

AGENDA ITEM 17

DEFINITION OF DEVELOPMENT EXPENDITURE

The Program and Budget Committee (PBC) recommended to the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned, to approve the revised definition of development expenditure as contained in Annex 1 of document WO/PBC/24/17 and requested the Secretariat to:

- (a) Apply the revised definition of development expenditure for the estimation of development expenditure in the draft proposed Program and Budget 2018/19;*
- (b) Disclose in the "Results Framework and Program and Budget, including Development Share by Results" chart the following additional information:*

The estimated amount of fee reductions as a percentage of total income indicating that fee reductions are granted in accordance with the eligibility criteria for certain applicants from certain countries (primarily, but not limited to, developing and least developed countries) set out in the PCT Schedule of Fees (information to be disclosed in a footnote and in a separate color).

ANNEX 1

REVISED DEFINITION OF "DEVELOPMENT EXPENDITURE" FOR ACCOUNTING PURPOSES

Expenditure is qualified as "*development expenditure*" when it is used to finance development-oriented activities provided by WIPO to developing countries and Least Developed Countries (LDCs) and the equivalent expenditure is not provided to developed countries. Consistent with past practice, countries with economies in transition are included for the purpose of the Program and Budget. In addition, the development activities financed by WIPO are those that are considered to contribute to:

- Enabling developing countries to derive benefits from the IP system, and to better protect inventions and creations around the world; and,
- Reducing the knowledge gap between developed and developing countries by facilitating developing country access to knowledge and supporting their engagement in innovating, producing, using and absorbing technologies, new forms of expressions and creativity.

It is understood that the following activities are considered to contribute towards achieving the above impact:

- development of national intellectual property strategies, policies and plans in developing countries;
- development of national (and where relevant regional) legislative, regulatory and policy frameworks that promote a balanced IP system (including related research);
- support for the engagement of developing countries in global and regional decision-making and dialogue on IP;
- building modern state-of-the-art national IP administrative infrastructure;
- support-systems for users of the IP system in developing countries;
- training and human capacity building for developing countries;
- promotion of innovation and creativity, technology transfer and access to knowledge and technologies in developing countries (including related research).

It is understood that the expenditure under strategic goals relating to efficient administrative and financial support structure to enable WIPO to deliver its programs and a responsive communications interface between WIPO, its Member States and all stakeholders are excluded in the calculation of development expenditure for accounting purposes though some contributes to development activities.