

Proposed Program and Budget for 2014/15

PERSONNEL EXPENDITURE

36. Personnel costs for 2014/15 are projected to increase by 36.3 million Swiss francs, representing an increase of 8.8 per cent over the 2012/13 budget after transfers. This net increase is the result of the following key changes.

37. **Re-costing – 12.6 million Swiss francs net increase:** This includes for posts and temporary positions (i) applicable mandatory ICSC adjustments, such as step increases and changes to pensionable remuneration levels; and (ii) changes to common staff costs, including education grant, dependency allowances, home leave, etc. and (iii) the full financial impact of the re-classifications completed in 2012/13.

38. **Contract reform and regularizations – approximately 4 million Swiss francs:** The staff costs budgeted for 2014/15 include the full impact of the implementation of the contract reform as well as the regularization in 2012/13 of 60 long serving short term employees.

39. **ASHI – 16.3 million Swiss francs:** It is recalled that as a short term measure, a downward adjustment was made for the purposes of the Program and Budget for the 2012/13 biennium in respect of the percentage applied to post costs for the funding of the provision for after service employee benefits, including ASHI (from 6 per cent to 2 per cent). This percentage is proposed to be reinstated to its previous level.

40. **Re-classification – 2 million Swiss francs:** In the context of the mainstreaming of Organizational Design ("OD"), an OD review has been conducted prior to the Program & Budget process, to refine the human resource needs of each Sector for the coming biennium, based on organizational priorities and business needs. The review has resulted in sector specific workforce plans, validated by the Director General, where changes in the work requirements may justify submission to a reclassification exercise. A provision of 2 million Swiss francs has been set aside for this purpose.

41. **Regularizations – 1.4 million Swiss francs:** This amount has been earmarked for the use of the remaining 96 posts, within the framework of the utilization of the 156 regularization posts approved in principle by Member States at their Assemblies in 2010 (reference document WO/CC/63/5). The 1.4 million Swiss francs will essentially be used to cover the cost differential between temporary positions and posts in the professional category. This is due to the fact that, as a result of the implementation of the contract reform, there is no material difference in the benefits and entitlements between temporary positions and posts in the general services category. It is proposed that the remaining 96 posts are authorized by Member States for use in 2014/15 for the regularization of (i) the remaining long serving short term employees, and (ii) for functions assessed through the OD to be continuing, which are currently performed by temporary staff. By the end of biennium, the Secretariat will have completed, through a competitive process, the regularization of both categories referred to above, which will ensure that risk of the recurrence of the problem of long serving temporary employees is mitigated.

42. As in previous biennia, it is highlighted that the proposed personnel expenditures for the 2014/15 Budget do not include certain costs, which cannot be reliably quantified at this point in time, but the impact of which is likely to bring further upward pressure on personnel costs, to be accommodated later in the biennium. This mainly includes any decisions which may be taken by the International Civil Service Commission (ICSC) in the course of 2014/15 in respect of mandatory adjustments to salary scales or other elements of the UN system's compensation and benefits package.

NON-PERSONNEL EXPENDITURE

43. Non-personnel resources are proposed to decrease by 11.5 million Swiss francs, representing a decrease of 4.8 per cent, to 226.2 million Swiss francs in 2014/15, as compared to 237.7 million Swiss francs under the 2012/13 budget after transfers. The overall difference reflects the following main changes.

44. Subject to the decision of the Member States on the possible holding of Diplomatic Conferences in 2014/15, provisions have been made for Diplomatic Conferences.

- ~~(a) on the adoption of a design law treaty, in the amount of approximately 0.8 million Swiss francs (Program 2);~~
- ~~(b) in the area of the Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources, in the amount of approximately 0.8 million Swiss francs (Program 4); and~~
- ~~(c) for the adoption of a Revised Lisbon Agreement subject to decision by the Lisbon Assembly (Program 6), in the amount of approximately 130 thousand Swiss francs.~~

45. Appropriate resources have been set aside for the proposed establishment of new external offices.

46. Additional resources have been provided to cater for the increasing levels of outsourced translation work under the PCT system (Program 5). Overall, the Organization is budgeting approximately 51 million Swiss francs for the translation of PCT abstracts, International Search Reports (ISRs) and International Preliminary Reports on Patentability (IPRPs) in the 2014/15 biennium, which represents an increase of around 10 million Swiss francs under the 2012/13 budget after transfers. Most of these increases in the translation workload are forecasted in Japanese, Chinese and Korean languages.

47. Increased resources have been budgeted for the further development and strengthening of global IP infrastructure. These include resources for the increased sustainability of the Technology Innovation Support Centers (TISCs) (total of 0.7 million Swiss francs under Program 14) and the development and support of software platforms for the Copyright Collective Management Organizations, including support for regional and international networks of organizations (total of 2 million Swiss francs under Program 15).

48. Resources are proposed to be increased for WIPO Fellowships to 5.4 million Swiss francs, primarily under

- (a) Programs 5, 6 and 31 in order to strengthen the exchange programs between the International Bureau and national IP offices. These programs would enable the staff from participating national offices to gain first-hand knowledge and working experience of the international examination procedures and current developments in PCT, Madrid and Hague areas; and
- (b) Program 7, in the Arbitration and Mediation Center, where a specific fellowship program was created within the context of the implementation of the contract reform, to recognize the arrangement through which the Organization provides young professionals with case management experience.

49. Resources for Staff Missions and Third Party Travel are projected to decrease by a combined 20 per cent in 2014/15 from 2012/13. The introduction of the Online Booking Tool (OBT) planned for early 2014 is expected to generate savings in the travel costs in the range of 8-10 per cent. The cost efficiency gains expected to be made specific to the Travel related costs have already been taken into account in the preparation of the 2014/15 budget. Reductions in these categories are also due to the fact that the 2012/13 budget after transfers includes 2.2 million Swiss francs under Staff Missions and Third Party Travel related to ongoing Developing Agenda projects which are expected to be completed in 2013.

50. Overall non-personnel resources for publishing are expected to decrease from 0.8 million Swiss francs in 2012/13 to about 0.4 million Swiss francs in 2014/15. This is due to the increase of in-house publishing activities, as well as the increase of online publishing in the share of total publications.

51. Expenditures under the Premises and Maintenance category are foreseen to increase by 1.7 million Swiss francs, to a total of 39.1 million Swiss francs in 2014/15. The increases are mainly in: (i) Program 25 in respect of enhanced business continuity, disaster recovery, and reinforced information security; (ii) Program 5 in the area of PCT Information Systems for the maintenance of IT equipment; (iii) Program 13 for the lease of IT equipment in relation to the IP database search engine development; and (iv) Program 20 for the proposed new external offices.