Copyright and Related Rights	7,081	-	-	-	-	-	-	7,081
09 Global Communications	15,322	-	-	-	-	-	-	15,322
10 Global Intellectual Property Issues	11,552	-	-	-	-	-	-	11,552
11 Arbitration and Mediation Center	9,211	(2,010)	(21.8)	-	-	(2,010)	(21.8)	7,201
Total, II	218,649	(3,216)	(1.5)	-	-	(3,216)	(1.5)	215,433
Part III: Cooperation for Development								
12 Cooperation with Developing Countries	59,233	-	-	-	-	-	-	59,233
13 Cooperation with Certain Countries in Europe and Asia	5,163	-	-	-	-	-	-	5,163
14 The WIPO Worldwide Academy	16,248	-	-	-	-	-	-	16,248
Total, III	80,644	-	-	-	-	-	-	80,644
Part IV: Administration								
15 Information Technology	148,656	(134)	(0.1)	-	-	(134)	(0.1)	148,522
16 Human Resources Management	18,347	(134)	(0.7)	-	-	(134)	(0.7)	18,213
17 Administrative Services	63,253	(134)	(0.2)	-	-	(134)	(0.2)	63,119
18 Premises	117,936	(869)	(0.7)	(5,113)	(4.3)	(5,982)	(5.1)	111,954
Total, IV	348,192	(1,271)	(0.4)	(5,113)	(1.5)	(6,384)	(1.8)	341,808
Unallocated	5,073	-	-	-	-	-	-	5,073
TOTAL	678,400	(4,487)	(0.7)	(5,113)	(0.8)	(9,600)	(1.4)	668,800

Table 13
Revised Budget 2002-2003: Budget Variation by Object of Expenditure
(in thousands of Swiss francs)

Object of Expenditure	2002-2003 Initial A	Budget Variation						2002-2003 Revised E=A+D
		Flexibility		Supplementary		Total		
		Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
Staff Expenses	322,067	(3,752)	(1.2)	-	-	(3,752)	(1.2)	318,315
Travel & Fellowships	41,200	-	-	-	-	-	-	41,200
Contractual Services	121,126	-	-	14,682	12.1	14,682	12.1	135,808
Operating Expenses	158,412	(735)	(0.5)	(40,914)	(25.8)	(41,649)	(26.3)	116,763
Equipment & Supplies	30,522	-	-	-	-	-	-	30,522
Construction	-	-	-	21,119	-	21,119	-	21,119
Unallocated	5,073	-	-	-	-	-	-	5,073
TOTAL	678,400	(4,487)	(0.7)	(5,113)	(0.8)	(9,600)	(1.4)	668,800

299. Table 14 presents the revised budget 2002-2003 by indicating main program and post category. The reduction under flexibility covers 28 posts in the General Service category with the total number of posts being reduced from 1,032 to 1,004. The distribution of the post reduction by program follows the flexibility clause on the sharing of budget allocation between programs covering the global protection systems and programs implementing associated administrative support activities.

300. Table 15 presents the revised budget 2002-2003 by Program and Union. The presentation updates Table 8 (Detailed Budget 2002-2003: Budget Allocation by Union and Program) of the approved budget 2002-2003 (page 22 of document WO/PBC/4/2). This is done by integrating the reduction of Sfr9,600,000 by Union as illustrated above in Table 10.

2. Revised Budget for 2002-2003 According to Program Structure 2004-2005

301. The new program structure for the 2004-2005 biennium is described in the introduction to the proposed Program and Budget. Changes in the program structure set the stage for refocusing and introducing new priorities and activities in the context of the proposed budget. Table 16 lists the new structure for 2004-2005 that includes 13 main programs as compared to 18 of the revised budget 2002-2003. Resources and associated activities under the revised budget 2002-2003 are realigned with the program structure utilized for the forthcoming biennium. This subsequently allows for comparing the 2004-2005 with the 2002-2003 program and budget. Realigning the resources and activities of the revised budget 2002-2003 with the program structure 2004-2005 does not alter the program priorities and activities approved by Member States for the 2002-2003 biennium.

302. The new program structure introduces focus through consolidation. This includes consolidation of activities which provides administrative support to the Director General (new Main Program 02) and which are associated with resource management (new Main Program 12). In addition, activities are consolidated under

Table 14
Revised Budget 2002-2003: Post Variation by Post Category and Program

<i>Program</i>	<i>End 2003 Initial</i>				<i>Post Variation</i>	<i>End 2003 Revised</i>			
	<i>D</i>	<i>P</i>	<i>G</i>	<i>Total</i>	<i>G</i>	<i>D</i>	<i>P</i>	<i>G</i>	<i>Total</i>
Part I: Policy, Direction and Management									
02 Direction and Executive Management	3	10	7	20	-	3	10	7	20
03 Legal Counsel	1	5	2	8	-	1	5	2	8
04 Planning, Budgeting and Control	5	6	5	16	-	5	6	5	16
Total, I	9	21	14	44	-	9	21	14	44
Part II: Intellectual Property Systems and Global Issues									
05 Development of Industrial Property Law	4	6	6	16	-	4	6	6	16
06 Patent Cooperation Treaty System	4	71	297	372	(9)	4	71	288	363
07 Madrid, Hague and Lisbon Systems	1	19	69	89	-	1	19	69	89
08 Development of Copyright and Related Rights	1	5	2	8	-	1	5	2	8
09 Global Communications	1	12	15	28	-	1	12	15	28
10 Global Intellectual Property Issues	3	11	4	18	-	3	11	4	18
11 Arbitration and Mediation Center	-	2	28	30	(15)	-	2	13	15
Total, II	14	126	421	561	(24)	14	126	397	537
Part III: Cooperation for Development									
12 Cooperation with Developing Countries	13	40	34	87	-	13	40	34	87
13 Cooperation with Certain Countries in Europe and Asia	-	4	2	6	-	-	4	2	6
14 The WIPO Worldwide Academy	1	9	9	19	-	1	9	9	19
Total, III	14	53	45	112	-	14	53	45	112
Part IV: Administration									
15 Information Technology	2	62	31	95	(1)	2	62	30	94
16 Human Resources Management	2	16	27	45	(1)	2	16	26	44
17 Administrative Services	4	42	103	149	(1)	4	42	102	148
18 Premises	1	5	20	26	(1)	1	5	19	25
Total, IV	9	125	181	315	(4)	9	125	177	311
TOTAL	46	325	661	1,032	(28)	46	325	633	1,004

D- level posts include posts for DG, DDG's, ADG's and Directors.

Table 15
Revised Budget 2002-2003: Budget Allocation by Union and Program
(in thousands of Swiss francs)

<i>Program</i>	<i>Contri.-fin. Unions</i>		<i>PCT Union</i>		<i>Madrid Union</i>		<i>Hague Union</i>		<i>Others</i>		<i>Total</i>	
	<i>Amount A</i>	<i>% of total</i>	<i>Amount B</i>	<i>% of total</i>	<i>Amount C</i>	<i>% of total</i>	<i>Amount D</i>	<i>% of total</i>	<i>Amount E</i>	<i>% of total</i>	<i>Amount F=A+...E</i>	<i>% of total</i>
Part I: Policy, Direction and Management												
01 Organs of the Member States	270	0.7	3,512	0.7	553	0.7	95	0.7	70	0.7	4,500	0.7
02 Direction and Executive Management	618	1.6	8,771	1.6	1,263	1.6	217	1.6	164	1.7	11,033	1.6
03 Legal Counsel	209	0.5	2,939	0.6	426	0.5	66	0.5	52	0.5	3,692	0.6
04 Planning, Budgeting and Control	386	1.0	5,211	1.0	789	1.0	136	1.0	95	1.0	6,617	1.0
Total, I	1,483	3.9	20,433	3.9	3,031	3.9	514	3.9	381	3.8	25,842	3.9
Part II: Intellectual Property Systems and Global Issues												
05 Development of Industrial Property Law	4,672	12.2	4,125	0.8	473	0.6	79	0.6	-	-	9,349	1.4
06 Patent Cooperation Treaty System	-	-	131,683	24.9	-	-	-	-	-	-	131,683	19.7
07 Madrid, Hague and Lisbon Systems	-	-	-	-	28,511	36.3	4,734	35.6	-	-	33,245	5.0
08 Development of Copyright and Related Rights	7,081	18.4	-	-	-	-	-	-	-	-	7,081	1.1
09 Global Communications	927	2.4	12,588	2.4	1,555	2.0	236	1.8	16	0.2	15,322	2.3
10 Global Intellectual Property Issues	4,981	13.0	5,873	1.1	608	0.8	90	0.7	-	-	11,552	1.7
11 Arbitration and Mediation Center	-	-	1,958	0.4	-	-	-	-	5,243	52.8	7,201	1.1
Total, II	17,661	45.9	156,227	29.6	31,147	39.6	5,139	38.6	5,259	52.9	215,433	32.2
Part III: Cooperation for Development												
12 Cooperation with Developing Countries	4,033	10.5	47,322	9.0	6,631	8.4	981	7.4	266	2.7	59,233	8.9
13 Cooperation with Certain Countries in Europe and Asia	343	0.9	4,166	0.8	571	0.7	83	0.6	-	-	5,163	0.8
14 The WIPO Worldwide Academy	1,115	2.9	13,014	2.5	1,783	2.3	272	2.0	64	0.6	16,248	2.4
Total, III	5,491	14.3	64,502	12.2	8,985	11.4	1,336	10.0	330	3.3	80,644	12.1
Part IV: Administration												
15 Information Technology	3,668	9.5	127,530	24.1	13,315	16.9	2,284	17.2	1,725	17.4	148,522	22.2
16 Human Resources Management	1,390	3.6	13,426	2.5	2,434	3.1	405	3.0	558	5.6	18,213	2.7
17 Administrative Services	4,711	12.3	47,674	9.0	8,315	10.6	1,373	10.3	1,046	10.5	63,119	9.4
18 Premises	3,751	9.8	94,688	17.9	10,795	13.7	2,163	16.2	557	5.6	111,954	16.7
Total, IV	13,520	35.2	283,318	53.6	34,859	44.3	6,225	46.8	3,886	39.1	341,808	51.1
Unallocated	286	0.7	4,019	0.7	591	0.8	100	0.8	77	0.7	5,073	0.7
TOTAL	38,441	100.0	528,499	100.0	78,613	100.0	13,314	100.0	9,933	100.0	668,800	100.0

Table 16
Revised Budget 2002-2003: Resource Assignment to Program Structure 2004-2005
(in thousands of Swiss francs)

<i>Program Structure 2002-2003</i>	<i>Amount</i>	<i>Program Structure 2004-2005</i>	<i>Amount</i>
01 Organs of the Member States	4,500	01 Constituent Organs of the Member States	4,500
02 Direction and Executive Management	11,033	02 Direction and Executive Management	29,384
03 Legal Counsel (see also 13)	3,390		
04 Planning, Budgeting and Control	6,617		
09 Global Communications (see also 11)	5,079		
10 Global IP Issues (see also 07, 11)	3,265		
05 Development of IP Law (see also 04, 05)	2,906	03 Patents and the Patent Cooperation Treaty (PCT) System	134,589
06 Patent Cooperation Treaty System	131,683		
05 Development of IP Law (see also 03, 05)	6,011	04 Trademarks, Industrial Designs and Geographical Indications	39,256
07 Madrid, Hague and Lisbon Systems	33,245		
05 Development of IP Law (see also 03, 04)	432	05 Copyright and Related Rights	7,513
08 Development of Copyright and Related Rights	7,081		
11 Arbitration & Mediation Services (see also 13)	6,685	06 WIPO Arbitration and Mediation Center	6,685
10 Global IP Issues (see also 02, 11)	5,615	07 Selected Issues of Intellectual Property	6,265
12 Coop. with Dev. Countries (see also 08, 10, 11, 12)	650		
12 Coop. with Dev. Countries (see also 07, 10, 11, 12)	52,354	08 Cooperation with Developing Countries	53,900
14 The WIPO Worldwide Academy (see also 10, 12)	382		
15 Information Technology (see also 13)	1,164		
13 Coop. with Certain Countries in Europe and Asia	5,163	09 Cooperation with Certain Countries in Europe and Asia	5,163
12 Coop. with Dev. Countries (see also 07, 08, 11, 12)	268	10 The WIPO Worldwide Academy (WWA)	14,688
14 The WIPO Worldwide Academy (see also 08, 12)	14,420		
09 Global Communications (see also 02)	10,243	11 Intellectual Property for Development and Prosperity; Creation of IP Culture	18,344
10 Global IP Issues (see also 02, 07)	2,672		
12 Coop. with Dev. Countries (see also 07, 08, 10, 12)	5,429		
12 Coop. with Dev. Countries (see also 07, 08, 10, 11)	532	12 Resources Management	195,264
14 The WIPO Worldwide Academy (see also 08, 10)	1,446		
16 Human Resources Management	18,213		
17 Administrative Services	63,119		
18 Premises	111,954		
03 Legal Counsel (see also 02)	302	13 Information Technology	148,176
11 Arbitration & Mediation Services (see also 06)	516		
15 Information Technology (see also 08)	147,358		
Unallocated	5,073	Unallocated	5,073
TOTAL	668,800	TOTAL	668,800

separate programs covering patents (new Main Program 03), trademarks, industrial designs and geographical indications (new Main Program 04), copyright and related rights (new Main Program 05) and cooperation with developing countries (new Main Program 08). Finally, refocus is achieved through new Main Program 11 which allows for the presentation of new activities in the context of the 2004-2005 biennium.

303. The main realignment of resources and activities are as follows. New Main Program 01 (Constituent Organs of the Member States) fully includes previous Main Program 01 (Organs of the Member States). New Main Program 02 (Direction and Executive Management) fully incorporates previous Main Programs 02 (Direction and Executive Management) and 04 (Planning, Budgeting and Control) as well as part of previous Main Programs 03 (Legal Counsel), 09 (Global Communications) and 10 (Global IP Issues). New Main Program 03 (Patents and the Patent Cooperation Treaty (PCT)) fully includes previous Main Program 06 (Patent Cooperation Treaty System) as well as part of previous Main Program 05 (Development of Industrial Property Law). New Main Program 04 (Trademarks, Industrial Designs and Geographical Indications) fully includes previous Main Program 07 (Madrid, Hague and Lisbon Systems) as well as part of previous Main Program 05 (Development of Industrial Property Law). New Main Program 05 (Copyright and Related Rights) fully includes previous Main Program 08 (Development of Copyright and Related Rights) as well as part of previous Main Program 05 (Development of IP Law). New Main Program 06 (WIPO Arbitration and Mediation Center) includes part of previous Main Program 11 (Arbitration and Mediation Services). New Main Program 07 (Selected Issues of Intellectual Property) includes part of previous Main Programs 10 (Global Intellectual Property Issues) and 12 (Cooperation with Developing Countries). New Main Program 08 (Cooperation with Developing Countries) includes part of previous Main Programs 12 (Cooperation with Developing Countries), 14 (The WIPO Worldwide Academy) and 15 (Information Technology). New Program 09 (Cooperation with Certain Countries in Europe and Asia) fully includes previous Main Program 13 (Cooperation with Certain Countries in Europe and Asia). New Main Program 10 (The WIPO Worldwide Academy (WWA)) includes part of previous Main Programs 12 (Cooperation with Developing Countries) and 14 (The WIPO Worldwide Academy). New Main Program 11 (Intellectual Property for Development and Prosperity; Creation of IP Culture) includes part of previous Main Programs 09 (Global Communications), 10 (Global Intellectual Property Issues) and 12 (Cooperation with Developing Countries). New Main Program 12 (Resources Management) fully includes previous Main Programs 16 (Human Resources Management), 17 (Administrative Services) and 18 (Premises) as well as part of previous Main Programs 12 (Cooperation with Developing Countries) and 14 (The WIPO Worldwide Academy). Finally, new Main Program 13 (Information Technology) includes part of previous Main Programs 03 (Legal Counsel), 11 (Arbitration and Mediation Services) and 15 (Information Technology).

304. In addition to the realignment by budget allocation, the following Table 17 provides for the same comparison limited to post categories.

Table 17
Revised Budget 2002-2003: Post Assignment to Program Structure 2004-2005

<i>Program Structure 2002-2003</i>	<i>D</i>	<i>P</i>	<i>G</i>	<i>Total</i>	<i>Program Structure 2004-2005</i>	<i>D</i>	<i>P</i>	<i>G</i>	<i>Total</i>
02 Direction and Executive Management	3	10	7	20	02 Direction and Executive Management	10	30	15	55
03 Legal Counsel (see also 13)	1	4	2	7					
04 Planning, Budgeting and Control	5	6	5	16					
09 Global Communications (see also 11)	--	6	1	7					
10 Global IP Issues (see also 07, 11)	1	4	--	5					
05 Development of IP Law (see also 04, 05)	--	2	2	4	03 Patents and the Patent Cooperation Treaty (PCT) System	4	73	290	367
06 Patent Cooperation Treaty System	4	71	288	363					
05 Development of IP Law (see also 03, 05)	4	3	4	11	04 Trademarks, Industrial Designs and Geographical Indications	5	22	73	100
07 Madrid, Hague and Lisbon Systems	1	19	69	89					
05 Development of IP Law (see also 03, 04)	--	1	--	1	05 Copyright and Related Rights	1	6	2	9
08 Development of Copyright and Related Rights	1	5	2	8					
11 Arbitration and Mediation Services (see also 13)	--	2	11	13	06 WIPO Arbitration and Mediation Center	--	2	11	13
10 Global IP Issues (see also 02, 11)	1	5	3	9	07 Selected Issues of Intellectual Property	1	6	3	10
12 Coop. with Dev. Countries (see also 08, 10, 11, 12)	--	1	--	1					
12 Coop. with Dev. Countries (see also 07, 10, 11, 12)	11	34	27	72	08 Cooperation with Developing Countries	12	35	29	76
14 The WIPO Worldwide Academy (see also 10, 12)	--	--	2	2					
15 Information Technology (see also 13)	1	1	1	3					
13 Cooperation with Certain Countries in Europe and Asia	--	4	2	6	09 Cooperation with Certain Countries in Europe & Asia	--	4	2	6
12 Coop. with Dev. Countries (see also 07, 08, 11, 12)	--	--	1	1	10 The WIPO Worldwide Academy (WWA)	1	8	7	16
14 The WIPO Worldwide Academy (see also 08, 12)	1	8	6	15					
09 Global Communications (see also 02, 12)	1	6	14	21	11 Intellectual Property for Development and Prosperity; Creation of IP Culture	3	13	22	38
10 Global IP Issues (see also 02, 07)	1	2	2	5					
12 Coop. with Dev. Countries (see also 07, 08, 10, 12)	1	5	6	12					
12 Coop. with Dev. Countries (see also 07, 08, 10, 11)	1	--	--	1	12 Resources Management	8	64	148	220
14 The WIPO Worldwide Academy (see also 08, 10)	--	1	1	2					
16 Human Resources Management	2	16	26	44					
17 Administrative Services	4	42	102	148					
18 Premises	1	5	19	25					
03 Legal Counsel (see also 02)	--	1	--	1	13 Information Technology	1	62	31	94
11 Arbitration & Mediation Services (see also 06)	--	--	2	2					
15 Information Technology (see also 08)	1	61	29	91					
TOTAL	46	325	633	1,004	TOTAL	46	325	633	1,004

C. FINANCIAL INDICATORS, INCOME ESTIMATES AND RESOURCE PLAN

305. The presentation of the financial indicators was first introduced in the context of the proposed budget 2002-2003. This presentation intends to put the proposed budget and income estimates into context: indicating trends and demonstrating that decisions with long-term budget or funding implications can be sustained in the future. Based on the financial indicators developed in Part 1, the biennial income estimates and resource plan for 2002-2003 and 2004-2005 are presented in Part 2.

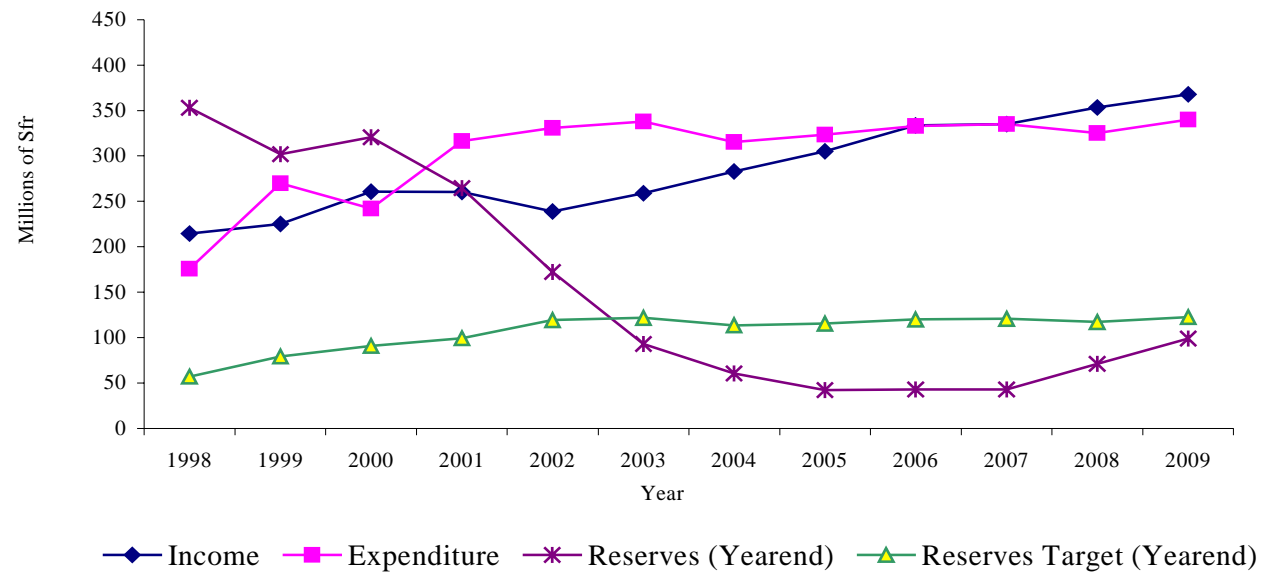
1. FINANCIAL INDICATORS 1998 TO 2009

306. The presentation of financial indicators provides details on the funding approach and underlying assumptions. Expenditures and activities have increased considerably in recent years along with increases in income under the international protection systems. Whereas this is the case overall, there have been significant differences in the rates of growth across Unions and budget parts. In order to incorporate this dynamic situation in the budget process and deploy resources effectively, Member States approved a budget approach in September 2000¹, which integrates the management of income, expenditure and reserves. Expenditures are funded from a combination of income and available reserves. Available reserves are the increases of reserves over-and-above the reserve target. The reserve target was approved by the Assemblies of Member States in September 2000, and corresponds to 18 per cent of the total biennial budget. The balancing of income, expenditure and reserves is shown for the period through 2009. Table 18 presents information on income, expenditure and reserves for the 12-year period 1998-2009.

¹ See document A/35/6 "Adjustment to Budget Process, Policy on Reserve and Working Capital Funds, Policy on Budget Surplus."

Table 18
Income, Expenditure and Reserves for 1998-2009
(in millions of Swiss francs)

	<i>Actual</i>				<i>Revised</i>		<i>Proposed</i>		<i>Estimate</i>			
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Income	214.3	225.1	260.6	260.1	238.6	258.8	282.9	305.2	333.5	335.0	353.2	368.0
Expenditure	175.5	269.7	242.1	316.2	330.8	338.0	315.3	323.5	333.0	335.0	325.0	340.0
Reserves (Yearend)	353.0	302.0	320.6	264.4	172.2	93.1	60.7	42.4	42.9	42.9	71.1	99.1
Reserves Target (Yearend)	57.1	79.2	91.1	99.3	119.1	121.7	113.5	115.2	119.9	120.6	117.0	122.4



307. As indicated in Table 18, considerable reserves had been build up prior to 1998 in anticipation of funding needs for major projects to modernize WIPO's infrastructure. Delays in project implementation and higher than anticipated income in recent years resulted in the maintaining of excessively high reserves reaching Sfr353,000,000 in 1998. However, the new reserve and budget policy approved by Member States in September 2000, set the stage to balance income, expenditures and reserves. Whereas activities under the global protection systems continued experiencing substantive growth, which in the case of the PCT showed sustained two-digit rates of growth, the increase in income was reduced due to the implementation of aggressive fee reductions in recent years. In the case of the PCT, the fee of the average international application was reduced by nearly 40 per cent between 1997 and 2002. In the case of the Madrid System, that reduction reached some 20 per cent between 1996 and 2002². For the Hague System, a reduction of nearly 15 per cent between 1996 and 2002 was also implemented. Coupled with these fee reductions, decreases in Member States' Contributions were also approved during the last few years: the value of the Contribution Unit was reduced by nearly 20 per cent since 1997. Indeed, income for 2002 of Sfr238,600,000 was lower as compared to 2001 with Sfr260,100,000. The reduction of income and the implementation of major IT and building infrastructure investments, resulted in the desired effect of reducing reserve levels as from 2000.

308. As previously indicated, the implementation of the last phase of the infrastructure projects, namely the new construction, will require a temporary use of the reserves³. Reserves are expected to fall below the target recommended by Member States reaching Sfr42,401,000 by the end of 2005 as compared to a recommended level of Sfr115,242,000. Fees are expected to remain stable in the coming years until the new construction project has been completed with opportunity for further reductions as of 2007, resulting in increased income in accordance with the anticipated growth under the global protection systems. With the phasing out of the infrastructure investments together with the corresponding funding requirements, the reduction in rental costs due to utilization of new WIPO-owned facilities and the benefits of automation resulting from the IMPACT Project will reduce budget requirements. This ensures that the process of accommodating increased level of activities while maintaining overall budget levels can continue with expenditure amounting to Sfr340,000,000 in 2009. Anticipated surpluses as of 2006-2007 will be utilized to replenish the reserves and allow for further program increases and reductions in registration fees. In summary, income and expenditures are anticipated to grow although at lower rates in the coming years. Accommodating the additional workload while having lower growth in expenditure will be possible based on major efficiency gains expected to result from the implementation of the PCT automation projects and reduced rental cost through the availability of additional WIPO-owned premises. Towards the end of 2009, the reserves will be close to its recommended level, thus giving the flexibility to consider further expansion of activities and/or further cuts in fees.

² The registration period for Trademark protection was reduced from 20 to 10 years.

³ See document A/37/2 "Revised Project Budget for the New Construction and Revised Program and Budget for 2002-2003."

309. Table 19 elaborates total expenditure by separating the cost of infrastructure investments from operations. This is compared to total income. Infrastructure investments include the new construction project (2000-2007) and the ex-WMO building (1999-2003) as well as the main IT projects such as the development of IMPACT (1998-2005), PCT E-filing (2002-2003), PCT OCR (2002-2003), AIMS (2002-2004) and CLAIMS (2002-2003) and the development and deployment of WIPONET (1998-2005). Operations include all other activities, including the maintenance cost of buildings and the operational cost of IT systems. As indicated in Table 19, infrastructure investment peaks in 2001 with Sfr87.2 million and remains high during 2002 and 2003. Investments decline during the subsequent years with no infrastructure investments planned for the year 2008 and 2009. Operations expenditure increase at essentially the same rates from 1998 to 2009. This reflects the expansion of the WIPO activities, in particular the growth under the global protection systems. Including the exceptionally high infrastructure investments, total expenditure from 2001 to 2003 reached a peak. In subsequent years, total expenditure may have some decline, or remain stable. Increases in the cost of operations are offset by decreases in infrastructure investments. When compared to income, operational costs do not exceed income for the period 1998 to 2009 with the exception of 2002. The past current and anticipated evolution of the operations is well within anticipated income levels, which excludes the opening of a structural deficit. Total expenditure exceeds income during the period from 2001 to 2005 with the gap being largest during 2002, and declining in subsequent years. The gap between income and expenditure reflects the implementation of infrastructure projects funded by the accumulated reserve as indicated in Table 19. By the end of 2005 this process will be concluded.

Income 1998 to 2009

310. Table 20 provides income information by source of income. Income during the period is expected to increase from Sfr214,344,000 in 1998 to Sfr367,971,000 in 2009. This represents an average compounded increase of 4.6 per cent per year, which translates into an overall anticipated income growth of 72.7 per cent for the entire 12-year period from 1998 to 2009.

Member States' Contributions

311. As shown in Table 20, following an initial decline on income from Member States contributions due to reductions in the Contribution's unit, income is now maintained through 2009. The annual amount from 2003 to 2009 corresponds to 377.875 contribution units, at a value of Sfr45,579 per unit. Income projections through 2009 have been prepared on the basis of zero nominal growth in Member States' contributions, and on the assumption of stable membership. It is recalled that the value of the contribution unit was reduced in 1998, 1999 and 2000, by a total of 19.1 per cent with respect to its 1997 value.

Table 19. Income and Expenditure (Operations and Infrastructure) for 1998-2009
(in millions of Swiss francs)

	<i>Actual</i>				<i>Revised</i>		<i>Proposed</i>		<i>Estimate</i>			
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Income	214.3	225.1	260.6	260.1	238.6	258.8	282.9	305.2	333.5	335.0	353.2	368.0
Expenditure	175.5	269.7	242.1	316.2	330.8	338.0	315.3	323.5	333.0	335.0	325.0	340.0
<i>Operations</i>	169.5	210.1	222.4	229.0	253.9	254.2	258.3	274.6	295.0	305.5	325.0	340.0
<i>Infrastructure</i>	6.0	59.6	19.7	87.2	76.9	83.8	57.0	49.0	38.0	29.5	-	-

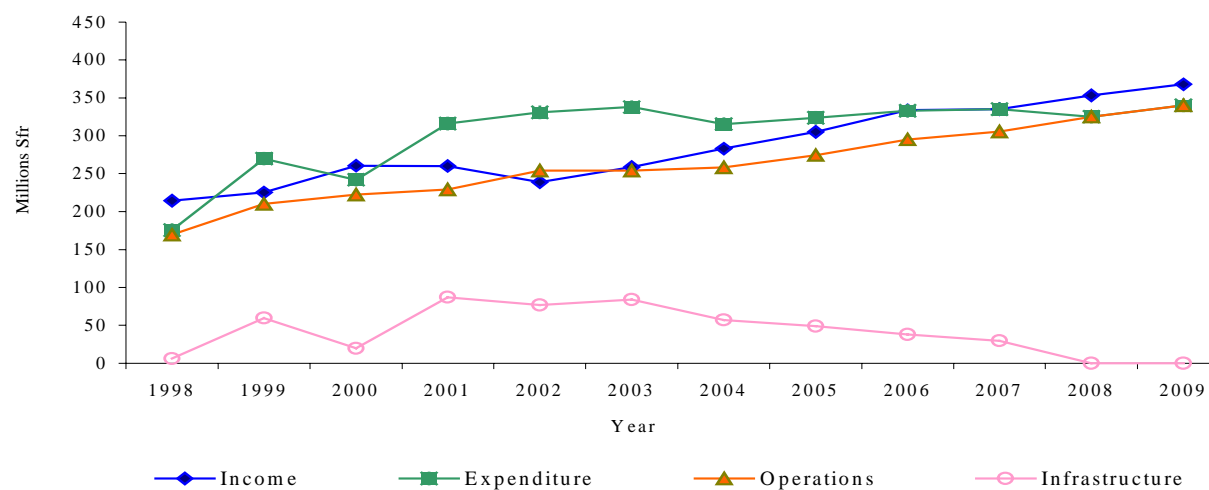
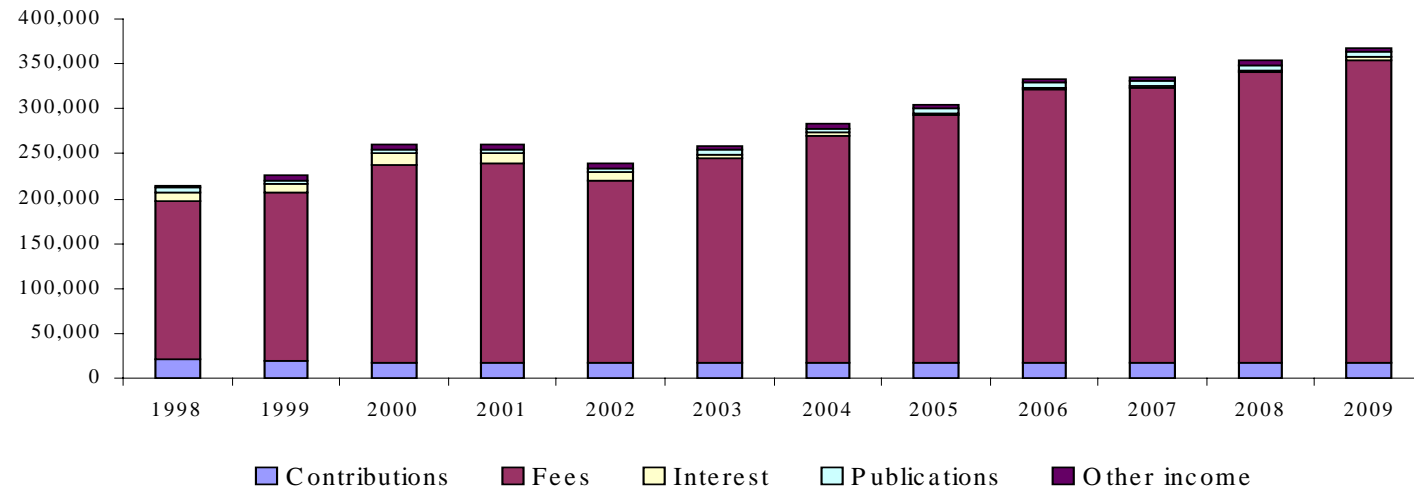


Table 20
Income 1998 to 2009: Variation by Source of Income
(in thousands of Swiss francs)

<i>Year</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Contributions	21,648	19,474	17,527	17,267	17,227	17,289	17,223	17,223	17,223	17,223	17,223	17,223
Fees												
PCT System	147,015	159,056	189,556	190,351	174,512	195,750	219,629	240,654	263,036	262,601	278,114	290,619
Madrid System	22,805	22,622	25,141	25,920	24,110	26,190	28,152	30,285	36,256	38,133	40,010	41,034
Hague System	4,733	4,661	5,147	4,957	4,846	4,990	5,119	5,249	5,378	5,508	5,638	5,767
<i>Total, fees</i>	<i>174,553</i>	<i>186,339</i>	<i>219,844</i>	<i>221,228</i>	<i>203,468</i>	<i>226,930</i>	<i>252,900</i>	<i>276,188</i>	<i>304,670</i>	<i>306,242</i>	<i>323,762</i>	<i>337,420</i>
Interest	9,956	10,172	13,536	12,139	8,663	5,297	3,105	2,111	1,760	1,770	2,325	3,428
Publications	5,567	4,608	4,092	4,462	4,104	4,700	5,000	5,000	5,000	5,000	5,000	5,000
Other income	2,620	4,537	5,624	5,040	5,148	4,600	4,700	4,700	4,800	4,800	4,900	4,900
TOTAL	214,344	225,130	260,623	260,136	238,609	258,816	282,928	305,222	333,453	335,035	353,210	367,971



PCT System: International Applications, Fees and Fee Income

312. Income from PCT fees is anticipated to increase from Sfr123,881,000 in 1996 to Sfr290,619,000 in 2009 as elaborated in Table 21. International applications are anticipated to increase by 288.2 per cent, whereas average fee is being reduced by 36.9 per cent during that period.

313. The estimated 183,600 international applications for 2009 are 60.9 per cent higher than the actual amount for 2002 of 114,100 applications. The projected number of international applications have been discussed with the trilateral offices (USPTO, JPO, EPO), and take into account the effects of the recent slowdown in patent filings, and the anticipated economic recovery. The actual level of PCT applications in 2002 was in line with the initial budget estimates. For 2003 and taking into account recent data on patent applications, the target is estimated at 120,000. While this represents an increase of 5.2 per cent with respect to the actual in 2002, this increase is lower than initially estimated. Future years are expected to continue experiencing growth because of, on the one hand, higher levels of national patent filings as the economic situation is expected to improve, and on the other hand, as higher proportions of national filings choose the PCT-route to file internationally. This effect will be supported by a user-friendlier PCT system incorporating the benefits of the PCT reform, by sustained reductions in PCT fees including specific discounts for applicants choosing to file electronically and by improved knowledge from potential applicants of the advantages the PCT System provides. It is also worth noting the steady increases that the proportion of PCT international applications represent on national patent filings worldwide; however, the degrees of penetration are very different across regions, with the United States of America and Europe showing wider use of the PCT among their domestic patent applicants, while Japan and other World regions show a higher potential for growth. Due to the combined effect of economic evolution and regional factors, PCT international applications are projected to continue increasing, but with a decelerated rate of growth.

314. The average fee per application in 2002 was Sfr1,626, a decrease of 7.5 per cent with respect to the average fee in 2001. This reduction is essentially attributable to the decrease in the maximum number of payable designations from six to five as of January 1, 2002. However, the reduction between 2001 and 2002 of the actual fee paid per application was in excess of 16 per cent due to the reversal in the result of exchange rate fluctuations: PCT fees are set in Swiss francs and subsequently fixed in other currencies through an adjustment mechanism which takes into account cumulative changes in the exchange rate over time. While in 2000 and 2001 significant gains were made benefiting from the position of a strong US dollar, the progressive weakening of that currency relative to the Swiss franc during 2002, made the International Bureau to incur losses because of these currency fluctuations. In order to separate these effects from decisions made on fees by Member States, Table 20 shows the average fee calculated in Swiss francs according to the profile of the average international application, while estimating separately income from fees paid to the International Bureau as a Receiving Office and fluctuations essentially due to the fact that payments are made to national patent offices in their local currencies. Concerning the proposed average fee as of January 1, 2004, it is estimated at Sfr1,678. This level of fee was discussed by the Program and Budget

Table 21
PCT System: International Applications, Average Fee and Income

<i>Year</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<i>International Applications</i>														
Volume	47,291	54,422	67,007	74,023	90,948	103,947	114,100	120,000	130,500	143,000	156,300	165,900	175,700	183,600
% Change	21.6%	15.1%	23.1%	10.5%	22.9%	14.3%	9.8%	5.2%	8.8%	9.6%	9.3%	6.1%	5.9%	4.5%
<i>Average Fee Per Application</i>														
Fee	2,502	2,607	2,201	2,122	1,927	1,757	1,626	1,626	1,678	1,678	1,678	1,578	1,578	1,578
% Change	17.6%	4.2%	(15.6)%	(3.6)%	(9.1)%	(8.8)%	(7.5)%	--	3.2%	--	--	(6.0)%	--	--
<i>Income (in thousands of Swiss francs)</i>														
Fee Income	118,302	141,882	147,505	157,045	175,300	182,680	185,527	195,120	218,979	239,954	262,271	261,790	277,255	289,721
WIPO RO Income	446	486	647	624	593	267	590	630	650	700	765	811	859	898
Fluctuations	5,133	9,631	(1,137)	1,387	13,663	7,404	(11,605)	--	--	--	--	--	--	--
Total, Income	123,881	151,999	147,015	159,056	189,556	190,351	174,512	195,750	219,629	240,654	263,036	262,601	278,114	290,619
% Change	49.7%	22.7%	(3.3)%	8.2%	19.2%	0.4%	(8.3)%	12.2%	12.2%	9.6%	9.3%	(0.2)%	5.9%	4.5%

Committee (see document WO/PBC/6/4) and the Working Group on Reform of the PCT. These consultations highlighted the strong support to provide for a reduced handling fee separate from the international filing fee set in accordance with financial requirements (see document PCT/R/WG/4/14). The level of PCT fees proposed in this document satisfies that request (see appendix C) as it contains a separate handling fee at a level (Sfr200) lower than its current amount, and an international filing fee of Sfr1,450 which was set in accordance to maintain the estimated average fee per application at Sfr1,678. Moreover, the new fee proposal provides for specific discounts for applicants using the PCT EASY software (Sfr100), for those filing fully electronically with documents attached in PDF format (Sfr200), and for those filing fully electronically with documents attached in XML format (Sfr300). In addition, the proposed amended schedule of fees extends the current reduction of 75 per cent available to applicants who are natural persons and who are nationals of and reside in a state whose per capita national income is below USD 3,000; it is proposed that applicants from Least Developed Countries (LDCs) benefit from this reduction, irrespective of whether or not they are natural persons. It has been indicated in the introduction to this section that following the completion of major infrastructure investments by the Secretariat, additional fee reductions could be sought. The financial projections attached to this document anticipate a further 6.0 per cent fee reduction as of January 1, 2007.

Madrid System: Registrations and Renewals, Fees and Fee Income

315. Income from fees under the Madrid System is anticipated to increase from Sfr24,491,000 in 1996 to Sfr41,034,000 in 2009 as elaborated in Table 22. Registrations and renewals are anticipated to increase by 109.2 per cent, whereas average fee is being reduced by 20.0 per cent during that period.

316. The estimated 48,100 registrations and renewals for 2009 is 70.2 per cent higher than the actual amount for 2002 of 28,262 registrations and renewals. The actual figure for 2002 reflects a reduction of 15.6 per cent with respect to the initial estimate, in line with worldwide decreases in trademark registrations during the last year. This situation is not anticipated to continue, rather some growth is projected as higher economic activity is expected will lead to applicants to seek further trademark protection. Furthermore, the accession of new Member States under the Madrid System is expected to be an additional source of growth in new registrations. Finally, the number of renewals is expected to substantially increase by 2006 and beyond, as a period of 10 years since the change in the registration system from 20 to 10 years has elapsed. Owing to that change in cycle, a number of registrations which, under the previous arrangement would have been valid until 2016, would now become due for renewal 10 years earlier (i.e. by 2006). The quantitative effect of these changes is reflected in the estimates provided in Table 22.

317. No changes are envisaged to the schedule of fees payable for registrations and renewals under the Madrid system for the period under projection. The actual average fee in 2002 was Sfr853, essentially unchanged from the average fee in 2001. The same average fee is assumed for future years until 2009 reflecting unchanged proportions of modifications, transmissions and territorial extensions per registration.

Table 22
Madrid System: Applications and Renewals, Average Fee and Income

<i>Year</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<i>Registrations and Renewals</i>														
Volume	22,995	23,994	25,811	25,782	29,837	30,489	28,262	30,700	33,000	35,500	42,500	44,700	46,900	48,100
% Change	1.5%	4.3%	7.6%	(0.1)%	15.7%	2.2%	(7.3)%	8.6%	7.5%	7.6%	19.7%	5.2%	4.9%	2.6%
<i>Average Fee Per Registration/Renewal</i>														
Fee	1,065	900	884	877	843	850	853	853	853	853	853	853	853	853
% Change	9.3%	(15.5)%	(1.8)%	(0.8)%	(3.9)%	0.8%	0.4%	--	--	--	--	--	--	--
<i>Income (in thousands of Swiss francs)</i>														
Fee Income	24,491	21,596	22,805	22,622	25,141	25,920	24,110	26,190	28,152	30,285	36,256	38,133	40,010	41,034
% Change	11.0%	(11.8)%	5.6%	(0.8)%	11.1%	3.1%	(7.0)%	8.6%	7.5%	7.6%	19.7%	5.2%	4.9%	2.6%

Table 23
Hague System: Deposits and Renewals, Average Fee and Income

<i>Year</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<i>Deposits and Renewals</i>														
Volume	5,828	6,223	6,466	6,752	7,300	7,105	7,479	7,700	7,900	8,100	8,300	8,500	8,700	8,900
% Change	4.2%	6.8%	3.9%	4.4%	8.1%	(2.7)%	5.3%	3.0%	2.6%	2.5%	2.5%	2.4%	2.4%	2.3%
<i>Average Fee Per Deposit/Renewal</i>														
Fee	744	747	732	690	705	698	648	648	648	648	648	648	648	648
% Change	2.2%	0.4%	(2.0)%	(5.7)%	2.2%	(1.0)%	(7.2)%	--	--	--	--	--	--	--
<i>Income (in thousands of Swiss francs)</i>														
Fee Income	4,334	4,647	4,733	4,661	5,147	4,957	4,846	4,990	5,119	5,249	5,378	5,508	5,638	5,767
% Change	6.4%	7.2%	1.9%	(1.5)%	10.4%	(3.7)%	(2.2)%	3.0%	2.6%	2.5%	2.5%	2.4%	2.4%	2.3%

Hague System: Deposits and Renewals, Fees and Fee Income

318. Income from fees under the Hague system is anticipated to increase from Sfr4,334,000 in 1996 to Sfr5,767,000 in 2009 as elaborated in Table 23. Deposits and Renewals are anticipated to increase by 52.7 per cent, whereas average fee is being reduced by 12.9 per cent during that period.

319. The estimated 8,900 deposits and renewals in 2009 is 19.0 per cent higher than the actual amount for 2002 of 7,479 deposits and renewals. The actual figure for 2002 reflects a reduction of 5.3 per cent with respect to the initial estimate, although it represents a 5.3 per cent increase with respect the actual level of deposits and renewals in 2001. Deposits in future years are anticipated to continue increasing at a rate of some three per cent annually.

320. No changes are envisaged to the schedule of fees for deposits and renewals under the Hague System for the period under projection, while noting that the Geneva Act of the Hague Agreement may enter into force in the coming years. Any adjustment to the schedule of fees required from that Act would be addressed with the spirit of maintaining the fee per deposit currently paid by applicants. The actual average fee in 2002 was Sfr648, a 7.2 per cent decrease with respect to 2001, reflecting a reduction in publication fees as of January 1, 2002.

Interest

321. Interest income evolved from Sfr9,956,000 in 1998 peaking at 13,536,000 in 2000, to decline progressively to Sfr1,760,000 in 2006 and subsequently to increase again to Sfr3,428,000 in 2009. This income source is expected to yield Sfr5,216,000 in the 2004-2005 biennium, which represents a decline of 62.6 per cent with respect to the interest income now anticipated in the current biennium. Decreases in interest income are also projected in the 2006-2007 biennium in accordance with the anticipated evolution in the level of reserves and working capital funds. By contrast, this source of income is expected to increase in 2008-2009 by the end of the period under projection, mirroring the anticipated increase in reserves in that biennium.

Publications

322. Publications income evolved from Sfr5,567,000 in 1998 to Sfr4,104,000 in 2002 as WIPO information products have been adjusted and reconfigured in recent years. This income source is expected to yield Sfr10,000,000 in the 2004-2005 biennium and it is projected to remain at that level for the period under projection, as the volume and type of WIPO-published material (either on paper or by electronic means) is seen to remain stable in the future. Moreover, prices for WIPO publication products are established on a cost-recovery basis in order to allow for wide dissemination of WIPO's published material assisting in that manner to the demystification of intellectual property.

Other Income

323. As shown in Table 20 above, other income sources increased from Sfr2,620,000 in 1998 to Sfr4,900,000 in 2009. Other income sources include income from the arbitration center, rentals, reimbursement from UPOV to services provided by WIPO, miscellaneous and other income. Arbitration center income is expected to yield Sfr1,524,000 annually, with a stable caseload for the period under projection. Rental income is projected at Sfr700,000 annually. Reimbursement from UPOV is projected at Sfr800,000 annually, as no significant changes are anticipated on the support provided by WIPO to the UPOV's secretariat. Miscellaneous and other income yielded Sfr1,443,000 in 2002 with projected small annual increases through 2009.

2. INCOME ESTIMATES AND RESOURCE PLAN 2002-2003 AND 2004-2005

324. On the basis of the annual income presentations for the year 1998 to 2009 outlined above in Chapter C.1, a comparison of the income estimates for the 2002-2003 and 2004-2005 biennium is presented. This is done in Table 24 by source of income and Union. The estimates are supported by a number of selected workload and income indicators shown in Table 25.

325. The revised income target for 2002-2003 is estimated at Sfr497,425,000 and presents a decrease of Sfr34,357,000 or 6.5 per cent as compared to the approved income estimate of Sfr531,782,000. The total income for 2004-2005 is estimated at Sfr588,150,000, reflecting an increase of Sfr90,725,000 or 18.2 per cent as compared to the revised income target for 2002-2003 of Sfr497,425,000.

Member States' Contributions

326. Contributions provided by Member States are expected to amount to Sfr34,446,000 for the 2004-2005 biennium. This figure compares with a budgeted amount of Sfr34,583,000 for the 2002-2003 biennium. The value of the contribution unit for 2004-2005 remains at Sfr45,579. It should also be noted that within certain groups, Member States have the flexibility to choose their contribution class and therefore the amount of contributions they wish to make to WIPO. The slight decrease that can be observed in the contribution amount for 2004-2005 is the result of some changes in contribution groups. Contribution classes range from 25 units (class I) to 0.03125 units (class Ster).

Table 24
Income 2002-2003 and 2004-2005: Variation by Source of Income and Union
(in thousands of Swiss francs)

	2000-2001	2002-2003	Variation		2002-2003	Variation		2004-2005
	Actual	Initial			Revised			Proposed
	A	B	C	C/B (%)	D=B+C	E	E/D (%)	F=D+E
A. By Source of Income								
Contributions	34,794	34,583	(67)	(0.2)	34,516	(70)	(0.2)	34,446
Fees								
PCT System	379,907	378,691	(8,429)	(2.2)	370,262	90,021	24.3	460,283
Madrid System	51,062	55,143	(4,843)	(8.8)	50,300	8,137	16.2	58,437
Hague System	10,103	10,179	(343)	(3.4)	9,836	532	5.4	10,368
Total, fees	441,072	444,013	(13,615)	(3.1)	430,398	98,690	22.9	529,088
Interest	25,674	23,100	(9,141)	(39.6)	13,959	(8,744)	(62.6)	5,216
Publications	8,554	10,138	(1,334)	(13.2)	8,804	1,196	13.6	10,000
Other Income	10,665	19,948	(10,200)	(51.1)	9,748	(348)	(3.6)	9,400
Total, A	520,759	531,782	(34,357)	(6.5)	497,425	90,725	18.2	588,150
B. By Union								
Contri-fin. Unions	38,679	38,430	(499)	(1.3)	37,931	317	0.8	38,248
PCT Union	404,788	399,394	(15,509)	(3.9)	383,885	83,204	21.7	467,090
Madrid Union	61,194	66,464	(10,665)	(16.0)	55,799	7,130	12.8	62,929
Hague Union	11,332	11,486	(975)	(8.5)	10,511	468	4.5	10,979
Others	4,766	16,008	(6,709)	(41.9)	9,299	(395)	(4.2)	8,904
Total, B	520,759	531,782	(34,357)	(6.5)	497,425	90,725	18.2	588,150

Table 25
Income 2002-2003 and 2004-2005: Variation by Selected Workload Indicators and Income Indicators

	2000-2001	2002-2003	Variation		2002-2003	Variation		2004-2005
	Actual	Initial			Revised			Proposed
	A	B	C	C/B (%)	D=B+C	E	E/D (%)	F=D+E
A. Selected Workload Indicators								
PCT international applications	194,895	236,000	(1,900)	(0.8)	234,100	39,400	16.8	273,500
Madrid registrations and renewals	60,326	68,000	(9,038)	(13.3)	58,962	9,538	16.2	68,500
Hague deposits and renewals	14,405	16,100	(921)	(5.7)	15,179	821	5.4	16,000
B. Selected Income Indicators (In Swiss Francs)								
Contribution unit	45,579	45,579	-	-	45,579	-	-	45,579
PCT average fee	1,842	1,605	21	1.3	1,626	52	3.2	1,678
Madrid average fee	847	836	17	2.0	853	-	-	853
Hague average fee	702	632	16	2.5	648	-	-	648

PCT System Fee Income

327. Income from PCT fees is expected to be Sfr460,283,000 in the 2004-2005 biennium (Sfr219,629,000 in 2004 and Sfr240,654,000 in 2005), an increase of Sfr90,021,000 or 24.3 per cent as compared to the revised income of Sfr370,262,000 for the 2002-2003 biennium. This is on the basis of 273,500 international applications (130,500 in 2004 and 143,000 in 2005), an increase of 39,400 applications or 16.8 per cent as compared to the revised 2002-2003. As outlined in Chapter C.1, the increase is anticipated due to additional growth in PCT international applications, although at a declining rate. In addition, the average fee for 2004-2005 is anticipated to amount to Sfr1,678 (in either 2004 and 2005), an increase of Sfr52 or 3.2 per cent with respect the estimated average fee 2003. However, it should be taken into account that as of 2004 the average fee is calculated according to the revised fee structure.

328. The revised income of Sfr370,262,000 for the 2002-2003 biennium (Sfr174,512,000 in 2002 and Sfr195,750,000 in 2003) falls below the approved estimates by Sfr8,429,000 or 2.2 per cent. This reflects a decrease in the estimates by 1,900 applications or 0.8 per cent and a decrease in the average fee by Sfr21 or 1.4 per cent. As outlined in Chapter C.1, the decline in applications in 2003 takes into account recent information from patent offices. Concerning the average fee, its calculation includes receiving office income, miscellaneous fees and exchange rate fluctuations. The main reasons for the discrepancy in the average fee were: (i) unanticipated exchange rate losses because of the stronger position of the Swiss franc, in particular with respect to the US dollar, and (ii) a reduced proportion in the processing of Chapter II applications with respect to previous years.

Madrid System Fee Income

329. Income from Madrid fees is expected to be Sfr58,437,000 in the 2004-2005 biennium (Sfr28,152,000 in 2004 and Sfr30,285,000 in 2005), an increase of Sfr8,137,000 or 16.2 per cent as compared to the revised income of Sfr50,300,000 for the 2002-2003 biennium. This is on the basis of 68,500 registrations and renewals (33,000 in 2004 and 35,500 in 2005), an increase of 9,538 applications or 16.2 per cent as compared to the revised 2002-2003. As outlined in Chapter C.1, the increase is expected due to the anticipated economic recovery on the one hand and additional applications generated by new states acceding to the Madrid System on the other. In addition, the average fee for 2004-2005 is anticipated to amount to Sfr853 (in either 2004 or 2005), the same amount as the revised estimate for 2002-2003.

330. The revised income of Sfr50,300,000 for the 2002-2003 biennium (Sfr24,110,000 in 2002 and Sfr26,190,000 in 2003) is lower than the approved estimates by Sfr4,843,000 or 8.8 per cent. This reflects a decrease of 9,038 estimated registrations and renewals or 13.3 per cent, partly compensated by an increase of Sfr17 or 2.0 per cent in the average fee owing to higher proportions of territorial extensions and modifications than anticipated per registration.

Hague System Fee Income

331. Income from Hague fees is expected to be Sfr10,368,000 in the 2004-2005 biennium (Sfr5,119,000 in 2004 and Sfr5,249,000 in 2005), an increase of Sfr532,000 or 5.4 per cent as compared to the revised income of Sfr9,836,000 for the 2002-2003 biennium. This is on the basis of 16,000 deposits and renewals (7,900 in 2004 and 8,100 in 2005), an increase of 821 deposits and renewals or 5.4 per cent as compared to the revised 2002-2003. As outlined in Chapter C.1, an increase in activity levels of three per cent per year is anticipated in view of the evolution of the Hague System. In addition, the average fee for 2004-2005 is anticipated to amount to Sfr648 (in either 2004 and 2005), the same amount as the revised estimate for 2002-2003.

332. The revised income of Sfr9,836,000 for the 2002-2003 biennium (Sfr4,846,000 in 2002 and Sfr4,990,000 in 2003) is lower than the approved estimates by Sfr343,000 or 3.4 per cent. This reflects a decrease of 921 estimated deposits and renewals or 5.7 per cent, partly compensated by an increase of Sfr16 or 2.5 per cent in the average fee because of publication of additional pages per deposit.

Publications Income

333. Income from publications is estimated at Sfr10,000,000 in the 2004-2005 biennium (Sfr5,000,000 in both 2004 and 2005), an increase of Sfr1,196,000 or 13.6 per cent as compared to the revised income of Sfr8,804,000 for the 2002-2003 biennium. The revised income is lower than the approved estimates for the 2002-2003 biennium by Sfr1,334,000 or 13.2 per cent. This is mainly because of lower sales of Paris, Bern and IPC publications. Increased sales are projected for the 2004-2005 biennium as additional income is expected from PCT and Madrid published products (CD-ROMs, Guides, Gazettes). Pricing of publications, is assumed stable as WIPO publication products are priced such that sales revenue is sufficient to recover the direct cost of producing the publication, while wide dissemination of WIPO's published material can be achieved in order to help in the demystification of intellectual property.

Interest Income

334. Interest income is estimated at Sfr5,216,000 in the 2004-2005 biennium (Sfr3,105,000 in 2004 and Sfr2,111,000 in 2005), a decrease of Sfr8,744,000 or 62.6 per cent as compared to the revised income of Sfr13,959,000 for the 2002-2003 biennium. The revised income is lower than the approved estimates of Sfr23,100,000 for the 2002-2003 biennium by Sfr9,141,000 or 39.6 per cent. Interest income is calculated on the basis of average annual fund balance and applicable interest rates as follows: balance of Sfr304,411,000; rate of 2.85 per cent for 2002, balance of Sfr196,692,000; rate of 2.69 per cent for 2003, balance of Sfr126,573,000; rate of 2.45 per cent for 2004, balance of Sfr94,737,000; rate of 2.21 per cent for 2005. Interest rate is calculated as a composite of rates earned on funds deposited long-term and funds maintained in current accounts.

Other income

335. Other income is estimated at Sfr9,400,000 in the 2004-2005 biennium (Sfr4,700,000 in both 2004 and 2005), a decrease of Sfr348,000 or 3.6 per cent as compared to the revised income of Sfr9,748,000 for the 2002-2003 biennium. The revised income is lower than the approved estimates of Sfr19,948,000 for the 2002-2003 biennium by Sfr10,200,000 or 51.1 per cent. Other income includes income from rental of Sfr1,400,000 in 2004-2005 and Sfr1,297,000 in 2002-2003, from UPOV reimbursement of Sfr1,600,000 in 2004-2005 and Sfr1,600,000 in 2002-2003, from arbitration center of Sfr3,048,000 in 2004-2005 and Sfr3,815,000 in 2002-2003 and other miscellaneous income of Sfr3,352,000 in 2004-2005 and Sfr3,036,000 in 2002-2003. Reductions in other income are mainly due to lower than expected income from arbitration activities.

336. Table 26 indicates the source of income by Union for the 2002-2003 and 2004-2005 biennium, which provides further details on the distribution of income provided in Table 24.

337. The resource plan for 2002-2003 and 2004-2005 is shown in Table 27. The resource plan provides for an integrated view of all resources at the disposal of WIPO and illustrates the interrelationship between budget, income and the related movements of reserves.

338. The starting point is the revised budget 2002-2003 (line 1) which amounts to Sfr668,800,000. Budget estimates are presented by Union as elaborated in Chapter B.1 of the current document. Income for 2002-2003 (line 2) is estimated at Sfr497,425,000 and described in Chapter C.2. In order to balance the budget in 2002-2003, an amount of Sfr171,375,000 (lines 3 and 10) is transferred from the Reserve and Working Capital (RWC) funds. Table 27 illustrates the resource transfer by Union and the implication for the level of the RWC funds which is reduced from Sfr264,426,000 in December 31, 2001 (line 9) to Sfr93,051,000 in December 31, 2003 (line 11). The starting point for the coming biennium is the proposed budget 2004-2005 (line 5) amounting to Sfr638,800,000 as elaborated in Chapter A.1. The income 2004-2005 (line 6) is estimated at Sfr588,150,000 and described in Chapter C.2. In order to balance the budget in 2004-2005, RWC funds are transferred (line 7 and 12) in the amount of Sfr50,650,000. As a result, RWC funds are reduced to Sfr42,401,000 as of December 31, 2005 (line 13). A comparison between estimated level of RWC funds as of December 31, 2005 (line 13), and recommended target (line 14) indicates the extent to which temporary use is proposed Union reserves.

Table 26
Income: Summary by Union and Source of Income for 2002-2003 and 2004-2005
(in thousands of Swiss francs)

<i>Source of Income</i>	<i>CF Unions</i>		<i>PCT Union</i>		<i>Madrid Union</i>		<i>Hague Union</i>		<i>Others</i>		<i>Total</i>	
	<i>Amount</i> <i>A</i>	<i>% of</i> <i>total</i>	<i>Amount</i> <i>B</i>	<i>% of</i> <i>total</i>	<i>Amount</i> <i>C</i>	<i>% of</i> <i>total</i>	<i>Amount</i> <i>D</i>	<i>% of</i> <i>total</i>	<i>Amount</i> <i>E</i>	<i>% of</i> <i>total</i>	<i>Amount</i> <i>F=A+...E</i>	<i>% of</i> <i>total</i>
A. 2002-2003												
Contributions	34,516	91.0	-	-	-	-	-	-	-	-	34,516	6.9
Fees	-	-	370,262	96.5	50,300	90.1	9,836	93.6	-	-	430,398	86.5
Interest	1,393	3.7	10,350	2.7	1,881	3.4	301	2.9	34	0.4	13,959	2.8
Publications	2,022	5.3	3,273	0.9	3,321	6.0	178	1.7	10	0.1	8,804	1.8
Other Income	-	-	-	-	297	0.5	196	1.9	9,255	99.5	9,748	2.0
Total, A	37,931	100.0	383,885	100.0	55,799	100.0	10,511	100.0	9,299	100.0	497,425	100.0
B. 2004-2005												
Contributions	34,446	90.1	-	-	-	-	-	-	-	-	34,446	5.9
Fees	-	-	460,283	98.5	58,437	92.9	10,368	94.4	-	-	529,088	90.0
Interest	1,202	3.1	3,307	0.7	592	0.9	111	1.0	4	0.0	5,216	0.9
Publications	2,600	6.8	3,500	0.7	3,600	5.7	300	2.7	-	-	10,000	1.7
Other Income	-	-	-	-	300	0.5	200	1.8	8,900	100.0	9,400	1.6
Total, B	38,248	100.0	467,090	100.0	62,929	100.0	10,979	100.0	8,904	100.0	588,150	100.0

Table 27
Resource Plan 2002-2003 and 2004-2005
(in thousands of Swiss francs)

Budget and Resource availability	Regular Budget						Trust Funds G	TOTAL H=F+G
	Con.-Fin. Unions A	PCT Union B	Madrid Union C	Hague Union D	Others E	Total F=A+...E		
Budget 2002-2003								
1. Revised Budget	38,441	528,499	78,613	13,314	9,933	668,800	13,369	682,169
Resource availability 2002-2003								
2. Income	37,931	383,885	55,799	10,511	9,299	497,425	15,521	512,946
3. +/(-) Transfer from/to fund balance	510	144,614	22,814	2,803	634	171,375	(2,152)	169,223
4. Total, Resources	38,441	528,499	78,613	13,314	9,933	668,800	13,369	682,169
Budget 2004-2005								
5. Proposed Budget	38,441	505,719	72,996	12,760	8,884	638,800	17,225	656,025
Resource availability 2004-2005								
6. Income	38,248	467,090	62,929	10,979	8,904	588,150	19,508	607,658
7. +/(-) Transfer from/to fund balance	193	38,629	10,067	1,781	(20)	50,650	(2,283)	48,367
8. Total, Resources	38,441	505,719	72,996	12,760	8,884	638,800	17,225	656,025

Fund Balance ¹	Reserve and Working Capital Funds (RWCF)												Trust Funds G	TOTAL H=F+G
	CFU A	PBE %	PCT B	PBE %	Madrid C	PBE %	Hague D	PBE %	Others E	PBE %	Total F=A+...E	PBE %		
9. Level 31/12/2001	19,859	53	202,921	46	35,612	58	5,199	48	835	21	264,426	40	9,374	273,800
10. +/(-) Transfer to/from fund balance	(510)		(144,614)		(22,814)		(2,803)		(634)		(171,375)		2,152	(169,223)
11. Level 31/12/2003	19,349	50	58,307	11	12,798	16	2,396	18	201	2	93,051	14	11,526	104,577
12. +/(-) Transfer to/from fund balance	(193)		(38,629)		(10,067)		(1,781)		20		(50,650)		2,283	(48,367)
13. Level 31/12/2005	19,156	50	19,678	4	2,731	4	615	5	221	2	42,401	7	13,809	56,210
14. Target 31/12/2005	19,221	50	75,858	15	18,249	25	1,914	15	n/a		115,242	18	n/a	n/a

¹ Does not include Separation Reserve which amounts to Sfr12,592,000 as of 31/12/2001.

339. The percentage information indicated for the RWC funds describe the level of the funds as a share of the biennium budget, indicated as percentage of estimated biennial expenditure (PBE factor). The RWC funds of Sfr42,401,000 correspond to a PBE factor of seven per cent (line 14) which compares to a recommended target of 18 per cent. For the contribution-financed Unions, the PBE factor of 50 per cent compares to a target of 50 per cent. For the PCT and Madrid Unions, the PBE factor will reach four per cent compared to the targets of 15 per cent for the PCT and 25 per cent for Madrid. For the Hague Union, the PBE factor will reach five per cent compared to the target of 15 per cent. As illustrated in the financial scenario presented in Chapter C.1 above, it is anticipated that the RWC funds reach the lowest level by the end of 2005. In the period to follow, the RWC will be replenished towards its PBE target level through 2009.

340. In order to present an integrated view of all resources available to WIPO, Table 27 also illustrates in column G the financial situation of trust funds. For 2002-2003, expenditure is estimated to reach Sfr13,369,000 (line 1) and income Sfr15,521,000 (line 2). For 2004-2005, expenditure is estimated at Sfr17,225,000 (line 5) and income at Sfr19,508,000 (line 6). As a result, the fund balance of trust fund resources is expected to increase from Sfr9,374,000 (line 11) by December 31, 2001, to Sfr11,526,000 (line 12) by December 31, 2003, followed by a subsequent increase to Sfr13,809,000 (line 14) by December 31, 2005.

[Annex A follows]

ANNEX A

WIPO PREMISES PLAN

General

341. The WIPO Premises plan is intended to serve as a planning tool reflecting the anticipated levels of required office spaces, parking and storage facilities and how such requirements would be met. The plan, which is elaborated for the period from 2003 to 2009, also discusses the financial aspects related to rented facilities.

342. In 2004-2005, the WIPO building management will continue to focus on meeting the requirements of the growing organization for office space, parking, conference and storage areas through a mix of WIPO-owned and rented facilities, as well as managing major construction projects and building improvement activities. Total building-related expenditures are projected to reach Sfr137.0 million, or around 21 per cent of WIPO's total biennial budget. The new construction project will make up the bulk with expenditures peaking in the biennium to an estimated amount of Sfr81.0 million, or 59.1 per cent of the total building budget. On the other hand, the cost of rented facilities, including workspaces, parking and storage areas, will amount to Sfr20.8 million for the biennium, approximately 37 per cent of the building budget apart from the new construction project.

Update of Working Space Requirements and Availability

343. It is recalled that the recent update of the Premises' plan was provided in September 2002 as part of the Revised Project Budget for the New Construction and Revised Program and Budget for 2002-2003 (see Annex 2 of document A/37/2). According to that Revised Project Budget, WIPO's working place requirements were estimated at 1,570 places as of January 2003 and were projected to grow at an average annual rate of 2.1 per cent during the 2003-2009 period.

344. The current update of the working space requirements and availability is provided in Table 28. The requirements include workplaces needed by WIPO's staff members, short-term employees, consultants, interns as well as external contractors, such as security personnel, catering service and project staff. Under the current Premises' plan, the evolution of the number of required workplaces is directly linked to the projected growth in various sectors of the organization as reflected by overall expenditure patterns (see Chapter C of the present document). In particular, it is

assumed that the requirements in working places would change by a factor of 0.5 of the rate of anticipated change in the organization's expenditure levels not including building-related outlays. It is believed that such link to the expenditure patterns better captures the workspace needs of all sectors of the organization, including different registration systems.

345. The requirements as of 2003 are estimated at 1,520 places, somewhat lower compared to the projections made in September 2002. In 2004, the requirements are expected to decrease by around 50 places to 1,470 following a reduction in the budgeted level of expenditures and lower workspace requirements for external IT contractors as a result of the completion of parts of IT projects (see Annex C for more discussions on efficiency gains from IMPACT project). In 2006, the workspace needs are projected at 1,530 places, an increase by 2.7 per cent from 2005 (1,490 places). In 2007, the need would grow by 2.0 per cent to 1,560 places, followed by 3.8 per cent growth to 1,620 in 2008 and a 2.5 per cent increase to 1,660 in 2009. Overall, the average growth rate in workspace requirements amounts to 1.5 per cent annually during the period 2003-2009 reflecting the adoption of a lower-growth approach in estimating workspace requirements.

346. Table 28 also presents information on the availability of workspaces by WIPO-owned and rented buildings and provides WIPO's plan of gradual phasing-out of rented spaces as the ex-WMO building and the new construction are completed. As of 2003, 1,495 working places are available based on actual availability figures at three WIPO-owned buildings and nine rented buildings in Geneva and three liaison offices abroad (for the purpose of the current report, the ex-WMO building is considered to be fully available from 2004). Chart 1 below compares the WIPO buildings' mix in 2003 with the expected situation as of 2009.

Chart 1. Phasing out of rented workplaces by 2009

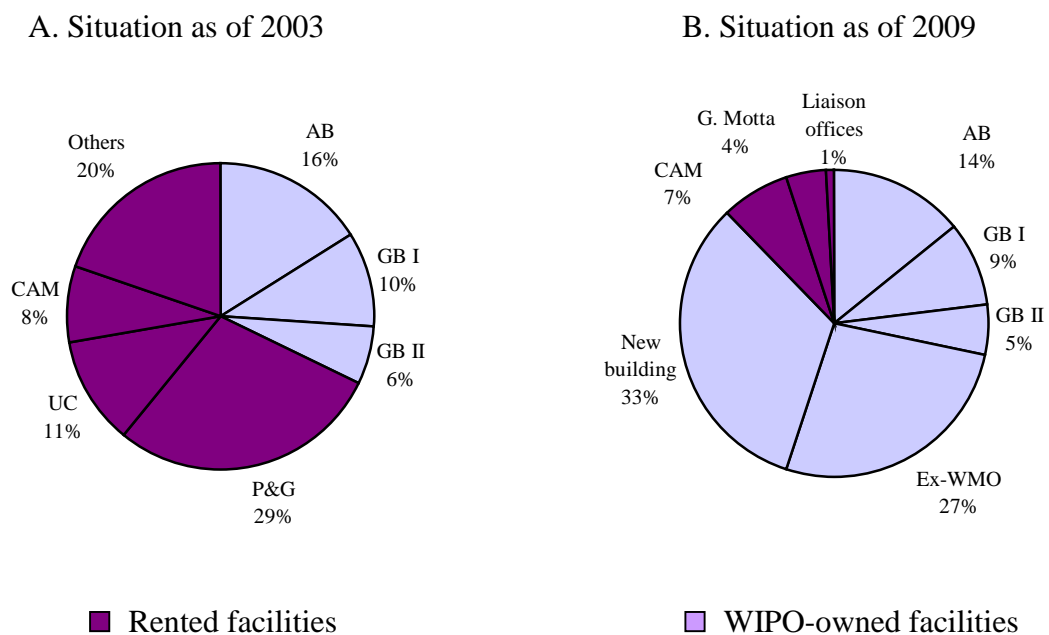
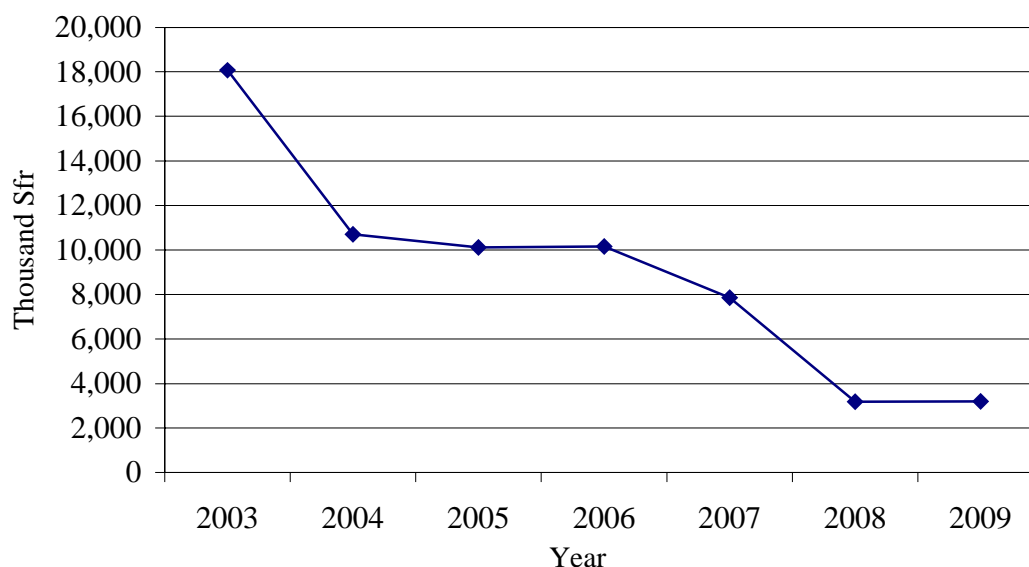


Table 28
Working Place Requirements and Availability 2003 to 2009

Date (end year)	A. Workspace requir.	Working place availability																		Balance E=D-A	
		B. WIPO-owned facilities						C. Rented facilities													TOTAL D=B+C
		AB	GB I	GB II	Ex- WMO	New building	Total, B	P&G	UC	CAM	Chambésy	Sogival	IBM	Bude	Casai	G.Motta	Liaison Offices	Total, C			
2003	1,520	240	150	90	-	-	480	430	170	120	55	30	15	40	70	70	15	1,015	1,495	-25	
2004	1,470	240	150	90	450	-	930	430	-	120	55	-	-	-	70	70	15	760	1,690	220	
2005	1,490	240	150	90	450	-	930	430	-	120	55	-	-	-	-	70	15	690	1,620	130	
2006	1,530	240	150	90	450	-	930	430	-	120	55	-	-	-	-	70	15	690	1,620	90	
2007	1,560	240	150	90	450	-	930	430	-	120	-	-	-	-	-	70	15	635	1,565	5	
2008	1,620	240	150	90	450	560	1,490	-	-	120	-	-	-	-	-	70	15	205	1,695	75	
2009	1,660	240	150	90	450	560	1,490	-	-	120	-	-	-	-	-	70	15	205	1,695	35	

347. As of 2003, the occupancy at three WIPO-owned buildings, namely AB, GB I and GB II, was estimated at 480 workplaces, or 32.1 per cent of all available spaces, compared to 1,015 rented places, or 67.9 per cent. Total rental costs in 2003 amounted to over 18 million Swiss francs. The situation is expected to improve in 2004 with the availability of additional 450 places at the renovated ex-WMO building. At this stage, WIPO will be able to meet 63.3 per cent of its working space requirements through owned premises providing 930 places. As a result, the number of rented workplaces will be reduced by 25.1 per cent compared to the preceding year making possible the discontinuation of rentals in UC, IBM, Sogival and Bude buildings. In 2004, WIPO's rental costs would amount to Sfr10.7 million, showing a decrease of Sfr7.4 million compared to 2003. Further significant reductions in the level of rented workspaces could be achieved as of end 2007 when the new construction project is completed. This will allow WIPO to move out of P&G building reducing the total number of rented workspaces by 430 from 635 in 2007 to 205 in 2008. As of 2008, WIPO-owned buildings would provide 1,490 places, being 92.0 per cent of the organization's requirements. WIPO would continue to rent about 205 places in two buildings in Geneva and three liaison offices abroad with the total rental cost of Sfr3.2 million annually. The evolution of WIPO's rental costs, which includes office and associated parking and storage costs, is shown in Graph 1.

**Graph 1. Evolution of WIPO's Rental Costs
2003-2009**



348. If the current projections and workspace scenarios materialize, WIPO workspace needs would be fully met through the mix of owned and rented premises during the entire period under review. It is considered that any short-term excess requirements could be dealt with through internal arrangements whenever feasible. On the other hand, as the new WIPO-owned buildings become available, some excess capacity could be anticipated, and efforts would be made to effectively utilize such capacity, including through its sub-leasing.

Update of Parking Space Requirements and Availability

349. Table 29 provides detailed information on the parking space requirements and availability for WIPO for years 2003-2009. The estimation of requirements is based on a 66/100 parking space/workplace ratio adopted for the September 2002 forecasts based on the recommendations of the Federal Audit Office (paragraph 11 of Annex II of document A/37/2). In 2003, requirements are thus estimated at 1,003 parking spaces and the availability/occupancy amounted to 1,186 places. The requirements are projected to grow to 1,096 spaces by 2009, an increase by 9.6 per cent compared to 2003.

350. The availability of parking spaces is closely linked to facilities made available as part of office rentals. As the office rentals are discontinued, so are the parking facilities. In 2003, WIPO's owned premises provided 237 spaces in 2003, or only 20 per cent of all available spaces. In 2004, when a number of rented workspaces are discontinued at several buildings, a total of 142 rented parking spaces would also have to be given up. In addition, another 47 parking spaces will be eliminated at AB and GBI buildings due to works associated with the new construction project. These numbers compare to 144 underground parking spaces to be available in the newly renovated building in 2004, a net decrease by 45 parking spaces from 2003.

351. The new construction will make available 280 underground parking spaces, or 50 per cent of the number of workplaces. By 2009, WIPO's owned facilities would provide 624 parking spaces in total, only 56.9 per cent of overall requirements. The possibility of renting additional spaces in *the Parking des Nations* is not considered viable in view of its anticipated full usage. With limited parking facilities available for WIPO staff, it would be extremely difficult to provide for the needs of visitors and users of WIPO conference and other facilities. It should be noted that parking requirements for delegates and visitors are not reflected in figures appearing in Table 29. The construction of the additional parking facilities as initially foreseen under the new construction project would be especially justified in view of WIPO's increasing conference capacity estimated to 1,000 seats with the completion of the new conference hall. The additional parking would also make it possible for WIPO to discontinue some of its rentals in *the Parking des Nations* and make important savings.

352. In September 2002, the Secretariat proposed to conduct a further study with the view of providing additional parking places. This study has explored the option of maintaining some of the storage space proposed for inclusion in the new construction project so that it could be converted into additional parking places if needed in the future. The preliminary study has been undertaken, and consultations are underway with the Geneva authorities (see Annex B on the New Construction Project).

Table 29
Parking Space Requirements and Availability 2003 to 2009

Date (end year)	A. Parking space requir.	Parking space availability															Balance E=D-A	
		B. WIPO-owned facilities					C. Rented facilities											TOTAL D=B+C
		AB	GB I	Ex-WMO	New building	Total, B	P&G	UC	CAM	Chambéry	Sogival	Budé	Casai	G.Motta	Nations	Total, C		
2003	1,003	215	22	-	-	237	271	80	109	52	35	27	65	42	268	949	1,186	183
2004	970	190	-	144	-	334	271	-	109	52	-	-	65	42	268	807	1,141	171
2005	983	190	-	144	-	334	271	-	109	52	-	-	-	42	268	742	1,076	93
2006	1,010	190	-	144	-	334	271	-	109	52	-	-	-	42	268	742	1,076	66
2007	1,030	200	-	144	-	419	271	-	109	-	-	-	-	42	268	690	1,034	4
2008	1,069	200	-	144	280	624	-	-	109	-	-	-	-	42	268	419	1,043	-26
2009	1,096	200	-	144	280	624	-	-	109	-	-	-	-	42	268	419	1,043	-53

Update of Storage Requirements and Availability

353. WIPO owns 1,503 square meters of storage space and rents an additional 4,107 square meters at a cost of Sfr450,000 Swiss francs annually in a number of locations in Geneva for a total of 5,610 square meters. These are mostly for the publication materials and paper copies of applications received under various registration systems, for which WIPO is contractually obliged to keep for a number of years. It is currently expected that the present level of storage spaces would be sufficient to meet the needs in the next few years as more filings are received in electronic form and the anticipated impact of information technology projects is achieved in different sectors of the organization. It is also considered feasible to discontinue certain rentals of storage space in 2004 and 2008 as the ex-WMO building and the new construction projects are completed.

[Annex B follows]

ANNEX B

NEW CONSTRUCTION PROJECT

354. At the 37th series of meetings held in Geneva on September 23 to October 1, 2002, the Assemblies of the Member States of WIPO approved the following (see paragraph 262 of document A/37/14):

- (a) the construction of an administrative building with a budget of Sfr157,500,000 as proposed in document A/37/2, modified to maximize the number of working places, as well as to optimize the technical design in accordance with recommendations to achieve cost savings and efficiency gains;
- (b) the construction of a conference hall with a budget of Sfr33,000,000 as proposed in document A/37/2, taking into account the need to coordinate with UNOG in order to maximize the utilization of conference facilities;
- (c) the appointment, in accordance with WIPO procurement procedures, of an external consultancy firm to participate in project management;
- (d) the further study by the International Bureau with a view to providing for additional parking spaces and necessary consultations with Geneva authorities;
- (e) the entrusting of the Program and Budget Committee with overseeing the construction project, in particular with regard to the finalization of the technical design, receiving regular reports from the International Bureau, and the establishment of a consultation process, within the framework of the Program and Budget Committee, between interested delegations and the Secretariat in order to validate financial projections and underlying assumptions;
- (f) the revision of sub-program 18.4 (New Construction) of the program and budget for the 2002-2003 biennium as proposed in document A/37/2, including a decrease in the budget allocation from Sfr52,338,000 by Sfr2,514,000 to Sfr49,824,000.

355. Following the approval of the revised budget, the new construction project was further adjusted and enhanced to reflect specific decisions and recommendations adopted by the Member States of WIPO and suggestions proposed in the project evaluation report prepared by the Federal Audit Office of Switzerland (see document A/37/2). The project plans were finalized by February 2003 and provided to

potential general contractors in February- March 2003. The bids were received in June-July 2003 and their evaluation is expected to be finalized in August 2003. A more detailed discussion of the project specifications and its development as well as the description of technical improvements included in project plans is found in the subsequent sections of the current Annex.

356. Table 30 describes the project's basic specifications by comparing the approved (September 2002) and the current revised estimates. The new construction project consists of an administrative building providing 560 workplaces, 280 underground parking spaces and a cafeteria with 300 seats and the conference hall with 650 seats. Of the total project budget of Sfr190,500,000, Sfr157,500,000 or 82.7 per cent is for the administrative building and Sfr33,000,000 or 17.3 per cent is for the conference hall. As approved by the Member States, the Secretariat has also continued the development of project plans covering the additional storage designed to be converted into additional parking when needed.

Table 30
New Construction: Summary of Project Specifications

<i>Specifications - Unit of Measure</i>	<i>Approved Estimates (A/37/2)</i>	<i>Revised Estimates (WO/PBC/7/2)</i>
A. Budget (In millions of Swiss francs)		
Administrative building	157.5	157.5
Conference hall	33.0	33.0
Total, A	190.5	190.5
B. Building Capacity		
Office building – working places	560	560
Conference hall – seats	650	650
Underground parking – spaces	280	280
Additional storage/parking – spaces	-	-
Cafeteria – seats	300	300
C. Average Cost (In Swiss francs)		
Cost per volume (m ³)	961	890
Cost per area (m ²)	4,493	3,143
Cost per workplace of administrative building	281,250	281,250
D. Dimension		
Building volume (m ³)	198,300	214,024
Building gross floor size (m ²)	42,400	60,604
Volume per workplace (m ³) of administrative building	317.5	321.6
Gross floor size per workplace (m ²) of administrative building	67.9	88.4

357. Although the project planning is based on 560 working places, the architectural concept of the administrative building provides the flexibility to provide office space for up to 612 staff members through the modification of the floor layout by partitioning and regrouping working spaces (as discussed in document A/37/2). However, it should be noted that the need to accommodate the higher number of staff

members would involve putting three to four staff members per office. Therefore, the present project planning is based on the approved building capacity of 560 workplaces.

358. As discussed in document A/37/2, the administrative building includes a number of essential facilities, including an underground parking for trucks, underground space for loading, multipurpose hall, library and reading room, information center and medical unit. The cafeteria will be located on the ground floor of the building adjacent to *Chemin de Mon-Soleil*. As part of the architectural design, the interior volume at ground floor and the internal gardens on the various office levels will serve as vital green spaces regulating the ambience and relative humidity levels in the building as well as offering spaces for the occupants for informal meetings. The theme of interior gardens is a direct result of the desire to recreate the original site after the building's completion, and thus the ground floor can be considered as a form of WIPO public space, which adapts to the natural contours of the site and thereby creates a symbiotic relationship with the surrounding context.

359. The conference hall provides 650 seats for delegates and will be divisible into two rooms of 450 and 200 seats each, as approved by the Member States. The increase by 50 places from the original plan has been achieved through an improved space planning in the architectural design, including a reduction in the area per each seat as recommended by the auditors. It is expected that the increase in capacity would be achieved within the approved cost estimates. As discussed in A/37/2, the conference hall will be equipped with modern interpreters' booths and the latest audiovisual and multimedia equipment. Following suggestions in the evaluation report, the sound equipment will take into account the specifics of the room's acoustics. High-resolution video projectors, supported by many types of video equipment, including, among others, DVDs, PCs, video-conferencing and electronic voting equipment, will be available.

Improvements of Project's Technical Solutions

360. The revised project plan incorporates suggestions and recommendations of the Member States of WIPO and the auditors aimed at enhancing the project's technical solutions and achieving cost savings. Basic concepts underlying the project's technical plans include the use of modern technology in an environmentally responsible manner while respecting the current stringent regulations regarding energy saving, building physics and thermal planning; the effective integration of the new project with the existing WIPO infrastructure to create synergies and compatibility and achieve cost savings; the use of the advantages offered by the surrounding environment; the respect of the project's architectural design and the provision of adequate office standards. The major technical solutions adopted by the project plans are summarized below. More detailed descriptions of the project's technical characteristics are contained in project plans which have been provided to general contractors along with all relevant drawings, sketches and plans as part of tender materials. Although the technical installations are rationalized and upgraded within the approved project budget, precise levels of savings and benefits can be

reliably ascertained only when the cost details become available during the tendering process.

361. Conference hall (general) - The improvements cover the hall's design, structure, acoustics, ventilation and cooling systems. For instance, the conference hall will be refurbished with a false ceiling to improve its acoustics and to enhance ventilation systems. The false ceiling will be made of noise-absorbing material. In addition, in accordance with auditor's recommendations a textile covering is introduced on the floor in order to absorb any excessive noise. The level of noise produced by technical equipment, i.e. ventilators, is reduced through the installation of noise absorbers at each airflow exit. Further to the advice of auditors, the volume of the hall per person is reduced from 9-11 cubic meters previously planned to 7.8 cubic meters (paragraph 222 of Annex of document WO/PBC/5/3). Moreover, the orientation and inclination of delegates' seats were increased from 10 to 12 per cent to achieve a better visibility (paragraph 224 of the same Annex). The visibility is further enhanced through an improved positioning of the speaker's stand. This is done to facilitate both delegates and interpreters who need to have a good view of the hall. The main conference hall will be supported by at least 10 interpreter's cabins. The two divisible halls will have seven cabins each conveniently located to provide quality service.

362. Heating, Ventilation and Air Conditioning (CVC) - Heating, ventilation and air conditioning installations are optimized in a number of ways to achieve cost savings and improve performance efficiency. The concept of active floor is used for the ground and first floors of the administrative building to provide the required level of heating in winter and cooling in summer. The concept of cold ceiling in summer is retained for office floors, based on the auditor's recommendations. WIPO uses a heating concept according to which the cold air coming from windows during winter is heated by radiators located in proximity to windows. Heating units are based on a single heating element for each module to enable possible changes in office configurations.

363. The heating and cooling system in the conference hall has been adapted to be cost-effective and flexible in accordance with the users' needs. The system is designed to provide the necessary comfort levels for each divisible part of the conference hall independently of each other. This will ensure a rational use of heating and cooling resources and help achieve important savings. Another modification of the system involves its repositioning from the ceiling and walls to the ground level. The system will generate a smaller amount of cooled air, as compared to the previous concept, which will be used only for the lower part of the building where the delegates are seated. The heavier cold air stays down and will provide necessary comfort levels for the delegates. The upper part of the hall will not be cooled. The system is based on the hydraulic concept of heating, in line with auditors' recommendations (paragraph 288 of the Annex to document WO/PBC/5/3). Currently, a study is underway to achieve a possible synergy between the existing and new buildings through the sharing of the production of the heating energy via the use of mutually compatible installations (paragraph 288 of the same Annex).

364. Ventilation - In accordance with auditors' recommendations, the concept of a four-pipe ventilator-convactor will not be used. Instead, the ventilation concept is based on the design and structure of the building, in particular the three atrium spaces serve as natural ventilation shafts by allowing natural light to penetrate into the building without the undesirable effect of excessive heating. The atriums assure a free flow of air out of offices. This helps to reduce the reliance on air extraction installations and creates important savings. In regard to the conference hall, the concept of ventilating the entire area at the same time has been abandoned, as recommended by the auditors. Instead, ventilation is provided for the each part of the hall in an independent manner. It is also noted that the ventilation system is directly linked to the cooling system, thus providing significant synergies. This concept is similar to the practices used by FIPOI in the Salle W. Rappard of WTO and the WMO building.

365. Environment - The Minergy concept discussed by auditors was carefully studied. However, the concept was not considered the ideal solution given the specific requirements of the project and the fact that it results in sub-standard comfort levels due to the use of very basic cooling systems, which, among others, provide a room temperature equal or close to outside temperature conditions. As to heating exchange systems, additional studies are currently underway.

366. Sanitary engineers - A certain degree of rainwater recovery to meet certain needs has been envisioned. As for the proposals of the auditors regarding the production of hot water and heat recovery, additional studies are also underway. Concerning the networks for the sprinkler system and fire hydrants, they will be maintained separately to assure better security and the proper degree of maintenance.

367. Electrical engineers – The auditors' recommendations concerning electrical engineering are being studied. The majority of technical installations, including alarms, access controls, fire detectors and others, are configured based on the standards and technologies compatible to the ones in the existing buildings to ensure proper management and to achieve an optimum cost structure. As to the interpretation system in the conference hall, it is similar to the one used in the existing conference facilities so as to provide an interconnectivity of audiovisual equipment to enable their shared use among different facilities.

368. Acoustics and structure of the administrative building - The structure of the facades of the administrative building was simplified from two layers to a single layer to satisfy the local norms concerning the noise protection. The acceptable noise level at the side of Route de Ferney will amount to 43 dB. The reduction in the facades' layers is expected to result in certain cost savings.

Update of Building Dimensions

369. The revised project plans provide more realistic estimates of the building dimensions, which are now estimated at 214,024 cubic meters in volume and 60,604 square meters in gross floor size. These estimates indicate some increases from project plans dated November 2001 which served as the basis of the audit

review. It is now clear that the earlier plans have either underestimated or ignored a number of important dimensions for atriums and other parts of the administrative building. Since November 2001, a number of project elements have been re-evaluated resulting in additional provisions for some elements, including an increase by 1,000 square meters in the size of the gallery of the administrative building and an additional provision of 1,600 square meters for the roof of the atriums.

370. As shown in Table 30, the average costs of the project are thus estimated at Sfr890 per cubic meter and Sfr3,143 per square meter. These figures show significant improvements from the November 2001 plans essentially due to an underestimation of project dimensions at early stages.

Project Financial Plan

371. The project cost amounts to the approved budget of Sfr190,500,000, of which Sfr157,500,000 is for the administrative building and Sfr33,000,000 is for the conference hall. As the project plans have undergone further improvement, it has become possible to elaborate with greater precision the detailed cost information by building components, objects of expenditure and implementation period. A number of cost items have been adjusted upwards and the contingency reserves were reduced accordingly to reflect the current level of project development. These re-allocations have been made within the approved budgetary ceiling. The current cost information by details would be further confirmed by the detailed cost estimates from general contractors.

372. Table 31 provides a comparison of the revised and approved financial plans by building components, object of expenditure and biennial allocations. By building components, the budgetary allocation for the administrative building has been adjusted upwards by Sfr8,713,000 or six per cent, including an increase by Sfr6,982,000 or 6.4 per cent for the office area and Sfr1,731,000 or five per cent for the underground area. The allocation for the conference hall was increased by Sfr1,702,000 or 5.6 per cent. As a result, the initial contingency of Sfr16,000,000 has been reduced by Sfr10,415,000 or 65.1 per cent to Sfr5,585,000. With regard to objects of expenditure, the construction is now valued at Sfr142,271,000, up by Sfr7,662,000 or 5.7 per cent; honorariums amount to Sfr22,900,000, an increase by Sfr2,709,000 or 13.4 per cent, and the cost of audit review is increased by an additional amount of Sfr44,000 to Sfr444,000 to reflect the actual expenditures. As seen in Table 31, the budget allocation for 2002-2003 is adjusted downward by Sfr12,423,000 to Sfr37,401,000 in accordance with revised expenditure estimates. The allocation for 2004-2005 is increased by Sfr822,000 or 1.0 per cent to Sfr80,950,000; and the allocation for 2006-2007 is increased by Sfr11,601,000 or 20.8 per cent to Sfr67,501,000.

Table 31
Approved and Revised Project Budget for the New Construction
by Main Building Components,
Object of Expenditure and Biennium

<i>Parameters</i>	<i>Approved Estimates (A/37/2)</i>	<i>Change</i>	<i>Revised Estimates (WO/PBC/7/2)</i>
A. By Main Building Components			
1. <i>Building components</i>			
Administrative building			
Underground area	34,688	1,731	36,419
Office area	109,612	6,982	116,594
<i>Total, Admin. bldg.</i>	<i>144,300</i>	<i>8,713</i>	<i>153,013</i>
Conference hall	30,200	1,702	31,902
<i>Total, A.1</i>	<i>174,500</i>	<i>10,415</i>	<i>184,915</i>
2. <i>Contingency</i>	16,000	(10,415)	5,585
TOTAL	190,500	--	190,500
B. By Object of Expenditure			
1. <i>Construction</i>			
Pre-structural works	10,829	239	11,068
Structural works	116,544	7,270	123,814
Special equipment/services and external works	7,236	153	7,389
<i>Total, B.1</i>	<i>134,609</i>	<i>7,662</i>	<i>142,271</i>
2. <i>Contractual services</i>			
Honorariums of architects and engineers	20,191	2,709	22,900
Project management	2,800	--	2,800
Audit review	400	44	444
<i>Total, B.2</i>	<i>23,391</i>	<i>2,753</i>	<i>26,144</i>
3. <i>Operating expenses</i>	8,000	--	8,000
4. <i>Furniture</i>	8,500	--	8,500
<i>Total, B.1-B.4</i>	<i>174,500</i>	<i>10,415</i>	<i>184,915</i>
5. <i>Contingency</i>	16,000	(10,415)	5,585
TOTAL	190,500	--	190,500
C. By Biennium			
1. 2000-2001	4,648	--	4,648
2. 2002-2003	49,824	(12,423)	37,401
3. 2004-2005	80,128	822	80,950
4. 2006-2007	55,900	11,601	67,501
TOTAL	190,500	--	190,500

373. Table 32 provides the detailed project plan by object of expenditure and building components. The new construction project consists of an administrative building, with offices and an underground area, and a conference hall. Offices include workplaces and common areas, and the underground area is composed of parking and storage spaces. Out of the total budget of Sfr190,500,000, the administrative building currently amounts to Sfr157,500,000 or 82.7 per cent of the total project budget, with Sfr119,973,000 or 63.0 per cent of the total project budget allocated to the office building and Sfr37,527,000 or 19.7 per cent to the underground area. Parking and storage areas amount to Sfr24,543,000 and Sfr12,984,000, or 12.9 per cent and 6.8 per cent respectively of the total project budget. The conference hall amounts to Sfr33,000,000 or 17.3 per cent of the total project budget.

Table 32
New Construction: Budget allocation by Building Components
and Object of Expenditure
(in thousands of Swiss francs)

Building Component /Object of Expenditure	Administrative Building					Conference	TOTAL
	Underground Area			Offices	Total	Hall	
	Parking	Storage	Total				
	A	B	C=A+B	D	E=C+D	F	G=E+F
1. Construction							
Pre-structural works	2,555	1,278	3,833	5,909	9,742	1,326	11,068
Main structural works	16,637	8,484	25,120	77,051	102,171	21,643	123,814
Special equipment/services and external works	9	5	14	5,423	5,437	1,952	7,389
Total, 1	19,201	9,767	28,967	88,383	117,350	24,921	142,271
2. Contractual services							
Honorariums of architects and engineers	3,091	1,572	4,663	14,226	18,889	4,011	22,900
Project management	378	192	570	1,739	2,310	490	2,800
Audit review	60	30	90	276	366	78	444
Total, 2	3,528	1,795	5,323	16,241	21,564	4,580	26,144
3. Operating expenses	1,080	549	1,629	4,970	6,599	1,401	8,000
4. Furniture	-	500	500	7,000	7,500	1,000	8,500
Total, 1-4	23,809	12,611	36,419	116,594	153,013	31,902	184,915
5. Contingency	734	373	1,107	3,379	4,487	1,098	5,585
TOTAL	24,543	12,984	37,527	119,973	157,500	33,000	190,500

374. In line with the budget presentation of the approved project budget provided in document A/37/2, the main objects of expenditure are distinguished between construction, contractual services, operating expenses, furniture and contingency and are described in detail below.

Construction

375. Construction costs amount to Sfr142,271,000 or 74.7 per cent of the total project budget. They include pre-structural works, main structural works and works on special equipment/services and external works. The pre-structural works are valued at Sfr11,068,000 or 5.8 per cent of the project budget. They comprise site and

soil investigations; site clearance and preparation; installation of general facilities on the site required for the construction work; adaptations to existing installations, services and access facilities; and the construction of special foundations and supports for the works on waterproofing and excavating the basement.

376. The main structural works amount to Sfr123,814,000 or 65.0 per cent of the total budget. These works involve the excavation of the basement; all building works, including all concrete work, masonry, steel work, metal work, stone work, construction of windows, external insulation and external surface treatment; all major installations, such as electrical, heating, ventilation, air conditioning and refrigeration, sanitation, elevators, and all internal finishing works, such as flooring, wall and ceiling finishing, internal surface treatment and painting.

377. Special equipment/services and external works are currently valued at Sfr7,389,000 or 3.9 per cent of the project budget. This phase includes electrical installations associated with various communication equipment, data transfer systems, security and alarm systems and other low power systems; cabling and telecommunications equipment for the conference hall; all sanitary fittings for the kitchens; the set up of automatic barriers for the parking; external landscaping; all structural and finishing activities related to external works; necessary electrical and sanitary works for external installations; road works; and gardens.

378. In regards to building components, the administrative building accounts for Sfr117,350,000 or 82.5 per cent of the value of construction work, including Sfr88,383,000 for offices and Sfr28,967,000 for the underground area (Sfr19,201,000 for parking and Sfr9,767,000 for storage). The construction work for the conference hall is valued at present at Sfr24,921,000. On average, the construction work amounts to Sfr157,827 per workplace in the office building, Sfr68,575 per parking place in the underground parking area and Sfr38,340 per seat in the conference hall.

Contractual Services

379. Contractual services are estimated at Sfr26,144,000 or 13.7 per cent of the project budget, including Sfr22,900,000 for the honorariums of architects and engineers, Sfr2,800,000 for the project management and Sfr444,000 for the audit review. Honorariums of architects and engineers include Sfr11,745,000 for the architect's honorarium, Sfr8,336,000 for engineers and Sfr2,817,000 for various sub-contractors in such fields as geology, geometry, fire safety, facades, building esthetics, planning of green space, natural and artificial lights. Honorariums of individual engineering firms are expected to vary from as low as Sfr584,000 to as high as Sfr4,196,000, depending on the field and terms of reference. Project management is estimated at Sfr2,800,000 to cover the cost of external management and salaries for the internal project team. As to building components, total contractual services for the administrative building amount to Sfr21,564,000, including Sfr16,241,000 for offices and Sfr5,323,000 for underground area (Sfr3,528,000 parking and Sfr1,795,000 for storage). The budget for the conference hall amounts to Sfr4,580,000. On average, contractual services amount to Sfr29,001 per workplace, Sfr12,600 per parking space and Sfr7,046 per seat in the conference hall.

Operating Expenses

380. Operating expenses amount to Sfr8,000,000 or 4.2 per cent of the total project budget, including secondary fees for the provision of security services on the construction site; insurance coverage for the building work; the cost of permits; connection charges for basic services, such as electricity, gas, water and the cost of reproduction of project designs and plans. Total operating expenses for the administrative building amount to Sfr6,599,000, made up of Sfr4,970,000 for offices and Sfr1,629,000 for the underground area (Sfr1,080,000 for parking and Sfr549,000 for storage). The operating expenses for the conference hall are estimated at Sfr1,401,000. On average, the operating expenses amount to Sfr8,875 per workplace, Sfr3,857 per parking space and Sfr2,155 per seat in the conference hall.

Furniture

381. Furniture amounts to Sfr8,500,000 or 4.5 per cent of total project budget, including desks, chairs, closets, bookshelves and computer equipment. This provision for the administrative building amounts to Sfr7,500,000, made up of Sfr7,000,000 for offices and Sfr500,000 for the underground area. The budget for the conference hall amounts to Sfr1,000,000. Furniture costs amount to Sfr12,500 per workplace and Sfr1,538 per seat in the conference hall.

Contingency

382. The contingency provision currently stands at Sfr5,585,000 or 2.9 per cent of the project budget, following transfers-out in line with the project progress. This provision consists of Sfr4,487,000 for the administrative building, including Sfr3,379,000 for offices and Sfr1,107,000 for the underground area, and Sfr1,098,000 for the conference hall.

Project Implementation Schedule

383. The new construction project is being implemented over a period of seven years, starting with the conclusion of the architectural competition in 2000 and completion in July-October 2007. The construction work is estimated to commence around October 2003 and will take 43 months to complete.

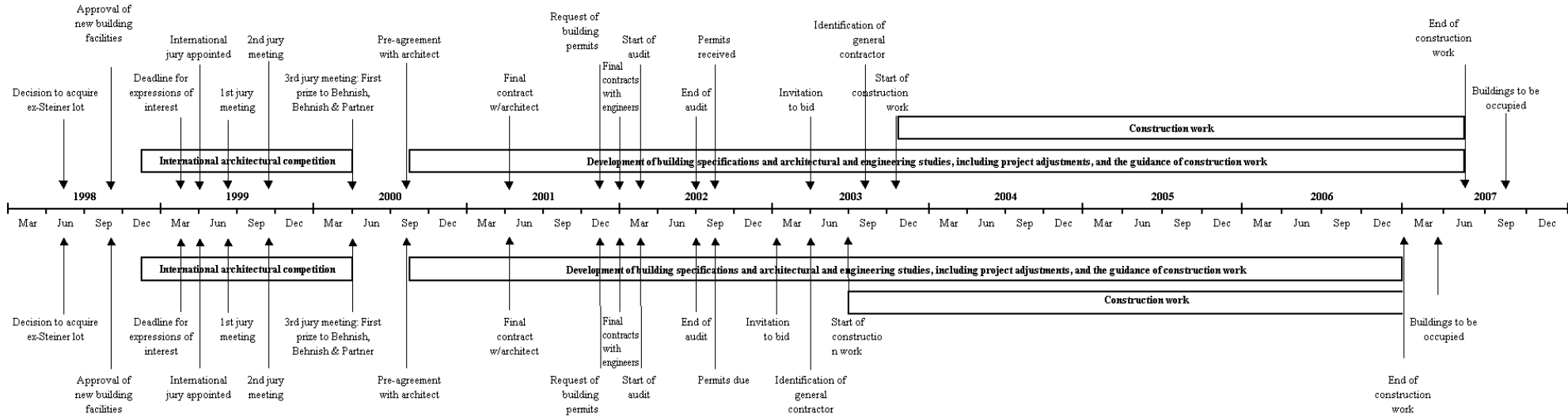
384. Table 33 indicates the total project cost of Sfr190,500,000 on an annual basis for building components and contingency (part A) as well as by object of expenditure (part B). The revised project schedule for the new construction project and its comparison with the project plans of September 2002 is illustrated in Table 34. The estimated duration of selected work elements for the revised project is shown in Table 35.

Table 33
New Construction: Budget allocation by Building Components and Object of Expenditure and Year from 2000 to 2007
(in thousands of Swiss francs)

<i>Year</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>Total</i>
A. By building components and contingency									
1. <i>Building components</i>									
Administrative building									
Underground area	67	879	1,846	7,307	7,949	8,513	7,713	2,144	36,419
Office area	206	2,682	5,632	16,667	24,246	26,103	23,647	17,411	116,594
<i>Total, Admin. bldg.</i>	273	3,561	7,478	23,974	32,195	34,616	31,360	19,555	153,013
Conference hall	58	756	1,588	4,361	6,805	7,334	6,645	4,356	31,902
<i>Total, A.1</i>	331	4,317	9,066	28,335	39,000	41,950	38,005	23,911	184,915
2. <i>Contingency</i>								5,585	5,585
TOTAL	331	4,317	9,066	28,335	39,000	41,950	38,005	29,496	190,500
B. By object of expenditure									
1. <i>Construction</i>									
Pre-structural works	-	-	-	10,829	239	-	-	-	11,068
Structural works	-	-	-	10,290	36,011	39,200	34,255	4,058	123,814
Special equipment/services and external works	-	-	-	-	-	-	-	7,389	7,389
<i>Total, B.1</i>	-	-	-	21,119	36,250	39,200	34,225	11,447	142,271
2. <i>Contractual services</i>									
Honorariums of architects and engineers	51	4,254	7,370	6,210	800	800	1,500	1,915	22,900
Project management	280	63	336	322	500	500	500	299	2,800
Audit review	-	-	442	2	-	-	-	-	444
<i>Total, B.2</i>	331	4,317	8,148	6,534	1,300	1,300	2,000	2,214	26,144
3. <i>Operating expenses</i>	-	-	918	682	1,450	1,450	1,750	1,750	8,000
4. <i>Furniture</i>	-	-	-	-	-	-	-	8,500	8,500
<i>Total, B.1-B.4</i>	331	4,317	9,066	28,335	39,000	41,950	38,005	23,911	184,915
5. <i>Contingency</i>								5,585	5,585
TOTAL	331	4,317	9,066	28,335	39,000	41,950	38,005	29,496	190,500

Table 34
New Construction: Revised and Approved Project Plans

Revised Project Plan (WO/PBC/7/2)



Approved Project Plan (September 2002)

Table 35
New Construction: Approved and Revised Schedule for Selected Work Elements

<i>Work element</i>	<i>Approved Schedule (A/37/2)</i>	<i>Revised Schedule (WO/PBC/7/2)</i>
<i>International architectural competition</i>	<i>Nov 1998, 5 months</i>	<i>Nov 1998, 5 months</i>
<i>Development of detailed building specifications</i>	<i>Sep 2000, 24 months</i>	<i>Sep 2000, 24 months</i>
<i>Modification of project plans based on audit review recommendations</i>	<i>Sep 2002, 4 months</i>	<i>Sep 2002, 5 months</i>
<i>Start of the selection of general contractor</i>	<i>Jan 2003</i>	<i>Feb 2003</i>
<i>Finalization of the evaluation of received proposals</i>	<i>Apr 2003</i>	<i>Jun 2003</i>
<i>Selection of general contractor</i>	<i>May 2003</i>	<i>Aug 2003</i>
<i>Construction work</i>	<i>Jun 2003, 43 months</i>	<i>Oct 2003, 43 months</i>
Excavation, foundations, primary drainage and preparation of the building site	6 months	12 months
Main load-bearing superstructure up to the roof level	12 months	19 months
Technical installations including heating, ventilation, mechanical and electrical Installations	15 months	32 months
Development and execution of the roof and facades	15 months	17 months
Interior primary installations, such as floors, walls, ceiling and doors	12 months	13 months
Finishing and fixed furniture installations	8 months	8 months
External works, surface treatment and creation of green spaces	6 months	9 months
Internal fit-outs for office workstations, including office furniture, cabling and specific lighting	5 months	5 months
<i>End of construction work</i>	<i>Jan 2007</i>	<i>Apr 2007</i>
<i>Building refurbishment and occupancy</i>	<i>Jan 2007, 3 months</i>	<i>Apr 2007, 3-5 months</i>
<i>Occupancy</i>	<i>Mar 2007</i>	<i>Jul-Oct 2007</i>

385. In 2000-2001, project expenditure amounted to Sfr4,648,000 or 2.5 per cent of the total project budget. In 2002, the expenditures amounted to Sfr9,066,000 or 4.8 per cent of the project cost, lower by Sfr1,115,000 compared to approved project plans. In 2003, the expenditures would amount to Sfr28,335,000, which includes the advance payment to the general contractor at the start of construction works, in line with local norms. It is noted that the construction works are projected to start with a delay of three to four months compared to the approved plans (Tables 34-35). In the 2004-2005 biennium, the project expenditures will peak at Sfr80,950,000. Construction work is expected to be completed around April 2007. This will be followed by the refurbishment of the building complex with necessary furniture and equipment, which will take three to five months. The building is expected to be occupied by July-October 2007 (Tables 34-35).

Main Contractual Arrangements as of July 2003

386. A list of contractual arrangements set up with parties involved in the project is provided in Table 36.

Table 36
New Construction: Description of Main Contractual Arrangements as of July 2003
(in thousands of Swiss francs)

<i>Entity</i>	<i>Nature of Entity</i>	<i>Contract Start</i>	<i>Terms of Reference</i>	<i>Value</i>
1. Behnisch, Behnisch & Partner, Stuttgart, Germany - architectural contract	Advisor architect	August 2000	Detailed architectural studies; analysis of tasks and issues; research of essential elements of the overall project; preparation of draft project proposals; detailed development of project plans before an application for building permits is filed with the Geneva authorities; request of building permits; detailed studies on the execution of plan; preparation of relevant documents and RFPs for the tendering process; evaluation and analysis of received bids; development of final project plans based upon the consultation with the general contractor, general architectural guidance; finalization of technical documentation.	11,745
2. Behnisch, Behnisch & Partner - contract amendment covering miscellaneous engineering services	Miscellaneous engineers	July 2001	Engineering studies in the fields of geology, geometry, fire safety, facades, building esthetics, planning of green space, natural and artificial lights	2,817
3. Consortium of Schlaich, Bergermann und Partner GbR-Tremblet SA and Erricos Lygdopoulos	Civil engineers	June 2001	Development of detailed studies in the area of civil engineering	4,196
4. Consortium of Transsolar-Sorane SA and RG Riedweg & Gendre SA	HV (heating and ventilation) engineers	June 2001	Development of detailed studies in the area of heating and ventilation engineering	1,706
5. Consortium of Technic's Energy SA and Amstein+Walthert Geneva SA	Electric engineers		Development of detailed studies in the area of electric engineering	1,850
6. Technic's Energy SA	Sanitary engineers	June 2001	Development of detailed studies in the area of sanitary engineering	584
7. Federal Audit Office of the Swiss Confederation	Auditing agency	February 2002	Audit review of the new construction project	444
8. Département de l'Aménagement, de l'Équipement et du Logement (DAEL), Geneva	Cantonal agency	August 2002	Issuance of required building permits	869
9. Honegger & Muller Architects SA	Management Consultant	May 2003	Project Management consultancy	1,488
TOTAL				25,699

387. The architects, Behnisch, Behnisch & Partner (BB&P), commenced their work in August 2000 with a pre-project phase which consisted of the analysis and evaluation of the needs and requirements of the client, a study of legal and other related aspects of the project, calculation of gross initial estimates, preparation of provisional technical documentation and summary cost estimates based on the norms of the Swiss Building Cost Classification. The project planning and development phase started in September 2001 and comprised such stages as the elaboration and adaptation of project plans in accordance with local rules, regulations and constraints, detailed estimation of the costs and timeframe of the project, development of detailed requirements concerning the construction work and the materials to be used, update of construction plans and preparation of technical and financial documentation. This phase culminated in the finalization of documents for the building permits and the submission of permit requests to the Geneva authorities on November 29, 2001. Subsequently, detailed building cost estimates (general estimate or *Devis Général*) were prepared in March 2002.

388. After the preparation of the general cost estimates, the architects proceeded with pre-implementation phase of the project, namely finalization of construction plans and drawings, revision and preparation of the inventory of materials to be used, validation of building techniques and principles to be employed, preparation of project plans in required scales and update of project plans based on the recommendations of auditors. This stage included the preparation of tender materials. Specifically, the architects prepared terms of reference, a description of activities to be carried out by building components and types of work and indication of project duration by type of activity. During this phase, the architect has also worked on the modification of project plans based on the auditors' recommendations and preparing tender materials. This phase culminated in the issuance of the tender materials in February-March 2003. As of end 2002, the architects have completed about 75 per cent of the total services valued at around Sfr11,745,000.

389. In July 2001, to facilitate the project planning and development and to reduce management costs for WIPO, a contract arrangement was set up with BB&P on July 27, 2001, as an amendment to their base contract, whereby the architect would collaborate directly with various engineering firms responsible for studies in the fields of geology, geometry, fire security, traffic planning, facades, building esthetics, planning of green areas and natural and artificial lighting.

390. Various engineering firms started their work on the project as of June 2001. These firms have worked closely with the architect in developing various project areas, including detailed cost estimates and project and construction plans, in such areas as civil engineering, heating and ventilation, electric engineering and sanitary engineering. By end of 2002, the engineers have provided approximately 30-40 per cent of total required services as their involvement will be mainly during the construction itself. Their total contract is valued approximately at Sfr8,336,000.

391. Building permits (no. DD 97690) were received from the Geneva authorities on September 20, 2002 at a cost of Sfr869,000. The permits were for the new construction project with the additional storage. Additional permits would be needed if the storage were to be converted into parking.

392. In November 2002, invitations for the submission of the Expression of Interest in the project were advertised in a number of major international newspapers (*Le Monde*, *El Pais*, *The Economist*, *The Herald Tribune*), as well as the *Tribune de Geneve* and the *Neuer Zurcher Zeitung* and published on the Internet. Copies were also sent out to Permanent Missions of WIPO Member States in Geneva. Sixteen construction companies from eight countries have shown an interest, and the final list of short-listed firms was prepared based on such criteria as the degree of experience in the Swiss and/or international construction markets; the availability of references in the area of the construction of buildings, in particular office buildings and conference facilities; the level of generated activities; and creditworthiness and financial situation. The evaluation of proposals received from short-listed candidates and the identification of the winning general contractor will be finalized in August 2003.

Update of Project Plans on Additional Parking Spaces

393. The Secretariat has continued to study further the project plans on the additional storage facility and its possible conversion to parking spaces when needed. The additional storage space would be situated on the northern side of GB I building adjacent to the current WIPO underground parking. It would consist of five underground floors and would be 5,191 square meters in area and 14,535 cubic meters in volume. The total capacity of the facility when fully converted into parking spaces would be at least 250 vehicles.

394. The Geneva authorities have given its authorization under the PLQ (local district plan) to construct the additional storage facility as part of the new construction project. Additional authorization would be needed for the storage to be converted for use as car park. Consultations are currently underway to obtain the necessary permission of the Geneva authorities for the possible conversion of the storage space into parking places.

395. The conversion of the additional storage into parking will not involve any large-scale civil engineering work. According to preliminary plans, the cost of the additional storage and its conversion would be accommodated within the overall budget ceiling of Sfr190,500,000. The Secretariat will submit to the September session of the Program and Budget Committee a document seeking approval for the inclusion in the new construction project of such a storage space feature (see document WO/PBC/7/4).

396. It is apparent the additional parking would be an economic investment providing necessary parking facilities for the increasing number of government officials, delegates, IP system users, researchers, university students and others who would be using WIPO's facilities, including its conference rooms which would reach a combined capacity of nearly 1,000 seats by 2007. The availability of parking spaces will continue to be limited in the future. The Premises plan of WIPO in Annex A describes the requirements and availability of working and parking spaces for WIPO in 2003-2009. It should be noted that the figures on parking requirements were elaborated based on a lower ratio between required parking spaces and working

places (66:100) following the recommendations of the Federal Audit Office (see document A/37/2). According to the Premises plan, WIPO will continue to rent a substantial number of additional parking spaces for its employees even with the 280 parking spaces made available in the new administrative building. In the *Parking des Nations* alone, WIPO is projected to maintain 268 parking spaces between 2003-2009. WIPO's visitors on the other hand would have no parking available for them except for a few on-street parking spots. The issue of parking will be especially serious during major conferences and meetings held at WIPO's conference facilities.

Project Management and Oversight

397. To enhance the transparency and accountability of the project, the Secretariat has taken steps to keep regional coordinators and interested Member States informed on a regular basis of the project progress and its future plans. For this purpose, the Secretariat held on December 11, 2002, a briefing of Group Coordinators of Member States where they were updated about the project development, revised schedules and upcoming activities. A number of regular briefings and consultations have been held since with an aim of establishing appropriate oversight mechanisms with the direct involvement of the Member States, as it has been requested by the Assemblies.

398. To ensure a proper management of the project, the Secretariat has also set up an internal oversight mechanism, the Construction Committee, which will monitor and evaluate the project development. The Committee works closely with the internal project management team.

399. As requested by the Member States, an external consultancy firm has been appointed to participate in project management. The involvement of an external management expertise will reinforce the project management and assure the project completion within the planned time frame and approved budgets. The external specialists will participate in the supervision and control of the project implementation process.

400. The selection process has followed standard WIPO procurement procedures which included an invitation to submit offers sent out to eleven firms. Seven firms provided WIPO with their offers. WIPO selected Honegger Muller Architects SA as the external consultancy firm in May 2003. Its honoraria are currently estimated at Sfr1,488,000 based on 1,325 working days.

401. The external specialists are required to have expertise in the following areas of construction industry: architecture, engineering (civil, heating, ventilation, air conditioning, sanitary, electrical, geological, geotechnical, automation in buildings, etc.), security during construction work, physical security, project costs, insurance and others. Their responsibilities during the project include the following assignments:

- Assist WIPO in the assessment of received bids from general contractors;
- assist WIPO in the establishment of a contract with the general contractor;

- provide WIPO with necessary expertise and information regarding the financial and technical aspects of the project management;
- assist WIPO when necessary in meetings with contractors on planning, development and assessment of project plans;
- provide on a periodic basis project progress reports to WIPO and its Construction Committee informing of the conformity of the project implementation with approved plans and of any potentials risks in project implementation which could result in higher project costs and/or delays in the project timetable;
- advise WIPO on the quality of work accomplished by the general contractor and other contractors;
- advise WIPO on the technical evaluation, needs' assessment and costing of the project.

[Annex C follows]

ANNEX C

STREAMLINING AND AUTOMATING THE OFFICE OF THE PATENT COOPERATION TREATY: PRELIMINARY ASSESSMENT OF THE BENEFITS OBTAINED

Automating the Office of the PCT

402. In 1998, the Assemblies of the Member States of WIPO approved an automation project, now called the IMPACT (Information Management for the Patent Cooperation Treaty) Project, to modernize and make more effective and efficient the operations of the PCT System at the International Bureau of WIPO (IB). Due to the increase in the number of international applications (IAs) filed, the PCT System had reached a stage in its development whereby, without extensive administrative reorganization and automation, it would have begun to lose value to users.

403. The IMPACT Project was seen as an opportunity to adopt more efficient working methods rather than to impose new technologies on existing systems or simply automate the working methods as they were at the time. The improvement of services to the national offices of PCT Contracting States through, *inter alia*, electronic data exchange and the development of electronic filing were of paramount consideration, as were the provision of enhanced benefits to all users of the PCT System.

404. At its first session in 2001 (see document PCT/R/1/26, paragraph 66), the Committee on Reform of the PCT recognized that streamlining and simplifying the filing and processing of IAs should be a prime objective of the Office of the PCT (OPCT). In order to achieve that objective, automating the operations of the IB was given high priority.

Assessment of Advantages and Efficiency Gains in 2002-2003

405. It is difficult to quantify initial efficiency gains from the pilot phase of the IMPACT, as assessments to weigh the improvements in the quality of services as well as the efficiencies and cost advantages gained by the IB, Contracting States and the users of the PCT System can only realistically be undertaken once the IMPACT Project has been fully deployed and the Processing Teams (PTs) have been operational for some time. Nevertheless, at the time of writing this document,

evidence of some qualitative and quantitative benefits can already be identified. These advantages are described below.

1. Preliminary Presumed Benefits Resulting from the Implementation of the Processing Teams (PTs)

406. In line with the IMPACT Project's phase-by-phase implementation, the OPCT began introducing changes in its working methods and structure in mid-2001. The new structure was based on the concept of Processing Teams (PTs): the PT structure ensures that the same team processes an IA from arrival at the IB to international publication and its follow-up. This is the most logical and effective way of reengineering the work process to take full advantage of the IMPACT. The formation of the PTs was carried out in advance to prepare for the deployment of IMPACT, thereby minimizing any disruption in services offered to users. Following the success of the pilot PT, the IB took a decision at the end of 2001 to progressively create PTs. All 13 PTs have been deployed according to schedule. They continue to process applications primarily in a paper-based environment, however.

File availability

407. Prior to the creation of the PTs, an IA file circulated several times between the centralized storage area (compactus) and the Examination, Publication and Translation Sections. With the implementation of the PTs, the IA file remains in the PT throughout its "IB life", eliminating the need for each section to request files from the compactus. This not only increases efficiency within the PT, but will also lead to a significant reduction in the size of the centralized storage area. While some files will still be required from centralized and remote storage areas (often involving transportation from areas several kilometers from the main buildings; see file storage below), this activity will decrease as files are increasingly stored electronically.

File processing

408. The former file circulation system was disruptive to workflow and, combined with the risk of misplacing of files, created tensions between operational services. The new PT structure provides logistical and structural advantages that should lead to faster, more efficient, and more accurate file processing as well as faster follow-up after the publication date.

Enhancement of knowledge and skills of the Staff

409. The structure of the Operations Department of the OPCT before the creation of the PTs was such that discrete Sections worked in isolation with minimal contact or integration among colleagues and little appreciation by the majority of the staff of the importance of their role in the PCT system. In the framework of the PTs, staff have a better overview of the progress of each international application and are implicated

throughout the examination and publication process. This change has an important impact on training staff, enhancing their knowledge and skills which are essential to sophisticated, expeditious and streamlined procedures and working environment that the IMPACT will create.

2. Preliminary and Presumed Benefits of Deployed Elements of the IMPACT IB Project

Internal procedures

410. As the automation of the OPCT procedures reaches its conclusion through the IMPACT Project, large volumes of paper will no longer need to be manipulated, reducing manual tasks and processing time as well as paper, photocopying and postage costs. One way in which the reduction in the use and dissemination of paper is being achieved is through the large-scale scanning of paper documents. As documents enter the IB it is intended that they will be scanned so that the documents can subsequently be routed and processed electronically (with the expectation that the amount of scanning required will decrease over time as applications are filed electronically). As the IMPACT Project has not yet been implemented to the point where it is capable of serving a fully electronic IB, the IB is required to carry out its operations on the basis of a partly paper/partly electronic file. In 2002, 114,048 record copies were received by the IB, which could not be scanned and had to be distributed internally on paper. Once the record copies can also be scanned through IMPACT, it would be possible to contain the increase in the staff members and to absorb workload corresponding to approximately 12 staff members.

411. As a result of the partial deployment of IMPACT in 2002, the IB was able to scan some 131,971 priority documents, 60,336 International Preliminary Examination Reports (IPERs), 17,903 translations of IPERs, 104,173 record copies in the form of pamphlets, and 40,397 corrected versions of pamphlets - a total of 354,780 documents (10 million pages). After full deployment of the IMPACT system, all incoming communications concerning IAs will be scanned and routed electronically to the appropriate PT staff member for action. This step should eliminate largely the need for PTs to route and manipulate paper copies, which in turn should permit faster file processing and quicker response time in dealing with requests for documents and information from PCT users. If the IB were to receive all incoming communications in electronic format, a further five staff members could be freed for redeployment. These staff will be needed elsewhere within OPCT in the post-IMPACT environment.

Transition from a paper-based to automated environment

412. The movement away from duplication via massive photocopying has already created a more efficient workplace and also substantially benefited the working environment. The most important improvements reported by the staff are the elimination of exposure to noise, pollution from toner particles in the air and the change from manual to computer-based activity. Systematic staff development and

training have been indispensable in this transition away from a paper-based workplace.

Scanning of the master copy of the published IA (pamphlet)

413. Scanning has also permitted the production in electronic form of the master copy of the IA for publication (the pamphlet). This “electronic master pamphlet” replaces the paper master pamphlet (now approximately 2,000 copies per week of about 33 pages per pamphlet) which, from 1978 until September 2002, was the basis for international publication. Moreover, an additional 700 paper copies per week (about 12 pages each) were produced for the weekly republications. Apart from the reduced cost, the elimination of large quantities of paper has freed five out of sixteen staff for redeployment. In addition, in a joint effort with the European Patent Office (EPO), published PCT pamphlets are currently dispatched and made available on DVD shortly after the publication date via the ESPACE-WORLD and esp@cenet® systems. As of the end of 2002, the IB was in a position to provide PCT pamphlets on CD/DVD on the date of publication.

File storage

414. PCT Rule 93.2 stipulates that record copies and files must be kept by the IB for 30 years. In order to accommodate the vast volume of paper that the IB has been required to safeguard, WIPO has been obliged since 1987 to rent storage space outside its main premises. By the end of 2002, the volume of storage space required was over 1,800 m², spread over six different storage areas. These areas must be rented as all available storage space in the WIPO-owned buildings is fully occupied. An additional 750 m² has been rented in 2003 for storage of additional files and cartons containing scanned documents. Apart from rental costs, it is necessary to make the files and pamphlets stored in these rented areas available to the staff in the main buildings, with the attendant transportation costs. With the completion of the IMPACT Project, the advent of the “electronic pamphlet”, the progress of the PCT-SAFE project for electronic filing, and with information being stored progressively online, on CD and on DVD, proportionately less storage space will be required in future. Furthermore, as far as PCT pamphlets are concerned, by early 2003 some of the staff members involved in managing pamphlet storage were redeployed to other tasks in the IB, thereby contributing to the containment of staff growth.

3. Communication on Request (COR)

415. Principally under PCT Article 20 and Rule 87, the IB is required to communicate documents to national Offices, in particular when those Offices are designated/elected in IAs. An integral part of the IMPACT Project is its ability to furnish those documents to national Offices on CD or DVD instead of paper, on a Communication on Request (COR) basis. At present, the IB is able to furnish national Offices copies of the following PCT documents on CD or DVD:

- PCT pamphlets (the IA plus the International Search Report (ISR)) under PCT Article 20;
- priority documents under PCT Rule 17.2(a);
- international Preliminary Examination Reports (IPERs) and, if applicable, the English translations thereof, under PCT Article 36(3)(a);
- declarations under PCT Rule 4.17; and
- PCT pamphlets as published and, if applicable, republished in the PCT Gazette under PCT Rule 87.

Systematic and Specific COR

416. The above-mentioned documents can be made available systematically on a weekly basis (Systematic COR – copies of all documents relating to an IA in which an Office is designated/elected) or on specific request when needed by the Office, usually when an IA enters the national phase in that Office (Specific COR). By the beginning of 2003, only one national Office was receiving all categories of communications (Systematic COR) on DVD while several other large Offices were already systematically receiving priority documents on DVD. In contrast, at the time of drafting this document, the IB had received indication from a significant number of offices that they were prepared to accept CD or DVD communications instead of paper.

417. The IB in 2002 provided 42 national/regional offices with 171,383 documents (8 million sheets) on paper following 96,538 requests. The cost to the IB for copying, paper and postage was CHF 435,000 in 2002. This cost will be greatly reduced once specific COR is fully deployed. The OPCT is accordingly striving to determine which Offices are in a position to make the transition from the receipt of paper copies to the receipt of CDs or DVDs. The OPCT will be able to achieve substantial savings once it no longer prints and mails paper copies of PCT documents, and the offices will also benefit from the elimination of the manipulation and storage of paper. Overall, the cost of mailing all PCT communications in 2002 (576,439 envelopes and boxes with a total of more than 278 tons of paper) was almost CHF 1,950,000. As the cost of sending a Rule 87 DVD and a CD with specific or systematic COR to all offices would be only about CHF 94,000, the costs of PCT communications will be greatly reduced.

418. As far as staffing needs are concerned, the IB has reduced the staff dedicated to PCT communications and dissemination by seven staff members who have been redeployed to the PTs.

Preliminary Assessment of Advantages and Efficiencies in 2004-2005

419. For the 2004-2005 biennium, the IMPACT Project is expected to become operational. This will permit the IB to make a more accurate assessment of the efficacy of the new working methods and the advantages to users compared to the pre-IMPACT PCT system, but any real benefit will not be quantifiable until at least one year after full deployment. As with any IT project, the post-implementation phase is critical for the deployed system. This phase concerns not only basic

maintenance and fine-tuning of modules but also identification of enhancements that are necessary for the system to continue to serve the user community.

420. On January 1, 2004, many amendments to the Regulations under the PCT will enter into force affecting several functions within the OPCT. These amendments include the designation of all Contracting States on the international filing date (Rule 4.9), the introduction of a “flat international filing fee” (Rule 15), the introduction of a written Opinion by the International Searching Authority (Rule 43bis) and its transmittal as an International Preliminary Report on Patentability (Rule 44), amongst others. The impact of these amendments on the work of the OPCT will be assessed during 2004 and 2005.

421. The willingness of Contracting States to collaborate with the IB, not only by taking advantage of the possibilities provided by the new structure and technical systems, but also by providing constructive input to ensure the PCT achieves its maximum potential, will be a crucial element in the success of the OPCT’s efficiency efforts beyond 2005.

Preliminary Assessment of Advantages and Efficiencies in 2006-2007

422. Several critical factors will have an effect on the operations of the OPCT by the 2006-2007 biennium, in particular the state of the world economy affecting the growth in PCT filings.

423. While the difficulty in establishing reliable projections of PCT growth has been acknowledged, the OPCT is working to establish systematic and flexible projection methods that will permit it to adapt the PT organizational structure and workflow procedures to changing levels of PCT demand. Inherent in this process is an undertaking on the part of OPCT to continue to assess the quality and efficiency of the manner in which it processes PCT applications in order to adjust and streamline its activities in the best interests of the user community.

Quantitative Conclusions

424. The potential quantitative benefits shown above could result in the containment of growth by some 25 posts based on the successful automation of the IB through full deployment of the IMPACT Project and receipt by the IB of all communications electronically. This would result in cost savings of up to Sfr1,800,000 annually. Similarly, the transition from a paper based to a fully automated IB could result in savings of up to Sfr2,000,000 annually.

[Appendix A follows]

APPENDIX A

BUDGET POLICY AND PRESENTATION

425. The description of the budget policy and presentation describes the (i) general approach, (ii) calculation of budget stages 2002-2003 and 2004-2005, (iii) arrangement for determining budget allocation by Union, (iv) standard cost rates, (v) workload flexibility formulas for global protection systems and (vi) the definition of budget headings.

1. General Approach

426. The program and budget is presented in a transparent manner to support the review and approval process by Member States and the subsequent implementation by the International Bureau. The main features of the presentation are described below:

- *Budget scope:* The program and budget presents in a single document all budgetary requirements funded from contributions, fee income, reimbursement for services provided to UPOV and other income. The different sources of income are described below in Appendix A.6.
- *Budget dimensions:* The budget is presented by program, object of expenditure and Union. Programs are further elaborated into sub-programs. By object of expenditure, information is presented at the detailed level by sub-program and the main level for summary presentation. Objects of expenditure are described in Appendix A.6. Presentation by Union identifies budget allocation for the Contribution-financed Unions, the PCT Union, the Madrid Union and the Hague Union. The arrangement for determining budget allocation by Union is detailed below in Appendix A.3.
- *Result-based budget:* The program and budget is presented in accordance with a result-based format, identifying by sub-program objectives, results, performance indicators and activities.
- *Income presentation:* The budget proposals are supported by a detailed presentation of estimated income for 2002-2003 and 2004-2005. Detailed

income estimates are presented in Chapter C.2; proposed Member States contribution is shown in Appendix B and the schedule of fees in Appendix C.

- *Resource plan 2002-2003 and 2004-2005:* The resource plan elaborates the biennial funding arrangements, by integrating information on budget, income, surplus/deficit and reserves by Union and for trust funds. The resource plan is presented in Chapter C.2.
- *Financial indicators 1998 to 2009:* The biennial funding arrangements are presented in the context of financial indicators for a 12-year period from 1998 to 2009 as indicated in Chapter C.1.
- *Multi-biennia budgetary implications:* The biennial presentation is supplemented and supported by elaborating the longer-term implications of major budgetary implications. This is done for the WIPO premises plan up to 2009 in Annex A, the new construction project covering the period up to 2007 in Annex B and the IMPACT efficiency gains described in Annex C.
- *Resource description:* For each of the main programs, a detailed resource description is introduced to enhance budget transparency.
- *Standard costs:* Standard costs describe inflation rates and standard salary costs which are parameters to calculate variations in the cost structure of the budget estimates as compared to program variations. The standard costs are identified in Appendix A.4 and the calculation of cost variations is detailed further below in Appendix A.2.
- *Budget stages:* The budget formulation process for the 2004-2005 budget is developed through six budget stages, each illustrating the translation of major decisions into budgetary adjustments. This covers, in particular, the linkage between the program structure 2002-2003 and the program structure 2004-2005 as well as the implications of cost variation as compared to budget variations. The budget stages are described below in Appendix A.2.
- *Workload flexibility formulas:* The flexibility formulas provide a mechanism to adjust the budget of global protection system and services in accordance with unforeseen changes in workload. Appendix A.5 describes the workload flexibility formula for the PCT, Madrid and Hague Union.
- *Trust funds:* As part of the proposed funded program and budget, details are provided for information on the use of trust fund resources in order to provide a comprehensive overview of all resources administered by WIPO.

2. Calculation of Budget Stages 2002-2003 and 2004-2005

427. The budget formulation process is developed through a number of stages including the following steps which are elaborated below: (i) approved budget

2002-2003, (ii) budget variation 2002-2003, (iii) revised budget 2002-2003 according to program structure 2002-2003, (iv) revised budget 2002-2003 according to program structure 2004-2005, (v) budget variation 2004-2005, including program and cost variations, and (vi) proposed budget 2004-2005.

Initial budget 2002-2003

428. The starting point is the 2002-2003 budget of Sfr678,400,000 as approved by the Assemblies of Member States of WIPO on October 3, 2001 (paragraph 154 of document A/36/15).

Budget variation 2002-2003

429. Budget variation 2002-2003, includes flexibility and supplementary variations. Flexibility variations cover the adjustment of the budgets of global protection systems for unforeseen fluctuations in the workload. This is done according to the flexibility formulas described in Appendix A.5. Budget revisions other than flexibility variations are identified under supplementary variations. For the revised budget 2002-2003, this includes adjustments for the ex-WMO and new construction projects.

Revised budget 2002-2003, in accordance with program structure 2002-2003

430. The revised budget 2002-2003 is the sum of the approved 2002-2003 budget and flexibility variations 2002-2003. The revised budget is presented in Tables 10 to 15 in accordance with the program structure 2002-2003.

Revised budget 2002-2003, in accordance with program structure 2004-2005

431. The proposed program structure 2004-2005 differs from 2002-2003. In order to provide for a realistic comparison between both biennia, the revised budget 2002-2003 is realigned in accordance with the program and sub-program structure proposed for the new biennium. This is done in Chapter C and illustrated in Tables 17 and 18. The revised budget 2002-2003, expressed in accordance with the program structure 2004-2005, provides the basis against which new proposals for the 2004-2005 biennium can be compared.

Budget variation 2004-2005

432. Budget variation 2004-2005, includes program and cost variations. Program variation 2004-2005 represents the budgetary implications of new program proposals. Cost variations 2004-2005 indicate the budgetary implications of changes in the cost structure. Total budget variations amount to Sfr30,000,000 for 2004-2005.

433. Program variation 2004-2005: Program variations in 2004-2005 represent the budgetary implications of program modifications as compared with the 2002-2003 budget. This covers the introduction of new activities and the strengthening, scaling down or termination of existing activities. Program

modifications already introduced in 2002-2003 within the budget flexibility of the Director General are reflected as program variations for 2004-2005. This includes, for example, the redeployment of posts between programs, involving new assignments to the position in question, or reclassifications of posts between the General Service and the Professional categories.

434. Cost variations 2004-2005: Cost variations in 2004-2005 represent the budgetary implications of changes in the cost structure as compared to 2002-2003. Cost variations 2004-2005 are calculated for non-staff and staff costs and are indicated in Appendix A.4. The recosting includes the delayed impact arising from the continuation of posts established during the second year of the 2002-2003 biennium only and continuing for the full duration of 2004-2005. This includes 16 posts approved in the context of the initial budget 2002-2003.

Proposed budget 2004-2005

435. The proposed budget 2004-2005 of Sfr638,800,000 represents the sum of revised budget 2002-2003 and budget variation 2004-2005.

3. Arrangement for Determining Budget Allocation by Union

436. The arrangement for determining budget allocation by Union identifies the key decisions, which determine the size of the Union budgets, and the funding of the program budget by Union. Each Union budget is allocated in accordance with a percentage share to the various program budgets as illustrated in Table 7. The percentage share is determined by Union separately for each of three categories of activities as follows:

Overhead and support activities

437. Overhead or support activities are shared equally between the Unions in accordance with the size of the respective Union budget. This includes, as indicated in Table 7, programs contained in Part I (Policy and Direction) and Part IV (Administrative Services) covering Constituent Organs of Member States, Direction and Executive Management, Resource Management and Information Technology.

Union specific activities

438. Union-specific activities are fully or mainly attributed to a specific Union. This includes, as indicated in Table 7, programs contained in Part II (Intellectual Property Systems and Issues), covering Patents and the Patent Cooperation System (PCT), Trademarks, Industrial Design and Geographical Indications, Copyright and Related Rights, Selected Issues of Intellectual Property, and Arbitration and Mediation Center.

Crosscutting activities

439. Crosscutting activities are shared between all Unions. This includes, as indicated in Table 7, programs contained in Part III, covering Cooperation with Developing Countries, Cooperation with Certain Countries in Europe and Asia, The WIPO Worldwide Academy, Intellectual Property for Economic Development, and Intellectual Property and Creation of IP Culture.

4. Standard Cost Rates

440. The rates of cost increase assumed for Switzerland in 2004 and 2005 for various expenditure types have been estimated by the United Nations Organizations in Geneva and summarized in a document of the UN Chief Executive Board for Coordination dated February 17, 2003. These estimates take account of available official statistics, statements of competent authorities, the views of reputable economic analysts and information gathered from professional associations and other appropriate sources.

441. Overall rate of inflation: "A 1.0 per cent general rate of inflation could be used for 2003, 2004 and 2005."

Staff costs

442. Professional and higher categories: "The margin between the UN and the comparator (US Federal Civil Service) has fallen to 109.3. This is below the range of 110 to 120 approved by the UN General Assembly. Hence, ICSC is recommending to the General Assembly an increase equivalent to 5.7 per cent across the board to restore the margin to the desirable mid-point of the range (115). ICSC is also recommending to the General Assembly that this increase be differentiated by grade level because of the current imbalances at different grade levels (e.g. the D1 margin – 101, the P5 – 107.8, P3 – 115, P1 – 120). (In the event, the General Assembly agreed to a differentiated increase which would bring the margin at D2, D1, P5 and P4 at 111)."

443. General Service category: "As a result of the most recent GS salary survey, ICSC has recommended to Executive Heads the implementation of a revised GS salary scale effective January 1, 2002. The size of the increases is 4.33 per cent (in respect of the scale applied to staff recruited on September 1, 1995 or thereafter) and 1.46 per cent. (in respect of staff on board before September 1, 1995). In accordance with the methodology, and assuming inflation in Geneva remains below five per cent a year, the implication of the implementation of this recommendation is that the now single GS scale will move upwards each January 1st to reflect the movement of 90 per cent of the CPI over a 12 month period."

444. Contributions to the United Nations Joint Staff Pension Fund: "The Pension Board has not recommended any change to the total rate of contribution to the United Nations Joint Staff Pension Fund, corresponding to 23.7 per cent of pensionable remuneration. The two-thirds share financed by member organizations would

therefore remain at 15.8 per cent of pensionable remuneration in 2002, 2003 and 2004. Any recommendation by the Pension Board meeting in the summer of 2004 would only have an impact in 2005. The meeting agreed to assume that the status quo with regard to the rate would continue.”

445. “Pensionable remuneration will increase in November 2002 and annually thereafter to the extent of changes in the total net remuneration (i.e. net base salary and post adjustment) of the professional and higher categories resulting from an increase in the post adjustment. The increase in November 2002 is expected to be about 3.55 per cent. It will also increase in March 2003 if the net base salary increases reported above are agreed to by the General Assembly.”

446. “For staff in the General Service category, pensionable remuneration was the dollar equivalent of the sum of the local gross salary, any language allowance and any non-resident's allowance payable. Thus application of the new GS salary scale should result in an increase in the pensionable remuneration. This increase and any changes in the US dollar-Swiss franc rates of exchange would impact the dollar costs of organizations' contributions.”

447. Other common staff costs: “Proposals are currently before the General Assembly for an increase in secondary dependent allowances. ICSC is also recommending increases to Education Grant level in the following countries/currency areas where education-related expenses are incurred: Austria (Euro), Italy (Euro), Switzerland (Swiss Francs), Spain (Euro), UK (Pound sterling), US dollars in USA and US dollars outside USA. The increases would be effective for the school year in progress on January 1, 2003.”

448. Travel and Transport and Air Freight: “There was considerable uncertainty in this area given the impact of an unfavourable economic environment for air carriers, the costs of increased security measures, and the risk of increased fuel costs in the light of instability in the Middle East. Excess capacity and slow economic growth might in some markets lead to competitive pressure on pricing while in other markets carriers might try to leverage weaker competition by increasing prices in order to stay profitable.”

Contractual Services

449. Contractual printing and binding: “Leaving aside the factor of paper cost, it is expected that increases for printing and binding services will be at the general rate of inflation assumed above. In cases where the orders are placed in other countries than Switzerland different annual rates of increase need to be foreseen.”

450. Other contractual services (including contractual maintenance of premises and equipment): “Costs of other contractual services including contractual maintenance of premises and equipment are expected to increase at the annual rate of inflation assumed above.”

General Operating Expenses

451. Fuel oil: "It was difficult to estimate the evolution of fuel prices in the light of recent major increases in crude oil costs and the uncertain political situation in the Middle East. It was agreed that organizations should take into account the latest price levels in effect at the time of the completion of their proposed budgets and assume a general inflation rate thereafter."

452. Other utilities: "Water rates are expected to increase at a rate of 1 per cent per year as from 2003 and could remain at that level through 2004 and 2005. For electricity, it was anticipated that prices would not increase from present levels."

453. Communications (Telephone, telex and facsimile services): "After a period of generally falling rates, in some markets communications costs have increased recently; these might continue to increase at a rate of around 5 per cent per year depending on the degree of competition in different geographical markets."

454. Post: "These costs are expected to increase by 7 per cent in 2002-2003 and by 10 per cent in 2004-2005."

455. Pouch services: "Pouch costs are expected to reflect a tariff increase of 12 per cent in 2002-2003 and a further 10 per cent in 2004-2005."

Supplies and Materials

456. Paper and printing supplies: "Based on recent market developments, including substantial increases in pulp prices, an overall increase of 15 per cent for 2004-2005 could be assumed (note it is 7.5 per cent per year). However, in some competitive markets, such as those for photocopy paper, increases might be far less."

457. Other supplies and materials: "The cost of other supplies was expected to increase at around the general rate of inflation."

458. Acquisition of furniture and equipment: "The steady price decreases for office automation equipment (hardware and software) are expected to continue. However, the need to replace the old equipment by more sophisticated equipment, which is more expensive, and the purchase of new software packages, were expected to completely offset the anticipated savings. For furniture and other equipment, average increases were expected in line with the general inflation assumption for 2003, and an overall 10 per cent increase for 2004-2005."

5. Workload Flexibility Formulas for Global Protection Systems

459. The workload flexibility formulas recognize that there exists a direct link between fluctuations in the overall workload and requirements for staff support in the global protection systems and services. These formulas provide for a justifiable increase in the number of posts and related costs in case of higher than anticipated increases in the workload, as they also require corresponding decreases in posts in

case of lower than anticipated levels of workload. The workload flexibility formulas have first been described in the context of the program budget exercise for 2002-2003 (Appendix 3 of document WO/PBC/4/2). This includes: (i) International Patent Cooperation Union (PCT Union); (ii) Special Union for the International Registration of Marks (Madrid Union); (iii) Special Union for the International Deposit of Industrial Designs (Hague Union). The existing arrangements are recalled below, including proposed changes as required. The flexibility formula for WIPO Internet domain name dispute resolution, first introduced for the 2002-2003 biennium, is discontinued as of 2004-2005 due to the lower than anticipated workload and stable outlook for arbitration and mediation activities.

General Approach

460. Workload fluctuations change the requirements for staff support primarily in the units concerned with the processing of applications, and also in units providing related services. The units concerned with global protection systems and services perform tasks such as inputting data in computer systems; examining the applications as to form, preparing the necessary notifications to Contracting Parties and communications to applicants and holders; preparing the necessary translation of applications and reports; preparing and publishing pamphlets and gazettes. Other WIPO units provide several other services in support of the units in charge of global protection systems and services. In particular, the Human Resources Management Division provides related staff management services, the Division of Finance processes related financial transactions, the IT Services Division supports the computer systems used to operate the registration systems, the Buildings Division provides office space and related maintenance services to staff, the Printing Services produces printed material to be disseminated to applicants and to patent and trademark offices, the Corporate Image and Product Development Section sells and distributes gazettes and other printed material to the public, and other administrative and managerial services of WIPO also contribute to the support of global protection systems and services. The budgetary implications of the flexibility formulas are determined by identifying the staff expenses at the G6 level (average examiner's grade) and by apportioning related costs for the maintenance and, if applicable, the renting of office space. Total staff and related costs for each post amount to Sfr324,000 per biennium in each of the 2002-2003 and 2004-2005 biennia.

International Patent Cooperation Union (PCT Union)

461. The General Assembly and the PCT Union approved in 1989 the flexibility formulas for PCT as described in paragraph 7 to 14 of document PCT/A/XVI/1. As noted in paragraph 10 of that document, variations of 242 international applications or 1,440 Chapter II demand lead to an adjustment of one post in the PCT Union budget. Moreover, further interpretation were provided in paragraph 9(a) of document AB/XXVI/4 issued on May 29, 1995, providing for the introduction of a provision for supervision of variable posts.

462. Within the PCT Union budget, the number of posts determined according to the approved flexibility formulas are allocated between the Office of the PCT and other offices according to a 75:25 ratio. The additional income generated by the

number of international applications and Chapter II demands which justify one additional post amounts to Sfr356,000 in 2002-2003 and Sfr349,000 in 2004-2005, exceeding the direct and related annual cost of Sfr162,000 for each flexibility post by Sfr194,000 in 2002-2003 and by Sfr187,000 in 2004-2005. It is anticipated that the IMPACT Project will result in efficiency gains for the PCT operation in the subsequent biennium. As a result, the current flexibility formula will be revised to reflect the change in resource requirements.

Special Union for the International Registration of Marks (Madrid Union)

463. In 1989, the Assembly of the Madrid Union noted (see document MM/A/XXI/3, paragraph 18(i)) and, by adopting the budget for the 1990-1991 biennium, approved the application of the flexibility formula for the Madrid Union described in paragraphs 8 to 15 of document MM/A/XXI/1. According to that initial formula (see paragraph 11 of document MM/A/XXI/1), variations of 731 international registrations and renewals led to an adjustment of one post in the budget of the Madrid Union. That formula was first revised in 1993 to take account of the increasing workload generated by the increase in the number of modifications entered in the International Register (consequent upon the growth in the International Register) and in the number of notifications of refusal to be processed (consequent upon the growth in the membership of the Madrid Union and in the number of designations).

464. Subsequently, the formula was revised in 2001, as described in Appendix 3 of document WO/PBC/4/2. From that revision, the International Trademark Registry operated by adjusting one post for a variation of 600 international applications and renewals. The formula referred to international applications rather than registrations insofar as it was the number of applications that determined the required staff resources. Furthermore, the total number of posts determined according to the flexibility formula was allocated in full to the International Registrations Department. Support requirements in related offices were accommodated within their regular budget submissions.

465. During the two years which have elapsed since the last revision of the formula, it is noted that the average number of communications relating to international registrations and requiring action by the International Bureau (such as refusals of protection, requests concerning changes in ownership, changes of name or address, limitations, subsequent designations, etc.) has significantly increased. In fact, while the number of such communications in 2000 reached 153,000 (5.1 per registration), it exceeded 182,000 in 2002 (6.5 per registration). This is mainly due to the continuing increase in the membership of the Madrid Union and in the number of international registrations in force. Moreover, the entry into force in 2002 of both the eighth Edition of the Nice Classification (introducing three new classes) and extensive amendments to the Common Regulations under the Madrid Agreement and Protocol have entailed a higher degree of complexity in the processing by the International Bureau of international applications and other communications relating thereto. It follows that the average workload to process such international applications and other communications has also increased. Considering this higher (quantitative and qualitative) workload for the International Bureau, the resources required in 2002 to

process international applications and other communications relating thereto were higher than in 2000. Quantification of this workload suggests to adjust one post upwards (or downwards) for an increase (or decrease) of 525 registrations and/or renewals recorded. The additional income generated by the number of registrations and renewals which justify one additional post amounts to Sfr448,000 in 2002-2003 and 2004-2005, exceeding the direct and related annual cost of Sfr162,000 for each flexibility post by Sfr286,000 in either biennia.

Special Union for the International Deposit of Industrial Designs (Hague Union)

466. In 1989, the Assembly of the Hague Union noted (see document H/A/X/2, paragraph 14(i)) and, by adopting the budget for the 1990-1991 biennium, approved the application of the flexibility formula for the Hague Union described in paragraphs 11 to 18 of document H/A/X/1. According to that initial formula (see document H/A/X/1, paragraphs 13 and 14), the number of international deposits and renewals that led to an adjustment of one post in the budget of the Hague Union was 640 in 1989.

467. Subsequently, the formula was revised in 2001, as described in Appendix 3 of document WO/PBC/4/2. From that revision, the Hague operation was adjusted by one post for a variation of 600 deposits and/or renewals. The number of posts determined according to the flexibility formula is allocated in full to the International Registrations Department. Support requirements in related offices are accommodated within their regular budget submissions. No revision of the formula for the Hague System is proposed at this time. The additional income generated by the number of deposits and renewals which justify one additional post amounts to Sfr389,000 in 2002-2003 and 2004-2005, exceeding the direct and related cost of Sfr162,000 for each flexibility post by Sfr227,000 in either biennia.

6. Definitions of Budget Headings

Sources of Income

- Contributions: Contributions of States to the Organization under the unitary contribution system.
- Fees: Fees for the International Bureau under the PCT, Madrid, Hague and Lisbon Systems.
- Interest: Revenues from interest on capital deposits.
- Publications: Revenues from the sale of publications and from subscriptions to periodicals published by the Secretariat, in paper, CD-ROM or any other format.
- Other income: fees for the arbitration of domain names, registration fees for conferences and training courses, support charges in respect of extra-budgetary activities executed by WIPO and financed by UNDP and trust funds, accounting

adjustments (credits) in respect of prior years and currency adjustments (credits), rental of WIPO premises, UPOV's payments to WIPO for administrative support services.

Objects of Expenditure

Staff expenses

- Posts: remuneration received by staff members, in particular salaries, post adjustment, dependency allowances, language allowances and overtime, non-resident allowances, assignment grant and representation allowances and allowances received by staff members not included in their salaries. The latter includes employer's contribution towards pension fund, participation in sickness insurance scheme, contribution towards the separation provision used for covering payments due upon separation from service, education grants, removal expenses, travel expenses of dependent children attending educational institutions, home leave, grants to cover costs of installation in the duty station, professional accident insurance premia, refund of national income taxes on salaries and other allowances, indemnities or grants paid by the Secretariat.
- Short-term expenses: remuneration and allowances paid to staff on short-term appointments.

Travel and fellowships

- Staff missions: travel expenses and daily subsistence allowances for the staff and headquarters-based consultants of the Secretariat on official travel.
- Third party travel: travel expenses and daily subsistence allowances for Government officials, participants and lecturers attending WIPO-sponsored meetings.
- Fellowships: travel expenses, daily subsistence allowances and training and other fees in connection with trainees attending courses, seminars, long-term fellowships and internships.

Contractual services

- Conferences: remuneration, travel expenses and daily subsistence allowances for interpreters; renting of conference facilities, and interpretation equipment; refreshments and receptions; and the cost of any other service directly linked to the organization of a conference.
- Consultants: remuneration, travel expenses and daily subsistence allowances, with the exception of mission costs of headquarters-based consultants; honoraria paid to lecturers.

- Publishing: outside printing and binding; reviews; paper and printing; other printing: reprints of articles published in reviews; brochures; treaties; collections of texts; manuals; working forms and other miscellaneous printed material; production of CD-ROMs, videos, magnetic tapes and other forms of electronic publishing.
- Other services: fees of translators of documents; rental of computer time; cost of staff training; recruitment costs; and other external contractual services.

Operating expenses

- Premises and maintenance: acquiring, renting, improving and maintaining office space and renting or maintaining equipment and furniture.
- Communication and other expenses: communication expenses such as telephone, telegrams, telexes, facsimile and mail, postage and carriage of documents; other expenses such as medical assistance, housing service, Administrative Tribunal, Staff Association, hospitality; bank charges; interest on bank and other loans (except building loans); currency adjustments (debits); audit expenses; unforeseen expenses and accounting adjustments (debits) in respect of prior years; contributions to joint administrative activities within the United Nations system; repayment to one or more Unions of advances in connection with the creation of a new Union or amortization of the deficit resulting from the organizational expenses of a Union, and expenses not specifically provided for.

Equipment and supplies

- Furniture and equipment: office furniture and office machines; text processing and data processing equipment; conference servicing equipment; reproduction equipment; transportation equipment.
- Supplies and materials: stationery and office supplies; internal reproduction supplies (offset, microfilms, etc.); library books and subscriptions to reviews and periodicals; uniforms; data processing supplies; computer software and licenses.

Construction

- Construction: pre-structural works, main structural works, special equipment and services and external works for the construction of buildings.

[Appendix B follows]

APPENDIX B

PROPOSED MEMBER STATES CONTRIBUTIONS

(in Swiss francs)

States Members of One or More Contribution-financed Unions	Contribution Class	Contribution units (2004-05)	Contribution ¹ 2004	Contribution ¹ 2005	Contributions 2004-05
A lbania	IX	0.25	11,395	11,395	22,790
Algeria	S	0.125	5,697	5,697	11,394
Andorra ²	IX	0.25	11,395	11,395	22,790
Angola ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
Antigua and Barbuda	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Argentina	<i>VIbis</i>	2	91,158	91,158	182,316
Armenia	IX	0.25	11,395	11,395	22,790
Australia	III	15	683,685	683,685	1,367,370
Austria	<i>IVbis</i>	7.5	341,842	341,842	683,684
Azerbaijan	IX	0.25	11,395	11,395	22,790
B ahamas	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Bahrain	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Bangladesh	<i>Ster</i>	0.03125	1,424	1,424	2,848
Barbados	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Belarus	IX	0.25	11,395	11,395	22,790
Belgium	III	15	683,685	683,685	1,367,370
Belize	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Benin	<i>Ster</i>	0.03125	1,424	1,424	2,848
Bhutan	<i>Ster</i>	0.03125	1,424	1,424	2,848
Bolivia	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Bosnia and Herzegovina	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Botswana	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Brazil	<i>VIbis</i>	2	91,158	91,158	182,316
Brunei Darussalam ²	S	0.125	5,697	5,697	11,394
Bulgaria	<i>VIbis</i>	2	91,158	91,158	182,316
Burkina Faso	<i>Ster</i>	0.03125	1,424	1,424	2,848
Burundi	<i>Ster</i>	0.03125	1,424	1,424	2,848
C ambodia	<i>Ster</i>	0.03125	1,424	1,424	2,848
Cameroon	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Canada	IV	10	455,790	455,790	911,580
Cape Verde	<i>Ster</i>	0.03125	1,424	1,424	2,848
Central African Republic	<i>Ster</i>	0.03125	1,424	1,424	2,848
Chad	<i>Ster</i>	0.03125	1,424	1,424	2,848
Chile	IX	0.25	11,395	11,395	22,790
China	<i>IVbis</i>	7.5	341,842	341,842	683,684
Colombia	IX	0.25	11,395	11,395	22,790
Congo	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Costa Rica	S	0.125	5,697	5,697	11,394
Côte d'Ivoire	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Croatia	VIII	0.5	22,789	22,789	45,578
Cuba	S	0.125	5,697	5,697	11,394
Cyprus	S	0.125	5,697	5,697	11,394
Czech Republic	VI	3	136,737	136,737	273,474

States Members of One or More Contribution-financed Unions	Contribution Class	Contribution units (2004-05)	Contribution ¹ 2004	Contribution ¹ 2005	Contributions 2004-05
D emocratic People's Republic of Korea	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Democratic Republic of the Congo	<i>Ster</i>	0.03125	1,424	1,424	2,848
Denmark	IV	10	455,790	455,790	911,580
Djibouti	<i>Ster</i>	0.03125	1,424	1,424	2,848
Dominica	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Dominican Republic	S	0.125	5,697	5,697	11,394
E cuador	S	0.125	5,697	5,697	11,394
Egypt	S	0.125	5,697	5,697	11,394
El Salvador	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Equatorial Guinea	<i>Ster</i>	0.03125	1,424	1,424	2,848
Eritrea ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
Estonia	IX	0.25	11,395	11,395	22,790
Ethiopia ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
F iji	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Finland	IV	10	455,790	455,790	911,580
France	I	25	1,139,475	1,139,475	2,278,950
G abon	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Gambia	<i>Ster</i>	0.03125	1,424	1,424	2,848
Georgia	IX	0.25	11,395	11,395	22,790
Germany	I	25	1,139,475	1,139,475	2,278,950
Ghana	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Greece	VI	3	136,737	136,737	273,474
Grenada	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Guatemala	S	0.125	5,697	5,697	11,394
Guinea	<i>Ster</i>	0.03125	1,424	1,424	2,848
Guinea-Bissau	<i>Ster</i>	0.03125	1,424	1,424	2,848
Guyana	<i>Sbis</i>	0.0625	2,849	2,849	5,698
H aiti	<i>Ster</i>	0.03125	1,424	1,424	2,848
Holy See	VIII	0.5	22,789	22,789	45,578
Honduras	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Hungary	VI	3	136,737	136,737	273,474
I celand	VIII	0.5	22,789	22,789	45,578
India	<i>Vibis</i>	2	91,158	91,158	182,316
Indonesia	VII	1	45,579	45,579	91,158
Iran (Islamic Republic of)	VII	1	45,579	45,579	91,158
Iraq	IX	0.25	11,395	11,395	22,790
Ireland	IV	10	455,790	455,790	911,580
Israel	<i>Vibis</i>	2	91,158	91,158	182,316
Italy	III	15	683,685	683,685	1,367,370
J amaica	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Japan	I	25	1,139,475	1,139,475	2,278,950
Jordan	<i>Sbis</i>	0.0625	2,849	2,849	5,698
K azakhstan	IX	0.25	11,395	11,395	22,790
Kenya	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Kuwait ²	IX	0.25	11,395	11,395	22,790

States Members of One or More Contribution-financed Unions	Contribution Class	Contribution units (2004-05)	Contribution ¹ 2004	Contribution ¹ 2005	Contributions 2004-05
Kyrgyzstan	IX	0.25	11,395	11,395	22,790
L ao People's Democratic Republic	<i>Ster</i>	0.03125	1,424	1,424	2,848
Latvia	IX	0.25	11,395	11,395	22,790
Lebanon	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Lesotho	<i>Ster</i>	0.03125	1,424	1,424	2,848
Liberia	<i>Ster</i>	0.03125	1,424	1,424	2,848
Libyan Arab Jamahiriya	S	0.125	5,697	5,697	11,394
Liechtenstein	VIII	0.5	22,789	22,789	45,578
Lithuania	IX	0.25	11,395	11,395	22,790
Luxembourg	VII	1	45,579	45,579	91,158
M adagascar	<i>Ster</i>	0.03125	1,424	1,424	2,848
Malawi	<i>Ster</i>	0.03125	1,424	1,424	2,848
Malaysia	VIII	0.5	22,789	22,789	45,578
Mali	<i>Ster</i>	0.03125	1,424	1,424	2,848
Malta	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Mauritania	<i>Ster</i>	0.03125	1,424	1,424	2,848
Mauritius	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Mexico	IVbis	7.5	341,842	341,842	683,684
Monaco	VII	1	45,579	45,579	91,158
Mongolia	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Morocco	S	0.125	5,697	5,697	11,394
Mozambique	<i>Ster</i>	0.03125	1,424	1,424	2,848
Myanmar ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
N amibia	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Nepal	<i>Ster</i>	0.03125	1,424	1,424	2,848
Netherlands	III	15	683,685	683,685	1,367,370
New Zealand	VI	3	136,737	136,737	273,474
Nicaragua	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Niger	<i>Ster</i>	0.03125	1,424	1,424	2,848
Nigeria	S	0.125	5,697	5,697	11,394
Norway	IV	10	455,790	455,790	911,580
O man	S	0.125	5,697	5,697	11,394
P akistan	S	0.125	5,697	5,697	11,394
Panama	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Papua New Guinea	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Paraguay	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Peru	IX	0.25	11,395	11,395	22,790
Philippines	S	0.125	5,697	5,697	11,394
Poland	VI	3	136,737	136,737	273,474
Portugal	IVbis	7.5	341,842	341,842	683,684
Q atar	S	0.125	5,697	5,697	11,394
R epublic of Korea	VII	1	45,579	45,579	91,158
Republic of Moldova	IX	0.25	11,395	11,395	22,790
Romania	VIbis	2	91,158	91,158	182,316
Russian Federation	IV	10	455,790	455,790	911,580
Rwanda	<i>Ster</i>	0.03125	1,424	1,424	2,848
S aint Kitts and Nevis	<i>Sbis</i>	0.0625	2,849	2,849	5,698

States Members of One or More Contribution-financed Unions	Contribution Class	Contribution units (2004-05)	Contribution ¹ 2004	Contribution ¹ 2005	Contributions 2004-05
Saint Lucia	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Saint Vincent and the Grenadines	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Samoa ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
San Marino	IX	0.25	11,395	11,395	22,790
Sao Tome and Principe	<i>Ster</i>	0.03125	1,424	1,424	2,848
Saudi Arabia ²	VII	1	45,579	45,579	91,158
Senegal	<i>Ster</i>	0.03125	1,424	1,424	2,848
Serbia and Montenegro	VIII	0.5	22,789	22,789	45,578
Seychelles	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Sierra Leone	<i>Ster</i>	0.03125	1,424	1,424	2,848
Singapore	IX	0.25	11,395	11,395	22,790
Slovakia	VI	3	136,737	136,737	273,474
Slovenia	VII	1	45,579	45,579	91,158
Somalia ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
South Africa	IVbis	7.5	341,842	341,842	683,684
Spain	IV	10	455,790	455,790	911,580
Sri Lanka	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Sudan	<i>Ster</i>	0.03125	1,424	1,424	2,848
Suriname	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Swaziland	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Sweden	III	15	683,685	683,685	1,367,370
Switzerland	III	15	683,685	683,685	1,367,370
Syrian Arab Republic	S	0.125	5,697	5,697	11,394
Tajikistan	IX	0.25	11,395	11,395	22,790
Thailand	IX	0.25	11,395	11,395	22,790
The former Yugoslav Republic of Macedonia	VIII	0.5	22,789	22,789	45,578
Togo	<i>Ster</i>	0.03125	1,424	1,424	2,848
Tonga	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Trinidad and Tobago	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Tunisia	S	0.125	5,697	5,697	11,394
Turkey	VIbis	2	91,158	91,158	182,316
Turkmenistan	IX	0.25	11,395	11,395	22,790
Uganda	<i>Ster</i>	0.03125	1,424	1,424	2,848
Ukraine	IX	0.25	11,395	11,395	22,790
United Arab Emirates	IX	0.25	11,395	11,395	22,790
United Kingdom	I	25	1,139,475	1,139,475	2,278,950
United Republic of Tanzania	<i>Ster</i>	0.03125	1,424	1,424	2,848
United States of America	I	25	1,139,475	1,139,475	2,278,950
Uruguay	S	0.125	5,697	5,697	11,394
Uzbekistan	IX	0.25	11,395	11,395	22,790
Venezuela	IX	0.25	11,395	11,395	22,790
Viet Nam	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Yemen ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
Zambia	<i>Ster</i>	0.03125	1,424	1,424	2,848
Zimbabwe	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Total Contributions		377.875	17,223,157	17,223,157	34,446,314

¹ The value of one unit for the years 2004 and 2005 is Sfr45,579.

² States members of WIPO which are not members of any of the Unions.

[Appendix C follows]

APPENDIX C

FEEES

A. PCT

(in force as of January 1, 2004)

1. Fees ^(*)	Swiss francs
1.1 International Filing Fee (Rule 15.2)	
1.1.1 if the international application contains not more than 30 sheets	1,450
1.1.2 if the international application contains more than 30 sheets plus 15 Swiss francs for each sheet in excess of 30 sheets	1,450
1.2 Handling Fee (Rule 57.2(a))	200
2. Reductions	
2.1 The international filing fee is reduced if the international application is, in accordance with and to the extent provided for in the Administrative Instructions, filed:	
(a) on paper together with a copy thereof in electronic form	100
(b) in electronic form with documents attached in PDF format	200
(c) in electronic form with documents attached in XML format	300
2.2 The fees payable (where applicable, as reduced under item 2.1) are reduced by 75 per cent for international applications filed by any applicant who is a natural person and who is a national of and resides in a State whose per capita national income is below US\$3,000 (according to the average per capita national income figures used by the United Nations for determining its scale of assessments for the contributions payable for the years 1995, 1996 and 1997); if there are several applicants, each must satisfy those criteria.	
2.3 Where the applicant, or if there are several applicants, all of them are nationals of and reside in States referred to in item 2.2 which are Least Developed Countries, the reduction of 75 per cent applies irrespective of whether the applicants are natural persons or not.	
3. Additional fees	
3.1 Early publication, upon request of the applicant, where the international search report or the declaration under PCT Article 17(2)(a) is not available for publication with the international application (PCT Rule 48.4(a))	200

^(*) Pending approval by the September 2003 Assembly of the PCT Union – see PCT/A/31/10, para. 50, and PCT/A/32/1.

	Swiss francs
3.2 Publication of information concerning priority claim considered not to have been made (PCT Rule 26bis.2(c)) or publication of a refused request for rectification (PCT Rule 91.1(f)) plus 12 Swiss francs for each sheet in excess of one	50
3.3 Copy of the record copy of an international application (PCT Rule 94.1)	35
3.3.1 if certified as true copy of the record copy	50
3.4 Certified copy of a published international application (PCT pamphlet)	35
3.5 Copy of a priority document (PCT Rules 17.2(c) or 94.1)	35
3.5.1 if certified as true copy of the priority document	50
3.6 Copy of a document in the file (other than the record copy, the published application or the priority document) (PCT Rule 94.1) plus 1 Swiss franc per page	5
3.6.1 if certified as true copy of the document concerned	plus 15
3.7 Copy, on CD-ROM, of sequence listings contained in pamphlets or priority documents, produced upon request of a third party plus shipping costs	35
3.8 Transmitting to a designated Office a copy of an international application, upon request of the applicant (PCT Rule 31.1(b))	35
3.8.1 Supplement for airmail	10
3.8.2 Supplement for facsimile per page	3
4. Fees payable to the Receiving Office of the International Bureau of WIPO	
4.1 Transmittal fee**	100
4.2 Fee for priority document (PCT Rules 17.1(b) and 20.9)	50
4.2.1 Supplement for airmail	10

B. Madrid

(in force as of April 1, 2002)

1. International applications governed exclusively by the Agreement

The following fees shall be payable and shall cover 10 years

1.1 Basic fee (Article 8(2)(a) of the Agreement)	
1.1.1 where no reproduction of the mark is in color	653
1.1.2 where any reproduction of the mark is in color	903
1.2 Supplementary fee for each class of goods and services beyond three classes (Article 8(2)(b) of the Agreement)	73
1.3 Complementary fee for the designation of each designated Contracting State (Article 8(2)(c) of the Agreement)	73

2. International applications governed exclusively by the Protocol

The following fees shall be payable and shall cover 10 years

2.1 Basic fee (Article 8(2)(i) of the Protocol)	
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** Applicants who qualify for the 75 per cent reduction of the international filing fee (see items 2.2 and 2.3 above), do not have to pay the transmittal fee.

	Swiss francs
2.1.1 where no reproduction of the mark is in color	653
2.1.2 where any reproduction of the mark is in color	903
2.2 Supplementary fee for each class of goods and services beyond three classes (Article 8(2)(ii) of the Protocol), except if only Contracting Parties in respect of which individual fees (see 2.4, below) are payable are designated (see Article 8(7)(a)(i) of the Protocol)	73
2.3 Complementary fee for the designation of each designated Contracting Party (Article 8(2)(iii) of the Protocol), except if the designated Contracting Party is a Contracting Party in respect of which an individual fee is payable (see 2.4 below) (see Article 8(7)(a)(ii) of the Protocol)	73
2.4 Individual fee for the designation of each designated Contracting Party in respect of which an individual fee (rather than a complementary fee) is payable (see Article 8(7)(a) of the Protocol): the amount of the individual fee is fixed by each Contracting Party concerned	
3. International applications governed by both the Agreement and the Protocol The following fees shall be payable and shall cover 10 years	
3.1 Basic fee	
3.1.1 where no reproduction of the mark is in color	653
3.1.2 where any reproduction of the mark is in color	903
3.2 Supplementary fee for each class of goods and services beyond three classes	73
3.3 Complementary fee for the designation of each designated Contracting Party in respect of which no individual fee is payable	73
3.4 Individual fee for the designation of each designated Contracting Party in respect of which an individual fee is payable (see Article 8(7)(a) of the Protocol), except where the designated State is a State bound (also) by the Agreement and the Office of origin is the Office of a State bound (also) by the Agreement (in respect of such a State, a complementary fee is payable): the amount of the individual fee is fixed by each Contracting Party concerned	
4. Irregularities with respect to the classification of goods and services The following fees shall be payable (Rule 12(1)(b))	
4.1 Where the goods and services are not grouped in classes plus 4 per term in excess of 20	77
4.2 Where the classification, as appearing in the application, of one or more terms is incorrect plus 4 per incorrectly classified term, provided that, where the total amount due under this item in respect of an international application is less than 150 Swiss francs, no fees shall be payable	20

Swiss francs

5. Designation subsequent to international registration
The following fees shall be payable and shall cover the period between the effective date of the designation and the expiry of the then current term of the international registration
 - 5.1 Basic fee 300
 - 5.2 Complementary fee for each designated Contracting Party indicated in the same request where an individual fee is not payable in respect of such designated Contracting Party (the fee covers the remainder of 10 years) 73
Party in respect of which an individual fee (rather than a complementary fee) is payable (see Article 8(7)(a) of the Protocol): the amount of the individual fee is fixed by each Contracting Party concerned
6. Renewal
The following fees shall be payable and shall cover 10 years
 - 6.1 Basic fee 653
 - 6.2 Supplementary fee, except if the renewal is made only for designated Contracting Parties in respect of which individual fees are payable 73
 - 6.3 Complementary fee for each designated Contracting Party in respect of which an individual fee is not payable 73
 - 6.4 Individual fee for the designation of each designated Contracting Party in respect of which an individual fee (rather than a complementary fee) is payable (see Article 8(7)(a) of the Protocol): the amount of the individual fee is fixed by each Contracting Party concerned
 - 6.5 Surcharge for the use of the period of grace of the amount of the fee payable under item 6.1 50%
7. Miscellaneous recordings
 - 7.1 Total transfer of an international registration 177
 - 7.2 Partial transfer (for some of the goods and services or for some of the Contracting Parties) of an international registration 177
 - 7.3 Limitation requested by the holder subsequent to international registration, provided that, if the limitation affects more than one Contracting Party, it is the same for all 177
 - 7.4 Change of name and/or address of the holder of one or more international registrations for which recordal of the same change is requested in the same request 150
 - 7.5 Recording of a license in respect of an international registration or amendment of the recording of a license 177

Swiss francs

8.	Information concerning international registrations	
8.1	Establishing a certified extract from the International Register consisting of an analysis of the situation of an international registration (detailed certified extract),	
8.1.1	up to three pages	155
8.1.2	for each page after the third	10
8.2	Establishing a certified extract from the International Register consisting of a copy of all publications, and of all notifications of refusal, made with respect to an international registration (simple certified extract),	
8.2.1	up to three pages	77
8.2.2	for each page after the third	2
8.3	A single attestation or information in writing	
8.3.1	for a single international registration	77
8.3.2	for each additional international registration, if the same information is requested in the same request	10
8.4	Reprint or photocopy of the publication of an international registration, per page	5
9.	Special services	

The International Bureau is authorized to collect a fee, whose amount it shall itself fix, for operations to be performed urgently and for services not covered by this Schedule of Fees.

C. Hague¹

(in force as of January 1, 2002)

1.	Fees payable if the deposit is governed exclusively or partly by the 1960 Act (deposits published under the 1960 Act)	
1.1	International deposit fee (Rule 13.2(a)(i))	
1.1.1	For 1 design	397
1.1.2	For each additional design included in the same deposit	19
1.2	International publication fee (Rule 13.2(a)(ii))	
1.2.1	For each reproduction to be published in black and white	12
1.2.2	For each reproduction to be published in color	75
1.2.3	For each page, in addition to the first, on which one or more reproductions are shown	150
1.3	Deferred publication fee (Rule 10.1(a))	93
1.4	Ordinary State fee (per designated State referred to in Rule 13.2(b)) (Rule 13.2(a)(iii))	
1.4.1	For 1 design	42
1.4.2	For each additional design included in the same deposit	2

¹ No proposed Schedule of Fees is yet available for the 1999 Act of the Hague Agreement, which is expected to come into operation during the 2004-2005 biennium. However, it is, at this stage, conceivable that the amounts of the fees to be specified in the Schedule of Fees in respect of registrations governed exclusively or partly by the 1999 Act will be the same as those contained in the current Schedule of Fees in respect of deposits governed exclusively or partly by the 1960 Act.

Swiss francs

1.5	State novelty examination fee for the designation of ² each contracting State in respect of which such a fee is payable (Rule 13.2(a)(iv)), less the amount of the ordinary State fee paid for that State.	
1.6	International renewal fee (Rule 24)	
1.6.1	For a deposit containing 1 design	200
1.6.2	For each additional design included in the same deposit	17
1.6.3	Surcharge	*
1.7	State renewal fee (per designated State to which the 1960 Act applies (Rule 24.2))	
1.7.1	For a deposit containing 1 design	21
1.7.2	For each additional design included in the same deposit	1
2.	Fees payable if the deposit is governed exclusively by the 1934 Act (deposits published under the 1934 Act)	
2.1	International deposit fee for an initial period of five years (Rule 13.1(a))	
2.1.1	For 1 design	216
2.1.2	For 2 to 50 designs included in the same deposit	432
2.1.3	For 51 to 100 designs included in the same deposit	638
2.2	Prolongation fee for a further period of 10 years (Rule 23)	
2.2.1	For 1 design	422
2.2.2	For 2 to 50 designs included in the same deposit	844
2.2.3	For 51 to 100 designs included in the same deposit	1,236
2.2.4	Surcharge	**
3.	Common fees	
3.1	Fee for recording a change in ownership (Rule 19)	144
3.2	Fee for recording a change in the indications referred to in Rule 5.1(a)(ii) to (iv) (Rule 21)	
3.2.1	for a single international deposit	144
3.2.2	for each subsequent international deposit recorded in the name of the same owner, if recording the same change is requested at the same time	72
3.3	Supply of an extract from the International Register relating to an international deposit	144
3.4	Supply of non-certified copies of the International Register or items in the file of an international deposit	
3.4.1	for the first five pages	26
3.4.2	for each additional page after the fifth if the copies are requested at the same time and relate to the same application or the same international deposit	2
3.5	Supply of certified copies from the International Register or of items in the file of a deposit	

² The amount of the State novelty examination fee is fixed by the contracting State concerned, in accordance with Rule 13.2(e).

* 50 per cent of the international renewal fee

** 50 per cent of the prolongation fee

	Swiss francs
3.5.1 for the first five pages	46
3.5.2 for each additional page after the fifth if the copies are requested at the same time and relate to the same application or the same international deposit	2
3.6. Supply of a photograph of a deposited object	57
3.7. Supply of information on the contents of the International Register or of the file of an international deposit	
3.7.1 in the case of oral information	
3.7.1.1 concerning an application or an international deposit	31
3.7.1.2 concerning any additional application or international deposit of the same applicant or owner if the same information is requested at the same time	5
3.7.2 in the case of information given in writing	
3.7.2.1 concerning an application or an international deposit	82
3.7.2.2 concerning any additional application or international deposit of the same applicant or owner if the same information is requested at the same time	10
3.8 Search in the list of owners of international deposits	
3.8.1 per search by the name of a given person or entity	82
3.8.2 for each international deposit found beyond the first one	10
3.9 Surcharge for the communication of extracts, copies, information or search reports by telefacsimile	
3.9.1 per page	4

D. Lisbon

(in force as of April 1, 2002)

1. Fee for registration of an appellation of origin	500
2. Fee for entry of a modification of a registration	200
3. Fee for providing an extract from the International Register	90
4. Fee for providing an attestation or any other information given in writing concerning the contents of the International Register	80

E. Services of the WIPO Arbitration and Mediation Center

(in force as of December 1, 2002)

	United States dollars
1. Domain Name Dispute Resolution	
1.1 Single Panelist	
Number of Domain Names included in the complaint:	
1.1.1 1-5 (Panelist: 1,000; Center: 500)	1,500
1.1.2 6-10 (Panelist: 1,300; Center: 700)	2,000
1.1.3 More than 10, to be decided in consultation with the WIPO Arbitration and Mediation Center	

United States dollars

1.2 Three Panelists

Number of Domain Names included in the complaint:

- | | |
|---|-------|
| 1.2.1 1-5 (Presiding Panelist: 1,500; each of two Co-Panelists: 750;
Center: 1,000) | 4,000 |
| 1.2.2 6-10 (Presiding Panelist: 1,750; each of two Co-Panelists: 1,000;
Center: 1,250) | 5,000 |
| 1.2.3 More than 10, to be decided in consultation with the WIPO
Arbitration and Mediation Center | |

2. Mediation

Administration Fee	Mediator's Fees (*)	
0.10 per cent of the value of the mediation, subject to a maximum of \$10,000	\$300-\$600 per hour	\$1,500-\$3,500 per day

(*) Indicative rates

- 2.1 The amount of the administration fee shall be 0.10% of the value of the mediation, subject to a maximum registration fee of \$10,000.
- 2.2 The value of the mediation is determined by the total value of the amounts claimed.
- 2.3 Where the Request for Mediation does not indicate any claims for a monetary amount or the dispute concerns issues that are not quantifiable in monetary amounts, an administration fee of \$1,000 shall be payable, subject to adjustment. The adjustment shall be made by reference to the administration fee that the Center, after consultation with the parties and the mediator, determines in its discretion to be appropriate in the circumstances.
- 2.4 Any monetary amounts in dispute expressed in currencies other than United States dollars shall, for the purposes of calculating the administration fee, be converted to amounts expressed in United States dollars on the basis of the official United Nations exchange rate prevailing on the date of submission of the request for mediation.

3. Arbitration and expedited Arbitration

- 3.1 The Center may set-off all or part of the administration fees paid to it in connection with a WIPO mediation against the registration and administration fees payable to the Center in connection with a WIPO arbitration regarding the same dispute.
- 3.2 Prior to the establishment of the arbitral tribunal, the Center shall fix an arbitrator's hourly or daily fee rate, in consultation with the parties and the arbitrator. In so doing, the Center shall take into consideration such factors as the amounts in dispute, the number of parties, the complexity of the dispute and the status and any special qualifications required of the arbitrator.

- 3.3 An arbitrator shall be required to maintain a detailed and accurate record of the work done and the time spent on the arbitration. Following the termination of the arbitration, a copy of such records shall be provided to the parties and the Center, together with the arbitrator's invoice.

Type of Fee	Amount in Dispute	Expedited Arbitration	Arbitration
Registration Fee	Any Amount	\$ 1,000	\$ 2,000
Administration Fee *	Up to \$ 2.5 Million	\$ 1,000	\$ 2,000
	Over \$ 2.5 Million and up to \$ 10 Million	\$ 5,000	\$ 10,000
	Over \$ 10 Million	\$ 5,000 +0.05% of amount over \$10 M up to a maximum fee of \$ 15,000	\$ 10,000 +0.05 per cent of amount over \$ 10 Million up to a maximum fee of \$ 25,000
Arbitrator(s) Fees *	Up to \$ 2.5 Million	\$ 20,000 (fixed fee)	As agreed by the Center in consultation with the parties and the arbitrator(s) Indicative rate(s) \$ 300 to \$ 600 per hour
	Over \$ 2.5 Million and up to \$ 10 Million	\$ 40,000 (fixed fee)	
	Over \$ 10 Million	As agreed by the Center in consultation with the parties and the arbitrator	

* Each bracket indicates the total amount of the fees payable in a dispute, e.g. the administration fee payable in an expedited Arbitration when the amount in dispute is \$5 million is \$5,000 (and not a fee of \$6,000 which would have resulted from adding the fees of \$ 5,000 and \$1,000).

- 3.4 After consulting with the parties and the arbitral tribunal, the Center shall determine the final amount to be paid to the sole arbitrator or each of the respective amounts to be paid to the presiding arbitrator and the other members of a three-member tribunal, taking into consideration the hourly or daily rates and maximum rates and other factors such as the complexity of the subject matter of the dispute and of the arbitration, the total time spent by the arbitrator, the diligence of the arbitral tribunal and the rapidity of the arbitration proceedings.

- 3.5 For the purposes of calculating the fees, the amount of claims expressed in currencies other than United States dollars shall be converted to amounts expressed in United States dollars on the basis of the official United Nations exchange rate prevailing on the date of submission of the Request for Arbitration.
- 3.6 For the purpose of calculating the fees, the value of any counterclaim should be added to the amount of the claim.
- 3.7 Only paragraphs 1, 3, 5 and 6 above apply to Expedited Arbitration proceedings.

4. Miscellaneous fees and charges

- 4.1 Appointing Authority Fees: A request to the Center to serve as the appointing authority in an arbitration that is not under the WIPO Arbitration or Expedited Arbitration Rules shall be subject to the payment of a non-refundable appointment fee of \$1,500. The appointment fee shall cover all fees and expenses of the Center in connection with its role as appointing authority.
- 4.2 Referral Fee: Where the Center is requested to provide parties with the names and qualifications of neutrals meeting specified criteria, the Center shall provide the names, contact details and professional profiles of a selection of candidates against payment of a referral fee of \$500. Should the parties subsequently decide to adopt the WIPO Mediation, Arbitration or Expedited Arbitration Rules, the referral fee will be set-off against the Center's registration and administration fees.
- 4.3 Other Services: Where the Center is requested to render services other than those specified above (e.g., an arbitrator challenge in connection with an arbitration not under the WIPO Arbitration or Expedited Arbitration Rules; dispute resolution systems design), the Center's administrative services fee shall be established on a case-by-case basis.

[Appendix D follows]

APPENDIX D

ACRONYMS AND ABBREVIATIONS USED IN THE PRESENT DOCUMENT

ABC	Activity-based control
ACE/IP	Advisory Committee on Enforcement of Industrial Property Rights
ACMEC	Advisory Committee on Management and Enforcement of Copyright and Related Rights in Global Information Networks
AIMS	Administrative Information Management System
AUTM	Association of University Technology Managers (of USA)
AUF	Agence Universitaire de la Francophonie
Arb.	Arbitration
CAM	Centre Administratif des Morillons
CBD	Convention on Biological Diversity
CCRMD	Conference, Communications, and Records Management and Archives Division
CEB	Chief Executives Board
CEI	Central European Initiative
CFU	Contribution-financed Unions
CIS	Commonwealth of Independent States
CISAC	International Confederation of Societies of Authors and Composers
CLAIMS	Classification Automated Information System
CLEA	Collection of Laws for Electronic Access
CME	Consultation Meeting on Enforcement
Cont.fin.	Contribution-financed
DNS	Domain Name System
DSA	Daily Subsistence Allowance
EC	European Commission
ECOSOC	Economic and Social Council (of the United Nations)
EDMS	Electronic Document Management System

EPO	European Patent Office
ESBA	European Small Business Alliance
FAO	Food and Agriculture Organization of the United Nations
FICPI	International Federation of Industrial Property Attorneys
HRD	Human Resources Development
HRMD	Human Resources Management Division
IAs	International applications
IAC	Industry Advisory Commission
IAOD	Internal Audit and Oversight Division
IASP	International Association of Science Parks
IBIS	International Patent Classification Information Systembis
IFIA	International Federation of Inventors' Associations
IGC	Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore
IGO	Intergovernmental organization
ILO	International Labour Organization
IMF	International Monetary Fund
IMPACT	Information Management for the Patent Cooperation Treaty
IPC	International Patent Classification
IPDL	Intellectual Property Digital Library
IP	Intellectual Property
IPEIS	Electronic Forum on Intellectual Property Enforcement Issues and Strategies
IPO	Intellectual Property Office
IPR	Intellectual Property Rights
ISA	International Searching Authority
ISBC	International Small Business Congress
ITC	International Trade Center
ITU	International Telecommunication Union
IUCN	World Conservation Union
JIU	Joint Inspection Unit (of the United Nations)
JPO	Japanese Patent Office
LDCs	Least Developed Countries
NFAPs	Nationally-focused action plans
NGO	Non-governmental organization

OECD	Organization for Economic Co-operation and Development
OLOA	Office of Legal and Organization Affairs
OPCT	Office of the PCT
OSPPD	Office of Strategic Planning and Policy Development
PAB	Promotion Advisory Board
PAC	Policy Advisory Commission
PAS	Performance Appraisal (Management) System
PBE	Percentage of Estimated Biennial Expenditure
PCIPD	Permanent Committee on Cooperation for Development Related to Intellectual Property
PCT	Patent Cooperation Treaty
PCT/EASY	Patent Cooperation Treaty/Electronic Application System
PLT	Patent Law Treaty
R&D	Research and Development
ROMARIN	Read-Only Memory of Madrid Actualized Registry Information
RWCF	Reserve and Working Capital Funds
SCCR	Standing Committee on Copyright and Related Rights
SCIT	Standing Committee on Information Technology
SCP	Standing Committee on the Law of Patents
SCT	Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications
SMEs	Small and Medium-Sized Enterprises
SRF	Special Reserve Fund
TIDGID	Trademarks, Industrial Designs and Geographical Indications
TLT	Trademark Law Treaty
TRIPS Agreement	Agreement on Trade-Related Aspects of Intellectual Property Rights
UDRP	Uniform Domain Name Dispute Resolution Policy
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UNJSPB	United Nations Joint Staff Pension Board
UNSEIAC	United Nations System Electronic Information Acquisition Consortium
UPOV	International Union for the Protection of New Varieties of Plants
USPTO	United States Patent and Trademark Office

WASME	World Association for Small & Medium Enterprises
WCT	WIPO Copyright Treaty
WMO	World Meteorological Organization
WMU	WIPO Medical Unit
WPPT	WIPO Performances and Phonograms Treaty
WTO	World Trade Organization
WWA	WIPO Worldwide Academy

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