

Audit of the WIPO Global Innovation Index (GII)

Internal Oversight Reports



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LIST OF ACRONYMS

ADG	Assistant Director General
AWS	Amazon Web Services
CIRS	Composite Indicator Research Section
COIN	The Competence Centre on Composite Indicators and Scoreboards
DEDA	Department of Economics and Data Analytics
EC	European Commission
EOS	Executive Opinion Survey
ERM	Enterprise Risk Management
GDP	Gross Domestic Product
GII	The Global Innovation Index
ICT	Information and Telecommunication Technology
IMF	International Monetary Fund
INSEAD	Institut Européen d'Administration des Affaires (French)
IOD	Internal Oversight Division
IP	Intellectual Property
IPIES	Intellectual Property and Innovation Ecosystems Sector
IT	Information Technology
ITU	International Telecommunication Unit
JRC	Joint Research Centre
MoU	Memorandum of Understanding
OECD	Organization for Economic Co-operation and Development
PCT	Patent Cooperation Treaty
R&D	Research and Development
ToR	Terms of Reference
UN	United Nations
WEF	World Economic Forum
WIPO	World Intellectual Property Organization

EXECUTIVE SUMMARY

1. The World Intellectual Property Organization's (WIPO) Global Innovation Index (GII) published annually, tracks the most recent global innovation trends and reveals the most innovative economies in the world by ranking the innovation performance of around 132 economies. WIPO's association with the GII started in 2011 as a "knowledge partner", and then as a co-publisher from 2012 to 2020. Since 2021, the GII has come under the responsibility of WIPO, which has led to an increased insourcing of GII-related processes and tasks, and redistribution of roles and responsibilities.
2. The Internal Oversight Division (IOD) did not find any critical issues during the audit of GII. However, IOD highlights several opportunities to enhance the governance, risk management, and controls around the GII.
3. The current governance structure around the GII is inherited from WIPO's previous status and responsibilities – knowledge partner then co-publisher. However, with the change in the role and responsibility of WIPO, there is a need to review the current governance with a view to reinforcing clarity and transparency, and redefining the components of the structure, in particular, governance and advisory boards, to better reflect their respective functions. Furthermore, a review of the governance and inherent relationships with stakeholders will help establish a forward looking governance, aligned with the vision and strategic objectives envisioned for the GII in the coming years.
4. Currently, there are various communication lines and flows for government institutions to contact WIPO on the GII, which may unnecessarily expose the GII team to risks related to perceived influence or conflict of interest, among others. Going forward, it would be useful to take additional measures to further reduce the abovementioned exposure, by further enhancing the firewalls around the GII development processes. For instance through formal internal and external communications, on the acceptable flow of requests, designated recipients, and responsible respondents.
5. The GII report provides a space for forewords written by corporate network members of the Portulans Institute¹ cofounded by the Co-editors of the GII. This is made possible through a Memorandum of Understanding signed between WIPO and the Portulans Institute, which allows members of their corporate and academic networks to publish their forewords, emphasizing achievements of their respective countries around scientific and technical innovations and economic and technological progress.
6. IOD notes that the number of corporate network members is limited, with the same three to four members over the last 10 years providing forewords. IOD further notes that three of the four members make annual financial contributions to the Portulans Institutes for their GII-related activities. Finally, IOD also notes that one member is a company, and three members are national entities/associations that represent industries/trade. IOD believes that it is important to review the current criteria and approach for publishing forewords provided by third parties to determine whether it is fit for-purpose, impartial, devoid of any perceived conflict of interest, and aligned with the purpose of the GII report.
7. WIPO uses two websites to, among other things, enhance visibility and disseminate information on the GII. One website belongs to WIPO, the other belongs to the external co-editor, and both present information on the GII. While there is no WIPO logo and no statement of affiliation with WIPO on the second website, IOD notes that the Composite Indicator Research Section (CIRS) of WIPO is responsible for managing the content for this third-party

¹ Founded in 2019, the Portulans Institute is an independent nonprofit, nonpartisan research and educational institute based in Washington DC. The institute is a co-editor of the GII report.

site and pays for its maintenance costs. There is however, no agreement that formalizes this practice.

8. Further, IOD believes that contributing to two websites serving the same purpose, is not efficient, and it is not clear on what basis WIPO incurs costs on behalf of this third-party website. While management has indicated that a part of the maintenance and management of this third-party site is the result of historical legacy and the greater flexibility that this website offered, when compared to the WIPO website, IOD is of the view that the costs and benefits of the current practice of managing two websites should be reviewed to determine a cost-efficient way forward.

9. The review of the conceptual framework and data governance surrounding the development of the GII did not identify any significant issues. Overall, IOD found that the framework and its components met international standards for computing composite indicators, data quality control, and testing indicators, among others. Further, IOD notes that the new data infrastructure has been set up to enable a complete workflow that links data storage, data quality control, and data analysis (GII rankings and GII report) in a fully integrated way. Going forward, developing a guidance document for the GII database and the GII repository for collaborative codes would benefit consistency, effectiveness, and institutional memory.

10. Finally, regarding the presentation of information, some attention should be paid to the presentation of old indicators (ten years and beyond) that are highlighted as an innovation strength for an economy in the “In-depth Economy Briefs” online². When an indicator is highlighted as an innovation strength in a particular year, it needs to be measured with recent data to reflect reality for that particular year. Hence a strength based on outdated data is not reflective of the reality and would prove not comparable if benchmarked against other countries whose data are more recent. It would be relevant for transparency and clarity to highlight the age of the data in the “In-depth Economy Briefs” online.

11. IOD makes eight recommendations, which the management has accepted and will address during 2023 and 2024.

² [Economic Trend Analysis | Economic Review 2022 | GII 2022 \(globalinnovationindex.org\)](#)