

# WIPO



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**WORLD INTELLECTUAL PROPERTY ORGANIZATION**  
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## **PROGRAM AND BUDGET COMMITTEE**

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COMPARISON BETWEEN REVISED PROPOSAL FOR  
PROGRAM AND BUDGET 2004-2005 (WO/PBC/7/2) AND  
INITIAL PROPOSAL FOR PROGRAM AND BUDGET 2004-2005 (WO/PBC/6/2)

*prepared by the Secretariat*

1. This document identifies the changes introduced in the Revised Proposal for Program and Budget 2004-2005 (WO/PBC/7/2, hereafter referred to as “Revised Proposal”) as compared to the Initial Proposal for Program and Budget 2004-2005 (WO/PBC/6/2, hereafter referred to as “Initial Proposal”). Section I highlights the main themes of the revision and Section II identifies the specific adjustments with reference to each item listed in the Table of Contents of the Revised Proposal. The document provides a guide for identifying program and resource revisions as contained in document WO/PBC/7/2 not only in the area of change, but also for those parts of the budget document which have not been amended.

#### **I. MAIN FOCUS OF REVISION**

##### **A. Program Issues**

2. The Revised Proposal reflects significant changes with regard to two main programs of the Initial Proposal, namely Main Programs 11 (Intellectual Property for Economic Development) and 12 (Development of IP Culture and Respect for IP). This is in response to concerns raised and inquiries made by Member States with regard to of the Initial Proposal. As a result, Main Program 12 (Development of IP Culture and Respect for IP) of the Initial Proposal is discontinued and the related activities are reviewed and repositioned in other main

programs of the Revised Proposal according to their respective role in supporting strategic goals. Main Program 11 (Intellectual Property for Development and Prosperity; Creation of IP Culture) has been modified in the Revised Proposal as indicated in the change of title and its revised summary. Sub-program 11.4 (Public Outreach) of the Revised Proposal covers activities presented in the Initial Proposal under sub-program 12.1 (Demystification and Public Outreach). Sub-program 7.3 (Intellectual Property Enforcement Issues and Special Projects) of the Revised Proposal is based on the original texts of the Initial Proposal under sub-program 12.2 (Intellectual Property Enforcement Issues and Special Projects) with certain amendments, reflecting the outcome of the last meeting of the Advisory Committee on Enforcement held in June 2003 (see document WIPO/ACE/1/7). In order to clarify the functions of the Liaison Offices, sub-program 2.4 (Liaison Offices and External Coordination) of Main Program 02 (Direction and Executive Management) of the Revised Budget presents the activities transferred from sub-program 12.3 (Liaison Offices and External Coordination) of the Initial Proposal.

3. The Revised Proposal reorients and regroups a number of other activities as a result of suggestions made and agreements reached by the Program and Budget Committee in April 2003. This covers the inclusion of the Industry Advisory Commission under sub-program 02.2 (Policy Advice, Advisory Commissions, Internal Oversight and External Relations) as compared to the Initial Proposal and sub-program 11.3 (Industry, NGOs and Private Sector Partnership). The Revised Proposal for sub-program 11.3 (Cooperation with the Private Sector) reflects a revised approach to private partnership activities by specifically addressing the concerns expressed by several Member States. Activities are refocused and concentrated on the preparation of mechanisms and guidelines for enhanced participation by the private sector in WIPO activities.

4. The Revised Proposal provides additional information on major IT projects. This is done by presenting Main Program 13 (Information Technology) consisting of three sub-programs as compared to the Initial Proposal comprising two sub-programs. The Revised Proposal separates PCT-related IT program activities as contained in sub-program 13.3 (PCT Information Systems) from sub-program 14.2 (Information Technology Services) in the Initial Proposal. Moreover, sub-program 13.1 (IT Policy and System Development) of the Revised Proposal includes some activities covered in the Initial Proposal under sub-program 14.2 (Information Technology Services). The reorganization is intended to enhance the transparency and accountability of IT-related activities.

#### B. PCT Workload 2003 to 2009

5. The Revised Proposal includes updated PCT workload projections as shown in Table 21 (PCT System: International Applications, Average Fee and Income), Chapter C.1 (Financial Indicators 1998-2009) of document WO/PBC/7/2. On the basis of actual figures up to early 2003, the Revised Proposal includes following PCT workload indications: 2002 (114,100 applications), 2003 (120,000 applications), 2004 (130,500 applications), 2005 (143,000 applications). The estimates reflect following reductions as compared to the Initial Proposal: 2003 (2,000 applications), 2004 (4,200 applications), 2005 (5,000 applications). Figures for subsequent years have been reduced accordingly, the target for 2009 becoming 183,600 as compared to 189,800 applications presented in the Initial Proposal.

### C. PCT Fees as of 2004

6. The Revised Proposal reflect proposals for a new PCT fee structure as detailed in Appendix C (Fees) of document WO/PBC/7/2 and in document PCT/A/32/1. The Initial Proposal included recommendations for the introduction of a flat international filing fee as of 2004 with an average fee of Sfr1,678 for 2004 and 2005. The level of average fee is maintained at Sfr1,678 in the Revised Proposal. The new fee structure, however, is modified taking into account the outcome of the Working Group on Reform of the PCT in May 2003 (see document PCT/R/WG/4/14). Specifically, the handling fee is maintained as a separate fee under Chapter II from the international filing fee and its proposed amount is Sfr200 (reduced from Sfr233); the Chapter II procedure remains optional. The proposed international filing fee is reduced to Sfr1,450 as compared to Sfr1,530 indicated in the Initial Proposal. It is further proposed to introduce fee reductions of Sfr200 for applicants filing electronically providing PDF files and Sfr300 for applicants filing electronically providing XML files while limiting the reduction for PCT-Easy filing to Sfr100. Finally, it is proposed to extend to all applicants from Least Developed Countries the current 75 per cent fee reduction. Previously, the reduction was limited to natural persons.

### D. Income Estimates

7. The Revised Proposal includes updated income estimates as shown in Chapter C (Financial Indicators, Income Estimates and Resource Plan) of document WO/PBC/7/2. This is done on the basis of updated PCT workload projections as indicated above and updated estimates for interest due to fluctuation in the fund balance following the budget reductions outlined below. Since the Revised Proposal did not result in a modification of the average PCT fee as compared to the Initial Proposal, the proposed fee adjustments indicated above in Section I. C do not impact on the income estimates.

8. The Revised Proposal includes the following income: 2000-2001 (Sfr520,759,000), 2002-2003 (Sfr497,425,000), 2004-2005 (Sfr588,150,000). The estimates reflect following reductions as compared to the Initial Proposal: 2002-2003 (Sfr3,249,000), 2004-2005 (Sfr15,359,000). The reduction of Sfr3,249,000 for 2002-2003 reflects lower PCT income of Sfr3,252,000 due to reduced workload assumption and increase in interest of Sfr3,000 due to higher fund balance following budget reductions. The reduction of Sfr15,359,000 for 2004-2005 reflects lower PCT income of Sfr15,438,000 and increase in interest of Sfr79,000.

9. As a result, the Revised Proposal indicates an increase in income from 2002-2003 to 2004-2005 of Sfr90,725,000 or 18.2 per cent. This compares to the Initial Proposal with an estimated increase of Sfr102,835,000 or 20.5 per cent.

### E. Budget Estimates 2002-2003

10. The Revised Proposal presents a revised budget 2002-2003 of Sfr668,800,000 as shown in Chapter B.1 (Revision of Initial Budget 2002-2003) of document WO/PBC/7/2. This represents a reduction of Sfr9,600,000 or 1.4 per cent as compared to the approved budget for 2002-2003. The Revised Proposal includes a reduction of 28 posts to 1,004 posts by the end of 2003.

11. The Initial Proposal presented a revised budget 2002-2003 of Sfr672,200,000. This represented a reduction of Sfr6,200,000 of 0.9 per cent as compared to the approved budget of

2002-2003. The Initial Proposal included a reduction of 23 posts to 1,009 posts by the end of 2003.

12. The Revised Proposal introduces additional reduction of Sfr3,400,000, including five posts, for the revised budget 2002-2003. The reduction of Sfr3,400,000 includes an amount of Sfr801,000 related to PCT and an amount of Sfr2,599,000 related to building projects. The reduction of Sfr801,000 is calculated in accordance with the reduced PCT workload assumption for 2003 and budget flexibility formula. This represents a reduction of five posts or Sfr670,000 and Sfr131,000 for related costs. The reduction of Sfr2,599,000 is introduced for premises as a result of updating the budget for the building projects. This includes budget redeployment for the new construction of Sfr12,423,000 from 2003 to 2006-2007 in accordance with the progress achieved. Moreover, with the completion of the ex-WMO building, it is possible to present the final budget revision, which includes an increase in the project envelope of Sfr6,885,000 and the budget allocation for 2002-2003 of Sfr9,824,000 as indicated in Table 11 (Approved and Revised Project Budget for the ex-WMO Building by Main Building Components, Object of Expenditure and Biennium) of document WO/PBC/7/2. 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 submitting a revised project budget for approval. With the completion of the project and the utilization of the integrated program budget format, it is suggested to update the corresponding sub-program relating to the ex-WMO building. The additional reductions of Sfr3,400,000 introduced in the context of the Revised Proposal result in adjustments of resource allocation by program and object of expenditure as detailed in Section II below.

#### F. Budget Estimates 2004-2005

13. The Revised Proposal presents a budget of Sfr638,800,000 for 2004-2005 as shown in Chapter A.1 (Summary of Budget Estimates) of document WO/PBC/7/2. This represents a reduction of Sfr30,000,000 or 4.5 per cent as compared to the budget 2002-2003. The Revised Proposal includes no change in the number of posts, with the total number of 1,004 posts by end-2003 equal the number by end-2005. Within the number of proposed posts, five additional D1 posts are established.

14. The Initial Proposal presented a budget of Sfr655,400,000. This represented a reduction of Sfr16,800,000 of 2.5 per cent as compared to the budget 2002-2003. The Initial Proposal included an increase of 52 posts, with the total number of 1,009 posts by end-2003 and 1,061 posts by end-2005. Within the number of proposed posts, 10 additional D1 posts were established.

15. The Revised Proposal introduces additional reduction of Sfr16,600,000 for the budget 2004-2005. This reflects the reduction of 52 posts, including five D1 posts. The budget reduction is required due to lower income estimates outlined in Section D above. The reduction of 52 posts includes, among others, reduction of 26 posts in Main Program 03 (Patents and the Patent Cooperation Treaty (PCT)), eight posts in Main Program 12 (Resources Management), six posts in Main Program 13 (Information Technology) and four posts in Main Program 04 (Trademarks, Industrial Designs and Geographical Indications). The additional reductions of Sfr16,600,000 introduced in the context of the Revised Proposal result in adjustments of resource allocation by program and object of expenditure. Moreover, budget allocation for Main Program 13 (Information Technology) has been reallocated

between object of expenditure in order to reflect revised timelines for the progressive deployment of IT projects. Those adjustments will be detailed in Section II below.

#### G. Financial indicators 1998-2009

16. The Revised Proposal presents an update of the financial indicators 1998-2009 as shown in Table 18 (Income, expenditure and reserves for 1998-2009) of document WO/PBC/7/2. As compared to the Initial Proposal, the update reflects reduced income and budget estimates up to 2009 and the redeployment of resources for the new construction from 2003 to 2006-2007.

#### H. Enhanced resource presentation 1998-2009

17. The Revised Proposal presents an additional review of expenditure and income trends as illustrated in Table 19 (Income and Expenditure (Operations and Infrastructure) for 1998-2009), Section C. 1 (Financial Indicators 1998-2009) of document WO/PBC/7/2. The information provided identifies and analyzes patterns of expenditure by distinguishing between operations and infrastructure. This is done to highlight any potential risk of exposing the organization to structural funding gaps.

## II. PROGRAM AND BUDGET CHANGES ACCORDING TO TABLE OF CONTENTS OF DOCUMENT WO/PBC/7/2

18. In the following section, the specific adjustments introduced through the Revised Proposal are highlighted with reference to each item listed in its *Table of Contents*. The description of the adjustment is presented in italics.

### INTRODUCTION

*The Revised Proposal includes adjustments that reflect the programmatic shift as outlined in Section I.A above.*

### TABLE OF CONTENTS

#### A. REVISED PROPOSAL FOR PROGRAM AND BUDGET 2004-2005

##### 1. Summary of Budget Estimates

*The Revised Proposal reflects updated budgetary estimates. Comparing Revised Proposal and Initial proposal, the major adjustments are as follows: (i) reduction of budget 2002-2003 by Sfr3,400,000 including reduction of five posts, (ii) reduction of budget 2004-2005 by Sfr16,600,000 including reduction of 52 posts, (iii) reduction in income 2002-2003 by Sfr3,249,000, and (iv) reduction in income 2004-2005 by Sfr15,359,000.*

2. Program Presentation

PART I. POLICY AND DIRECTION

01 CONSTITUENT ORGANS OF THE MEMBER STATES

*No program change.*

Resource Description by Object of Expenditure

*No resource change.*

02 DIRECTION AND EXECUTIVE MANAGEMENT

02.1 Office of the Director General

*No program change.*

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

*The Revised Proposal includes the activities of the Industry Advisory Commission under the sub-program as indicated in Section I. A above. In the Initial Proposal, those activities were included under sub-program 11.3 (Industry, NGOs and Private Sector Partnership) of Main Program 11 (Intellectual Property for Economic Development).*

02.3 Strategic Planning, Budget Control and Legal Affairs

*No program change.*

02.4 Liaison Offices and External Coordination

*The Revised Proposal reflects repositioning of the sub-program to the Main Program 02 (Direction and Executive Management) as indicated in Section I. A above. In the Initial Proposal, those activities were included under sub-program 12.3 (Liaison Offices and External Coordination) of Main Program 12 (Development of IP Culture and Respect for IP).*

Resource Description by Object of Expenditure

*The Revised Proposal reflects a budget reduction of Sfr364,000 as compared to the Initial Proposal. The reduction is shown under sub-program 02.2 (Policy Advice, Advisory Commission, Internal Oversight and External Relations) and including the reduction of one post and the adjustment in the level of one post from D1 to P5.*

## PART II. INTELLECTUAL PROPERTY SYSTEMS AND ISSUES

### 03 PATENTS AND THE PATENT COOPERATION TREATY (PCT) SYSTEM

#### 03.1 Development of International Patent Law and Services

*The Revised Proposal amends the text related to the WIPO Patent Agenda by clarifying its current status.*

#### 03.2 The Patent Cooperation Treaty (PCT) System

*The Revised Proposal reflects the updated estimates on the number of international applications for 2004-2005 as indicated in Section I. B above.*

#### 03.3 International Patent Classification (IPC)

*No program change.*

##### Resource Description by Object of Expenditure

*The Revised Proposal reflects a reduction of Sfr670,000 for the revised budget 2002-2003 and a reduction of Sfr8,158,000 for the 2004-2005 budget as compared to the Initial Proposal. The reduction is covered under sub-program 03.2 (The Patent Cooperation Treaty (PCT) System). For 2002-2003, the reduction of Sfr670,000, including the reduction of 5 posts, relates to the lowering of PCT workload estimates for 2003. (see Section I.E above and Section II.B.1 below). For 2002-2004, the reduction of Sfr8,158,000, including the reduction of 26 posts and the adjustment of two D1 to P5 posts, relates to reduced PCT workload assumptions (see Section I. F).*

### 04 TRADEMARKS, INDUSTRIAL DESIGNS AND GEOGRAPHICAL INDICATIONS

#### 04.1 Development of International Law and Services

*The Revised Proposal introduces changes in relation to the activities in the area of geographical indications as agreed during the Program and Budget Committee meeting in April 2003.*

#### 04.2 International Registration Systems

*The Revised Proposal introduces changes in activities related to geographical indications as agreed during the Program and Budget Committee meeting in April 2003.*

#### 04.3 International Classifications in the Fields of Trademarks and Industrial Designs

*No program change.*

##### Resource Description by Object of Expenditure

*The Revised Proposal reflects a budget reduction of Sfr1,113,000 as compared to the Initial Proposal. The reduction is covered under sub-program 04.1 (Development*

*of International Law and Services) with an amount of Sfr442,000, including the reduction of one post and sub-program 04.2 (International Registration Systems) with an amount of Sfr671,000, including the reduction of three posts and the adjustment of one D1 to P5 post.*

05 COPYRIGHT AND RELATED RIGHTS

05.1 Development of International Copyright Law

*No program change.*

05.2 Copyright-based Business and Culture Development

*No program change.*

Resource Description by Object of Expenditure

*No resource change.*

06 WIPO ARBITRATION AND MEDIATION CENTER

06.1 Arbitration and Mediation Services

*No program change.*

06.2 Domain Name Policies and Procedures

*No program change.*

Resource Description by Object of Expenditure

*The Revised Proposal reflects a budget reduction of Sfr366,000 as compared to the Initial Proposal. The reduction is covered under sub-program 06.2 (Domain Name Policies and Procedures) and includes the reduction of one post.*

07 SELECTED ISSUES OF INTELLECTUAL PROPERTY

07.1 Genetic Resources, Traditional Knowledge and Folklore

*No program change.*

07.2 Intellectual Property and Life Sciences

*No program change.*

07.3 Intellectual Property Enforcement Issues and Special Projects

*The Revised Proposal reflects repositioning of the sub-program to the Main Program 07 (Selected Issues of Intellectual Property) as indicated in Section I. A above. In the Initial Proposal, those activities were included under sub-program 12.2 (Intellectual Property Enforcement Issues and Special Projects) of Main Program 12*



*(Development of IP Culture and Respect for IP). The Revised Proposal further amends the sub-program in order to reflect the outcome of the Advisory Committee on Enforcement held in June 2003 (see document WIPO/ACE/1/7).*

#### Resource Description by Object of Expenditure

*The Revised Proposal reflects a budget reduction of Sfr227,000 as compared to the Initial Proposal. The reduction is covered under sub-program 07.2 (Intellectual Property and Life Sciences) and include the reduction of one post.*

### PART III. INTELLECTUAL PROPERTY FOR ECONOMIC, SOCIAL AND CULTURAL DEVELOPMENT

#### 08 COOPERATION WITH DEVELOPING COUNTRIES

*The Revised Proposal amends the text of the summary of the main program in accordance with the request by certain Member States.*

##### 08.1 Empowerment for Development

*No program change.*

##### 08.2 Special Support Areas

*No program change.*

#### Resource Description by Object of Expenditure

*The Revised Proposal reflects a budget reduction of Sfr442,000 as compared to the Initial Proposal. The reduction is covered under sub-program 08.2 (Special Support Areas) and includes the reduction of one post.*

#### 09 COOPERATION WITH CERTAIN COUNTRIES IN EUROPE AND ASIA

*No program change.*

#### Resource Description by Object of Expenditure

*No resource change.*

#### 10 THE WIPO WORLDWIDE ACADEMY (WWA)

##### 10.1 Distance Learning

*No program change.*

##### 10.2 Professional Training

*No program change.*

### 10.3 Policy Development, Teaching and Research

*No program change.*

#### Resource Description by Object of Expenditure

*The Revised Proposal reflects a budget reduction of Sfr226,000 as compared to the Initial Proposal. The reduction is covered under sub-program 10.3 (Policy Development, Teaching and Research) and includes the reduction of one post.*

### 11 INTELLECTUAL PROPERTY FOR DEVELOPMENT AND PROSPERITY; CREATION OF IP CULTURE

*The Revised Proposal integrates the concept and approach for achieving the strategic goal of creating IP culture. This is done with regard to the four sub-programs. The Revised Proposal reflects the amendments in the program title of Intellectual Property for Development and Prosperity; Creation of IP Culture as compared to the Initial Proposal of Intellectual Property for Economic Development.*

#### 11.1 Intellectual Property Policy and Development

*The Revised Proposal clarifies the scope of objectives and expected results. The Revised Proposal reflects the amendments in the sub-program title of Intellectual Property and Development as compared to the Initial Proposal of Intellectual Property Policy and Economy.*

#### 11.2 Innovators and SMEs

*No program change.*

#### 11.3 Cooperation with the Private Sector

*The Revised Proposal for sub-program 11.3 reflects a revised approach towards private partnership activities as indicated under Section I. A above. Activities are refocused and concentrated on the preparation of mechanisms and guidelines for enhanced participation by the private sector in WIPO activities. The Revised Proposal reflects the amendments in the sub-program title of Cooperation with the Private Sector as compared to the Initial Proposal of Industry, NGOs and Private Sector Partnership.*

#### 11.4 Public Outreach

*The Revised Proposal reflects repositioning of the sub-program to Main Program 11 (Intellectual Property for Development and Prosperity; Creation of IP Culture) as indicated in Section I.A above. In the Initial Proposal, those activities were included under sub-program 12.1 (Demystification and Public Outreach) of Main Program 12 (Development of IP Culture and Respect for IP). The Revised Proposal reflects the amendments in the sub-program title of Public Outreach as compared to the Initial Proposal of Demystification and Public Outreach.*

## Resource Description by Object of Expenditure

*The Revised Proposal reflects a budget reduction of Sfr901,000 as compared to the Initial Proposal. The reduction is covered under sub-program 11.1 (Intellectual Property Policy and Economy) with an amount of Sfr227,000, including the reduction of one post and sub-program 11.2 (Innovators and SMEs) with an amount of Sfr674,000, including the reduction of two posts.*

## PART IV. ADMINISTRATIVE SERVICES

## 12 RESOURCES MANAGEMENT

## 12.1 Financial Operations

*No program change.*

## 12.2 Human Resources and Knowledge Management

*No program change.*

## 12.3 Conference, Languages and Printing Services

*No program change.*

## 12.4 Procurement, Travel and Building Services

*No program change.*

## 12.5 New Construction

*No program change.*

## Resource Description by Object of Expenditure

*The Revised Proposal reflects a reduction of Sfr2,730,000 for the revised budget 2002-2003 and a reduction of Sfr2,462,000 for the 2004-2005 budget as compared to the Initial Proposal. For 2002-2003, the reduction of Sfr2,730,000, includes (i) an increase of Sfr9,824,000 for the ex-WMO construction project under sub-program 12.4 (Procurement, Travel and Building Services), (ii) a reduction of Sfr131,000 for premises and maintenance due to a reduction of five posts under the PCT flexibility formula under sub-program 12.4 (Procurement, Travel and Building Services), and (iii) a reduction of Sfr12,423,000 under sub-program 12.5 (New Construction) covering the redeployment of resources from 2003 to 2006-2007(see Section I. E above and Section II.B.1 below). For 2004-2005, the decrease of Sfr2,462,000 includes reductions of Sfr1,058,000 comprising three posts for sub-program 12.1 (Financial Operations), reductions of Sfr556,000 comprising two posts for sub-program 12.2 (Human Resources and Knowledge Management), reductions of Sfr578,000 comprising two posts for sub-program 12.3 (Conference, Languages and Printing Services) and reductions of Sfr270,000 comprising one post for sub-program 12.4 (Procurement, Travel and Building Services).*

### 13 INFORMATION TECHNOLOGY

*The Revised Proposal for Main Program 13 (Information Technology) provides additional information on major IT projects as described in Section I. A above. This is achieved through the presentation of three sub-programs in the Revised Proposal as compared to the two sub-programs in the Initial Proposal.*

#### 13.1 IT Policy and Systems Development

*The Revised Proposal for sub-program 13.1 includes activities covered in the Initial Proposal under sub-program 14.1 (Information Technology Policy and Projects Development) and part of activities covered under sub-program 14.2 (Information Technology Services).*

#### 13.2 IT Networks, Operations and Services

*The Revised Proposal for sub-program 13.2 includes part of the activities covered in the Initial Proposal under sub-program 14.2 (Information Technology Services).*

#### 13.3 PCT Information Systems

*The Revised Proposal for sub-program 13.3 includes part of the activities covered in the Initial Proposal under sub-program 14.2 (Information Technology Services). In addition, the Revised Proposal adjusts the presentation of program activities in order to reflect revised timelines for the progressive deployment of IMPACT.*

#### Resource Description by Object of Expenditure

*The Revised Proposal reflects a reduction of Sfr2,186,000 for the main program and a reallocation of resources according to the new program structure. By object of expenditure, the resource adjustments include a reduction of Sfr2,186,000 for staff costs, reflecting a reduction of six posts and the adjustment of one D1 to P5 post, an increase of Sfr215,000 for travel and fellowships, a reduction of Sfr7,107,000 for contractual services, an increase of Sfr5,105,000 for operating expenses and an increase of Sfr1,787,000 for equipment and supplies.*

### B. REVISED BUDGET 2002-2003

#### 1. Revision of Initial Budget 2002-2003

*The Revised Proposal of Sfr668,800,000 reflects a budget reduction of Sfr3,400,000 as compared to the Initial Proposal of Sfr672,200,000, described in Section I. E above. The reduction of Sfr3,400,000 includes an amount of Sfr801,000 according to the flexibility formula for PCT. This represents a reduction of five posts and related costs due to the lowering of the PCT workload estimate for 2003. Additional reductions of Sfr2,599,000 are introduced for premises as a result of updating the budget for the building projects. This includes budget redeployment for the new construction of Sfr12,423,000 from 2003 to 2006-2007 in accordance with the progress achieved and an increase in the biennium allocation for the ex-WMO building of Sfr9,824,000.*

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

*The Revised Proposal reflects the program structure as outlined under Section I.A above. In particular, Table 16 (Revised Budget 2002-2003: Resource Assignment to Program Structure 2004-2005) and Table 17 (Revised Budget 2002-2003: Post Assignment to Program Structure 2004-2005) are adjusted to reflect the redeployment of activities and associated resources to a number of main programs shown in the Initial Budget under Main Program 12 (Development of IP Culture and Respect for IP).*

## C. FINANCIAL INDICATORS, INCOME ESTIMATES AND RESOURCE PLAN

### 1. Financial Indicators 1998 to 2009

*The Revised Proposal presents an update of the financial indicators 1998 to 2009 as indicated in Section I. G above. As compared to the Initial Proposal, the update reflects reduced income and budget estimates up to 2009 and the redeployment of resources for the new construction from 2003 to 2006-2007. Moreover, the Revised Proposal presents an additional review of expenditure and income trends as illustrated in Table 19 (Income and Expenditure (Operations and Infrastructure) for 1998-2009) as indicated in Section I. H above. The information provided identifies and analyzes patterns of expenditure by distinguishing between operations and infrastructure. This is done to highlight any potential risk of exposing the Organization to structural funding gaps.*

### 2. Income Estimates and Resource Plan 2002-2003 and 2004-2005

*The Revised Proposal reflects updated income estimates for the 2002-2003 and 2004-2005 as indicated in Section I.D above. These changes are also introduced in Table 27 (Resource Plan 2002-2003 and 2004-2005) of document WO/PBC/7/2, modifying as a result the anticipated level of the reserves and working capital funds.*

## ANNEXES

### Annex A: WIPO Premises Plan

*The Revised Proposal reflects and update of the premises plan as compared to the Initial Proposal in accordance with recent information.*

### Annex B: New Construction Project

*The Revised Proposal reflects adjustments of the budget allocation between biennia as indicated in Section I.E above. In addition, the project description is updated in accordance with recent information on the progress in project implementation.*

Annex C: Streamlining and Automating the Office of the Patent Cooperation Treaty:  
Preliminary Assessment of the Benefits Obtained

*The Revised Proposal provides an updated assessment by reflecting revised timelines for the progressive deployment of IMPACT.*

APPENDIXES

Appendix A: Budget Policy and Presentation

1. General Approach

*No change.*

2. Calculation of Budget Stages 2002-2003 and 2004-2005

*No change.*

3. Arrangement for Determining Budget Allocation by Union

*No change.*

4. Standard Cost Rates

*No change.*

5. Workload Flexibility Formulas for Global Protection Systems

*No change.*

6. Definitions of Budget Headings

*No change.*

Appendix B: Proposed Member States Contributions

*No change.*

Appendix C: Fees

A. PCT

*The Revised Proposal presents adjustments of the proposed schedule of fees as compared to the Initial Proposal. The adjustments reflect the proposal contained in Section I. C above and document PCT/A/32/1.*

B. Madrid

*No change.*

C. Hague

*No change.*

D. Lisbon

*No change.*

E. Arbitration and Mediation Services

*No change.*

Appendix D: List of Acronyms and Abbreviations Used in the Present Document

*No change.*

*19. The Program and Budget Committee is invited to take note of the contents of this document.*

[End of document]