

## **Program and Budget Committee**

**Thirty-Fifth Session**  
**Geneva, May 22 to 26, 2023**

### **UPDATE OF THE MECHANISM TO FURTHER INVOLVE MEMBER STATES IN THE PREPARATION AND FOLLOW-UP OF THE PROGRAM OF WORK AND BUDGET**

*prepared by the Secretariat*

#### **I. INTRODUCTION**

1. At the ninth and tenth sessions of the Program and Budget Committee (PBC) in 2006, the PBC considered “Proposals on a new mechanism to further involve Member States in the preparation and follow up of the Program and Budget” (documents WO/PBC/9/4 and WO/PBC/10/2). These documents were prepared in response to the 2005 Assemblies of the Member States of WIPO (Assemblies) decision to recommend a new mechanism beginning with the Program and Budget for 2008/09. Following the recommendation of the tenth session of the PBC on the Program and Budget process (document WO/PBC/10/5), the forty-second session of the Assemblies in 2006 approved the following decision (document A/42/9):

*“The General Assemblies of the Member States of WIPO and the Unions administered by it, are invited to:*

*[...]*

*(ii) approve the recommendations of the tenth session of the Program and Budget Committee as reproduced in Annex II, paragraph 25, of the present document A/42/9 [.]*

The approval of this recommendation was with the understanding that the Program and Budget Committee would report back to the General Assembly on the progress and implementation of the new mechanism to further involve Member States in the preparation and follow up of the program and budget of the Organization.

2. Following the decision, the PBC considered the “Implementation of the New Mechanism to Further Involve Member States in the Preparation and Follow-Up of the Program and Budget” (document WO/PBC/13/7) at its thirteenth session in 2008. At its forty-sixth session in 2008, the Assemblies noted the progress and implementation of the new mechanism and the timelines of the process to present the Medium-Term Strategic Plan (MTSP) and the Program and Budget. The Assemblies also requested the inclusion of the distribution of a circular letter and questionnaire to Member States on the priorities for the biennium in the timeline (document A/46/12).

3. Since implementing the new mechanism, WIPO has moved to a full implementation of Results-based Management, including Results-based Budgeting. This has resulted in a more consultative and enhanced performance dialogue with Member States during planning, monitoring and performance assessment at the end of the biennium.

4. Some elements of the mechanism have changed since its implementation. These include:

- i) the timelines for the program and budget process have shifted as a result of the advanced calendar for the PBC and Assemblies meetings;
- ii) the number of informal consultations have increased and informal PBC sessions no longer take place; and
- iii) reports on past performance have been streamlined (e.g. the WIPO Performance Report, the main accountability tool for reporting on organizational performance, consolidates the former Financial Management Report and the Program Performance Report. In addition, the Internal Oversight Division provides an independent verification of the reliability and authenticity of the performance data contained in the biennial WIPO Performance Report).

5. At the thirty-fourth PBC session in 2022, the Secretariat presented the “Revision of the Financial Regulations and Rules (FRR),” which was approved at the sixty-third Assemblies of WIPO in 2022 and entered into force on January 1, 2023. In accordance with Financial Regulation 2.16, “*The involvement of Member States in the preparation of the proposed Program of Work and Budget for the next budget period shall be in accordance with the mechanism adopted by Member States.*” In its decision on the Revision of the Financial Regulations and Rules, the PBC “...(iii) Requested the Secretariat to update the New Mechanism to further involve Member States in the Preparation and Follow-up of the Program and Budget (document WO/PBC/10/2) to reflect current practice and the Revised Financial Regulations and Rules for consideration at the 35<sup>th</sup> session of the PBC.”

6. This document provides the updated process for the preparation of the Program of Work and Budget, which better reflects current needs and working methods.

## **II. LESSON LEARNED FROM THE PROGRAM OF WORK AND BUDGET FOR 2022/23 AND THE MEDIUM-TERM STRATEGIC PLAN 2022-2026**

7. At the 32<sup>nd</sup> PBC session in 2021, the Director General presented the MTSP 2022-2026. The MTSP provides high-level strategic guidance for the preparation of the Program of Work and Budgets covered by the MTSP period. In 2021, the WIPO Assemblies approved the Program of Work and Budget for 2022/23.

8. As part of the preparation of the MTSP 2022-2026 and the proposed Program of Work and Budget for 2022/23, the Director General and his senior leadership team engaged

extensively with Member States, including those represented in Geneva and national IP Offices on the future work program of the Organization. This was the first time that WIPO engaged in such an outreach to complement Member States' discussions in the two formal PBC sessions.

9. As this engagement was instrumental in soliciting feedback and enhancing the transparency and inclusiveness of the planning processes, the elements of this approach have been incorporated into the future Program of Work and Budget process.

### **III. PROCESS OF BUDGET PREPARATION**

10. There are two formal PBC sessions in a budget year and one formal session in an off-budget year. The updated process, shown in the Annex, reflects the preparations for the Program of Work and Budget for 2024/25 and is proposed to be replicated and implemented for subsequent biennia.<sup>1</sup>

#### **A. Key Principles**

11. The key principles that guide the process for preparing the Program of Work and Budgets are:

- i) Greater transparency
- ii) Greater involvement of Member States through more iterative processes
- iii) Enhanced efficiency through greater use of modern technologies

#### **B. Questionnaire**

12. The questionnaire seeking Member State input for the Program of Work and Budget for the 2024/25 biennium was issued in October 2022. To facilitate the completion of the questionnaire in future biennia, it will be issued electronically in September of off-budget years, a month earlier than previous practice. Upon receiving the inputs from Member States, the Secretariat will prepare the proposed Program of Work and Budget.

#### **C. Presentation to Member States (Experts) on the Program of Work and Budget**

13. The Secretariat will organize a presentation to Member States (Experts) on the Program of Work and Budget prior to its publication. This new element introduced in March 2023 for the Program of Work and Budget for 2024/25, provides Member States with an early understanding of the structure and organization of the document to facilitate their examination of the proposal.

#### **D. Informal Consultations**

14. The Director General will engage with Ambassadors, Heads of IP Offices and Experts to provide a strategic overview of the proposed Program of Work and Budget emphasizing the financial and substantive highlights. The Secretariat will further conduct Group briefings one to two weeks prior to each PBC session to engage extensively with Experts on the PBC documents.

#### **E. PBC and Assemblies**

15. The first comprehensive reading of the proposed Program of Work and Budget takes place at the first PBC session of the budget year. In principle, the PBC would focus on the outstanding items of the proposed Program of Work and Budget at the second session of the

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<sup>1</sup> The timelines indicated in the Annex relate to the current preparatory cycle and depend on the timetable of the Program and Budget Committee and the Assemblies.

budget year. Between the first and second PBC sessions, the Secretariat revises the document to incorporate changes agreed by the PBC and publishes an updated proposed Program of Work and Budget for consideration at the second PBC session. In addition, the PBC reviews the WIPO Performance Report for the previous year at the first session of the budget year. The Secretariat presents the preliminary year-end results to the first session of the budget year, as the audited financial statements would only be available at the second session of the budget year. Following the recommendations of the PBC, the Program of Work and Budget, the WIPO Performance Report, and the Annual Financial Statements are submitted to the Assemblies for approval.

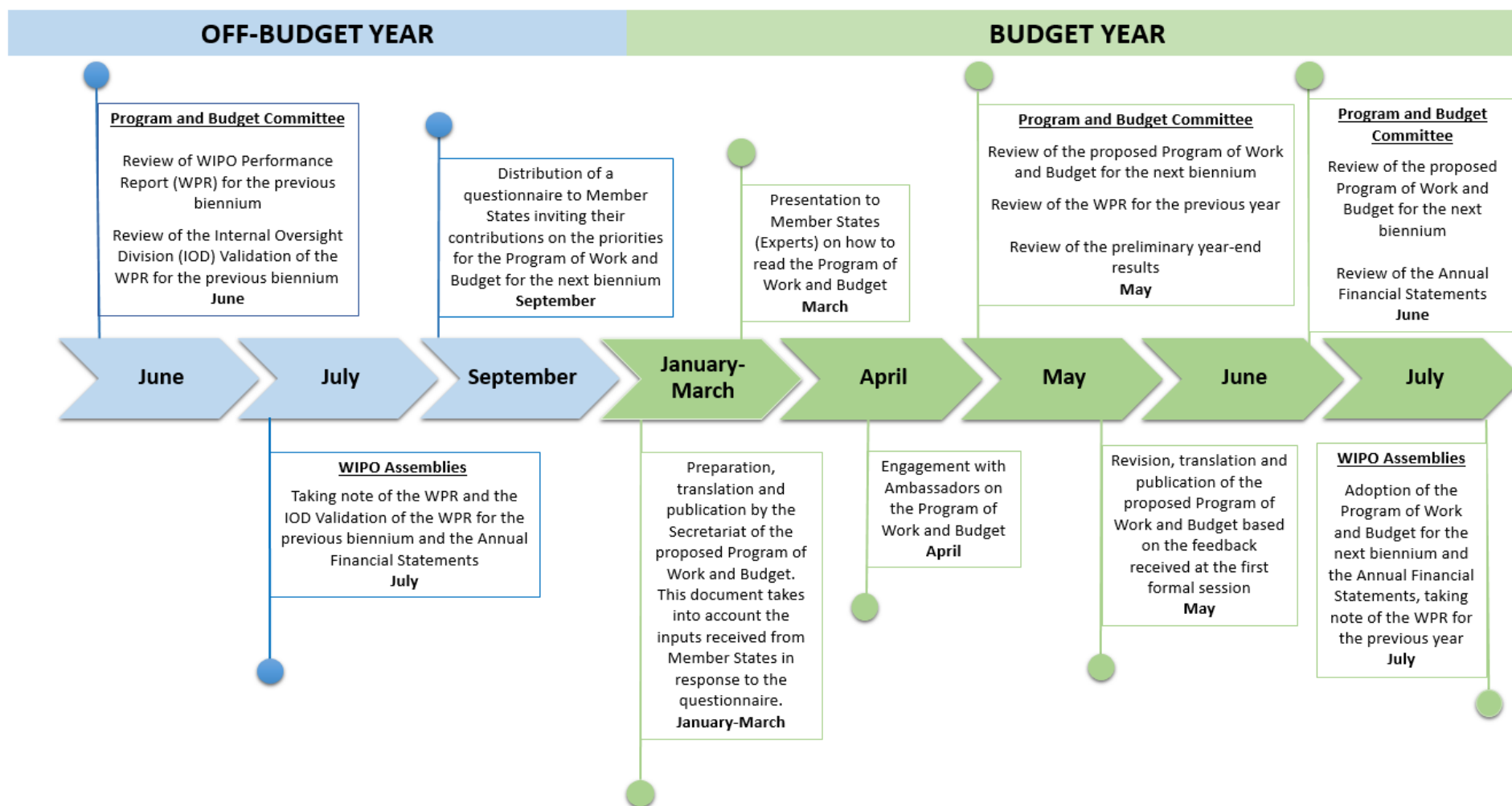
16. The WIPO Performance Report for the previous biennium, the Internal Oversight Division Validation of the WIPO Performance Report and the Annual Financial Statements are considered at the off-budget year session. Following the recommendations of the PBC, the WIPO Performance Report, the Internal Oversight Division Validation of the WIPO Performance Report and the Annual Financial Statements are submitted to the Assemblies for approval.

17. The following decision paragraph is proposed.

*18. The Program and Budget Committee (PBC) is invited to approve the updated mechanism as described in paragraphs 10 to 16 and set out in the Annex of the "Update of the Mechanism to Further Involve Member States in the Preparation and Follow-up of the Program of Work and Budget" (document WO/PBC/35/4).*

[Annex follows]

## Mechanism for the Preparation and Follow-up of the Program of Work and Budget



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