REVIEW OF MANAGEMENT AND ADMINISTRATION IN THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

Prepared by

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Geneva 2014

United Nations

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EXECUTIVE SUMMARY

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JIU/REP/2014/2

This review of management and administration in the World Intellectual Property Organization (WIPO) is one of a series of reviews of participating organizations undertaken by the Joint Inspection Unit (JIU). It is the first full-scope review of the organization and shows the significant evolution and tangible improvements in a number of management and administration areas over recent years.

Throughout the review, the Inspectors took into account that WIPO, as a specialized agency of the United Nations system since 1974, plays an important role in its field of competence. It is recognized as a highly technical organization that is financed mostly by self-generated revenues and functioning in a competitive international environment.

The Inspectors have made 10 formal recommendations: one addressed to the WIPO General Assembly; one to the Coordination Committee; and eight to the Director General, as the executive head of the organization. These formal recommendations are complemented by a number of soft recommendations which are additional suggestions for reinforcing the management framework and related practices at WIPO, with reference to the United Nations system standards and good practices.

Main findings and conclusions

The present review confirms the complexity of the governance framework at WIPO. Member States face a genuine challenge to reach a fully shared vision of the organization and its future which should help them agree on measures to enhance their capacity to provide strategic guidance, monitor the work of the Secretariat and increase their ownership of the organization. Some aspects of the current governance arrangements and the resultant dynamics hinder the performance of the institution and need improvement. The Inspectors emphasize that Member States bear the primary responsibility in this respect. Therefore, they stress the need to clarify the respective roles of the governing bodies with a view to streamlining governance dynamics within and among WIPO organs as this is vital for the efficient and effective functioning of the organization. Considering the complexity of the governance framework, as described in the present report, the Inspectors addressed their recommendation on governance to the WIPO General Assembly, as the overarching WIPO governing body to initiate an action-oriented review process to strengthen Member States' capacity to direct and monitor the work of the organization **(Recommendation 1)**.

WIPO's funding modalities are unique in the United Nations system. The organization relies predominantly on self-generated revenues, rather than on assessed contributions. In recent years, this situation has ensured opportunities for financial growth, but the Inspectors note that WIPO's dependence on a limited range of revenue sources is a risk in the competitive environment in which it operates. Both the strategic planning process and results-based management tools have been improved in recent years. The Inspectors encourage the WIPO Secretariat to continue to move from primarily measuring activities and outputs to measuring outcome results in order to demonstrate WIPO's achievements.

The Inspectors conducted this review after WIPO's implementation of the Strategic Realignment Program (SRP) which was aimed at building a more responsive and efficient organization equipped to achieve its strategic goals. This major change management

initiative was launched and carried out by the Director General and the Senior Management Team from 2008 to 2012. The SRP dealt with a number of aspects touched upon in the present review, such as the revision of the regulatory framework for human resources management, the development of concepts and tools for strategic planning, results-based management and increased attention to risk management. There is broad consensus that the SRP has positively influenced WIPO performance and the corporate organizational culture through improved operating procedures and should, therefore, be further mainstreamed in the organization. In this context, the Inspectors recommend a series of formal internal evaluations of the SRP results, which would enable WIPO to identify and disseminate the good practices and lessons learned from the implementation of the SRP **(Recommendation 4)**.

The Inspectors believe that appropriate and updated terms of reference for all WIPO organizational units and, more specifically, for the management committees would enhance transparency and accountability at all levels **(Recommendations 2 and 3)**. The Inspectors welcome the policies and procedures introduced towards the end of 2013, concerning various fields of management (non-staff personnel, training, ICT, etc.) and stress the importance of formalizing pending draft policies on key issues, such as risk management and resource mobilization, to complete the management framework and ensure their proper implementation.

Notably, the human resources framework has been further reinforced with the revision of the Staff Regulations and Rules and the issuance of numerous Office Instructions. However human resources-related issues deserve attention as there remains differing perceptions within WIPO on many human resources aspects. In addition, the relationship between management and staff representatives is not satisfactory; in the Inspectors' view this issue should be properly addressed, as it may impact organizational effectiveness. The human resources strategy for 2013-2015 and the Learning and Development Policy (2013) are positive steps towards strengthening WIPO's workforce to successfully respond to future challenges. The Inspectors emphasize the need to take action to ensure broader geographical diversity and to improve gender balance at the senior management level in WIPO **(Recommendations 6, 7 and 8)**.

In conclusion, the Inspectors stress that, in order for the implementation of reforms in WIPO to be successful, strong and continuous commitment is required from Member States, executive management and staff.

Recommendations

Recommendation 1

The WIPO General Assembly should review the WIPO governance framework as well as current practices with a view to strengthen the capacity of the governing bodies to guide and monitor the work of the organization. In doing so, Member States may wish to consider in their deliberations the options suggested in this report.

Recommendation 2

The Director General should ensure that clear and updated terms of reference are made available for all WIPO organizational units and include them in relevant Office Instructions, in particular each time an internal re-organization is carried out.

Recommendation 3

The Director General should issue comprehensive terms of reference for the management committees by the end of 2014 and circulate them to the relevant WIPO governing bodies.

Recommendation 4

The Director General should request the Internal Audit and Oversight Division to include in its workplan a series of evaluations of the Strategic Realignment Program (SRP) initiatives and their results to capture lessons learned, thus supporting WIPO management during the next phases of the reform process of the organization.

Recommendation 5

The Director General should finalize, by the end of 2015, and regularly update the WIPO Risk Policy and all the elements of a comprehensive risk management framework.

Recommendation 6

The Coordination Committee should revisit the present principles concerning geographical distribution in order to ensure broader geographical diversity within the WIPO professional workforce.

Recommendation 7

Based on guidance provided by the Coordination Committee, the Director General should establish, by the end of 2015, a Plan of Action with specific measures and targets to broaden the geographical diversity within the professional workforce and report annually on its implementation.

Recommendation 8

The Director General should finalize the WIPO Gender Policy by the end of 2014, ensuring that it contains specific measures and targets to improve gender balance, in particular at senior management level, and report annually on its implementation.

Recommendation 9

The Director General should further formalize WIPO's Information and Communication Technology (ICT) Strategy and present it to the General Assembly by the end of 2014.

Recommendation 10

The Director General should finalize a comprehensive Knowledge Management Strategy and present it to the General Assembly by the end of 2015.

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ANNEXES

ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACE	Advisory Committee on Enforcement
ACI	Advisory Committee on Investments
ADG	Assistant Director General
AIMS	Administrative Integrated Management System
AMS	Administration and Management Sector
BIRPI	United International Bureaux for the Protection of Intellectual Property
CACEEC	Group of Central Asian, Caucasus and Eastern European Countries
CEB	United Nations System Chief Executives Board for Coordination
CEEBS	Group of Central European and Baltic States Countries
CDIP	Committee on Development and Intellectual Property
CIPS	Chartered Institute of Purchasing and Supply
CIO	Chief Information Officer
CMP	Crisis Management Plan
CPAG	Common Procurement Activities Group
CRC	Contracts Review Committee
CWS	Committee on WIPO Standards
DA	Development Agenda
DAG	Development Agenda Group
DDG	Deputy Director General
DG	Director General
EOs	External offices
ERP	Enterprise Resource Planning
FAO	Food and Agriculture Organization of the United Nations
FRR	Financial Regulations and Rules
GA	WIPO General Assembly
GRULAC	Group of Latin American and Caribbean Countries
HR	Human Resources
HRM	Human Resources Management
HRMD	Human Resources Management Division
IAEA	International Atomic Energy Agency
IAOC	Independent Advisory Oversight Committee
IAOD	Internal Audit and Oversight Division
ICAO	International Civil Aviation Organization

ICT	Information and Communication Technology
IGC	Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore
ILO	International Labour Organization
ILOAT	Administrative Tribunal of the International Labour Organization
IMO	International Maritime Organization
IOC	Internal Oversight Charter
IP	Intellectual Property
IPSAS	International Public Sector Accounting Standards
IT	Information Technologies
ITC	International Trade Centre
ITU	International Telecommunication Union
JAC	Joint Advisory Committee
JGP	Joint Grievance Panel
JIU	Joint Inspection Unit of the United Nations system
MM	Management Meeting
MTSP	Medium-Term Strategic Plan
OI	Office Instruction
OLC	Office of the Legal Counsel
PAHO	Pan American Health Organization
PB	Program and Budget
PBC	Program and Budget Committee
PCT	Patent Cooperation Treaty
PMSDS	Performance Management and Staff Development System
PPR	Program Performance Report
PTD	Procurement and Travel Division
RBM	Results-based management
SCCR	Standing Committee on Copyright and Related Rights
SCIT	Standing Committee on Information Technologies
SCP	Standing Committee on the Law of Patents
SCT	Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indicators
SMR	Staff-Management relations
SMT	Senior Management Team
SRP	Strategic Realignment Program
SRR	Staff Regulations and Rules

TDC	Department for Transition and Developed Countries
TOR	Terms of reference
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNICC	International Computing Centre
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNOV	United Nations Office at Vienna
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNWTO	World Tourism Organization of the United Nations
UPU	Universal Postal Union
VSP	Voluntary Separation Program
WAB	WIPO Appeal Board
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

I. INTRODUCTION

1.   As stated in its programme of work for 2013, the Joint Inspection Unit (JIU) conducted the first full-scope review of the management and administration in the World Intellectual Property Organization (WIPO) as part of a series of similar reviews of United Nations system organizations envisioned in the JIU Strategic Framework (2010-2019).[1] In 2005, the JIU issued a partial assessment of WIPO, to which the Inspectors refer as appropriate.[2] The present review is not a follow-up exercise to the 2005 report as the WIPO landscape has evolved significantly since then. In his letter to the JIU Chair, the WIPO Director General indicated that the review was timely in light of a number of reforms aimed at building a more responsive and efficient Organization through the implementation of a change management initiative known as the Strategic Realignment Program (SRP) (2008-2012).[3]

Objective, scope and limitations

2.   The objective of the present review is to provide an independent external assessment of the regulatory frameworks and related practices concerning the management and administration of WIPO. The Inspectors hope that the present report will create opportunities for further improvement in the areas of governance, executive management, general administration, strategic planning and budgeting, human resources management and oversight, as well as in other areas identified in the course of the review, such as information and communication technologies and knowledge management.

3.   The present review does not assess the substantive dimensions of the work carried out by WIPO in the field of intellectual property, nor does it cover the Unions and other bodies administered by WIPO, as they have specific mandates and profiles that are beyond the scope of this review.

4.   A number of issues pertinent to WIPO's work have not been fully examined since they are covered either by recently completed JIU reports (e.g. staff-management relations) or by ongoing system-wide reviews (e.g. construction projects).[4] Where relevant, the findings and conclusions of those reviews have been considered by the Inspectors.

5.   The Inspectors used a range of evaluation techniques to ensure triangulation of the findings and well-supported conclusions and recommendations. The present report analyses information and data as of December 2013, however relevant comments and additional information received from the WIPO Secretariat at the finalization of the report were taken into account. In accordance with the JIU internal standards and guidelines and its internal working procedures, the methodology followed in preparing this report included:[5]

- Desk review and an in-depth content analysis of the parliamentary documents of WIPO organs and internal documentation of the WIPO Secretariat (e.g. Office Instructions, minutes of the meetings of various committees, etc.).

- Interviews with senior officials representing corporate management functions and with the heads of substantive and technical sectors of the Secretariat. These comments complemented

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[1]   A/66/34, annex 1: Revised strategic framework for the Joint Inspection Unit for 2010-2019.
[2]   JIU/REP/2005/1: Review of the Management and Administration in WIPO: Budget, Oversight and Related Issues.
[3]   Letter from WIPO Director General to the Chairman of the Joint Inspection Unit, 28 June 2012.
[4]   JIU/REP/2012/10: Staff–Management relations in the United Nations specialized agencies and common system and JIU/REP/2014/3: Capital/refurbishment/construction projects across the United Nations system organizations.
[5]   The Inspectors faced a number of methodological difficulties in the preparation of this report due to a combination of factors, including the evolution in regulatory frameworks reviewed, the changes in the methodology used by the WIPO Secretariat to aggregate and present figures and data in official documentation as well as some challenges to reconcile figures gathered from various WIPO sources.

the information received through the corporate questionnaire completed by the WIPO Secretariat.

- Interviews with elected officials and representatives of Member States from six regional groups: Group B; the Group of Central European and Baltic States Countries (CEEBS); the Asian Group; the Group of Latin American and Caribbean Countries (GRULAC); the Group of Central Asian, Caucasus and Eastern European Countries (CACEEC); and China, as well as the Development Agenda Group (DAG).

- Interviews with managers, staff representatives and staff members at headquarters and in the external offices (through video-conferencing). Two focus group meetings were organized with staff at the middle and lower management levels in the areas of human resources management and procurement.

- Analysis of responses provided by WIPO staff members to the JIU online survey (annex VII).

6.   In accordance with article 11.2 of the JIU statute, this report was finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit. To facilitate the handling of the report, the implementation of its recommendations and the monitoring thereof, annex VIII contains a table which identifies recommendations which require a decision taken by the legislative or governing body of the organization or which can be acted upon by the Director General.

7.   The Inspectors wish to express their appreciation to all who assisted them in the preparation of this report, in particular those who participated in the interviews and so willingly shared their knowledge and expertise.

Background

8.   WIPO's antecedents date back to the first international treaties on intellectual property: the Paris Convention for the Protection of Industrial Property (1883) and the Berne Convention for the Protection of Literary and Artistic Works (1886). Each of these conventions had set up an International Bureau to carry out basic administrative support to the Unions formed by the States parties. In 1893, the two bureaux united to form an international organization called the United International Bureaux for the Protection of Intellectual Property (often referred to by its French acronym BIRPI). The creation of BIRPI was followed by the conclusion of several conventions dealing with specialized aspects of intellectual property, some of which created new Unions that integrated with BIRPI (Madrid Union, The Hague Union, Nice Union, Lisbon Union, etc.).

9.   As a successor of BIRPI, WIPO was established in 1970 following the entry into force of the Convention Establishing the World Intellectual Property Organization[6] (Stockholm, 1967) (hereafter the "Convention"), adopted by the States parties to the existing Unions. WIPO, as an umbrella organization, federated the Unions dealing with intellectual property issues into an expanded international organization.

10.   In terms of mandate, Article 3 of the Convention sets the general objectives of WIPO, which are "to promote the protection of intellectual property throughout the world through cooperation among States" and "to ensure administrative cooperation among the Unions". To that end, Article 4 of the Convention envisioned a number of specific functions: (i) to promote the development of measures designed to facilitate the efficient protection of intellectual property throughout the world and to harmonize national legislation in this field; (ii) to perform the administrative tasks of the Paris Union, the Special Unions established in relation with that Union, and the Berne Union; (iii) to assume, or participate in, the administration of any other international agreement designed to promote

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6   Convention establishing the World Intellectual Property Organization (WIPO Convention), available from www.wipo.int/treaties/en/convention/trtdocs_wo029.html.

the protection of intellectual property; (iv) to encourage the conclusion of international agreements designed to promote the protection of intellectual property; (v) to offer its cooperation to States requesting legal-technical assistance in the field of intellectual property; (vi) to assemble and disseminate information concerning the protection of intellectual property, carry out and promote studies in this field, and publish the results of such studies; and (vii) to maintain services facilitating the international protection of intellectual property and, where appropriate, provide for registration in this field and the publication of the data concerning the registrations.

11.   WIPO is a highly technical organization that is active in setting norms in the international intellectual property (IP) community and which deals extensively with the private sector. It administers 26 treaties (including the WIPO Convention), which focus on different IP dimensions. Of those treaties, 15 directly concern the intellectual property protection standards to be respected in every State party;[7] six refer to the global protection system[8] which ensures that each registration or filing will have an effect in any other State party; and four set up a classification system and organize information concerning inventions, trademarks and industrial designs into indexed, manageable structures for easy retrieval.[9]

12.   In 1974, WIPO joined the United Nations system as a specialized agency. The agreement with the United Nations recognizes WIPO as a specialized agency "responsible for taking appropriate action in accordance with its basic instrument, treaties and agreements administered by it, inter alia, for promoting creative intellectual activity and for facilitating the transfer of technology related to industrial property to the developing countries in order to accelerate economic, social and cultural development".[10]

13.   For nearly three decades, WIPO remained a technically-oriented organization, driven mainly by the interests of the key IP stakeholders. It has relied mostly on self-generated revenues and pursued a specific corporate culture, institutionalized by a number of management practices and procedures that contributed to the development of the organization, even if they were not in full alignment with the existing benchmarks in the United Nations system. Since then, the growth of its membership has brought WIPO a number of challenges in terms of governance and strategic positioning. At the same time, its activities and related services have developed significantly, making it necessary to adjust its structure and functioning in accordance with the evolving environment.

14.   The WIPO business model makes it a self-financed institution, based on the income generated by a variety of services provided in intellectual property areas (patent filings, trademarks, standards

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[7]   These are the: Beijing Treaty on Audiovisual Performances, Berne Convention for the Protection of Literary and Artistic Works, Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite (Brussels), Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, Nairobi Treaty on the Protection of the Olympic Symbol, Paris Convention for the Protection of Industrial Property, Patent Law Treaty, Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms, International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome), Singapore Treaty on the Law of Trademarks, Trademark Law Treaty, Treaty on Intellectual Property in Respect of Integrated Circuits (Washington), WIPO Copyright Treaty, WIPO Performances and Phonograms Treaty and Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled.

[8]   Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purpose of Patent Procedure, Hague Agreement Concerning the International Deposit of Industrial Designs, Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, Madrid Agreement Concerning the International Registration of Marks, Protocol Relating to the Madrid Agreement, Patent Cooperation Treaty (Washington).

[9]   Locarno Agreement Establishing an International Classification for Industrial Designs, Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, Strasbourg Agreement Concerning the International Patent Classification, Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks.

[10]   Agreement between the United Nations and the World Intellectual Property Organization.

setting). WIPO operates in a competitive market environment which creates additional constraints for an organization that has to align itself with the common set of values and standards of the United Nations system framework. In this context, WIPO's task is to ensure universality while maintaining favourable conditions for revenue based activities.

15.   The scope of WIPO's substantive activities expanded with the adoption of the Development Agenda (DA) by the WIPO General Assembly in 2007. As a result, WIPO experienced a shift in activities from its technical work in setting IP norms and standards, to a much broader set of tasks and an increased complexity of demands from diverse stakeholders. **In this changing environment, WIPO faces the challenge of integrating and balancing the interests of those countries which provide most of its financial income and those which place emphasis on development. To successfully overcome this challenge, WIPO Member States should develop a shared vision of the role of the organization and of its future**.

II. GOVERNANCE

A. Current governance framework

16.   WIPO has one of the most complex governance structures of the organizations of the United Nations system. Being one of the oldest international organizations, WIPO's governance framework is the result of the amalgamation of several existing structures, some of which were created as far back as the 19th century. The WIPO Convention-based organs coexist with the governing bodies of the Unions that were created by specific intellectual property treaties. Consequently, WIPO's institutional set-up does not always seem effective.

17.   The WIPO Convention is the founding legal instrument which defines the roles and functions of its principal organs, namely, the General Assembly, the Conference and the Coordination Committee through which Member States should exercise their governance functions. These constituent organs represent WIPO's high decision-making bodies.

18.   The General Assembly (GA) is, in fact, the organization's supreme legislative body, although it does not include all WIPO Member States.[11] The GA is composed of States parties to the Convention which are members of any Union (178 members), and it meets once a year as allowed by the alternation between ordinary and extraordinary sessions. It is responsible for adopting the biennial budget of expenses of the Unions and the financial regulations of the organization. The GA reviews and approves the reports of the Director General concerning the organization and provides overall guidance on strategic matters and policy issues. Further to the Convention, the GA is mandated to approve the reports and activities of the Coordination Committee and to provide related guidance. However, the reporting lines between the two bodies are not always adequately adhered to.

19.   The Conference is the second high-level body mandated to discuss matters of general interest in the field of intellectual property and it may adopt recommendations. The Conference is entrusted with the responsibility of amending the Convention. It is composed of all States parties to the Convention (186 members).

20.   The Coordination Committee is mandated to "give advice to the organs of the Unions, the General Assembly, the Conference and the Director General on all administrative, financial and other matters of common interest".[12] The Convention gives specific advisory and executive functions to the Committee, inter alia, to advise on the budget of expenses common to the Unions, to prepare the draft agenda of the General Assembly and of the Conference, and to nominate candidates to the post of Director General. It is composed of the States parties to the Convention which are members of the Executive Committees of the Paris Union or the Berne Union or both (83 members).

21.   The Convention framework is complemented by other layers of governance. Most of the IP treaties administered by WIPO have their own governing bodies that have maintained some responsibilities. In addition, a number of subsidiary organs have been set up, some of them at a technical level:

- The Program and Budget Committee (PBC) is a subsidiary organ established by the GA, in charge of all the budgetary and financial aspects of the organization (53 members).

- The Committee on Development and Intellectual Property (CDIP), the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC), and the Advisory Committee on Enforcement (ACE) are subsidiary bodies of

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[11]   The GA does not include the following eight States, which are not members of the Paris and Berne Unions: Afghanistan, Eritrea, Ethiopia, Kiribati, Kuwait, Maldives, Myanmar and Somalia.

[12]   WIPO Convention, Article 8 (3): The Coordination Committee shall: (i) give advice to the organs of the Unions, the General Assembly, the Conference, and the Director General, on all administrative, financial and other matters of common interest either to two or more of the Unions, or to one or more of the Unions and the Organization, and in particular on the budget of expenses common to the Unions.

WIPO main organs, each provided with a specific mandate on substantive and policy-related issues.

- The Committee on WIPO Standards (CWS), the Standing Committee on Copyright and Related Rights (SCCR), the Standing Committee on Information Technologies (SCIT), the Standing Committee on the Law of Patents (SCP) and the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) are committees of experts established by the GA to handle technical and practical issues concerning their related areas.

- Permanent committees of experts established by the four international classification treaties, dealing with the periodic revision and update of the classification systems.[13]

- Temporary working groups established to examine particular issues and to facilitate the discussions and resolution of narrower questions.

<u>Major governance-related issues</u>

22.   The WIPO Convention was drafted and adopted prior to WIPO becoming a United Nations specialized agency. Its original set-up was different in comparison to the governance arrangements present in many other United Nations system organizations. Representatives of Member States and WIPO officials acknowledged in the interviews that there were a number of deficiencies and lacunae in terms of the division of competences among the main organs and their complementarities.

23.   As stated by the WIPO Secretariat in its response to the JIU questionnaire, "different WIPO bodies have specific functions and mandates that are provided in statutory provisions or in the Member States' decisions that established those bodies". While this is a common institutional feature in many United Nations organizations, the sheer number and variety of such bodies effects the clarity of governance arrangements and, hence, their effectiveness. The fact that many practices in WIPO are not aligned with the original provisions of the Convention further adds to the complexity of the governance framework.

24.   The rationale for maintaining two high-level governing bodies, the GA and the Conference, is not sufficiently clear. As acknowledged by the WIPO Secretariat, "the functional division of work originally envisaged between the GA and the Conference never occurred".[14] The Conference has not met separately since 2005.[15]

25.   The issue of the Assemblies of Member States and of the Unions may also need revisiting. The practice of the Assemblies annually brings together 20 legislative and executive bodies during the same session. Although this practice has some benefits in terms of cost-efficiency, it does raise questions with regard to the clarity of the decision-making process, given that those bodies only consider the issues "each as far as it is concerned".[16] In addition, the format of adoption of some decisions may also raise questions. At times, Member States only "take note" of the Secretariat's reports which have to be read in conjunction with the (often divergent) comments made orally during the debates and cross-referenced with other background documentation. Although this practice is not an exception in the United Nations system, it may impact the oversight role and the adequate implementation of the Member States' decisions.

26.   The declining role of the Coordination Committee, a Convention-based statutory organ, in favor of the PBC, a subsidiary body of the GA, has led to a major redistribution of authority and influence in WIPO's governance system. There is a widespread perception among Member States that

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[13]   These classification systems are the: International Patent Classification; Nice Classification; Locarno Classification; and Vienna Classification.

[14]   WO/PBC/17/2 Rev.: WIPO Governance structure (20 May 2011), para. 5.

[15]   The Conference was convoked that year to review matters concerning the Permanent Committee on Cooperation for Development related to Intellectual Property.

[16]   As per the terminology found in several WIPO documents, for example, WIPO Financial Regulations and Rules (FRR), Rules 101.3 and 102.5, and Regulations 2.8, 2.12, 2.13, 4.2 and 4.3.

the Coordination Committee plays only a formal role, rather than providing substantive advice to WIPO's decision-making bodies and management. Under the prevailing arrangement, the Coordination Committee essentially deals with administrative issues related to staff matters.

27.   The origins of the PBC go back to the Budget Committee that was created in 1976 to streamline the examination of the budget documents, so as to avoid overlaps and duplication through a single dedicated body reporting to the Coordination Committee. However, in 1998, when the Budget Committee was merged with the Premises Committee to form the PBC, its reporting lines were shifted to the General Assembly, which created a disconnect between administrative issues on the one hand, and financial and budgetary issues on the other. Eventually, the PBC assumed most of the responsibilities that originally resided with the Coordination Committee. WIPO's Financial Regulations and Rules refer to the PBC as "the Committee constituted by the General Assembly to deal with program, budget, personnel resources, premises and finances".[17] In addition, the PBC further expanded the scope of its activities to the areas of oversight and governance. **Given the importance of the PBC, the Inspectors are of the view that its mandates and functions should be consolidated into one specific terms of reference document.**

28.   With the intention of establishing a clear view of their governance framework, some United Nations agencies developed good practices. For example, UNESCO issued "Basic Texts", a compilation of all the texts relating to its governance framework, such as its Constitution, rules of procedure of the governing bodies, financial regulations, procedures for decision-making and follow-up, etc.[18] This comprehensive document is updated regularly. Similarly, the ILO issued a document entitled "Compendium of rules applicable to the Governing Body of the International Labour Office", which compiles provisions concerning its governance arrangements, for example, roles and functions of the body, composition and procedures (voting, time management, chairpersonship, adoption of agenda, sessions of the groups, etc.).[19] These compilations or compendiums enhance the clarity and understanding of the functioning of the respective organization for its Member States and other stakeholders. **In the Inspectors' view, the issuance of such a comprehensive reference document would also be useful in the case of WIPO.**

Other governance-related issues

29.   Another significant problem area affecting the quality of governance at WIPO, as noted by many Member States, is the management of the work of the various committees, the number and duration of official meetings and the large volume of supporting documentation.

30.   With regard to the committees, the concerns often expressed by delegates related to: (a) the composition of regional groups, which is not fully aligned with the customary set-up of such entities in comparison to other United Nations system organizations; (b) the need to introduce rules ensuring increased predictability of the rotation of officers on the Committees among the regional groups; (c) the need to maintain a stable calendar of meetings, convened by a prior legislative decision, and to ensure that postponements or cancellations of meetings are approved by Member States;[20] d) the authority to convene, set the agenda, dates and determine documentation for the meetings, which should rest with Member States; (e) the need to revise some of the existing rules and procedures.

31.   Insofar as the management of meetings is concerned, a number of the regional groups and individual delegates suggested that the large number of WIPO committees and similar bodies presented serious challenges for coordination, prioritization and preparation of proceedings. The meetings are often long and time-consuming, with the technical discussions interspersed with political

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[17]   WIPO Financial Regulations and Rules, Rule 103.3.
[18]   UNESCO, Basic Texts, 2012 Edition (Paris, 2012).
[19]   International Labour Organization (ILO), Compendium of rules applicable to the Governing Body of the International Labour Office (Geneva, June 2011).
[20]   The WIPO Secretariat indicated that the practice had been institutionalized in recent years to produce a calendar for the coming year in December of the current year.

debates. The Inspectors found that many of Member States lack adequate information on the cost implications to conduct these meetings.

32. Delegates also identified the excessive length and volume of documentation as a potential area for improvement. As confirmed by JIU research, the documents presented to WIPO governing bodies often contain a significant amount of detailed information, but sometimes lack clear recommendations to facilitate the discussions among Member States. Recognizing the secretariats' increased efforts to submit documents on time, a number of Member States noted that some documents are presented at short notice, notwithstanding the agreed rule of two months in advance. Finally, some documents are issued as so-called "white papers" without proper symbols. Such practice results in an additional burden on Member States which affects both their level of preparedness on substantive issues and the decision-making capacity of WIPO governing bodies.

33. Figure 1 illustrates the number of meeting days per year and the corresponding documentation produced by the WIPO Secretariat. The data shows that WIPO meetings consumed on average 147 working days during 2010-2012. Representatives of WIPO Member States faced the challenge of handling more than an average of 8,100 pages every year. It should be noted that the Secretariat made tangible efforts to improve the overall quality of documents and to control the volume of documentation, in particular since the adoption of the WIPO Language Policy. **The Inspectors are, however, of the view that WIPO governing bodies and the Secretariat should take a closer look at the number of meetings and the volume of documentation with the aim of regularizing the situation in this area.**

Figure 1: Overview of WIPO meetings and documentation, 2010-2012 (in numbers)

Year	Number of meetings*	Number of meeting days	Number of documents**	Average number of pages per document	Total number of pages
2010	30	134	377	22	8,287
2011	35	159	373	25	9,419
2012	31	149	369	18	6,713
Average	32	147	373	21.6	8,100

Source: Prepared on the basis of information provided by the WIPO Secretariat
* Comprised of official sessions of governing bodies, Committees, Committees of Experts and Working Groups.
** Comprised of the original language version of each document.

34. In terms of governance, the combination of the aforementioned factors resulted in a situation whereby the Secretariat, and primarily the Director General, was placed in a position to take the leading role on numerous issues without formal input from Member States. In the light of the insufficiency of regular guidance mechanisms, the Director General has resorted to a number of informal tools (monthly meetings with Ambassadors, breakfasts with delegates, meetings with regional groups) to obtain views and inputs of Member States on various subjects of interests. While such practices are common in other United Nations agencies, they have gained disproportionate weight at WIPO and serve as a substitute modality for proper guidance, often at the expense of transparency. **In the view of the Inspectors, such informal methods have reached their limits, especially given the growth of the organization, and should not replace in-depth discussions by Member States through the formal and clearly established channels.**

B. Efforts to reform governance

35. Over the past years, an increasing number of Member States have repeatedly voiced their dissatisfaction with regard to the current state of governance at WIPO and expressed their concern that the organization has mostly been Secretariat driven rather than membership driven. In their view,

a lack of adequate intersessional governance mechanisms, combined with the highly technical nature of the substantive activities of WIPO, does not leave enough space for Member States under the present arrangement to provide regular political guidance and strategic vision for the organization.

36. During the past decade, several attempts were made to tackle the issue of reforming WIPO governance:

- In 1999-2002, a Working Group on Constitutional Reform, established by the Director General upon the recommendation of the General Assembly, produced a series of proposals aimed at simplifying and rationalizing the governance structures of WIPO, inter alia, the abolition of the Conference and a change in the periodicity of the ordinary sessions of the General Assembly and the assemblies of the Unions, from once every two years to once every year. The formalization of the practice through the amendment of relevant treaties and conventions to reduce the number of WIPO legislative bodies to one single assembly was envisaged, but not retained.[21] The proposals submitted by the Working Group were adopted by the WIPO General Assembly and the concerned assemblies of the Unions, but have not entered into force due to the insufficient number of notifications of acceptance from Member States received by the Director General.

- In 2008, the WIPO Audit Committee in its report requested by the PBC confirmed "the relative weakness of the governance structure of WIPO".[22] Based on a comparative study of the United Nations system oversight committees,[23] the document contained, among others, a proposal to create "a new, more functional governing body" ensuring continuous monitoring by 12 to 16 elected Member States.[24] The report served as a basis for further deliberations among Member States on these issues.

- In 2011, the PBC, echoing the 2008 report by the Audit Committee, requested the Secretariat to prepare a document on the state of governance at WIPO, including the relevant data and the views of Member States on the reform process. The resulting report[25] listed 11 replies from Member States and/or their groups,[26] reflecting a wide range of views on the scope and nature of required reforms in WIPO. While the exercise revealed a relative convergence on the need to improve the quality of oversight function and the management of different WIPO bodies, no consensus was reached with regard to the creation of a new governing body in the organization.

- In 2012, the PBC invited the Independent Advisory Oversight Committee (IAOC, which replaced the Audit Committee) to review the issue of governance at WIPO and to present its recommendations. While the IAOC report found that "a key area for action is improving coordination and strengthening the oversight architecture", it is also stated that "the oversight aspect of the governance would not require the creation of an additional governance structure" and recommended additional in-depth study on the subject.[27] The subsequent debates further revealed a lack of common accord among various groups, with a strong polarization in the views of Member States, mostly along political lines, on the substance and specific ways to proceed with governance reform.[28]

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[21] WIPO, A/37/5: Final Recommendations of the WIPO General Assembly Working Group on Constitutional Reform (2002).
[22] WO/GA/38/2: Report of the WIPO Audit Committee since 2008, para. 44.
[23] Ibid.
[24] Ibid.
[25] WO/PBC/17/2 Rev: WIPO Governance Structure, 2011.
[26] Ibid., Annex II: Member States' view on governance at WIPO: Monaco, China, United Kingdom, Japan, Australia, Development Agenda Group, the African Group, United States of America, Republic of Korea, Germany, France.
[27] WO/PBC/19/26, Annex: Governance at WIPO.
[28] WO/PBC/19/28, pp. 23-49.

37.   Thus, the previous efforts to review the governance structure at WIPO achieved limited results. In this context, the intensely debated idea to set up a new governing body for the organization deserves to be specifically mentioned. Indeed, in contrast to most of the United Nations specialized agencies, WIPO does not have an executive body (i.e. a Board or Council) to oversee the work of the Secretariat on a continuous basis. The creation of such a body has been advocated by a significant number of delegations, predominantly from developing countries, as a means to enhance governance oversight, allow greater participation of Member States in the allocation of resources and expenditures, and raise accountability of the Secretariat. However, this proposal has been strongly opposed by other Member States, mostly representing developed countries. They have argued that the introduction of an additional layer of governance would only complicate the already complex governance system of WIPO and would necessitate amending the WIPO Convention. The debate has remained inconclusive and rather served to exacerbate the divergences among the membership.

38.   In the Inspectors' view, the conditions are not currently present to pursue such an ambitious undertaking. WIPO Member States may consider this option as a medium- or long-term goal if they wish to align the organization with the prevailing United Nations governance patterns. However, at this point in time, a more promising trend that is gaining ground at WIPO favours seeking solutions within the existing framework without amending the Convention.

39.   Another example related to governance at WIPO is the ongoing debate on the ways to implement the Development Agenda (DA). It may be recalled that, with the adoption of the DA recommendations[29], the organization, for the first time, formally acknowledged the importance of moving away from an agenda essentially limited to promotion and protection of intellectual property rights, to embracing the need to assist developing countries in different aspects of this crucial area. The Committee on Development and Intellectual Property (CDIP), established in 2007 to monitor the DA implementation[30], has made steady but slow progress, as its deliberations have witnessed an acute polarization between various groups of delegations over, inter alia, the functioning of the Coordination Mechanism as a means of ensuring that development activities are mainstreamed into the work of WIPO.[31]

40.   Although it is important to recognize that the WIPO Secretariat considers the implementation of the DA to be a significant part of its work, a number of Member States expressed their concerns that they do not have sufficiently effective means to properly monitor WIPO's performance in this sphere. The External Review on WIPO Technical Assistance in the area of Cooperation for Development (2011)[32] revealed serious deficiencies in the organization's technical assistance programs to developing countries. The Secretariat subsequently responded that many of the issues raised in the review have been addressed. The Secretariat has developed a number of reporting tools that provide an overview of the organization's work in support of the DA implementation and the activities it has undertaken. Yet, the ongoing debates on the implementation of the Development Agenda are symptomatic of the underlying problems as attempts to bridge the differences between Member States have until now eluded consensus.[33] **This stresses the need for Member States to**

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[29]   WIPO, A/43/16, para. 334; and A/43/13 Rev: Report of the provisional committee on proposals related to a WIPO Development Agenda.

[30]   Ibid.

[31]   In 2010, the GA approved the Coordination Mechanisms and Monitoring, Assessing and Reporting Modalities (WO/GA/39/7, Annex II) containing provisions for the relevant WIPO bodies to identify the ways in which the DA recommendations are mainstreamed in their work and to include in their annual reports to the Assemblies a description of their contribution to their implementation.

[32]   WIPO, CDIP/8/INF/1: An external review of WIPO technical assistance in the area of cooperation for development, (2011), Annex 1.

[33]   For example, the Inspectors note the difficulties in reaching an agreement on the definition of "development expenditure" at WIPO, which was finally adopted in September 2013. In contrast several other United Nations system organizations had previously developed relevant tools, for example, ILO Development Cooperation Dashboard, WMO Capacity Development and Resource Mobilization strategies, and WTO Doha Development Agenda Global Trust Fund.

reach an agreement to put in place an effective system for reporting, monitoring and evaluating the implementation of the DA recommendations.

41.   The Inspectors believe that in order to achieve practical results, the efforts to reform governance at WIPO should be based on pragmatism and consensus-building across the different groups of stakeholders. The priority of goals must be set at every stage to ensure maximum support for clearly defined result-oriented actions by the majority of Member States. A useful approach may be to divide the numerous problems of governance at WIPO into several categories, as was already suggested by some delegations,[34] with the aim of identifying the areas where the opportunity to move forward is greater and then proceed to tackle more complex and controversial issues. The overarching goal throughout the whole exercise should be to provide WIPO with a common strategic vision, to enhance its effectiveness and efficiency, and to ensure its strategic positioning as an important United Nations entity acting in a rapidly changing competitive environment.

C.   Reviewing governance

42.   Reforming governance arrangements is a sensitive process for any intergovernmental organization for which its Member States bear the primary responsibility. The objectives for enhancing governance are to improve the functioning of WIPO and to increase Member States' ownership of the organization. Strengthening governance and oversight must be strategically oriented and should not turn into micromanagement; the WIPO Secretariat should maintain its role of carrying out the management and administrative functions of the organization, for which, together with its expenditures, it has to be fully accountable to Member States.

43.   Having studied relevant documentation and conducted numerous interviews with stakeholders, the Inspectors share the view that WIPO has reached the point where important steps to streamline and improve the coherence of its governance arrangements are needed. It is not prudent or advisable to maintain the status quo. The accumulated tension among Member States may adversely impact the effective functioning of the organization. A constructive and productive dialogue on the ways and means to conduct governance reform has thus become a priority for both the membership and management.

44.   In the course of the review, the Inspectors came across a significant number of proposals suggested by Member States during their past deliberations. Some of them were rather general in nature and not elaborated in sufficient detail, some reflected the politicized nature of the debates, but many may still offer a useful pool of ideas which deserve further pragmatic scrutiny.

45.   It goes beyond the task of the present review to single out or comment on any of those specific ideas and proposals. This should properly remain the responsibility of Member States. However, the Inspectors would like to present several considerations or options which, in their view, could contribute to future discussions.

Using the Coordination Committee or the PBC as an executive body

46.   The option of creating a new executive body in WIPO seems too controversial at present to have a chance of being adopted, and implies the disadvantage of adding another layer to an already complex governance structure. However, within the current framework, and with some adjustments, the Coordination Committee or the PBC could provide a setting to exercise more regular and effective oversight and guidance. If the Coordination Committee is to revive its original statutory role, the present reporting line of the PBC will have to be changed from the General Assembly to the Coordination Committee. For the PBC to take up such a role, its mandate should be properly formalized and expanded. In both cases, the frequency of the meetings of the respective bodies should be increased accordingly.

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[34]   For example, WO/PBC/21/20 contains the latest proposal by the African Group on the issue of governance at WIPO.

Strengthening advisory capacity to assist Member States and the Secretariat

47.   In the current setting, decision-making by Member States relies predominantly on the information and analysis provided by the Secretariat. The Inspectors believe it may be useful to add more advisory capacity to assist Member States and the Director General in fulfilling their respective missions in the governance, oversight and management of the organization. The creation of an expert advisory body entrusted with the mandate to review administrative and budgetary aspects and to advise the principal organs on matters of their respective interests could be explored. As an intermediate layer between management and Member States, such a group of independent experts, acting in their personal capacity, could review a wide range of issues and provide opinions to be included in the documents presented to Member States.

48.   Examples that WIPO could draw upon include the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which provides recommendations to the Fifth Committee of the United Nations General Assembly; and the group of experts on financial and administrative matters, which provides technical advice to the Finance and Administrative Commission and the Executive Board of UNESCO. Such a body should include experts from Member States selected on the basis of adequate geographical representation, personal qualifications and experience. It could also use expertise from the private sector which generates most of WIPO's revenues. As a first step, such a body may be set up on a trial basis.

Creating a common platform for constructive dialogue on governance

49.   To support their efforts for governance improvement, several United Nations entities (e.g. UNESCO and UNODC, most recently) opted for the creation of working mechanisms composed of representatives from Member States and the Secretariat. These provided an avenue for dialogue on various governance issues and helped to promote a better understanding of the constraints, preoccupations and concerns of different stakeholders.

50.   A similar approach may be adopted by WIPO. This can be done through a decision by the General Assembly to set up a high-level ad hoc committee or working group to properly structure a constructive and pragmatic debate on possible reforms, and report on its outcomes within an agreed period of time. **In the Inspectors' opinion, the terms of reference of such a body could include a review of governance from different angles and at various levels, starting from relatively simple and less controversial topics (e.g. management of meetings and documentation) and gradually raising the level and scope of complexity**.

The following recommendation is expected to enhance the governance of WIPO.

Recommendation 1

The WIPO General Assembly should review the WIPO governance framework as well as current practices with a view to strengthen the capacity of the governing bodies to guide and monitor the work of the organization. In doing so, Member States may wish to consider in their deliberations the options suggested in this report.

III. MANAGEMENT

A. WIPO Secretariat

51.   The WIPO Convention established the International Bureau as the Secretariat of the organization. It coordinates the meetings of Member States and implements their decisions; administers the international IP registration systems; develops and executes the programs designed to achieve WIPO's goals; and provides a repository of IP expertise to assist its members.[35] In addition to the headquarters in Geneva, WIPO has three external offices in Singapore (established in 2005), Tokyo (2006) and Rio de Janeiro (2009), as well as the Liaison Office with the United Nations in New York, since 1975.

52.   The WIPO Secretariat is headed by the Director General, and is divided into seven substantive sectors, each led by a Deputy Director General (DDG) or an Assistant Director General (ADG) who report to the Director General. Additionally, the Office of the Director General comprises the Executive Management, the Human Resources Management Department, the Internal Audit and Oversight Division, the Economic and Statistics Division and the Department for Transition and Developed Countries.[36]

53.   The organizational structure of the WIPO Secretariat reflects the diversity of its IP activities according to its substantive sectors. The WIPO Secretariat has taken measures to improve the coherence of its internal structure and to align it with its activities and strategic goals. In 2012, the WIPO Secretariat conducted a detailed organizational review which looked into the mandates and the key functions of each sector and restructured the Secretariat to better align its components to WIPO business needs.

54.   The Inspectors support the objectives of such restructuring, as the WIPO business model makes it necessary to closely monitor the areas where activities are increasing or declining so as to adapt the structure accordingly and redeploy staff as required. However, the Inspectors noted that the rationale for restructuring are not systematically communicated through official channels. Often, the Office Instructions are limited to a list of organizational units and the names of their staff members. From 2010 to mid-2013, few of the 47 Office Instructions that focused on internal reorganization elaborated on the rationale supporting the change in the structure, provided terms of references for the newly defined entities or direction for their work. This does not clarify the functions entrusted to the reorganized units beyond the basic provisions contained in the Program and Budget documents. This is not conducive to organizational effectiveness or staff ownership.

55.   In recent years, several organizational units have been placed directly under the Director General: the Division for Economics and Statistics (2010-2011); the Department for Transition and Developed Countries (2010-2011); and the Human Resources Management Department (2012). **The trend towards establishing more direct reporting lines to the Director General should be closely monitored to assess whether it contributes to increased effectiveness.**

The following recommendation is expected to enhance transparency and accountability within WIPO.

Recommendation 2

The Director General should ensure that clear and updated terms of reference are made available for all WIPO organizational units and include them in relevant Office Instructions, in particular each time an internal re-organization is carried out.

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[35]   WIPO, A Users' Guide: An Introduction to the Organization.
[36]   See WIPO Secretariat organizational chart in Annex I of this report.

56.   It is widely recognized that, in the past, WIPO suffered from a pronounced culture of silos. To address this situation, a number of efforts by the WIPO Secretariat focused on improving internal coordination and cooperation, primarily within the framework of the Strategic Realignment Program (SRP). Progress in the area of coordination and cooperation should be recognized as demonstrated, for example, by successive annual WIPO Core Values Surveys that recorded improvements concerning the SRP value, *Working as One* (from 29 to 56 per cent of positive statements over the relevant years), and the collaborative work with colleagues across sectors on common projects (from 46 to 67 per cent). However, not all the silos have been completely knocked down as shown by figure 2 and as confirmed by comments made by the respondents to the WIPO Core Values Surveys. Further efforts are needed to improve cooperation within and between departments, in particular during the continuous improvement period in which WIPO has now entered after the SRP.

Figure 2: Opinions of WIPO staff on internal coordination and cooperation at WIPO (in per cent)

	Yes	Somewhat	No	No opinion
I think there is sufficient coordination and cooperation **within** departments/services/sections	21.9	37.6	35.6	4.9
I think there is sufficient coordination and cooperation **between** departments/services/sections	10.5	39.5	43.8	6.2

Source: JIU survey, Questions 15 and 16

B.   Executive management

57.   Apart from the Director General, the executive management framework includes the Senior Management Team (SMT) and the Management Meeting (MM). The management framework is further comprised of 13 management committees, or boards, addressing specific management issues.[37] Beyond executive management, the substantive and management responsibilities of the directors and program managers are specified in delegation of authority instruments, from the Director General down to the relevant level of officials, by sectors of activities and specific related actions.

58.   According to the WIPO Convention, the Director General is appointed as the chief executive officer of WIPO by the General Assembly upon nomination by the Coordination Committee. The DG reports to the GA and should conform to its instructions. He/she prepares and presents to the relevant organs draft Program and Budget documents as well as periodical reports on activities. The Director General is given significant formal authority which is reinforced by the provisions of the Financial Regulations and Rules (FRR) and the Staff Regulations and Rules (SRR), as well as subsequent Office Instructions in various areas.

59.   The term of the executive head of WIPO is an exception in the United Nations system, as the Convention states that it "should be not less than six years".[38] There is no limitation in the Convention as to the number of terms a Director General may be reappointed. The absence of legal provisions in that regard has led to an extremely long tenure of a past Director General.

60.   Despite the existence of the 1998 document, "Policies and Practices for the Nomination and Appointment of Directors General"[39], the Inspectors found that the rationale regarding its

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[37]   Based on Office Instructions issued since 2010 and information provided by the WIPO Secretariat: Advisory Committee on Investments, Staff Pension Committee, WIPO Risk Management and Internal Controls Board, Conference Hall Ad-Hoc Contracts Committee, Construction Committee, WIPO Property Survey Board, Contracts Review Committee, WIPO Publications Board, Appointment Boards, Consultative Group on Revisions to the Staff Regulations and Rules relating to WIPO's internal administration of justice, WIPO Appeal Board, Joint Grievance Panel, Joint Advisory Committee.

[38]   WIPO Convention, Article 9 (3).

[39]   WO/GA/23/6: Policies and Practices for the Nomination and Appointment of Directors General.

implementation is not entirely clear. Indeed, its adoption by the GA was closely related to the proposed revision of Article 9 (3) of the WIPO Convention, which did not occur due to the lack of sufficient notifications of ratification from Member States.[40] **The Inspectors are of the view that a formal clarification by the WIPO GA is needed on this issue. In this respect, the Inspectors recall the 2009 JIU recommendation to limit the terms of service for executive heads to a maximum of two successive terms, not exceeding five years each.**[41]

61.   WIPO's main executive management committee is the Senior Management Team (SMT).[42] Chaired by the Director General, the SMT has eight members at DDG or ADG levels, including all the heads of WIPO substantive sectors, the head of the Administration and Management Sector, and the Chief of Staff. Office Instruction 69/2009 does not provide further information on the terms of reference, working methods or decision-making process of the committee.

62.   The WIPO Secretariat indicated that SMT's main mission is to provide strategic leadership and executive-level coordination and to deliberate on pertinent policy and administrative issues relating to program activities and human resource management. It also stated that SMT meetings are of a confidential nature. The Inspectors were provided with only one sample (1.5 pages) of a "Record of Senior Management Team Meeting (6 February 2013)". It contained a brief list of the topics raised during the meeting, without any background information or indication of decisions taken. Therefore, the Inspectors were not able to assess to what extent the SMT provides an adequate forum for strategic and collegial deliberations or improves cohesion at the senior level. The Inspectors believe that such discussions at the highest level of the organization need to be reflected in a more systematic and informative way, especially as far as the decisions taken and the rationale sustaining them are concerned. This seems pertinent for an organization that has undertaken an intense change management process and intends to continue its reform efforts.

63.   The WIPO Secretariat further commented that "SMT decisions are recorded after each meeting and shared among the members of the SMT that have the responsibility to disseminate these decisions and their rationale to the staff in the sector over which they exercise responsibility". The Inspectors also noted the Secretariat's statement that "this has been handled differently by each sector, with some SMT members briefing Directors either individually or in a group following SMT meetings".[43] This practice raises some questions as to whether SMT decisions are cascaded down to the mid-level management and the operational levels of the organization in a consistent manner to ensure alignment and coordination among sectors.

64.   The Management Meeting gathers all the directors of the organization (57 in 2013), on a bi-monthly basis, to inform them of the decisions taken by the SMT or of major ongoing or forthcoming projects. The Inspectors did not find any Office Instructions or terms of reference concerning the Management Meeting and the meetings are not covered by recorded minutes. The current size of the Management Meeting seems too large to serve as more than an information-sharing forum. In the Inspectors' view, the Management Meeting could be used, when necessary, to deliberate and take stock of the organization's delivery of its program activities and challenges and as an opportunity to break down the silos.

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[40]   WO/GA/23/7, para. 22.1 states: "The WIPO General Assembly:
(i) adopts a policy fixing a limitation to the number of mandates that a Director General may serve;
(ii) decides that that policy should limit the number of mandates to two fixed terms of six years each;
(iii) decides that the Convention Establishing the World Intellectual Property Organization (the WIPO Convention) should be amended as soon as possible to reflect the policy set out in the preceding two sub-paragraphs."

[41]   JIU/REP/2009/8: Selection and conditions of service of executive heads in the United Nations system organizations. WIPO has yet to indicate its position concerning this recommendation. In the United Nations system organizations, the length of the term of the executive heads varies from three to five years, with the majority of the organizations having four- or five-year terms.

[42]   WIPO, OI 69/2009: Senior Management Team Composition.

[43]   WIPO Secretariat's response to the JIU questionnaire for this review.

65.   The Inspectors believe that WIPO would benefit from strengthening the institutional framework of its management committees by establishing terms of reference outlining their basic functions, meeting schedules and the communication mechanisms of their decisions, as well as the rationale supporting those decisions.

The following recommendation is expected to enhance transparency and accountability within WIPO.

> **Recommendation 3**
>
> **The Director General should issue comprehensive terms of reference for the management committees by the end of 2014 and circulate them to the relevant WIPO governing bodies.**

66.   WIPO's management style is based on a "top-down" communication model and management decisions are reportedly not always communicated properly. Whereas the SRP contributed to promoting better horizontal communication, some essential meetings and communication channels continue to work on a rather informal basis. One WIPO official stressed the existence of a number of mechanisms to overcome "misrepresentation or miscommunication", but more explanation and transparency would probably secure better understanding and increased staff ownership. For example, the content analysis of Office Instructions (2008-2013) showed that many of them are general in nature and do not highlight the rationale for management decisions.

67.   In addition to the issuance of Office Instructions and other management documents, the main communication channels from management to staff are: (i) town hall meetings with staff members, four or five times a year; (ii) informal "tea meetings" that give staff an opportunity to meet with the Director General, with no pre-set agenda; (iii) various SRP communication initiatives (for example, What's new programs, Question time sessions, intranet pages, etc.). Those mechanisms for internal coordination and communication were put in place in recent years at the initiative of the current executive management team. However, according to the comments received by the Inspectors, in practice, the first two channels are perceived as a one-way flow of information, and staff are often reluctant to express their concerns. The 2012 annual report of the Ombudsperson mentioned systemic shortcomings with regard to communication and conflict management at the managerial level. The Ombudsperson mentioned a feeling of "malaise" expressed by the visitors to the Office about the organizational climate.[44] Internal communication was also underlined as an area in need of improvement by the respondents to the JIU survey. The Inspectors believe that transparent communication is a key requirement in any change management process, as it directly impacts on the engagement of staff and their level of confidence in management.

C.   Strategic Realignment Program (SRP)

68.   The 2005 JIU report recommended a desk-to-desk assessment of human and financial resources at WIPO. Commissioned in 2007, the assessment revealed key deficiencies in WIPO's organizational culture, characterizing it as not performance-oriented.[45] The GA subsequently approved a comprehensive organizational improvement program which became known as the Strategic Realignment Program.[46] The SRP was launched in 2008 and its main implementation phase ended in 2012. As stated by senior WIPO officials, the primary objective was to ensure that WIPO is a responsive, efficient organization equipped to achieve its strategic goals and to provide global leadership on IP issues. The SRP thus addressed rules and practices in internal processes with the aim of reaching standards common to the United Nations system organizations.

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[44]   WIPO Ombuds Office Statistics for 2012, final draft, 20 March 2013.
[45]   WO/GA/34/1, Annex: Desk-to-Desk Assessment of the Human and Financial Resources of WIPO, Final report (PriceWaterhouseCoopers) June 2007.
[46]   WO/GA/34/16, para. 34.

69.   The SRP was closely linked to WIPO's strategic goals, as per its Medium-Term Strategic Plan, and based on 19 initiatives, structured around four core values, namely, Service Orientation, Working as One, Accountability for Results and Environmental, Social and Governance Responsibility. The present review does not provide an in-depth evaluation of each SRP initiative, but annex III sums up the main SRP achievements, showing that it proved to be a large-scale change management initiative across various areas, some of which are referred to in specific sections of this report.

70.   The Inspectors reviewed a number of SRP-related documents prepared by the WIPO Secretariat and identified a number of aspects that are worth mentioning:

- *Leadership:* It is widely recognized that the Director General played a central role in launching the change management initiative. Each member of the SMT acted as a "SMT Champion" and assumed the leading role in one or more initiatives, while specific project leaders developed and implemented key aspects of the program. A SRP Management Office was set up and managed by a dedicated coordinator. This overall project management structure seems appropriate. The Inspectors noted that the Director General himself assumed the role of SMT Champion for five initiatives.

- *Project management*: The SRP itself used a results-based management (RBM) approach and progress was measured regularly against defined indicators and targets. Management tools, such as the roadmap, results framework, dashboards and a reporting matrix, provided an adequate framework for project management and monitoring.

- *Financial management:* Expenditures remained at the expected level of the funds allocated by Member States. In addition to mobilizing existing staff resources, the estimated cumulative costs for 2010-2011 and 2012-2013 amounted to CHF 2.97 million,[47] covering commercial services, systems and temporary personnel for specific initiatives.

- *Engagement*: The WIPO Secretariat made considerable efforts to elaborate on the SRP rationale and objectives: several town hall meetings, focused presentations, brochures and other information tools were used to raise awareness. Even with that, less than half of the respondents to the JIU survey declared that they were well-informed about the reform process and 36.6 per cent considered that they had been "somewhat informed". To measure the perception towards the program and assess the engagement of its workforce, the WIPO Secretariat commissioned a series of Core Values Surveys among its staff in 2010, 2011 and 2012,[48] which showed increasing engagement over time. The results of the Core Values Surveys helped to identify the risks and the areas of priority that needed further attention. The launch of the Core Values Surveys is a good practice that should be used as a management tool to refine the process, when necessary, but it should not serve as an indicator of achievement itself. The Inspectors believe that the Core Values Surveys created a useful overview of the SRP values within the WIPO workforce. Therefore, they should be conducted at regular intervals (every 3 years) to monitor the evolution of the values over time.

- *Reporting*: The WIPO Secretariat reported on the SRP status and successive implementation phases in various targeted ways. The quarterly progress reports to IAOC were the main reporting channel and provided basic information on its phases and developments. In particular, the Inspectors noted the sections which identified the main risks and proposed mitigating actions as a good practice. The PBC received yearly briefings, while various informal briefings were organized with Member States.

71.   There is a broad agreement among senior managers, middle-level managers and staff interviewed that the SRP was timely and contributed to a significant evolution in the management and

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[47]   WIPO, Final Report on the Implementation of the WIPO Strategic Realignment Program (May 6 2013), para. 33.

[48]   WIPO, Core Values Survey, Analysis Report (Dalberg Global Development Advisors, March 2013).

administration of WIPO. The WIPO Secretariat presented its assessment of the SRP and a description of its key results in a final report to the 21st session of the PBC and the 43rd session of the GA (2013).[49] In that report, Service Orientation and Accountability for Results were identified as two areas in which the best progress had been achieved; and Working as One was flagged as requiring further attention. However, the final report mostly provided a description of the main achievements rather than a critical self-evaluation of the program and its results.

72.   WIPO senior management is now facing the challenge of converting a four-year change management initiative into a continuous process of improvement of the WIPO corporate culture and working practices. To help achieve this objective, the Inspectors recommend a series of internal evaluation of the SRP, notably illustrating concrete examples of positive changes, good practices and lessons learned, in particular in the areas of risk management, ethics and business continuity,

The following recommendation is expected to contribute to the dissemination of good practices within WIPO.

Recommendation 4

The Director General should request the Internal Audit and Oversight Division to include in its workplan a series of evaluations of the Strategic Realignment Program (SRP) initiatives and their results to capture lessons learned, thus supporting WIPO management during the next phases of the reform process of the organization.

D.   General management and administration

73.   Another major development occurred between 2009 and 2010, with the consolidation of the administrative and management functions under a single Administration and Management Sector (AMS) headed by an Assistant Director General.[50] The AMS comprises most of the departments that provide support and administrative services: finance and budget; resources planning; general support services (such as procurement and travel); information and communication; conferences and language services; safety and security; and construction projects. Before the internal restructuring, those functions were separate, with corresponding consequences in terms of coherence and coordination. A notable exception is the Human Resources Management Department, which, since 2012, reports directly to the Director General, an administrative arrangement that is not common in the United Nations system. Although the original intention apparently was to emphasize the strategic importance of human resources management within WIPO, this set up may not be appropriate in the long-term.

74.   The JIU survey sought the views of WIPO staff on the overall quality of some of the support services provided by AMS. Roughly half of the respondents were satisfied with those services (see figure 3). Procurement and travel are discussed more specifically below, considering their cost-saving potential. The Inspectors' review is based on recent JIU system-wide reports focusing on those matters.[51]

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[49]   WO/PBC/21/10: Final report on the implementation of the WIPO strategic realignment program; WO/GA/43/20: Final report on the implementation of the WIPO strategic realignment program.

[50]   WIPO, OI 28/2010: Reorganization: Administration and Management Sector; OI 42/2013: Internal Organization of WIPO.

[51]   JIU/REP/2010/2: Review of travel arrangements within the United Nations system; JIU/NOTE/2011/1: Procurement reforms in the United Nations system; and JIU/REP/2012/9: Lump-sum payments in lieu of entitlements.

Figure 3: Opinions of WIPO staff on the quality of operational support services (in per cent)

I think the following operational support services are of good quality				
	Yes	Somewhat	No	No opinion
Travel	45.2	18.6	3.7	32.6
Conference services (including interpretation)	51.3	12.1	1.3	35.2
Translation	53.9	14.7	3.3	29.0
Procurement*	30.5	23.5	6.4	39.6

Source: JIU survey, Question 24
*2012 WIPO survey collected 58 per cent of positive responses among the 200 staff/users responsible for procurement activities in the organization

Procurement

75.   Since 2009, the Procurement and Travel Division (PTD) (24 staff members) has been responsible for the strategic and operational activities related to procurement contracts, purchasing and travel. The Inspectors noted the existence of guiding principles and ethical rules for procurement staff and other officials who are involved in procurement activities, with a view to preventing conflict of interest or unethical behavior. With respect to inter-agency coordination, PTD is actively engaged in the initiatives of the Common Procurement Activities Group (CPAG) and the United Nations Global Marketplace.

76.   Procurement is a management area with policy guidance that clearly sets out the basic rules for procurement activities, for example, best value for money, broad competition, integrity and transparency and prudent commercial practices. All of these are aligned with the accepted practices in United Nations system organizations.[52] WIPO has a procurement manual which lays out the details of the bidding and tender process and the corresponding delegations of authority. WIPO adheres to the United Nations Secretariat Suppliers Code of Conduct.

77.   In 2012, WIPO purchased goods and services for a total amount of CHF 119,352,745. About 95 per cent of the total procurement value was related to services, mainly building-related items (35.4 per cent), translation (18 per cent) and consulting services (14.3 per cent).[53] Due to WIPO's organizational growth and a high level of low-value purchases, the number of orders multiplied by 2.4 per cent between 2006 and 2012. That represents a significant increase in the number of transactions that have to be initiated and monitored. Efficiency gains were permitted through the Enterprise Resource Planning system (ERP) that enabled the WIPO Secretariat to streamline some internal processes and replace paper-based workflows with better centralized electronic processes.

78.   WIPO has established a Contracts Review Committee (CRC), which has a clear and documented mandate to review procurement-related contracts and render written advice to the Deputy Director General, designated by the Director General as responsible for the procurement function at WIPO. The Committee is composed of high-level officials, primarily at the ADG and DDG levels.[54] The Inspectors noted that the number of cases presented to the CRC has remained stable since 2009, despite a change of the threshold for its review (from CHF 100,000 over a period of three years to the same amount per year). In addition to reviewing compliance of high-value contracts with procurement

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[52]   WIPO, OI 21/2006 Rev.: Procurement and purchase: General principles, framework and procedures; and OI 53/2009: Amendments to Office Instruction No. 21/2006 Rev.
[53]   WIPO, Report on Procurement Activities in 2012 (March 2013).
[54]   WIPO, OI 21/2006 Rev: Procurement and purchase: General principles, framework and procedures, OI 53/2009: Amendments to Office Instruction No 21/2006 Rev: Procurement and purchase general principles, framework and procedures.

rules and procedures, the CRC also advises the Deputy Director General when it is in the interest of the organization to use informal methods (waivers) of solicitation, instead of a competitive process.

79.   A number of procurement-related issues were raised by the WIPO Internal Audit section in 2011, including the lack of organization-wide procurement planning and coordination.[55] The Inspectors were informed of the development of a unified corporate procurement catalogue, which became available at the end of 2013. The procurement planning process could further benefit from increased coordination among the various departments and PTD, notably by announcing procurement needs at an early stage. **In that spirit, the WIPO Secretariat should include information on planned procurement at an early stage in the development of the divisional/departmental workplans. Information should be fed to the PTD for consolidation into an organization-wide procurement plan, in order to avoid administrative inefficiencies and duplications and achieve considerable cost savings.**

80.   The technical nature and special knowledge required for financial and legal issues, and tendering and bidding processes makes specific training a key element in the area of procurement. The Inspectors welcome the fact that PDT started to take measures for further professionalization of its staff, notably by collaborating with the United Nations Development Programme (UNDP) and the Chartered Institute of Purchasing and Supply (CIPS).

Travel

81.   Travel costs represent a considerable budget line at WIPO, amounting to CHF 45.71 million during the biennium 2010-2011 (last consolidated data available at the time of finalization of this report). That amount represented 7 per cent of the total WIPO budget for that period. IAOD noted the increase in the total number of air tickets purchased (from 4,915 in 2009 to 6,709 in 2011), which resulted in travel costs exceeding the approved travel budget by approximately 17 per cent.[56]

82.   The revised Policy on Travel and Related Expenses (2012) contained several measures to align WIPO's travel standards with those of the United Nations system organizations, such as restricting business class travel to flights of more than nine hours, advance deadlines for purchasing air tickets (10 days), use of online bookings to reduce transaction costs.[57] WIPO also took measures to reduce the number of staff attending the same professional or substantive events.[58]

83.   The change in rules governing travel and related entitlements are welcome but they are yet to be fully aligned with prevailing United Nations practices in some respects. For example, the rules and arrangements for home leave of staff members at WIPO have differed considerably from those at other United Nations system organizations for many years. When opting for the lump-sum payment, staff of the United Nations Secretariat receive 75 per cent of the least restrictive economy-class fare, whereas WIPO was granting its staff 80 per cent of the full business-class fare. Furthermore, the lump-sum arrangements for home leave were not based on a formal policy but rather reflected the existing practice that had developed at the WIPO Secretariat over the years. IAOD recommended, in 2009 and in 2012, that the United Nations Secretariat standards be adopted.[59] The Inspectors were informed that a new policy had been issued in March 2014, and was expected to be implemented as of May 2014. That policy appears better aligned with the United Nations standards, but the Inspectors note that staff are still eligible for DSA for home leave, which is not generally the case for this entitlement. They also noted that the transitional measures, which are foreseen up to 2015, in effect, postpone its full implementation for almost two years.

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[55]   WIPO, IA/03/2011: Internal Audit Report: Review of Procurement Activities.
[56]   WIPO, IA/03/2012: Internal Audit Report: Review of Travel and Mission Support.
[57]   WIPO, OI 16/2012: Official Travel and Related Expenses.
[58]   WO/PBC/21/19: Report on the Implementation of Cost Efficiency Measures.
[59]   WIPO, IA/01/2009: Audit of Travel and Mission Support in WIP; and IA/03/2012: Review of Travel and Mission Support.

E.   Internal controls and risk management

84.   In 2012, the IAOC recommended that the reinforcement of corporate internal controls and risk management at WIPO be addressed as a matter of priority: "an internal controls system does exist at WIPO but certain practices remain informal, ad hoc and unsystematic. IAOC also found that the understanding and appreciation of these concepts vary across the organization".[60] As part of SRP Initiative 15 (Strengthen Risk Management and Internal Controls), the Risk Management and Internal Controls Board was established to supervise the said initiative.[61] The WIPO Secretariat contracted a company to assist in the development and implementation of internal controls within a corporate enterprise risk management framework. The objective was to increase confidence in the proper application and implementation of internal rules and procedures.

85.   In his statement to the Assemblies in September 2013, the Director General indicated that further work remains to be done on the initiatives concerning internal controls.[62] The WIPO Secretariat expects that the ERP functionalities will provide appropriate tools to ensure compliance with the Financial Regulations and Rules as well as the International Public Sector Accounting Standards (IPSAS). To support WIPO's work in this area, the Inspectors refer to the 2010 JIU report on Enterprise Risk Management as well as to the 2011 JIU report on Accountability Frameworks, which advocated the certification of internal controls by the executive heads as one of the main elements to be considered.[63]

86.   In the risk management area, the Inspectors noted a number of positive developments:

- The risk management portfolio now contains a number of key relevant documents, even though some are not yet finalized, including the Risk Management Roadmap, Risk Policy (2012 draft), Risk Manual, etc.

- Progress has been made in integrating risk management into the annual workplans of the sectors with specific sections on risk identification and risk mitigation in the 2014-2015 Program and Budget.

- The recruitment of a Risk and Controls Compliance Specialist to advise and facilitate the embedding of risk management and internal controls processes into the work of the organization, even if it is only a consultant position (Special Service Agreement) for a limited period of time.

- Program managers, since 2009, have been asked to sign a representation letter for the preparation of the financial statements which enhances accountability. The WIPO Secretariat indicated that the scope and coverage of this self-certification process will continue to be expanded.

- WIPO received the ISO 27001 certification (International Standard for Information Security Management) in November 2013, which is an important achievement given the relevance of IT security and IT management systems for the organization.

87.   As emphasized in its terms of reference, the Risk Management and Internal Controls Board mainly acted as a "project board" to guide the SRP initiative and oversee the work of the consulting company at each phase of the project. The analysis of the minutes of the Board (minutes of three meetings were provided to the Inspectors) did not enable the Inspectors to determine the type of strategic discussions held there on risk management. The Inspectors recommend enlarging the

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[60]   WO/PBC/19/10: Report of the WIPO Independent Advisory Oversight Committee.
[61]   WIPO, OI 37/2012: Establishment of a WIPO Risk Management and Internal Controls Board.
[62]   WIPO, Report of the Director General to the WIPO Assemblies 2013.
[63]   JIU/REP/2010/4: Review of enterprise risk management in the United Nations System: Benchmarking framework; and JIU/REP/2011/5: Accountability frameworks in the United Nations system.

mandate of the Board to equip WIPO with a risk management committee, as mentioned in the draft Risk Policy that should be issued as soon as possible.

The following recommendation is expected to enhance the effectiveness of risk management at WIPO.

Recommendation 5

The Director General should finalize, by the end of 2015, and regularly update the WIPO Risk Policy and all the elements of a comprehensive risk management framework.

IV.   RESOURCES, PLANNING AND BUDGETING

A.   Financial framework

88.   WIPO's funding modalities and budgetary process are unique in the United Nations system. Unlike other entities, WIPO receives significant financial resources, independent of the contributions from its Member States. This model has provided WIPO with opportunities to grow over the past years, as shown in figure 4. However, this funding structure also represents a risk for the organization, as it remains heavily reliant on sources of revenues that are hard to predict.

89.   While Member States have always contributed to the costs of the organization, that share is minimal. In 2010-2011 (latest final figures available), such assessed contributions represented 5.9 per cent of WIPO's income. In the budget adopted for 2014-2015, the income section amounted to CHF 713.3 million. Assessed contributions (CHF 35.2 million) decreased to 4.9 per cent of total income, while the revenues expected from services (registration systems, arbitration/mediation) rendered by WIPO to its various categories of stakeholders and clients reached 94.2 per cent. Publications and other activities represent less than one per cent of total income.

Figure 4: Evolution of WIPO income and expenditure (2008-2009 to 2014-2015) (in millions of CHF)
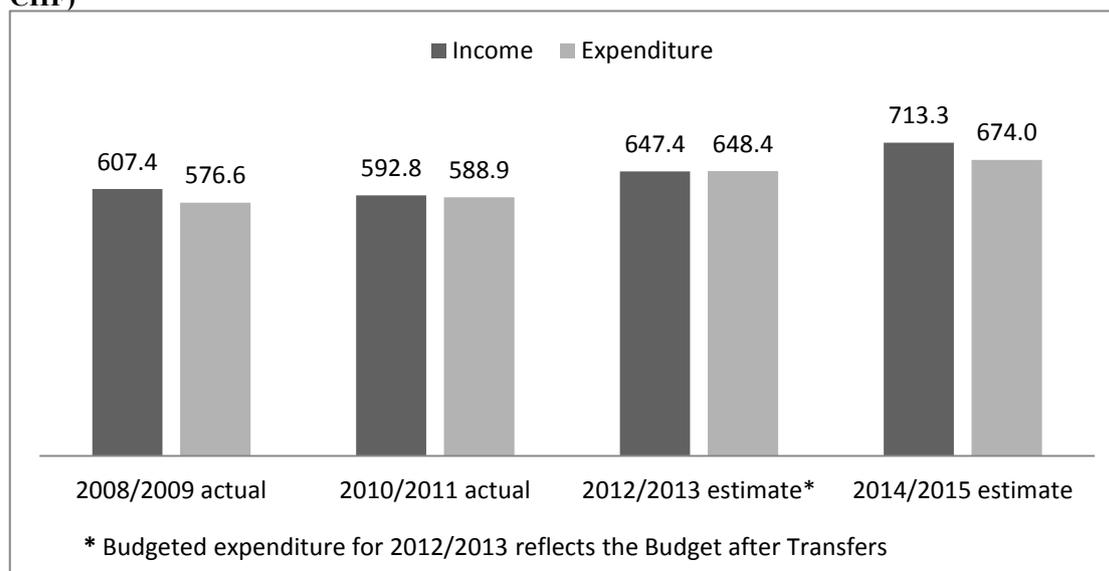
Source: Prepared on the basis of respective WIPO Program and Budget documents and information provided by the WIPO Secretariat

90.   The WIPO Program and Budget is an extensive document of more than 200 pages, which presents a consolidated view of the budget of the organization and broken down by program costs. In conformity with a 2007 Member States decision,[64] the Program and Budget is generally compliant with IPSAS requirements and recommendations (since January 2010). While the Inspectors welcome the extensive information provided in the Program and Budget and note the improvement in recent documents, they are of the opinion that there are opportunities for further streamlining the presentation of financial information in a more consistent and congruent manner so as to enable Member States to better understand its

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[64]   WIPO, A/43/5: International Public System Accounting Standards (IPSAS); and A/43/16: General Report, para. 255.

rationale and access relevant information easily (for example, cross-referencing, consistency in comparisons, verifications to avoid factual errors). This would enable Member States to have a clearer vision of the strategy as translated into the Program and Budget.

91.   Revenues are unevenly generated by the main types of services provided by WIPO. Figure 5 shows that, for 2014-2015, approximately 76.5 per cent of revenue corresponds to estimated income from fee-paid services provided through the Patent Cooperation Treaty (PCT), while the Madrid and Hague Systems generate 18.1 per cent of the resources. This income structure reveals a high dependence on the PCT system.[65] It should also be noted that the Madrid system for registries is based on initial payment and revolving fees for maintenance, while the PCT operates a one-time filing fee only. This may represent a challenge in the medium and long-term. An additional risk is that WIPO predominantly relies on service fees that are set in nominal terms and are thus subject to the uncertainty of exchange rates. **In order to diversify its financial resources, the Inspectors call on the WIPO Secretariat to finalize and present to Member States the Resource Mobilization Strategy that has been under discussion since 2008, including the voluntary funds-in-trust arrangements with donor countries**.

Figure 5: Sources of revenues (2014-2015 estimates) (in per cent)
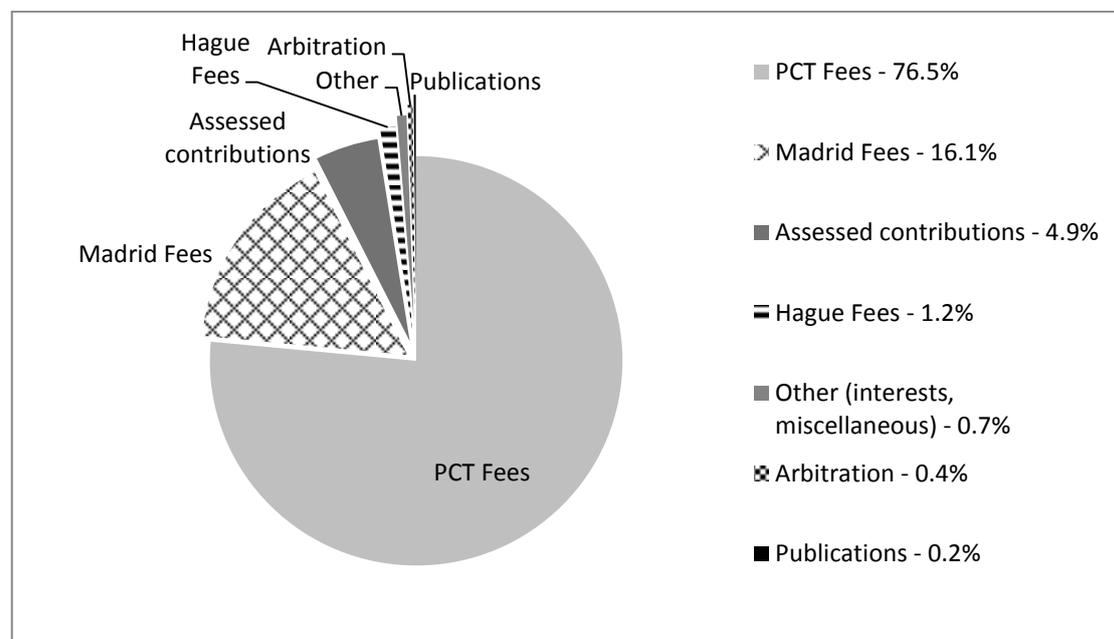
Source: Prepared on the basis of WIPO Program and Budget for 2014-2015, page 16

92.   The income generated by each registration system is spent on a range of programs and activities that are not always connected to the subject matters to which the fees relate. The analysis of the allocation of resources for 2014-2015 to WIPO's respective strategic goals indicates that the programs of Strategic Goal II (Global IP Services) have the largest share (41 per cent), closely followed by programs under Strategic Goal IX (Administration), which consumes 31.5 per cent of WIPO's total resources. The Inspectors note that, despite the implementation of the SRP, which aimed to increased organizational efficiency, management and administration still consume more resources than WIPO's seven other substantive goals.

93.   The elaboration of the Program and Budget benefits directly from the advice of the Chief Economist who has a crucial role. He provides economic analysis and financial

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[65]   WIPO, A/49/5: Program and Budget for the 2012/13 biennium.

forecasts, based on sophisticated in-house developed econometric models, to identify economic trends and produce income projections. The scenarios produced by this in-depth analysis serve as the basis for senior management to finalize the proposed biennial Program and Budget. This process has worked well for WIPO.

94. Once the overall amount of the resource envelope is identified, the allocation of resources was described by WIPO management as a collaborative and communicative approach, involving executive management and program managers. That process starts with the key priorities set by the Director General and the SMT who are central to the process, and interact with each unit preparing and submitting workplans and budgets. The bulk of resources is allocated to Strategic Goal II (Provision of Premier Global IP Services) which is also the foundation of the organization's financial sustainability, as it is directly linked to the PCT (Program 5), the Madrid and Lisbon systems (Program 6) and the Hague system (Program 31) and, thus, is of critical importance, as stressed by WIPO senior management.

Figure 6: Resource allocation by WIPO Strategic Goals (2014-2015)

Strategic Goals	Title	Budget (CHF thousands)	Percentage to total
I	Balanced Evolution of the International Normative Framework for IP	24,072	3.5
II	Provision of Premier Global IP Services	276,364	41
III	Facilitating the Use of IP for Development	65,098	10
IV	Coordination and Development of Global IP Infrastructure	45,457	6.8
V	World Reference Source for IP Information and Analysis	6,402	1
VI	International Cooperation on Building Respect for IP	1,553	0.2
VII	Addressing IP in Relation to Global Policy Issues	6,433	1
VIII	A Responsive Communications Interface between WIPO, its Member States and All Stakeholders	32,885	5
IX	An Efficient Administrative and Financial Support Structure to Enable WIPO to Deliver its Programs	211,004	31.5
	Total	**673,993***	**100**

* Including the proposed budget for unallocated CHF 4,727
Source: Prepared on the basis of WIPO Program and Budget (2014-2015), page 14

95. Some of the United Nations entities have created corporate committees to oversee the strategic prioritization of all their resources and the allocation thereof. In the Inspectors' opinion, such a committee at WIPO could contribute to enhanced transparency in the use of resources and in the overall financial management, and could make recommendations to the executive head, thereby ensuring a robust corporate approach.

96. The biennial Program and Budget is prepared one to two years in advance of its implementation. WIPO's business model makes it necessary to adjust allocations according to actual income; therefore, such a committee would also be useful when prioritization of adjustments is necessary. **The Inspectors believe that the Director General should consider the creation of a resource allocation committee to enhance transparency and the participation of different sectors in the resource allocation process.**

B. Strategic planning and results-based management

97.	The elements of strategic planning at WIPO and the reporting thereon are presented in figure 7. That framework which is comparable to the pattern of strategic planning used in other United Nations system organizations is comprised of the following elements: (a) the Medium-Term Strategic Plan (MTSP) (2010-2015) noted by WIPO Assemblies, which structures all activities around nine strategic goals; (b) the biennial Program and Budget prepared by the WIPO Secretariat, and reviewed and adopted by the PBC and the Assemblies, respectively, which consists of programs covering technical, administrative and substantive activities; and (c) the plans of action developed by each WIPO program unit, which serve as the basis for staff members' individual plans.

Figure 7: Main elements of strategic planning at WIPO

Medium-Term Strategic Plan	2010-2015	9 strategic goals
Program and Budget	2010-2011 2012-2013 2014-2015	29 programs 29 programs 31 programs
Sectoral workplans	Annual	
Individual workplans (staff)	Annual	

98.	When the MTSP was prepared, Member States indicated that they may decide to conduct a mid-term review of its implementation. Such a review did not take place. **The Inspectors stress that the elaboration and mid-term review of strategic plans is an opportunity for WIPO Member States to provide their vision for the organization and guide the work of the Secretariat from a strategic perspective.**

99.	Results-based management (RBM) was introduced in 2010 to link MTSP goals, main programs and staff's annual workplans. The responsibility for RBM implementation remained within a specific office for several years in order to develop appropriate tools and processes in a coordinated and phased approach. RBM functions are now embedded in the Program Performance and Budget Division (under AMS), which was set up following an organizational restructure in 2013.[66]

100.	At WIPO, RBM is based on several main management tools: the WIPO RBM Framework; the biennial Program and Budget which provides indications of the goals and activities related to the resources; and the annual Program Performance Report which provides an assessment on WIPO's activities and achievements. The WIPO Secretariat also indicated the ERP benefits of increasing the transparency of programmatic activities and facilitating more efficient monitoring of resources.

101.	The recent Program and Budget (2012-2013 and 2014-2015) and Program Performance Reports (2012) have improved with regard to the description of programs and activities, the identification of expected results and their related indicators, together with baselines and targets. However, the Inspectors consider that the interface between those two documents could be further improved. The presentation of both documents should be refined to enable a straightforward comparison between targets included in the Program and Budget and the

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[66]	WIPO, OI 42/2013: Internal organization of WIPO.

results as presented in the Program Performance Report, thereby enabling better reporting on the achievements of the programs.

102. The program performance criteria of each expected result are defined in the Program and Budget approved by the Assemblies which provides Member States with the selected indicators. In 2012, comments made by Member States that reviewed the Program Performance Report in the PBC resulted in intense discussions concerning the methodology, the indicators used and the factual information included in the PPR.[67] **The Inspectors invite Member States to further contribute, at the planning stage, to the definition of activities that would be most relevant for WIPO and to monitor their implementation.**

103. The JIU study of the performance indicators revealed that their quality and relevance require further attention: some indicators are presented with vague or no baseline information, due to the lack of sufficient data from previous years; and others are general in nature, mostly at the level of activities or are reliant on subjective assessments. There are not enough outcome indicators that would provide better information on the impact achieved by WIPO's activities. The Inspectors also noted that the set of indicators for some programs were changed significantly for 2014-2015. This shows that the performance measure approach is being continuously developed, but it also raises some concerns about the relevance and robustness of the indicators that were previously used. The Inspectors encourage the WIPO Secretariat to continue to move the organization from primarily measuring activities and outputs to measuring outcome results. This idea was included in the IAOD Summary Annual Report 2012-2013, which stated that "WIPO could make more use of specific, measurable, achievable, relevant and time-bound (SMART) performance and outcome indicators to measure the effects of projects and activities"[68].

104. The Program Performance Report is based on self-assessment by WIPO program managers. In an attempt to strengthen the validity of such self-evaluation, IAOD carries out a biennial validation of samples of the data used by program managers to assess performance. This is a good practice that should be expanded as much as possible. To support managers in fulfilling this task, adequate guidance and training should also be part of the RBM training to enable managers to report on the performance of their unit/division/department in a meaningful way.

105. In the Inspectors' view, RBM has allowed WIPO to make a step towards prioritization of its substantive activities, improved planning and reporting and more transparent monitoring of program progress. However, this area requires more attention as suggested by the analysis of the Program and Budget and the Program Performance Report and as confirmed by the responses to the JIU survey, which showed that only approximately 60 per cent of respondents were familiar with the concept of RBM. **Building on the training programs delivered in recent years to SMT members, directors, managers, coordinators, administrators and support staff to enhance the results-based culture in the organization, constant communication and training remains necessary to ensure that RBM is seen by staff members as an adequate management tool.** The series of JIU reports on RBM provide a framework and benchmarks that could be relevant in the WIPO context.[69]

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[67] WO/PBC/20/2 Rev.: Program Performance Report for 2012.
[68] WO/PBC/21/17: Summary Annual report of the Director of the Internal Audit and Oversight Division, para. 14.
[69] JIU/REP/2004/5: Overview of the series of reports on managing for results in the United Nations system.

C. Enterprise Resource Planning (ERP) System

106. In 2003, WIPO began the implementation of its Administrative Integrated Management System (AIMS), which was initially comprised of finance and budget reporting modules, and subsequently complemented by procurement and asset management modules. As a key component of the SRP, the implementation of additional modules, such as human resources (HR) management, performance management, RBM, customer relations management, was envisaged. In 2010, the GA approved the Secretariat's comprehensive and well-designed proposal to implement a full-fledged Enterprise Resource Planning (ERP) System over a five-year period with an approved financial framework of approximately CHF 25 million, including application hosting, software acquisition, project personnel, external implementation partner fees, training and communication and other costs.[70]

107. The ERP implementation was governed by the Information and Communication Technology (ICT) Board at the strategic level, and coordinated by an ERP project management office at the operational level.[71] The first phase of implementation was an integral part of the SRP because of its relation to several of its initiatives. For the successful maintenance and enhancement of the ERP system, the WIPO Secretariat should develop sustainability plans to ensure that its ERP system is closely aligned with its medium- and long-term strategic plans, and can be adapted to evolving business needs and technology.

108. The WIPO Secretariat reports regularly to the PBC on the ERP implementation and provides an overview of progress and budget utilization. Those reports give a detailed overview as the information on costs is broken down by main areas (human resources, etc.) and main elements (software, communication, training, etc.), and complemented by budgetary projections. That reporting process has improved over the past years and now includes additional information, such as project achievements in relation to their milestones. **The Inspectors suggest continued enhancement of the reporting modalities to allow for better monitoring and understanding of the status of the ERP implementation as well as future corporate projects.**

109. WIPO managers responded positively to the ERP system, praising its ability to provide updated information on resource allocation and financial management. At the same time, the Inspectors noted that respondents to the JIU survey mainly rated the ERP benefits with respect to streamlined workflows and access to information as negative or limited. This reveals a considerable gap between the perception of managers and staff, which needs to be addressed, as it is obvious that the full benefits of the ERP will only appear gradually and are very much dependent on the way the system is used in-house**. Therefore, the WIPO Secretariat should ensure that the nature, purpose and actual outputs of the ERP system are clearly explained, in particular through extensive training of front-end users, who are key to the successful implementation in the medium and long term, and for optimal use of system capabilities.** In that context, the Inspectors note the training organized by the WIPO Secretariat in 2011-2012. They were also informed that an Associate Training and Communications Officer joined the WIPO Secretariat to make ERP training more focused and consistent, and to mainstream the training into regular operations so as to ensure sustainability in the medium and long term.

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[70] WIPO, A/48/14: Proposal for the Implementation of a Comprehensive Integrated Enterprise Resource Planning (ERP) System; WO/PBC/15/17, Annex: Proposal for the Implementation of a Comprehensive Integrated Enterprise Resource Planning (ERP).

[71] WO/PBC/19/14: Progress report on the Implementation of a Comprehensive Integrated Enterprise Resource Planning (ERP), para. 25.

D.   Other financial issues

110. *Financial management.* The External Auditor issued an unqualified opinion on the financial statements for the period ending 31 December 2012, considering that the financial position of WIPO and its financial performance during the period from 1 January 2012 to 31 December 2012 were fairly represented. However, noting that the WIPO Secretariat made a number of improvements in its financial statements and notes, the External Auditor flagged a number of difficulties and risks in terms of financial management and treasury activities, for example, the absence of a Treasury and Cash Management Policy. **The Inspectors urge the WIPO Secretariat to take action to implement the recommendations on this matter.**

111. *Reserves and investment.* Since WIPO does not automatically spend all of its revenues and may generate surplus funds, there is an opportunity for investments and reserves. WIPO reinforced its capacity to plan and scrutinize its financial investments, firstly by the approval of a policy on investments, as recommended by the Program and Budget Committee [72] and, secondly, by the institutionalization of the Advisory Committee on Investments in 2013.[73] Similarly, WIPO has an accepted framework concerning the management and use of its reserve funds.[74] The Inspectors noted that, in 2010, Member States adopted the principles to be applied in respect of the use of the reserve.[75]

112. *Cost-savings measures*. In 2012-2013, WIPO implemented a series of cost efficiency measures in response to Member States requests to reduce WIPO expenditures by CHF 10.2 million.[76] The WIPO Secretariat proved innovative in this exercise and identified several areas where increased efficiency could lead to savings, including the adaptation of travel policies, the streamlining of premises management, the adaptation of the honoraria policy with regard to experts and lecturers, adjustments in the internship programs, and the rental of premises and equipment during conferences. The WIPO Secretariat has reported to the PBC and the Assemblies on the principal measures implemented and on the achieved savings and future expectations. Those reports were useful as they presented a compilation of measures taken although they could have better emphasized their rationales.

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[72] WIPO, OI 33/2011: Policy on Investments (adopted at the 49th session of the Assemblies).
[73] WIPO, OI 30/2013: Composition of the Advisory Committee on Investments.
[74] WIPO, OI 40/2010: Policy on Reserves and Principles Applied in Respect of the Use of Reserves.
[75] WIPO, A/48/9 Rev.: Policy on Reserve Funds and Principles Applied in Respect of the Use of Reserves.
[76] WO/PBC/19/9: Financial Overview for 2012: Progress report on the Implementation of Cost Efficiency Measures; and WO/PBC/21/19: Report on the Implementation of Cost Efficiency Measures.

V. HUMAN RESOURCES MANAGEMENT

A. WIPO workforce

113. At present, the workforce at the WIPO Secretariat exceeds 1,200. Following the revision of the contractual framework in 2013, four types of contracts can be granted to WIPO staff: permanent, continuous, fixed-term or temporary, at either the director, professional or general services levels. In 2012, the Coordination Committee approved the revision of the WIPO Staff Regulations and Rules (SRR) (with the exception of two chapters, which were subsequently adopted in September 2013) applicable to all categories of staff.[77]

114. The organization also relies on non-staff resources, such as short-term translators, consultants and contractees on Special Services Agreements. Further to the External Auditor's comments, the WIPO Secretariat issued an umbrella policy on Individual Contractual Services (ICS), providing a contractual framework for those categories, in December 2013.[78] That development is welcome insofar as it will contribute to the clarification of the rules applicable to those categories of staff and maintain recourse to such expertise and the associated costs to a reasonable level. The WIPO Secretariat also offers internship and fellowship programs.[79]

115. In 2012-2013, WIPO personnel expenditures represented 63.3 per cent of its total expenditures. Figure 8 compares the ratio of personnel expenditures to total expenditures for the years 2008-2009, 2012-2013 and 2014-2015. The Program and Budget for 2014-2015 provides for an increase in these expenditures, which is a matter of concern given that WIPO Member States have repeatedly requested the WIPO Secretariat to limit the growth of staff expenditures.

Figure 8: Overview of personnel expenditures at WIPO (2008-2009, 2012-2013 and 2014-2015)

	2008-2009	**2012-2013 (estimate)**	**2014-2015 (estimate)**
Personnel expenditures (CHF millions)	400.7	410.7	447.0
WIPO expenditures (CHF millions)	576.6	648.4	674
Percentage of personnel expenditures	69.4%	63.3%	66.3%

Source: Prepared on the basis of WIPO Program and Budget documents and information provided by the WIPO Secretariat

116. Figure 9 below provides an overview of the categories of personnel and their evolution from 2008 to 2013. The total workforce has remained stable but the revision of the contractual framework and the subsequent contractual regularization exercise resulted in an increase in posts and a decrease in temporary staff (by one third). The figures also show that there has been an increase in managerial positions at the director level, which WIPO explained as being the direct consequence of its business requirements and the need to attract the highest level of expertise.

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[77] WO/CC/66/2: Revision of the Staff Regulations and Rules; and WO/CC/67/3 and Corr.: Revision of the Staff Regulations and Rules.
[78] WIPO, OI 45/2013: WIPO Policy on Individual Contractual Services (ICS).
[79] WIPO, OI 31/2013: WIPO Internship Policy; and OI 14/2013: WIPO Fellowship Policy.

Figure 9: Overview of WIPO workforce composition in 2008 and 2013, by category (in numbers)

Staff in posts	2008*	June 2013**
Director and above	51	64
Professional	406	434
General Services	477	515
Staff in other funded posts	9	17
Total staff in posts	**943**	**1,030**
Temporary staff and non-staff		
Temporary Professional (staff)	n/a	76
Temporary General Services (staff)	n/a	103
Short term (GS, T and R)	224	n/a
Short-term (SLC, Consultant, S/T GS, T, non-staff)	n/a	17
Consultant, S/T GS, T	92	n/a
New Fellows (ex-SLC, non-staff)	n/a	15
Other non-staff (consultants, interns, agency personnel)	n/a	39
Total	**1,259**	**1,280**

*Source: * Information provided by the WIPO Secretariat; ** Information contained in WO/CC/67/2, HR annual report 2013*

117. A risk assessment of its workforce, conducted by WIPO, flagged the insufficient alignment of the workforce with its business needs.[80] Several high-level WIPO officials candidly expressed the difficulty of attracting fresh talent to respond to the challenges arising from the growing activities in markets which require constant changes in IP expertise. The significant proportion (61.7 per cent as of June 2013)[81] of individuals holding a permanent contract (which implies long tenure of service and low staff turnover), combined with relatively low rate of foreseen retirements over the next five years, leave little room for the renewal of expertise and skills.

118. WIPO is in a trend of outsourcing certain services (for example, translation, security and IT), which may change working relations and introduce some differences of status within the WIPO workforce. The WIPO Secretariat indicated that outsourcing was a part of its business model to address its business needs in a cost-effective and flexible manner. The Inspectors stress the need for a solid cost-benefit analysis of all options for the delivery of services which should be linked to the medium and long-term corporate strategy of the organization.

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[80] WIPO, Internal Risk Register, showing relevant risks within Program 23 (HRMD).
[81] WO/CC/67/2: Annual Report on Human Resources.

B.   Overview of human resources

119.   The 2005 JIU review identified several problems in the area of human resources management, such as the absence of an overarching strategy with regard to recruitment practices, the reclassification of posts and the granting of personal promotions. **The WIPO Secretariat has made considerable efforts to strengthen its human resources regulatory framework and better align with the principles applied in other United Nations system organizations.** Before and after the revision of the SRR, the WIPO Secretariat issued an impressive amount of Office Instructions which revised the human resources management guiding principles, rules and procedures.[82] Those instructions now have to be mainstreamed within the organization in order to foster ownership by managers and staff, before a complete assessment of their impact can be made. WIPO senior management acknowledged that "it is a work in progress in a critical area".

120.   The JIU survey and the interviews conducted by the Inspectors during this review showed that human resources management still raises concerns. In particular, the changes affecting personal status, established rules and working procedures may usually generate tensions and frustration among staff. The **WIPO Secretariat should therefore be attentive to the implementation modalities of any HR reform.** The Inspectors noted a positive perception by staff with regard to the issuance of practical guidelines and information sessions offered by HRMD to support the implementation of the new policies.

Figure 10: Opinions of WIPO staff regarding the implementation of HR policies, by category (in per cent)

I think HR policies are implemented in a consistent and transparent manner in WIPO				
	Yes	**Somewhat**	**No**	**No opinion**
P5 and above	22	33.9	39	5.1
P1-P4	8.3	26.6	56	9.2
GS1-GS7	16.5	17.4	59.1	7
All staff	14.8	23.7	53.7	7.8

Source: JIU survey 2013, Question 31

121.   For many years, the reporting of HR issues to Member States was insufficient and lacked consolidated statistics. Since 2011, the quality of reporting has improved, as demonstrated by the HR annual reports presented to the Coordination Committee which include a set of statistical data on HR-related matters.[83] Although that was a timely initiative, the analysis and conclusions could be further developed to provide Member States with a more profound insight and understanding of HR issues. The Inspectors take note of WIPO's intention to further improve its reporting capacity to provide comprehensive HR information to better support strategic decision-making in this area.

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[82]   WIPO, OI 19/2009: Launch of the New Performance Management and Staff Development System (PMSDS); OI 13/2011: Promotion; OI 38/2011: Refinement of the PMSDS; OI 76/2012: Refinement of the PMSDS, Part II; OI 03/2013: Permanent and Continuing Appointments; OI 04/2013: Appointment Boards and Rules of Procedure; OI 34/2013: Internal Mobility through Lateral Transfer; OI 35/2013 and Corr. WIPO Rewards and Recognition Program – 2013 Pilot.

[83]   WO/CC/67/2: Annual Report on Human Resources, Annex I.

122. The first WIPO HR strategy (2007-2012) was developed following a specific recommendation made by the JIU in 2005.[84] While such a strategy for managing human resources was a positive development, it seems that it has had limited influence on actual practices: few references to the strategy were found in the HR annual reports for 2011 and 2012, and no strategy updates were noted, despite the fact that at the same time the SRP touched on many HR-related issues. The Inspectors also noted the absence of a comprehensive evaluation of the strategy.

123. In September 2013, WIPO Secretariat introduced to the Coordination Committee a revised HR strategy for 2013-2015.[85] While it is too early to assess its impact, the Inspectors welcome this document, which consolidates a number of pending aspects into a single framework and represents a positive step in providing guidance for subsequent targeted initiatives. In particular, the Inspectors welcome the fact that it took into account both the WIPO business model and the international IP environment to increase its relevance. This approach should be further developed and more elements and concrete proposals should be incorporated to ensure the alignment of WIPO staff with its activities and services (for example, technical expertise, soft skills, language). **The Inspectors recommend that the HR strategy be updated periodically in the light of developments at WIPO and changes in priorities, and that its implementation be regularly reported to Member States.**

C.   Specific human resources issues

Geographical diversity[86]

124. The principle for equitable geographical representation among the professional category of staff at WIPO is set out in Article 9 of the WIPO Convention and in the Staff Rules and Regulations (Regulation 4.2). Both documents stress the necessity of securing the highest standards of efficiency, competence and integrity on as wide a geographical basis as possible. These principles do not apply to staff members appointed to language positions or in the General Service category or to staff members recruited locally in non-headquarters offices.

125. In 1975, WIPO Member States agreed on the principle of geographical representation.[87] In contrast to the majority of the United Nations system organizations, the distribution and the desirable range of posts at WIPO are calculated at a regional level and not for each country separately. The representational system was predominantly based on the amount of financial contributions made by Member States (which served as the basis for the distribution of three quarters of the available posts, the remaining quarter being equally divided). Over the years, one of the main reasons behind the unbalanced geographical distribution of staff was the limited number of available posts (61 positions at the professional level, excluding language posts, when the system was defined). While it is obvious that, today, WIPO is quite a different organization (with almost 500 professionals), no other system has been endorsed by Member States to ensure the diversity of its workforce.[88]

126. WIPO currently has 186 Member States, but only 99 nationalities were represented at the professional and higher levels in 2013.[89] The Inspectors note with concern that 40.9 per cent of WIPO Member States are not represented in the Secretariat. Moreover, the 2013 HR

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[84]   WO/GA/34/14: WIPO's Human Resource Strategy – Updated Version.
[85]   WO/CC/67/2: Annual report on Human Resources, Annex II.
[86]   See Annex IV of the present report for statistics on geographical diversity.
[87]   WO/CC/IX/2: Geographical Distribution; and WO/CC/IX/7.
[88]   WO/CC/67/2, Annex II: HR Strategy, Section 1.4.
[89]   Ibid., Annex I: HR Statistics.

annual report shows that nationals from only five countries (France, Germany, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America) account for 43.5 per cent of the professional and higher categories of staff working at the WIPO Secretariat, and that 51.2 per cent of the professional workforce originate from the Western Europe region.[90] The situation at the senior management level (P5 and above) clearly illustrates this disparity. All these elements are well-known to Member States and are often subject to criticism.

Figure 11: Member States representation (professionals and higher) as of June 2013 (in numbers)

	2011	**2013**
Number of Member States	184	186
Member States represented in WIPO workforce	97	99
Unrepresented Member States	87	87

Source: Prepared on the basis of HR annual reports for 2011-2013 and information provided by the WIPO Secretariat

127. The highly technical nature of WIPO's activities requires specific expertise which is not always readily available globally. In addition, the low turnover and the contractual regularization exercise has made it difficult to ensure and implement proactive measures to address the situation. Nevertheless, the Inspectors stress that more efforts are required to further improve the geographical diversity within the WIPO professional workforce, in particular concerning unrepresented or insufficiently represented countries. The WIPO Secretariat should intensify its efforts to identify relevant expertise and qualified candidates by monitoring appointments to ensure that they are in line with this objective, and targeting applicants from these countries through proactive outreach activities, including more interaction with Member States. Another option would be for Member States to reconsider the existing system of representation and move towards a country-based methodology with the objective of ensuring wider representation.

128. The Inspectors noted that WIPO was exploring ways to address those issues by developing, inter alia, a Geographic Diversity Action Plan that includes targets and corrective actions. The HR strategy also stressed that "geographic and gender considerations need to be duly taken into account in the development of a recruitment strategy that includes outreach initiatives necessary to attract diverse candidates with the right talent."[91] The recruitment of a Gender and Diversity Specialist at the P4 level (July 2013) should contribute to new impetus in those matters.

The following recommendations are expected to enhance geographical diversity within WIPO.

Recommendation 6

The Coordination Committee should revisit the present principles concerning geographical distribution in order to ensure broader geographical diversity within the WIPO professional workforce.

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[90] Ibid.
[91] WO/CC/67/2, Annex II: HR Strategy.

Recommendation 7

Based on guidance provided by the Coordination Committee, the Director General should establish, by the end of 2015, a Plan of Action with specific measures and targets to broaden the geographical diversity within the professional workforce and report annually on its implementation.

Gender balance[92]

129.   Annex V compares the gender balance in various categories of staff for the years 2008 and 2013. Although women represent 54 per cent of the WIPO workforce, the Inspectors remain concerned by some elements of disparity, in particular at the senior management level:

- At the executive management level, seven out of eight positions are occupied by men;
- At Director level, female directors occupy only one quarter of positions;
- The overall gender balance at the professional level has improved since 2008 (close to parity) ,but this is tempered by the high percentage of women at the P2 and P3 levels, while the P4 and P5 levels continue to be male-dominated, despite the trend of an increased presence of women in middle and senior management positions;
- On the other hand, senior positions in the general service category of staff are mainly occupied by women.

130.   WIPO embarked on the development of a gender policy in 2011 and has set an ambitious internal target of achieving parity at all grades by 2020.[93] The Inspectors consulted the 35-page document that was prepared by a consultant for the Secretariat, which contains extensive considerations on gender balance issues and detailed statistical information.[94] It contains a draft Gender Policy that has not been officially finalized.

131.   The Inspectors call on the WIPO Secretariat to issue a comprehensive strategy reaffirming its commitment to promote gender equality and women's empowerment within the organization and to complement it with a tailored action plan. Such a strategy and action plan should include accountability mechanisms to ensure the implementation of gender-oriented measures as well as effective monitoring and evaluation against agreed benchmarks.

The following recommendation is expected to enhance gender balance at WIPO.

Recommendation 8

The Director General should finalize the WIPO Gender Policy by the end of 2014, ensuring that it contains specific measures and targets to improve gender balance, in particular at senior management level, and report annually on its implementation.

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[92]   See Annex V of the present report for statistics on gender balance.
[93]   WO/CC/67/2, Annex II, Section 1.7.
[94]   WIPO, Gender Mainstreaming and Gender Equality in WIPO: An Assessment and Policy Proposal (draft).

Mobility

132. While mobility has been a secondary preoccupation for years, internal and external mobility is now encouraged in broad terms in the HR Strategy. The WIPO Secretariat faces constraints due not only to its organizational structure as a centralized Geneva-based organization but also as a result of the specificities of its substantive activities. As reflected in the JIU survey, 34.7 per cent of the respondents have worked for more than ten years in their current positions and in the general service category that indicator is 50 per cent.

133. The Office Instruction on internal mobility is a step towards the creation of opportunities for organizational flexibility and staff development. [95] However, it cannot be regarded as a complete mobility framework based on agreed principles, for example, on whether internal mobility should be mandatory or voluntary, and which functional groups would benefit most from mobility. Such a comprehensive policy on mobility has yet to be developed at WIPO.

134. The HR Strategy states that mobility between WIPO headquarters in Geneva and its external offices is highly desirable, but the network of WIPO external offices is currently too small in size and number to enable such a geographical mobility program. While WIPO has endorsed the 2005 CEB Inter-Agency Mobility Accord,[96] the figures included in the 2010 JIU report on this subject showed that inter-agency mobility for WIPO staff members was almost non-existent.[97] The main reason often put forward is the specific technical expertise required in the field of intellectual property. While the argument is valid, it should not prevail over the efforts to proactively explore options for external mobility in the United Nations system organizations or through secondment to key patent offices. The responses to the JIU survey showed that WIPO staff are looking forward to more opportunities for mobility, in particular those in the P1 to P4 categories.

Figure 12: Opinions of WIPO staff regarding mobility, by category (in per cent)

I think that a good mobility/job rotation policy in WIPO can contribute to my career development				
	Yes	**Somewhat**	**No**	**No opinion**
P5 and above	45.8	16.9	32.2	5.1
P1-P4	57.8	13.8	19.3	9.2
GS1-GS7	38.3	22.6	30.4	8.7
All staff	47.3	17.7	26.9	8.1

Source: JIU survey 2013, Question 33

Voluntary Separation Program

135. In 2009-2010, WIPO conducted a buy-out exercise in the form of the Voluntary Separation Program (VSP) with the objective of aligning its workforce with the necessary expertise to meet its current requirements and reduce staffing costs.[98] The Director General reported to the Coordination Committee that the exercise had led to the net separation of 87

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[95] WIPO, OI 34/2013: Internal Mobility through Lateral Transfer.
[96] CEB/2005/5: Conclusions on the tenth session of the High-level Committee on Management.
[97] JIU/REP/2010/8: Inter-agency staff mobility and work/life balance in the organizations of the United Nations system.
[98] WIPO, OI 44/2009: Voluntary Separation Program.

staff members and that expenditures amounted to CHF 22 million of the CHF 30 million that were earmarked for the exercise.[99]

136.   There are divergent opinions on the qualitative aspects of the VSP. As acknowledged by the WIPO Secretariat, the effects of the VSP remained relatively limited.[100] **To ensure success of future similar exercises, the Inspectors strongly advise WIPO to better identify the profile of staff targeted by the separation package in order to maximize the effect of the separation program and to avoid losing relevant expertise**.

Recruitment

137.   Regulation 4.9 of WIPO Staff Regulations and Rules states that, "as a general rule, recruitment shall be made on the basis of a competition". Appointment Boards are governed by Regulation 4.10 as well as the rules of procedures in Annex IV, and by Office Instruction 4/2013.[101] The Appointment Boards advise the Director General when a vacancy is subject to a competition in the general service, professional and special categories. A good practice noted by the Inspectors is that the composition of the Boards includes not only the hiring managers, but also representatives of the HRMD and panelists nominated by the Staff Council.

138.   Although WIPO succeeded in reducing the average recruitment duration from 24 weeks in 2011 to 17 weeks in 2013, the recruitment process still requires attention (see figure 13). To make an assessment, the Inspectors reviewed a sample of 30 recruitment files (from 2010 to 2013). The files examined generally contained basic documentation, such as vacancy announcements, list of applicants and applications of shortlisted candidates. However, the process of selection was not always sufficiently documented. It was therefore difficult to see the rationale for shortlisting candidates against agreed and consistent criteria. In the files reviewed, a written test to assess the technical skills and expertise of the candidates had been administered in a lower proportion than indicated by the WIPO Secretariat (75 per cent of the recruitments in 2013). Moreover, the recommendations of successful candidates were not always sufficiently substantiated to indicate whether or not the successful candidate had met all the requirements of the vacancy announcement and were sometimes limited to general statements of appreciation. This approach is of serious concern and needs to be addressed by improving records and documentation of the selection process. **The Inspectors recommend, as a matter of priority, that the WIPO Secretariat better record the rationale for any selection process and upgrade the training for members of the Appointments Boards to support them in fulfilling their role.**

Figure 13: Opinions of WIPO staff on recruitment processes, by category (in per cent)

I think the recruitment process is fair and transparent in WIPO				
	Yes	**Somewhat**	**No**	**No opinion**
P5 and above	27.1	37.3	27.1	8.5
P1-P4	10.1	29.4	52.3	8.3
GS1-GS7	10.4	20	60.9	8.7
All staff	14.1	26.9	50.5	8.5

Source: JIU survey 2013, Question 32

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[99]   WO/CC/63/3: Report on the Implementation of the Voluntary Separation Program (VSP).
[100]   WO/CC/66/1: Annual Report on Human Resources.
[101]   WIPO, OI 4/2013: Appointment Boards and Rules of Procedure.

Performance appraisal

139. WIPO revamped its individual performance appraisal system in 2009 and revised it in 2011 and 2012.[102] The present Performance Management and Staff Development System (PMSDS) represents a significant improvement from the previous periodical reports in place since 1982. The PMSDS is better aligned with other performance appraisal systems in the United Nations system organizations. It provides methods to address underperformance by identifying development and training needs. The possibility for both the supervisor and the employee to include detailed comments sets the framework for communication and supports better transparency of the appraisal process. Another positive aspect is the intention to strengthen the linkage between individual performance and overall WIPO organizational performance and objectives. In order to take full advantage of the PMSDS, some interviewees expressed the need for training in performance management and evaluation to enable WIPO managers and staff members to use it as a management tool for efficiency and effectiveness in the workplace, and not just as an administrative compliance exercise.

140. WIPO senior managers are also currently subject to the same PMSDS. **To reinforce the executive management function, the Inspectors suggest that a system similar to the United Nations Senior Managers' Compact between senior managers and the United Nations Secretary-General be developed at WIPO for officials at the DDG and ADG levels.[103]** This would contribute to increased transparency and accountability of senior managers, while the Director General would act as approving and evaluating officer for high-level officials only.

141. The JIU survey collected positive views of all categories of staff on the performance evaluation process, in terms of timeliness, fairness and transparency (see figure 14). Moreover, the WIPO Human Resources Dashboard shows a high compliance rate of above 90 per cent (2012), which represents a significant improvement over the 2010 rate (62 per cent) and indicates that PMSDS is now well in place.[104] In terms of assessment, 94.1 per cent of staff were rated with either outstanding or effective performance.

Figure 14: Opinions of WIPO staff regarding performance appraisal (in per cent)

My performance appraisal (PMSDS) is done in the following manner		
	Yes	**No**
Timely	79.4	20.6
Transparent	83	17
Fair	80.1	19.9

Source: JIU survey 2013, Question 35

142. WIPO has been conducting a pilot reward and recognition system to acknowledge and reward outstanding performance of staff members holding fixed-term, continuing and permanent contracts.[105] It is based on both informal (acknowledgment in meetings) and formal

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[102] WIPO, OI 19/2009: Launch of the new performance management and staff development system (PMSDS); OI 38/2011: Refinement of the PMSDS; and OI 76/2012: Refinement of the PMSDS Part II.

[103] ST/SGB/2013/2: Management Performance Board.

[104] WIPO, A/49/4: Program Performance Report for 2010 and WO/PBC/18/14: Program Performance Report for 2010.

[105] WIPO, OI 35/2013: WIPO Rewards and Recognition Program – 2013 Pilot.

recognition mechanisms, either monetary or non-monetary (a letter of appreciation, for example) rewards for outstanding performance in the following three areas: Results and Service Orientation, Working as One and Innovation and Efficiency.

143. It is an innovative approach that introduces private-sector incentives in an international organization. The objectives "to recognize and reward exceptional performance demonstrated by staff members and teams and to create interest and motivation" are commendable. However, the Office Instruction does not sufficiently elaborate on the reward process or the supporting criteria. The primary responsibility relies with program managers (with possible support from senior managers and/or HRMD) or the SMT, according to the respective awards categories. In the WIPO context, where many concerns have been expressed in relation to human resources processes and decisions, the Inspectors considered the pilot reward system as a potential source of difficulties. In addition, while an evaluation of the pilot reward system is already foreseen, there is no precise methodology or criteria identified for such evaluation. **The Inspectors stress that implementation of a reward system should be backed up by strong control and transparency measures and be adequately reflected in the HR annual report.**

Training

144. Until recently, staff development efforts mostly concentrated on the language training program. The situation improved following the launch of a number of corporate training sessions in the SRP context (ERP, PMSDS, RBM or ethics, for example). The data consulted by the Inspectors for 2012 showed that the number of training days amounted to 5,234, representing 4.2 training days per staff member,[106] which is not far from the minimum 5 training days per year established in the United Nations Secretariat, even though those figures include the entire language training program.

145. According to the WIPO Secretariat, the training funds allocated for the 2012-2013 biennium amounted to CHF 1,631,000 (including SRP training funds). This amount represented roughly 0.25 per cent of the approved regular budget which is considered a low ratio in the United Nations system. Corporate training activities (management, communication and languages, basic IT and other specific sessions) are funded through HRMD, while the Information and Communication Technology Department finances advanced technical IT sessions for IT staff. Other ad hoc learning opportunities are funded and administered by the respective departments and divisions. The funds allocated to training provided by HRMD represented 0.41 per cent of total salary costs (0.57 per cent when training activities funded by ICT are included). The WIPO Secretariat identified the insufficiency of funds to train and equip staff with necessary competencies as a risk. The Inspectors are of the view that WIPO should improve this ratio.

146. Until recently, the initiative to identify appropriate training opportunities and secure necessary funding was often the responsibility of the different divisions and departments. These were mostly isolated initiatives for substantive training in some sectors, often outside a strategic and medium-term perspective. In the past, training sessions were rather ad-hoc, driven by specific operational needs, and did not focus sufficiently on building the skills and competencies of the WIPO workforce. Since 2012, the WIPO Secretariat has been developing consolidated training needs assessments and training plans. The Inspectors also welcome the integration of training needs and the requirements of specific sectors into the PMSDS to enable HRMD to build a clear view of training needs across the sectors.

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[106]   WO/CC/67/2: Annual Report on Human Resources.

147. It is crucial for WIPO to have a highly qualified workforce with updated technical, substantive and managerial skills to be able to respond to the demands of the organization's clients. One way of achieving this is to have adequate training programs embedded in an organization-wide training policy, which was lacking at WIPO until 2013. **The Inspectors took note of the issuance of a Learning and Development Policy in December 2013[107]as an opportunity to increase efforts towards substantive training and related funding. They hope that such an approach would permit the WIPO Secretariat to set a minimum number of training days per year for staff so as to formalize a network of training focal points and define learning activities that would be considered as training in the WIPO context**.

Figure 15: Opinions of WIPO staff regarding training, by category (in per cent)

I have received adequate training in the last 12 months			
	Yes	**Somewhat**	**No**
P5 and above	72.9	n/a	27.1
P1 – P4	59.6	n/a	40.4
GS1-GS7	67.8	n/a	32.2
All staff	65.7	n/a	34.3

Source: JIU survey 2013, Question 36

Staff–Management relations (SMR)

148. The overall quality of the SMR was referred to as poor and challenging in a 2012 system-wide JIU review on the subject.[108] Indeed, over many years, the relations between the management and staff representatives have been a source of considerable tension within the organization. That situation resulted in a number of incidents, notably at Coordination Committee meetings in 2011 and 2013, and in a series of critical articles in the media. In fact, the dynamics remained negative and have led to an atmosphere of mistrust and mutual allegations, which has had negative consequences for the organization.

149. While it is beyond the scope of this review to address the details of individual cases, the Inspectors consider it their responsibility to state that the current SMR situation should be redressed as soon as possible. The recommendations in the above-mentioned JIU report were well received by the majority of the United Nations specialized agencies. They provide a framework for improving the overall quality of SMR, which should be beneficial for the overall management of WIPO. **The Inspectors urge both management and the Staff Council to seriously reflect upon the reasons and the consequences of the current situation, and to identify ways and means to improve it, rather than focus on personalities and resort to a mutual blame-game.**

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[107] WIPO, OI 46/2013: Learning and Development Policy.
[108] JIU/REP/2012/10: Staff–Management relations in the United Nations specialized agencies and common system.

Figure 16: Opinion of WIPO staff on SMR, by category (in per cent)

I think the staff-management relations are good in WIPO				
	Yes	**Somewhat**	**No**	**No opinion**
P5 and above	25.4	23.7	39.0	3.8
P1-P4	16.7	20.4	54.6	7.4
G1-G7	15.0	18.6	51.3	10.6
Total	17.2	20.4	49.8	8.8

Source: JIU survey 2013, Question 42

150. The present review illustrates that this issue is multidimensional. The representativeness of the Staff Council has been questioned by WIPO management: on the one hand, only 35 per cent of the respondents to the JIU survey hold the view that the Staff Council considers and supports staff complaints in an adequate way;[109] on the other hand, only 21 per cent of the respondents consider that management adequately involves the Staff Council when major decisions affecting the staff are taken.

151. Until the 2012-2013 revision, the mandate of the Joint Advisory Committee (JAC) provided for in Regulation 8.2 of the SRR was to "advise the Director General on principles of personnel administration and general questions of staff welfare or any administrative matter which he may refer to it and shall submit to him proposals for such amendments as it may wish to have made to the Staff Regulations or Staff Rules." The present review found that the JAC was called on mainly to consider disciplinary measures, and less to act in its broader role. Although the Inspectors note that the procedures involving the Staff Council and the JAC (SRR, Regulations 8.1 and 8.2.) did take place, there was a strong perception among staff representatives and staff in general that the management team did not sufficiently take into consideration staff input when making final decisions. The whole process, therefore, may have appeared a formality and at odds with the aim of developing a fruitful two-way communication for establishing a unified and well-accepted corporate culture in the organization.

Ethics Office

152. The WIPO Convention states that "the paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity." Furthermore, WIPO SRR states that "the Standards of Conduct of the International Civil Service, promulgated by the International Civil Service Commission (ICSC), shall apply to all staff members". The WIPO Secretariat established an ethics function in 2010 and took measures to better frame accountability and integrity within the organization, notably through the release of a corporate Code of Ethics in 2012.[110] The Whistle-blower Protection Policy, which was issued subsequently,[111] constitutes the framework for protection of all personnel against retaliation, when participating in an oversight activity or reporting misconduct or other wrongdoing. Both the Code of Ethics and the Whistle-blower Policy are essentially aligned with the principles applied in the United Nations. While a Declaration of Interest policy, applying to

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[109] JIU survey, question 43.
[110] WIPO, OI 25/2010: WIPO Ethics Office; OI 4/2012: WIPO Code of Ethics.
[111] WIPO, OI 58/2012: Whistle-blower Protection Policy.

management, has been in place since 2009, a comprehensive financial disclosure policy has been under review for over two years, but it has not yet been finalized.

153. The Ethics Office, headed by an Ethics Officer at the P5 level, carries out various functions, such as norm setting and policy development, implementation of related policies, outreach on ethics principles and confidential advisory services to staff at all levels. In their interviews, the Inspectors observed a positive impact of the Ethics Office, which is often the first point of contact for WIPO staff to help reduce the burden of cases escalating to higher levels. The statistics for 2011-2012 consulted by the Inspectors showed an increasing trend with regard to consultations with the Ethics Office, which was interpreted by the Ethics Officer as a sign of confidence in his Office. Those observations are supported by the WIPO Core Value Surveys that revealed a high level of awareness among WIPO staff of ethics principles and procedures for reporting misconduct.[112]

154. With respect to reporting, the policy regulating the WIPO Ethics Office establishes a reporting line to the Chief of Staff and the Executive Director of the Office of the Director General. The Inspectors welcome that the report of the Ethics Office is annexed in the WIPO Secretariat's annual report on human resources to the Coordination Committee. However, the JIU recommendation which calls for the head of the ethics function to have access to the governing bodies remains to be implemented.[113]

155. **The Inspectors believe that the WIPO Secretariat's initial efforts on ethics training should be institutionalized through periodic mandatory corporate training sessions on ethics for all WIPO staff, including managers, which should be followed by mandatory refresher courses on a regular basis**.

Internal Justice

156. In 2012-2013, WIPO reviewed its internal justice system, which was a necessary exercise, considering the criticism expressed about internal justice in the past: unfairness of the system; lack of transparency; absence of representation during the informal stage of settlement; limitation of the right of appeal; and lack of training of the internal justice actors. As a result, the internal justice system had, to a large extent, lost the confidence of WIPO staff: only 14.3 per cent of the respondents to the JIU survey considered that it ensured an adequate and fair treatment of staff's complaints.

157. The number of cases that escalated to the Administrative Tribunal of the International Labour Organization (ILOAT) was an indication of the difficulties with the WIPO's internal justice system. The available data shows an increase in cases from 2007, which may be partially related to the structural reforms in which WIPO was engaged. The majority of the cases were filed by a limited number of staff members. The most significant ILOAT filings related to harassment, suspension, disciplinary proceedings, performance evaluation and disciplinary sanctions. WIPO lost a significant proportion of filed cases as indicated in a recent internal audit: "the ILOAT decisions issued from 2006 to 2011, in which WIPO was the respondent, showed favorable results for the complaining staff member in 23 (79 per cent) of 29 cases".[114]

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[112] WIPO, Core Values Survey, Analysis Report (Dalberg Global Development Advisors, March 2013).
[113] JIU/REP/2010/3: Ethics in the United Nations system.
[114] WIPO, IA/06/2011: Review of Human Resources Management. The WIPO Secretariat indicated that from 2006 to 2011 staff members won 22 out of 29 cases (76 per cent), and not 23 (79 per cent).

158.   Reviewing its internal justice system, WIPO management affirmed that it aimed to promote a fair and accessible internal justice system, clarify the procedures and encourage amicable dispute resolution. A Consultative Group (CG) on the revision of the Staff Regulations and Rules relating to WIPO's internal administration of justice was set up[115] and the advice of an external consultant was sought.[116] Even though the procedures leading to the revision of the SRR produced tensions with the Staff Council, the process provided an opportunity to discuss a number of important aspects of the internal justice system.

159.   The main aspects covered by the CG's recommendations concerned the introduction of a framework for informal dispute resolution; the integration of the relevant Office Instructions in the SRR; the discontinuation of the Joint Grievance Panel and the Joint Advisory Committee and the creation of an administrative procedure to replace them; the discontinuation of the required systematic review of an administrative decision by the DG before it could be appealed; the reinforcement of a formal and effective procedure for performance evaluation rebuttals; and the strengthening of the WIPO Appeal Board.[117]

160.   The new internal justice system integrating most of the CG's recommendations was adopted by the Coordination Committee in September 2013[118] and became effective as of January 2014. It clarifies the different procedures by consolidating them into Chapter X (Disciplinary Measures) and Chapter XI (Conflict Resolution) thus making the system more accessible. Previously the available procedures were spread across different documents.[119]

161.   The revamped internal justice system set up new mechanisms to resolve disputes first in an informal way, then within the framework of a formal process. A major change is the emphasis on the informal conflict resolution procedure, especially through the Ombudsperson (box 1).[120] The Inspectors support the objective to provide the litigants with a faster dispute settlement without having to go through a heavy administrative burden.

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[115]   WIPO, OI 26/2013: Composition of the Consultative Group on the Revisions to the Staff Regulations and Rules relating to WIPO's internal administration of justice and its terms of reference.

[116]   Chris de Cooker, "Review of the Legal Framework of the Internal Justice System of the World Intellectual Property Organization" (Paris, May 2013).

[117]   WIPO, Report and recommendations of the Consultative Group on the Revisions to the SRR relating to WIPO's internal administration of justice, internal memorandum (27 June 2013).

[118]   WO/CC/67/4, Prov.1, para. 70; and WO/CC/67/3: Revision of the SRR.

[119]   WIPO, OI 74/2012, The WIPO Joint Grievance Panel (December 28 2012); WIPO Staff Regulations and Rules, Rule 8.2.1 - Joint Advisory Group and Rule 11.5.1 - Appeal Board.

[120]   The informal procedure may be in the form of information, explanation, dialogue, guidance or advice, for example.

Box 1: The WIPO Ombudsperson

Office Instruction 18/2006 created the Office of the Ombudsman to act as a mediator within the organization.[121] It has been embedded in the revised SRR (2013) as an informal conflict resolution mechanism.

In 2012, 126 staff members contacted with the Office, with regard to a total of 311 issues (an average of 2.5 per person). The Office developed a standard classification for the cases handled: one third concerned the supervisor/staff relationship, a sharp increase from 2011; and the second largest group of issues related to career management. Overall, the activities relating to informal settlement through the Ombudsperson are encouraged.

The Ombudsperson administratively reports to the Director General. A key role of the Office is to identify recurrent workplace issues and refer them to management for consideration. The Ombudsperson's annual activity report contains statistical figures as well as relevant information about the organization. In the view of the Inspectors, this report should be circulated as information to Member States via the Coordination Committee.

The Ombudsperson Office is governed by the International Ombudsman Association Code of Ethics which conveys four principles: independence, impartiality, confidentiality and informality. The feed-back provided by the Office's visitors confirmed the positive perception of the application of those principles

The Inspectors strongly believe that recommendations made by the Ombudsperson to WIPO management should be formally addressed, disseminated and followed up to drive change in management and develop staff ownership at WIPO.

162.   The Inspectors welcome the revamping of the internal justice system, but stress that its qualitative assessment depends ultimately on how it will be implemented in practice. **In this respect, the Inspectors support the recommendation made by the CG, which stated that the implementation of the new system should be monitored and reviewed after two years of implementation.[122]**

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[121]   WIPO, OI 18/2006: The Office of the Ombudsman.
[122]   WIPO, Report and recommendations of the Consultative Group on the Revisions to the SRR relating to WIPO's internal administration of justice, internal memorandum (27 June 2013), para. 22.

VI. OVERSIGHT

A. Oversight framework

163.   Following up on most of the recommendations made in the JIU report of 2005, WIPO built a comprehensive oversight framework comprising the Internal Audit and Oversight Division (IAOD) supplemented by external oversight mechanisms, such as the External Auditor and the Independent Advisory Oversight Committee (IAOC). Annex VI provides an overview of the responsibilities of the respective bodies, the channels of dissemination of oversight products and the follow-up modalities for the recommendations. The respective roles and responsibilities are clearly delineated, making the framework generally compliant with the JIU recommendations on the matter.[123]

Internal Audit and Oversight Division (IAOD)

164.   The Internal Audit and Oversight Division (IAOD) carries out audits, evaluations and investigations and makes recommendations to improve program implementation and operations. Although IAOD was established in 2000, it only became fully functional since 2008, following the recruitment of professional staff with oversight competence and expertise. The Division is headed by a Director who reports administratively to the DG and supervises 11 staff members (including four on temporary appointments and two support staff). IAOD staffing resources and outputs are broken down per function in figure 17.

Figure 17: Resources and outputs of IAOD for 2012-2013

Resources	Audit	Evaluation	Investigation
CHF 5,050,000	Head of Section (P5), one Auditor (P4), two temporary staff	Head of Section (P5), one Evaluation Officer (P4) on half time, and interns	Head of Section (P5) (vacant), two investigators (P4)
	Data from 1 July 2012 to 30 June 2013		
	Number of audits: 5	Number of evaluations: 2	Number of investigation cases closed: 28

Source: Prepared on the basis of IAOD Summary Annual Report (WO/PBC/21/17) and the Program and Budget for 2012-2013 and 2014-2015, as well as information provided by the WIPO Secretariat.

165.   The GA adopted the Internal Oversight Charter (IOC) in 2005 and revised it in 2007, 2010 and 2012. In addition to the IOC, the area of internal oversight benefits from policy guidance documents developed and updated over the past years (e.g. internal audit manual, independent evaluation guidelines and corresponding strategies for audit and evaluation). An investigation procedures manual was issued in 2010. In order to improve its overall performance, WIPO must now take full advantage of the oversight mechanisms and have that function support management and decision-making, and further develop the in-house oversight culture. One senior official interviewed stated that WIPO's main challenge is now "to move from an audit-driven process to a management-driven process".

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[123]   JIU/REP/2006/2: Oversight lacunae in the United Nations system; JIU/REP/2010/5: The audit function in the United Nations system; and JIU/REP/2011/7: The investigations function in the United Nations system.

166. A good practice identified by the Inspectors is the outreach efforts taken by IAOD since 2012 to raise the profile of the oversight function at WIPO. The revamping of the Internet site, the organization of seminars and the client satisfaction surveys conducted contribute to a better understanding of the expectations of WIPO stakeholders with regard to oversight. The Inspectors noted the positive results compiled by the WIPO surveys emphasizing the professional approach of IAOD. It is expected that these results will contribute to reaching the above-stated objective.

167. For a number of years, the evaluation function was not a major focus of IAOD activities. However, in recent years, the need to better demonstrate results, effects and benefits of WIPO programs and activities has triggered some improvements. The Division started to recover from insufficient staffing resources and restricted functioning. However, the current evaluation capacity seems limited to build a sustainable evaluation function capable of meeting the objectives embedded in the evaluation strategy and aimed at conducting a combination of strategic, country level, thematic and program evaluations. IAOD has partially addressed the problem by devoting a significant proportion of its budget to contractual services, which allows additional resources for evaluations. The Inspectors also took note of the corporate IAOD evaluation seminars advocating enhanced evaluation practices, and stress their usefulness for management and decision-making**. The evaluation function at WIPO should be strengthened to better contribute to strategic direction setting, learning and knowledge sharing within the organization and to ensure increased use of the evaluation findings and conclusions by WIPO stakeholders.**

168. Although the Investigation Section was established in 2008, the post of Head of this section was only created in January 2011. In the past, investigations were carried out by IAOD investigators and, at times, by staff from other WIPO programs seconded temporarily to IAOD. The appointment of a Senior Investigation Officer to lead and supervise the investigative work contributed to the professionalization and strengthening of the investigation function. The enhancement of the function was important progress for IAOD, which is mandated to receive "directly from individual staff members and personnel complaints or information concerning the possible existence of fraud, waste, abuse of authority, non-compliance with rules and regulations of WIPO in administrative, personnel and other matters or other irregular activities relevant to the mandate of […] IAOD".[124] The Investigation Section is responsible for screening and assessing all allegations received to determine whether, according to the available information, there are sufficient grounds to conduct an investigation. If the allegations do not fall within the mandate of IAOD, the Investigation Section refers them to the competent internal mechanism of WIPO. Since its establishment in 2008, the Section has handled a total of 101 investigation cases. In its early years, the section had faced a significant backlog of pending cases, which was reduced to two in 2013.

169. For years, WIPO lacked a formal investigation policy. The investigative work was guided by the IOC, the Investigation Procedures Manual (July 2010) and internationally recognized guidelines.[125] Consultations on a draft investigation policy lasted for three years and involved a number of WIPO stakeholders (the Office of the Legal Counsel, the Human Resources Management Department, the Ethics Office, the Ombudsman, the Staff Council and the IAOC). The Inspectors were informed that the Investigation Policy (IAOD/IP/2014) was finally released in January 2014, after consultations with Member States as required by the IOC**. The policy essentially follows the related internationally recognized standards.**

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[124] WO/GA/41/10 Rev., Annex: Revised WIPO Internal Oversight Charter, para. 8.
[125] Such as the Uniform Principles and Guidelines for Investigations, endorsed by the Conference of International Investigators in 2009.

Nonetheless, the Inspectors advise that formal complaints of discrimination and/or harassment should be investigated by professional investigators, rather than submitted to the Director of HRMD, in accordance with JIU recommendations.[126] The provisions concerning the procedures for investigations involving senior officials (para. 34 of the Policy) also need further clarification.

External Auditor

170.   The Swiss Federal Audit Office performed the external audit function at WIPO for some 120 years. In September 2007, WIPO Member States decided to implement a new mechanism for the selection of the External Auditor,[127] and appointed, as of January 2012, the Comptroller and Auditor General of India, following a transparent evaluation of technical and audit expertise. The External Auditor is appointed for a six-year term, not renewable consecutively. The Inspectors concur with the idea that rotation enhances the External Auditor's independence and provides a variety of experience that would be beneficial for the organization.

171.   The External Auditor takes a comprehensive audit approach and performs compliance, financial, and performance audits with focus on financial aspects. In their meeting with the Inspectors, both the IAOD Director and the External Auditor stressed their positive cooperation, in particular in terms of the elaboration of coherent programs of work to avoid duplication.

Independent Advisory Oversight Committee

172.   The Independent Advisory Oversight Committee (IAOC) (formerly WIPO Audit Committee) was established in 2010.[128] Its terms of reference were refined by WIPO Member States to give a higher profile to the Committee. Since February 2011, the IAOC has been composed of seven members, representing the regional clusters of WIPO Member States, who are nominated by the PBC after a panel selection process.[129] IAOC holds four sessions per year and coordinates with the IAOD and the External Auditor.

173.   IAOC reviews the oversight reports produced by IAOD and the External Auditor and submits the matters that deserve special attention to WIPO management and Member States. The presentation of the IAOC annual report to the GA by its Chairperson in 2013 was a positive development. After each quarterly session, IAOC holds informal meetings with Member States representatives to brief them on their activities and findings. It should be stressed that Member States representatives interviewed considered the IAOC a useful and well-functioning body that added a higher profile and weight to oversight in WIPO. **In the view of the Inspectors, such meetings could be further formalized to increase transparency and enhance the oversight role of Member States.**

Joint Inspection Unit

174.   JIU provides independent external oversight with a focus on system-wide issues to WIPO, which has been a participating organization since 1981. In 2003, WIPO set up a scheme for handling JIU reports and following up on its recommendations "which are considered relevant to the organization".[130] However, in practice, this scheme was not

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[126]   JIU/REP/2011/: The investigations function in the United Nations system, Recommendation 7.

[127]   WIPO, A/43/8: Designation of the External Auditor.

[128]   WIPO, A/41/10: Proposal on the Establishment of a WIPO Audit Committee, para. 194.

[129]   WO/GA/40/2, Annex: Revised Terms of Reference of the WIPO Independent Advisory Oversight Committee, article 3.

[130]   The WIPO General Assembly noted the information and recommendations contained in the proposal for a pilot scheme put forward by the Director General, see WO/GA/30/4: resolutions and Decisions of the United Nations: Reports of the Joint Inspection Unit , paras. 43-54 and WO/GA/30/8.

consistently implemented in terms of submitting the JIU recommendations to Member States. Member States requested more information from the WIPO Secretariat on this issue on several occasions, notably during briefings with the IOAC in 2012[131] and at the PBC in 2012 and 2013.

175. In 2013, the WIPO Secretariat issued a document containing information on the status of acceptance and implementation of JIU recommendations addressed to the WIPO legislative bodies (2010-2012).[132] The Inspectors noted that while those recommendations were originally addressed to Member States, they had not been submitted to them for their consideration, as underlined in the discussions during the 19th and 21st session of the PBC.[133] In the Inspectors' opinion, the inclusion of an item entitled "Report on the implementation of the JIU recommendations addressed to the WIPO legislative bodies" in the agenda of meetings of the PBC and the GA would open the way for regular discussion of the JIU findings and recommendations. The Inspectors note the GA's decision of September 2013 on this matter[134] but are of the view that it did not fully address the lacunae described above.

176. Similarly, the reporting practice concerning the recommendations addressed to the executive head have not been in line with the agreed follow-up scheme. As mentioned in the JIU annual report for 2010, "WIPO, for consecutive years, has not been responsive to JIU requests for information". The Inspectors note that there has been an improvement in WIPO practice concerning reports issued since 2010. Also, since 2013, the WIPO Secretariat has been using the JIU Web-based Tracking System (WBTS) for this purpose.[135] **The Inspectors call upon the WIPO Secretariat to ensure proper consideration of JIU reports and recommendations by the governing bodies as well as the executive head, in accordance with the JIU statute and numerous resolutions of the United Nations General Assembly.**

B. Oversight recommendations

177. In recent years, recurring comments from Member States have focused on the need to give more consideration to oversight recommendations as well as to increase monitoring of their implementation. Indeed, in the past, WIPO had a large number of pending oversight recommendations to follow up. Since 2011, IAOD has adopted a more proactive attitude to following up and implementing those recommendations, notably by more closely assessing management response and by using a web-based system. As a consequence, the amount of open recommendations decreased, even though around 100 recommendations were recorded as open, as of June 2013. The Inspectors welcome the fact that the IAOD Director has the final say on closing oversight recommendations as an important element in fulfilling IAOD's mission.

178. The audit and evaluation reports are not systematically made available to all stakeholders. The IAOD Summary Annual Report provides WIPO Member States (first PBC and then GA) with the most significant findings and related recommendations from internal audit, evaluation and investigation. Oversight products are available only upon request by Member States, as stated in the IOC, which means that the current procedure relies on a

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[131] WO/IAOC/26/2 and WO/IAOC/27/2.
[132] WO/PBC/21/16: Report on the Implementation of the Joint Inspection Unit's Recommendations for the review of WIPO Legislative Bodies.
[133] For example, WO/PBC/19/28: Report of the Program and Budget Committee.
[134] WO/GA/43/22, paras. 49 and 50.
[135] For the period 2008-2012, the overall acceptance rate reached 53.1 per cent, and the implementation rate reached 62.7 per cent (28.9 per cent are in progress), as recorded in JIU's Web-based Tracking System that was launched in 2012.

proactive attitude by Member States. The WIPO Secretariat indicated that, since the beginning of 2013 and the introduction of an electronic dissemination modality, 17 Member States have made such requests and were provided with a soft copy of 91 audit and evaluation reports. While such a practice has been adopted by several United Nations system organizations, the trend is now for more public disclosure in the oversight community.

179. The roles and responsibilities concerning the implementation of oversight recommendations are covered in the Office Instruction 16/2010.[136] Further to the IOC provisions, "the Director General is responsible for ensuring that all recommendations are responded to promptly, indicating actions taken by management regarding specific report findings and recommendations." The DG may delegate this responsibility to program managers who should follow a "comply or explain" approach. In the case of non-acceptance, managers must provide evidence-based reasoning as to why a recommendation cannot be implemented. Since 2012, the IAOD annual report has included a list of such recommendations, closed but not implemented, together with the risk appreciation made by management. That list usually contains a limited number of items.

180. The Inspectors stress that it is a shared responsibility of all WIPO stakeholders to use the oversight recommendations to address deficiencies and take measures to improve areas that are pointed out by the respective bodies according to their responsibilities and mandates. To achieve that objective, **the Inspectors believe that oversight products should be more widely disseminated both within WIPO management and among Member States. The reporting modalities on the follow-up to the recommendations should be expanded by providing information on acceptance and implementation measures.**

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[136] WIPO, OI 16/2010: implementation of oversight recommendations. Reporting procedures, roles and responsibilities.

VII.   OTHER ISSUES

A.   Information and communication technology

181.   The WIPO business model makes it crucial to have a strong ICT capacity which is at the heart of its core activities. High-quality ICT infrastructure and effective ICT processes are key for services that are carried out electronically using complex databases with high-security requirements due to the sensitive data stored and its high interest to potential competitors.

182.   The Information and Communication Technology Board was reconstituted in 2010 as an ICT governance committee;[137] its composition and main functions were defined in February 2012.[138] The ICT Board is composed of WIPO senior managers and chaired by the Director General; it has held regular meetings on a monthly basis and more often if needed. The content analysis of the minutes of the Board's meetings (2010-2013) shows that it focused its attention on issues at both the strategic level (ICT governance and related corporate strategy, IT expenditures and prioritization in the Program and Budget, investment priorities, information security and hosting) and the operational level (desktop migration, laptops, access to social media, software approval, etc.).

183.   The role of the ICT Board is vital, as the organization has a complex ICT set-up combining centralized and decentralized components. The ICT Board and the Chief Information Officer (CIO) are responsible, at the corporate level, for driving coherence, standards and strategies related to the IT architecture and applications, information security and infrastructure management. At the same time, WIPO specific applications, for example, patent administration applications, and trade-mark management applications are often located in the respective substantive departments. Several IT systems have been built over time and spread throughout WIPO with increasing complexity. **The Inspectors encourage further use of the ICT Board as a tool for reinforcing a centralized IT approach that would trigger increased efficiency and contribute to the optimization of resource utilization. In this spirit, the composition of the ICT Board should be enlarged to ensure wider participation of managers from various parts of the organization to discuss their respective requirements and priorities, which is currently done mostly at the stage of the preparation of the Program and Budget.[139] That would improve both coherence and ownership of IT infrastructure and processes.**

184.   Office Instruction 61/2009 sets out the key principles of information and communication technology management and is complemented by several IT-related policies, for example, on information processing and classification and data protection. As pointed out by the IAOD in 2011,[140] until recently, a formal consolidated IT strategy was lacking, even though a draft strategy had been under preparation for several years. The WIPO Secretariat indicated that the ICT Strategy was issued in December 2013 and is accessible to Member States and the general public via its Internet site. Although welcoming this development, the Inspectors believe that the status of that document remains unclear as it was not issued as an

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[137]   WIPO, OI 61/2009: Information, Communications Technology (ICT) Management.

[138]   WIPO, OI 7/2012: The Information and Communications Technology Board (ICTB).

[139]   The current composition of the board is as follows: the Director General, the Assistant Director General, Administration and Management; the Assistant Director General, Global Infrastructure; the Chief Information Officer; the Director, PCT Operations Division, Innovation and Technology Sector; the Director, Resource Planning, Program Management and Performance Division, Administration and Management Sector; the Director, Functional Support Division, Brands and Designs Sector.

[140]   WIPO, IA/09/2011: Verification of IAOD's Information Technology and Security Related Audit Recommendations.

Office Instruction, nor does it carry any reference. In their views, the ICT strategy should be formalized and presented to Member States. Information on IT governance, systems and processes should be disseminated among WIPO stakeholders and, in particular, to all operational IT users.

The following recommendation is expected to enhance the effectiveness of ICT within WIPO.

Recommendation 9

The Director General should further formalize WIPO's Information and Communication Technology (ICT) Strategy and present it to the General Assembly by the end of 2014.

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185. The sensitive information hosted in WIPO databases makes data loss, data leaks and technical systems failure a major risk for the day-to-day operations and the reputation of the organization. Since the issuance of the JIU review on business continuity in the United Nations system,[141] the WIPO Secretariat has made progress in preparing for potential incidents and disasters that may affect the organization and, in particular, its repository of electronic files and sensitive data. The Business Continuity Management Strategy (BCMS) and the Crisis Management Plan (CMP)[142] were designed to provide the ICT systems with an effective disaster recovery and emergency response. A further critical improvement relates to the identification of vital ICT records and databases.

186. WIPO collaborates with the International Computing Centre (UNICC) in Geneva to create a complete mirror system for its files. UNICC is also hosting other WIPO applications, such as the organization's e-mail system. The selection of UNICC as the data hosting and backup facility was based on an analysis which considered implementation time and data availability. Establishing a backup system with UNICC may have a lower risk than outsourcing it to third-party service providers.

187. In 2011, the External Auditor conducted a Financial Supervision Audit of the organization's involvement with UNICC.[143] While the costs for UNICC services amounted to CHF 9.65 million, representing almost 24 per cent of WIPO's total expenditures on ICT (Program 25) at the time, the External Auditor stated that "the option of using UNICC services is nevertheless an attractive one, when services provided are shared with other bodies". The Inspectors consider that it would be appropriate for WIPO to benefit from a regular cost analysis for these arrangements in collaboration with UNICC on the basis of regularly updated information.

188. The Inspectors are aware of the discussions, in particular within the ICT Board, concerning the best location for secure and comprehensive systems. They note, however, that, even though having two locally separate but closely situated sites (WIPO and UNICC) allows for quick recovery in the event of an incident, both sites depend on the same grid and cannot guarantee recovery in the event of a major disaster. Options to establish an offshore data centre have been considered by the ICT Board, but no final decision has been made in that regard. In the Inspectors' view, the WIPO Secretariat should elaborate a plan to establish an additional backup facility located on a different grid that would be a better guarantee against small, local and wider regional threats. The experiences of other organizations that have

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[141] JIU/REP/2011/6: Business continuity in the United Nations system.
[142] Both documents are marked confidential.
[143] WO/PBC/19/17: Financial Supervision Audit of WIPO's Involvement with the United Nations International Computing Centre (UNICC), Annex.

established offshore data centres, such as World Health Organization (WHO), may provide valuable opportunities to benefit from lessons learned.

189.   The JIU interviews revealed that the WIPO Secretariat is at present not ready to engage in cloud-based computing. In that respect, the Inspectors believe that the WIPO Secretariat should first elaborate an organizational cloud strategy in consultation with senior management, ICTD and the substantive divisions. That strategy should identify the data to be potentially uploaded and managed from the cloud, and be presented to the PBC together with the estimated cost implications and benefits. The Inspectors are not in favour of any public cloud solutions, considering the sensitive nature of WIPO information, and call on WIPO to explore coordination and cooperation with other United Nations system organizations. In that context, the Inspectors recall that the ICT network of the United Nations System Chief Executives Board for Coordination (CEB) is also working on the cloud issue.[144]

B.   External offices

190.   The establishment of and the arrangements for maintaining WIPO external offices (EOs) have been the focus of discussion between Member States and the Director General for several years. There is a demand for establishing a WIPO presence in various countries.[145] The Program and Budget (2014-2015) presented by the WIPO Secretariat envisaged the establishment of five to seven new offices in the near and medium-term, in addition to the existing offices.

191.   In their interviews, the Inspectors found that, in the past, the establishment and activities of the EOs occupied a sort of grey area without clear policy guidance. In particular, the transparency of the decision-making process for opening EOs and their location has been questioned by Member States. Indeed, when the JIU commenced its review no document was discerned presenting a comprehensive and consistent strategic approach of the decentralized presence of WIPO and providing information on the roles and operations of the EOs. The explanation of the WIPO Secretariat was that the mandates and functions of the existing EOs had been presented and approved through successive Program and Budget adoptions.

192.   The Inspectors noted that, at the request of Member States, the WIPO Secretariat recently submitted a number of papers clarifying some of those issues.[146] The Inspectors welcome those papers, as they provide comprehensive background information on the history, functioning and resources of the EOs. Member States decided to continue their consultations with the PBC and expect a decision by the WIPO General Assembly in September 2014. That decision should ensure that EOs are deployed and serve WIPO interests, based on an agreed corporate strategy developed, approved and regularly reviewed by Member States in formal consultations, in order to assess their alignment with WIPO operational requirements. **Recognizing that external offices may have different mandates and be based on different business models, the Inspectors underline the need to provide a clear rationale for the establishment of external offices in accordance with a set of relevant criteria. In that regard, the following issues should be considered: mandate and function, taking into**

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[144]   JIU/REP/2012/8: Review of Enterprise Resource Planning (ERP) systems in United Nations organizations, para. 130.

[145]   As of July 2013, the Director General had received 23 official requests from the following countries to establish an office: Algeria, Bangladesh, Cameroon, Chile, China, Egypt, Ethiopia, India, Jordan, Mexico, Morocco, Nigeria, Panama, Peru, Tunisia, Turkey, Senegal, South Africa, Republic of Korea, Romania, Russian Federation, United States of America and Zimbabwe.

[146]   WO/PBC/21/INF.1: Strategy for WIPO External Offices; A/51/20 Prov.1 (2013): Draft General report containing general principles regarding WIPO External Offices.

account the geographical area; resource requirements; coordination with headquarters and with other offices to avoid duplications; and reporting lines and mechanisms for monitoring their activities, etc.

C. Knowledge management

193. Knowledge management is of crucial importance for WIPO. A number of officials interviewed for this review indicated that WIPO did not have a structured approach for knowledge management at the corporate level. Rather, each sector puts in place its own knowledge management procedures. At the operational level, interviewees mentioned that when individual staff members change functions or leave the organization, the handover process is insufficient; this was also confirmed in the JIU survey (41.8 per cent of the respondents stated that they were not informed about the aims and scope of knowledge management in WIPO). Succession planning guidelines were issued in May 2013, but they focus on post incumbency, rather than on the transfer of knowledge.

194. This is considered a risk because such deficiencies may impact the institutional memory of WIPO. Moreover, as WIPO is a knowledge-based organization, in terms of the nature of its mandate and activities, the present situation may cause inefficiencies in its day-to-day operations and prevent the effective dissemination of lessons learned in its substantive and administrative areas.

195. In 2013, WIPO issued a Records Management and Archiving Policy that established the principles and procedures for the "creation, receipt, control, use, access, security, preservation and/or disposition of WIPO records",[147] which is viewed as a positive development. This policy, however, does not cover records and documents directly related to WIPO's registration activities. In the Inspectors' view, WIPO should develop a corporate Knowledge Management Strategy complemented by policy guidance. **The implementation of such a strategy should be monitored in order to ensure that the knowledge created or received by the organization, its institutional memory and lessons learned are systematically captured and disseminated across various sectors.**

The following recommendation is expected to enhance the efficiency of knowledge management within WIPO.

Recommendation 10

The Director General should finalize a comprehensive Knowledge Management Strategy and present it to the General Assembly by the end of 2015.

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[147] WIPO, OI 15/2013: Records Management and Archiving Policy.

Annex I: WIPO governance framework

Annex II: WIPO organizational chart

Director General
Francis Gurry

Cooperation with Certain Countries in Europe and Asia (Prog. 10)
- *Michal Svantner,* Director
  Department for Transition and Developed Countries

Economics and Statistics (Prog. 16)
- *Carsten Fink,* Chief Economist
  Economic and Statistics Division

Human Resources Management and Development (Prog. 23)
- *Cornelia Moussa,* Director
  Human Resources Management Department (HRMD)
  - *Thérèse Dayer*, Deputy Director, HRMD, and
    Head, HR Operations Service

Executive Management (Prog. 21)
- *Naresh Prasad*
  Executive Director and Chief of Staff
  Office of the Director General
  - *Sergio Balibrea,* Director
    Assemblies Affairs and Documentation Division
  - WIPO Ethics Office
- *Edward Kwakwa,* Legal Counsel
  Office of the Legal Counsel
- Office of the Ombudsman

Internal Oversight (Prog. 26)
- *Thierry Raelison Rajaobelina,* Director
  Internal Audit and Oversight Division

DDG Development
Geoffrey Onyeama

Development Agenda Coordination (Prog. 8)
- *Irfan Baloch*
  Director
  Development Agenda Coordination Division

Africa, Arab, Asia and the Pacific, LAC Countries, LDCs (Prog. 9)
- *Herman Ntchatcho*
  Senior Director
  Department for Africa and Special Projects
  - *Marc Sery-Kore*
    Director
    Regional Bureau for Africa
  - Special Projects Division
- *Dalila Hamou*
  Director
  Regional Bureau for Arab Countries
- *Ranjana Abeysekera*
  Director
  Regional Bureau for ASPAC
- *Juan Antonio Toledo Barraza*
  Senior Director
  Regional Bureau for LAC Countries
- *Kiflé Shenkoru*
  Director
  Division for LDCs

The WIPO Academy (Prog. 11)
- *Carlotta Graffigna*
  Executive Director
  Office of the Executive Director for the WIPO Academy and IP Human Capital Development
  - *Marcelo Augusto Di Pietro Peralta*
    Director
    Office of the Director of the Academy

DDG Brands and Designs
Wang Binying

Trademarks, Industrial Designs and Geographical Indications (Prog. 2)
- *Marcus Höpperger*
  Director
  Law and Legislative Advise Division

Madrid and Lisbon Systems (Prog. 6)
- *David Muls*
  Senior Director
  Madrid Registry
  - *Debbie Roenning*
    Director
    Legal Division
  - *Jongan Kim*
    Director
    Information and Promotion Division
  - *Asta Valdimarsdottir*
    Director
    Operations Service

Madrid and Lisbon Systems (Prog. 6)
Lisbon Registry

The Hague System (Prog. 31)
- *Grégoire Bisson*
  Director
  The Hague Registry

Madrid and Lisbon Systems (Prog. 6)
- *Neil Wilson*
  Director
  Registries Support Division

DDG Global Issues
Johannes Christian Wichard

TK, Traditional Cultural Expressions and Genetic Resources (Prog. 4) and IP and Global Challenges (Prog. 18)
- *Konji Sebati*
  Director
  Department for TK and Global Challenges
  - *Wend Wendland*
    Director
    TK Division
  - *Anatole Krattiger*
    Director
    Global Challenges Division
- *Nuno Pires De Carvalho*
  Director
  Intellectual Property and Competition Policy Division

WIPO Arbitration and Mediation Center (Prog. 7)
- *Erik Wilbers*
  Director
  WIPO Arbitration & Mediation Center

Building Respect for IP (Prog. 17)
- *Louise Van Greunen*
  Director
  Building Respect for IP Division

Communications (Prog. 19)
- *John Tarpey*
  Director
  Communications Division

External Relations, Partnerships and External Offices (Prog. 20)
- *Sherif Saadallah*
  Executive Director
  Department of External Relations
  - WIPO New York Office

DDG Innovation and Technology
James Pooley

Patent Law (Prog. 1)
- *Marco Aleman*
  Acting Director
  Patent Law Division

The PCT System (Prog. 5)
- *Guriqbal Singh Jaiya*
  Director-Advisor
  Office of the DDG
- *Matthew Bryan*
  Director
  PCT Legal Division
- *Philippe Baechtold*
  Acting Director
  PCT Operations Division
- *Claus Matthes*
  Acting Director
  PCT International Cooperation Division
- *Claus Matthes*
  Director
  PCT Business Development Division

Small and Medium-Sized Enterprises (SMEs) (Program 30)
- *Matthew Rainey*
  Director
  Innovation Division

ADG Global Infrastructure
Yoshiyuki Takagi

International Classifications and Standards (Prog. 12)
- *Antonios Farassopoulos*
  Director
  International Classifications and Standards Division

Global Databases (Prog. 13)

Services for Access to Information and Knowledge (Prog. 14)
- *Alejandro Roca Campaña*
  Senior Director
  Access to Information and Knowledge Division

Business Solutions for IP Offices (Prog. 15)
- *William Meredith*
  Director
  IP Office Business Solutions Division

External Relations, Partnerships and External Offices (Prog. 20)
- *José Graça Aranha*
  Regional Director
  WIPO Brazil Office
- *Denis Croze*
  Director
  WIPO Singapore Office
- WIPO Japan Office

ADG Administration and Management
Ambi Sundaram

Program and Resource Management (Prog. 22)
- *Chitra Narayanaswamy*
  Director (Controller)
  Department of Program Planning and Finance
  - *Magdi Bona*
    Assistant Controller
    Office of the Controller
  - *Janice Cook Robbins*
    Director
    Finance Division
  - *Maya Bachner*
    Acting Director
    Program Performance and Budget Division

General Support Services (Prog. 24)
- *Bérénice Bessiere*
  Director
  Procurement and Travel Division
- *Isabelle Boutillon*
  Director
  Premises Infrastructure Division

Information and Communication Technology (Prog. 25)
- *Wei Lei*
  Chief Information Officer
  Information and Communication Technology Department
  - *Graham Beaver*
    Director
    Enterprise Architecture and ICT Program Management Division

Safety and Security (Prog. 28)

New Conference Hall (Prog. 29)

ADG Culture and Creative Industries
Trevor C. Clarke

Copyright and Related Rights (Prog. 3)
- *Michele Woods*
  Director
  Copyright Law Division
- *David Uwemedimo*
  Director
  Copyright Infrastructure Division
- *Hang Gao*
  Director
  Copyright Development Division

Conference and Language Services (Prog. 27)
- *Pushpendra Rai*
  Director
  Conference and Language Department
  - *Lijun Fan*
    Director
    Language Division

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In accordance with Financial Regulation 2.5, and Rule 102.2(d), the above "detailed organigram of the International Bureau, including names of Directors and Program Managers" is provided to Member States for their information. A detailed organigram showing organizational units may also be consulted on the WIPO website. Please note that this organigram will be updated regularly.

February 2014

Annex III: Summary of main results achieved for each SRP initiative

	Initiative	Results achieved for Core Value: "Service Orientation"
1	Improve customer interface and experience	WIPO corporate-wide Customer Service Centre (CSC) in 2010 Customer ticketing system Measurement and monitoring of customer satisfaction Client orientation training for CSC staff
2	Strengthen external communications and branding	Corporate visual and branding strategy New WIPO logo Revamped internet site and improved content, presence in social media Expanded language coverage for main WIPO core publications New Publication Board Increased attention to quality standards of publications WIPO Open Day
3	Support marketing and business development	Independent marketing and pricing study Market and pricing analysis for fee-paid services Increased attention to customers perception and feed-back
4	Business continuity	Business Impact Assessment (BIA) Business Continuity Management Strategy and Crisis Management Plan Business Continuity Policy Training on business continuity
	Initiative	**Results achieved for Core Value: "Working as One"**
5	Implement Enterprise Resource Planning (ERP)	Enterprise Resource Planning (ERP) system phased deployment (initially PeopleSoft 9.1 and HR payroll system) Training of ERP users Business intelligence architecture and strategy and pilots are conducted
6	Improve Information and Communications Technology (ITC) framework	ICT Board reconstituted and chaired by the Director General ICT Strategy developed Deployment of a project management system and related training of staff (Prince foundation or practitioner) Information security policies
7	Revise enabling regulatory	Revised WIPO Staff Regulations and Rules (SRR) adopted in 2012 and 2013 Revised contractual framework (2012)

	framework for HR management	Numerous Office Instructions concerning human resources management processes E-recruitment system
8	Strengthen internal communications	In terms of "horizontal communication": Workshop on internal communication and various new mechanisms In terms of internal communications: "What's New" program; "Question Time" sessions; thematic briefings, etc. In terms of "vertical communication": Tea with the Director General and the SMT initiatives "to bridge the gap"; regular HR information sessions; Learning at WIPO sessions.
9	Realign WIPO's external offices to better contribute to strategic goals	Consultations with Member States WO/PBC/21/INF/1 presents a Strategy for WIPO External Offices and WIPO A/51/20 Prov.1 contains general principles regarding the WIPO External Offices Round-the-clock service for WIPO clients established in 2012
10	Strengthen culture	Various initiatives to improve horizontal cooperation: "introduction and increasing reliance of cooperation matrix model"
	Initiative	**Results achieved for Core Value: "Accountability for Results"**
11	Define Medium Term Strategic Plan (MTSP)	Medium Term Strategic Plan adopted in 2010 which contains nine Strategic Goals
12	Develop WIPO organizational design	Consolidation of organizational structure into seven sectors with one administrative sector Set of organizational charts and Office Instructions showing changes in nomenclature
13	Strengthen Results-based Management (RBM)	RBM framework developed Improvements in Program and Budget document and Program Performance Report
14	Implement Performance Management and Staff Development System (PMSDS)	Implementation of PMSDS with high compliance rate (97 per cent for 2011) Training on PMSDS Reward and Recognition program (Pilot)
15	Strengthen Risk Management and Internal Controls	Risk management portfolio enriched Organizational risks identified and articulated in the Program and Budget Risk management process for each program integrated into biennial planning Draft Risk Management Policy Plans for a comprehensive internal control system
16	Strengthen management of financial resources	Mapping of economic forecasts to the revenue generating services and expenditures Strengthened and improved financial and budgetary policies and procedures Investment Policy Implementation of cost saving measures

	Initiative	Results achieved for Core Value: "Environmental, Social and Governance Responsibility"
17	Establish a comprehensive ethics and integrity system	Creation of Ethics Office (2010) headed by Ethics Officer WIPO Code of Ethics and related training Whistle-blower Protection Policy (2012)
18	Reduce WIPO's adverse impact on the environment	Environmental initiatives (commuting, biodegradable disposal dishes and cups, water fountains, reduction of fluorescent tubes, etc.) Improved electronic dissemination of conference services and internet posting of documentation
19	Improve accessibility to WIPO campus and services	External audit on accessibility conducted in 2012 includes architectural improvements recommendations WIPO internet site adapted for visitors with disabilities

Prepared on the basis of SRP progress and final reports and information provided by the WIPO Secretariat

Annex IV: Geographical distribution of staff (as of June 2013)

	Number of staff	Ratio (in per cent)
Professional and Above	498	100.0
Africa	55	11.0
Asia and the Pacific	68	13.7
Eastern and Central Europe and Central Asia	31	6.2
Latin America and the Caribbean	43	8.6
Middle East	6	1.2
North America	40	8.0
Western Europe	255	51.2

**Source: WO/CC/67/2*
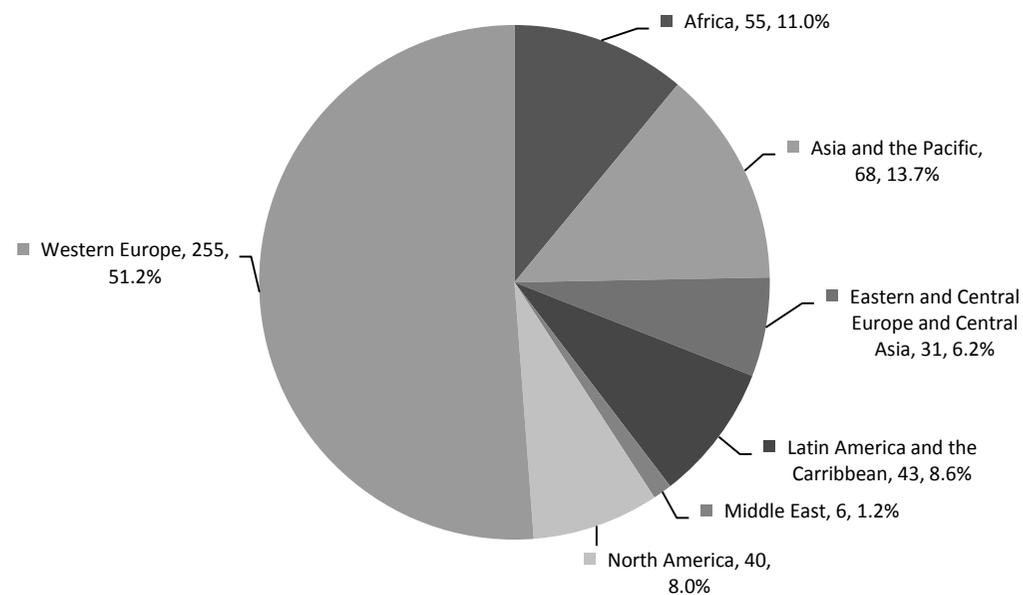
Annex V: Gender balance

	Regular staff, 2008					Regular staff, 2013				
	F	%	M	%	Subtotal	F	%	M	%	Subtotal
Executive	1	14.29%	7	85.71%	8	1	12.50%	7	87.50%	8
Directors	6	13.64%	38	86.36%	44	14	25.00%	42	75.00%	56
Total Executive level	7	13.46%	45	86.54%	52	15	23.44%	49	76.56%	64
P4-P5	82	34.45%	156	65.55%	238	113	40.07%	169	59.93%	282
P2-P3	104	59.77%	70	40.23%	174	106	63.86%	60	36.14%	166
Total professional level	186	45.15%	226	54.85%	412	219	48.88%	229	51.12%	448
G7	47	75.80%	15	24.20%	62	41	83.70%	8	16.30%	49
G5-G6	249	66.94%	123	33.06%	372	262	61.36%	165	38.64%	427
G3-G4	10	25.00%	30	75.00%	40	15	35.71%	27	64.29%	42
Total GS level	306	64.56%	168	35.44%	474	318	61.39%	200	38.61%	518
Total all levels	499	53.20%	439	46.80%	938	552	53.59%	478	46.41%	1030

Prepared on the basis of HR annual reports for 2011-2013. Note: this review does not analyze gender balance within each sector.

Annex V: Gender balance (contd.)

Gender balance 2008

	Executive	Directors	P4-P5	P2-P3	G7	G5-G6	G3-G4	Total all levels
Male	85.71%	86.36%	65.55%	40.23%	24.20%	33.06%	75.00%	46.80%
Female	14.29%	13.64%	34.45%	59.77%	75.80%	66.94%	25.00%	53.20%

Gender balance 2013

	Executive	Directors	P4-P5	P2-P3	G7	G5-G6	G3-G4	Total all levels
Male	87.50%	75.00%	59.93%	36.14%	16.30%	38.64%	64.29%	46.41%
Female	12.50%	25.00%	40.07%	63.86%	83.70%	61.36%	35.71%	53.59%
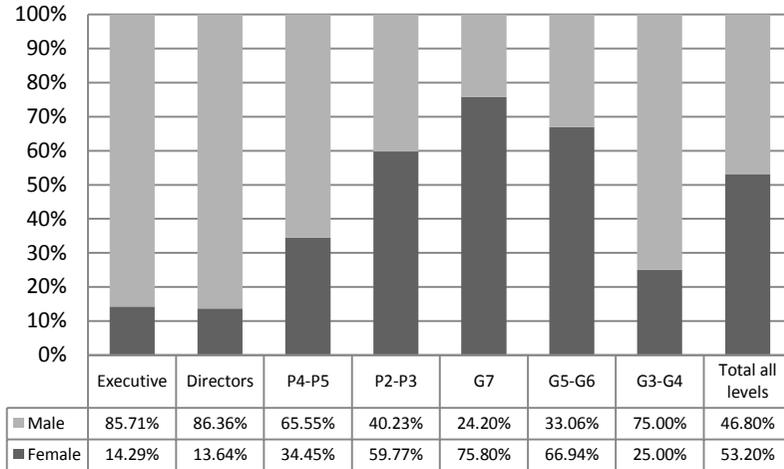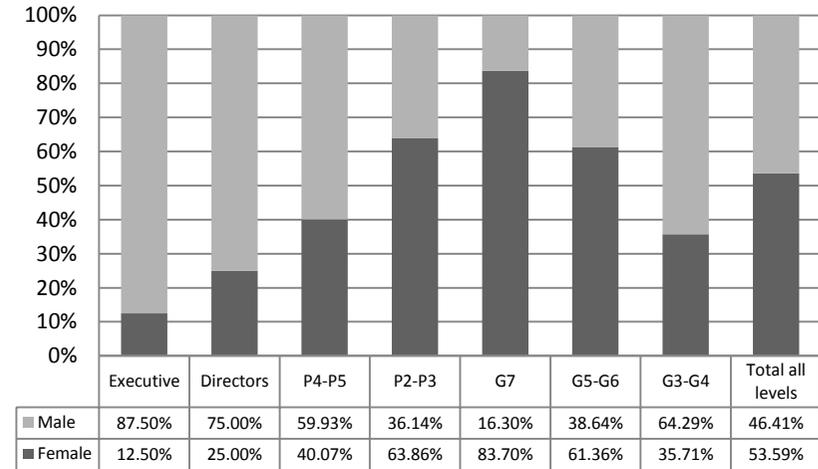
Proportion of female staff by category
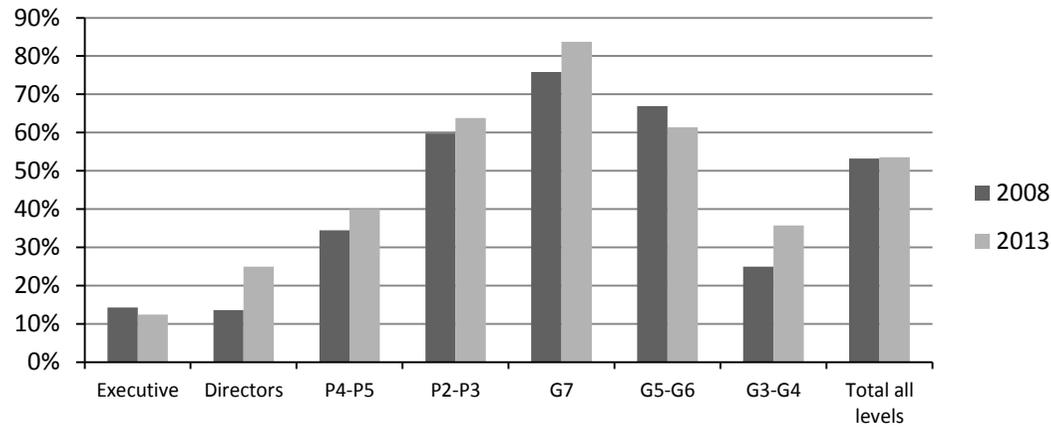
Annex VI: Oversight framework

	Internal Audit and Oversight Division (IAOD)
Main functions	Provides the Management of WIPO with systematic assurance, analyses, appraisals, recommendations, advice and information through the undertaking of independent internal audits, evaluations, inspections and investigations; Ensures cost-effective control, and identifying means for improving WIPO's effectiveness, efficiency, economy and rationalization of the internal procedures and use of resources; Ensures compliance with WIPO's FRR, SRR, relevant GA decisions, the applicable accounting standards and the Standards of Conduct for the International Civil Service, as well as best practice; Establishes plans, policies and guidelines for all oversight functions; Prepares, publishes, disseminates, maintains manuals on audit, evaluation and inspection; Supports the Director General (DG) in his management and assist program managers.
Composition	The Director is recruited by an open, transparent international selection process provided by the Director General in consultation with the IAOC. The Inspectors may want to mention that the Coordination Committee is involved, at the final stage, in the recruitment of the Director. He is responsible to the DG but functionally and operationally independent from the Secretariat; IAOD is composed of auditors, evaluators and investigators; it relies on temporary assistance.
Reporting and dissemination	Annual Summary Report presented by the Director to the DG, EA, IAOC, and the GA (public documents); Final investigation reports submitted to the DG and further circulated if involving the DG or DDG or ADG (to Chairs of GA, IAOC, EA, or Coordination Committee depending on the persons involved); Reports on annual work plans to the PBC; Internal audit, evaluation and inspection reports are sent to the Director General and Program Managers and presented to the IAOC, the EA and Member States upon request; Investigation reports, drafts, materials, findings, conclusions and recommendations are confidential unless disclosure is authorized by DG or IAOD Director.
Recommendations and follow-up	Recommendations are addressed to WIPO management; The DG is responsible for ensuring that all recommendations are responded to promptly indicating actions taken by Management regarding specific report findings and recommendations; IAOD Director establishes and maintains follow-up systems to determine whether effective action has been taken, following his/her oversight recommendations and periodically report in writing to Member States, the IAOC and the Director General on situations where adequate, timely corrective action has not been implemented; Since 2012 TeamMate is used as oversight software tool and TeamCentral as a web-based recommendation management system; The annual reports contain a description and follow-up of the recommendations of the IAOD Director.

External Auditor (EA)	
Main functions	Makes observations regarding the efficiency of the financial procedures, the accounting system, the internal financial controls, and, in general, the administration and management of WIPO; Performs audits of the accounting records of WIPO, and of the Unions administered by WIPO, including all trust funds and special accounts, as he/she deems necessary in order to assure himself: that the annual financial statements are in accord with the books and records of WIPO, that the financial transactions reflected in the annual financial statements have been in accordance with the rules and regulations, the budgetary provisions and other applicable directives, that the securities and monies on deposit and on hand have been verified by certificate received direct from WIPO's depositaries or by actual count, that the internal controls are adequate in the light of the extent of reliance placed thereon, and that procedures satisfactory to him have been applied to the recording of all assets, liabilities, surpluses and deficits.
Composition	Appointed by the General Assembly for a fixed term of six years.
Reporting and dissemination	Reports and opinions submitted to the relevant WIPO Governing Bodies and all interested Unions or the DG; Reports considered by the IAOC and presented to the PBC for comments.
Recommendations and follow-up	Recommendations addressed to WIPO management; IAOD Director shall present every year a report to the DG regarding the implementation of EA recommendations; IAOD Director liaises and coordinates with EA to monitor the follow-up of recommendation.
Independent Advisory Oversight Committee (IAOC)	
Main functions	Provides assurance to Member States on the appropriateness and effectiveness of internal controls at WIPO; Aims to assist Member States in their role of oversight and for better exercise of their governance responsibilities with respect to the various operations of WIPO; Promotes internal control, focus on assurance resources and overseeing audit performance; Meets every quarter to review IAOD and EA audits. Meets quarterly with IAOD to cover all oversight functions
Composition	Subsidiary body of the GA and PBC, and independent expert advisory and external oversight body; Seven members nominated by PBC following a selection process carried out by a Selection Panel, assisted by IAOD.
Reporting and dissemination	Annual report presented to PBC after each of its formal meetings and to GA; Reports to PBC upon request on particular activities and projects; Member States are kept informed of IAOC work on a regular basis as meetings are organized after each formal IAOC meeting.
Recommendations and follow-up	Recommendations addressed to PBC followed up through TeamCentral.

Annex VII: JIU survey highlights

In accordance with the standard practice of its management and administration reviews, the JIU directly sought the views and opinions of WIPO staff members on various aspects covered by the present report. WIPO staff contributed to the Inspectors' review through an Internet-based survey made available to them in July 2013. The JIU survey was prepared as a complement to the WIPO Core Values Surveys (2010-2012).

The link to the JIU survey was distributed by the WIPO Secretariat through its information management system to 1,250 staff members. Responses were collected and processed confidentially by the Inspectors. A total of 346 replies were received (a response rate of 27.7 per cent). The participation rate is illustrative and statistically representative of the views of some categories of staff. The findings are based on aggregated and filtered data by various categories of staff and have been included in the narrative of the report. Findings have been triangulated with other sources of information such as interviews, document content analysis and the WIPO Core Value Surveys

Participation in the JIU survey 2013, by main categories

	Respondents	**Approximate Participation**
Professionals and above	178	35.7
General service	159	30.8
Other categories	9	--
Total	346	27.7

Based on the analysis of the responses, the Inspectors noted the following: (a) the vast majority of respondents (over 70 per cent) have more than 10 years' experience working at WIPO, and thus provided both a sufficient insight into the organization and a medium-term perspective on how it has evolved; (b) respondents in the P5 and above category are generally less critical in their assessment of the organization and provided more positive comments.

Many of the comments provided showed that WIPO staff were keen to express their opinion on key aspects of their work as well as on issues related to the organization as a whole. The Inspectors collected 169 comments and suggestions through open questions. Such comments related to a vast number of management and administration issues within the organization. Following a content analysis, the Inspectors categorized those comments in several broad headings (see figure below), which indicate a high proportion of comments on human resource management, executive management and staff-management relations.

Annex VII: JIU survey highlights (contd.)

Staff-Management relations 25%
ICT 2%
Strategic Realighnement programme 1%
Oversight 2%
Organizational structure 7%
HR management 39%
Executive management 24%
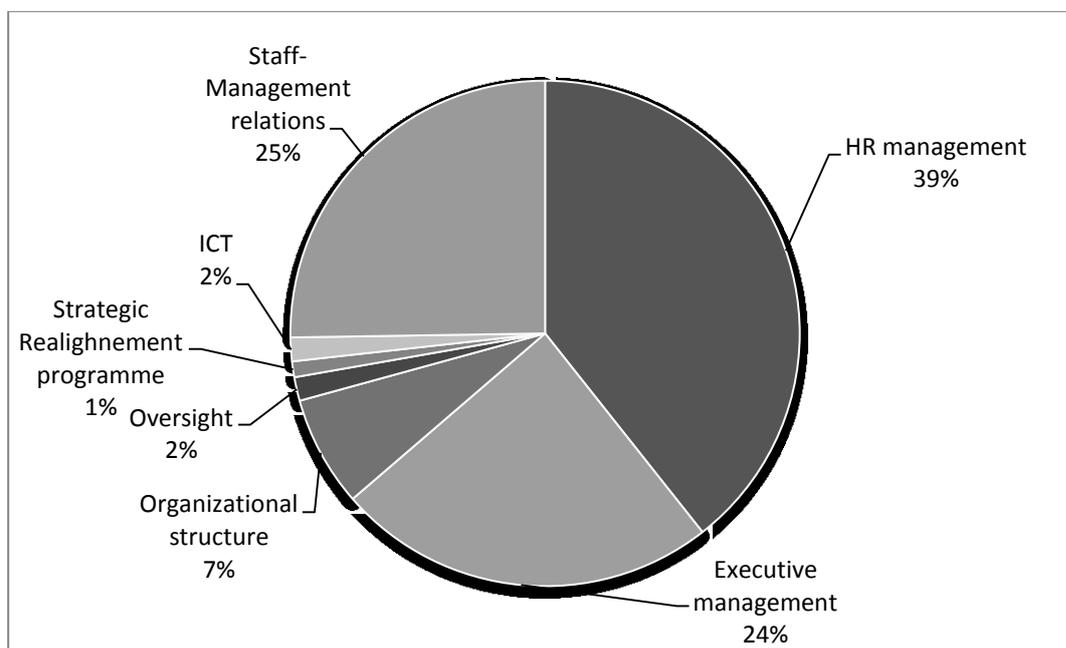
Source: JIU survey 2013, comments made by respondents

Categories	Issues covered
HR management	Conflict resolution; gender balance; transparency of recruitment and selection processes; workload of staff; clear definition of policies; career development.
Executive management	Transparency of management processes; efficiency; accountability and responsibility; abuse of authority; competency of executive management.
Organizational structure	Bureaucratic processes hindering performance; collaboration and cooperation.
Other issues	Oversight, Strategic Realignment Program, ITC
Staff-Management relations	Involvement of staff in decision-making; recognition and respect of staff; collaboration and communication; discrimination towards staff; favouritism; conflictive working environment

Source: JIU survey 2013, comments made by respondents

Annex VIII: Overview of actions to be taken by participating organizations on the recommendations of the Joint Inspection Unit

JIU/REP/2014/2

		Intended impact	United Nations, its funds and programmes															Specialized agencies and IAEA													
			CEB	United Nations*	UNCTAD	ITC	UNDP	UNEP	UNFPA	UN-Habitat	UNHCR	UNICEF	UNODC	UNOPS	UNRWA	UN Women	WFP	FAO	IAEA	ICAO	ILO	IMO	ITU	UNAIDS	UNESCO	UNIDO	UNWTO	UPU	WHO	WIPO	WMO
Report	For action		☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	⊠	☐
	For information		⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠	☐	⊠
Recommendation 1	i																													L	
Recommendation 2	a																													E	
Recommendation 3	a																													E	
Recommendation 4	b																													E	
Recommendation 5	i																													E	
Recommendation 6	i																													L	
Recommendation 7	i																													E	
Recommendation 8	i																													E	
Recommendation 9	f																													E	
Recommendation 10	i																													E	

Legend: **L:** Recommendation for decision by legislative organ   **E:** Recommendation for action by executive head

▨ : Recommendation does not require action by this organization

Intended impact: **a:** enhanced transparency and accountability   **b:** dissemination of good/best practices   **c:** enhanced coordination and cooperation   **d:** strengthened coherence and harmonization   **e:** enhanced control and compliance   **f:** enhanced effectiveness   **g:** significant financial savings   **h:** enhanced efficiency   **i:** other.

* Covers all entities listed in ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-Habitat, UNHCR, UNRWA.