

# ARIPO

## 2020 Annual Report





---

# ARIPO

## Annual Report

### **2020**

# ARIPO IN BRIEF

The African Regional Intellectual Property Organization (ARIPO) is an inter-governmental organization (IGO) that was established, *inter alia*, to promote, harmonize and develop intellectual property systems in Africa.

## ***Vision***

*To be Africa's leading intellectual property hub*

## ***Mission***

*To foster creativity and innovation for economic growth and development in Africa*

## ***Our Core Values***

*Client-focus  
Engagement  
Innovation  
Integrity  
Accountability*

<b>ABBREVIATIONS .....</b>	<b><i>i</i></b>
<b>FOREWORD .....</b>	<b>1</b>
<b>ARIPO MEMBERSHIP AND PROTOCOLS SIGNED .....</b>	<b>3</b>
Membership.....	3
The ARIPO Member States and the Protocols.....	4
<b>ORGANS OF ARIPO .....</b>	<b>5</b>
Overview .....	5
Council of Ministers .....	6
Administrative Council and its Subsidiary Committees .....	6
Board of Appeal.....	6
The Secretariat.....	6
<b>ARIPO'S LEGAL INSTRUMENTS .....</b>	<b>7</b>
Lusaka Agreement .....	7
Harare Protocol .....	7
Banjul Protocol.....	7
Swakopmund Protocol .....	7
Arusha Protocol.....	7
<b>2020 HIGHLIGHTS – OUR YEAR IN PERSPECTIVE .....</b>	<b>8</b>
<b>The ARIPO Administrative Council Session.....</b>	<b>8</b>
The Forty-fourth Session of the Administrative Council of ARIPO .....	8
End of Tenure for Dr. Fernando dos Santos.....	11
Election of New Director General.....	13
<b>Review of the Implementation of the ARIPO Value and Growth Strategic Plan     (2016-2020) .....</b>	<b>15</b>
<b>COVID-19 Pandemic - Impact on ARIPO's Work .....</b>	<b>17</b>
<b>Strategic Partnerships and Cooperation .....</b>	<b>18</b>
International Cooperation.....	18
ARIPO/WIPO Training of Trainers programme .....	18
Training Programme with WIPO Academy.....	18
EPO-ARIPO Reinforced Partnership Framework ... ..	18
Pan-African Project on IP Rights (AfrIPI) .....	19
IP Awareness and Building Respect for IP in Schools of ARIPO Member States	19
UNDP Youth Connekt.....	19
International Labour Organization (ILO).....	19
EUIPO Support for the Diplomatic Conference.....	19
Other Cooperation Activities.....	20
Memoranda of Understanding.....	20
Zimbabwe Open University.....	20
Canadian Intellectual Property Office (CIPO) .....	20
Indonesia's Directorate General of Intellectual Property (DGIP) .....	21
High-Level Meetings .....	21

<b>Capacity Building, IP Knowledge Development and Outreach.....</b>	<b>22</b>
Masters in Intellectual Property Programmes .....	22
Africa University .....	22
Kwame Nkrumah University of Science and Technology.....	22
University of Dar es Salaam (UDSM) .....	23
Overview of MIP Students Enrolment .....	23
Internal Training 2020 .....	23
The African Journal of Intellectual Property (AJIP) .....	24
ARIPO Directory of IP Professionals.....	24
ARIPO e-Learning Service.....	24
<b>Copyright &amp; Related Rights.....</b>	<b>26</b>
Draft Protocol on Voluntary Registration of Copyright and Related Rights .....	26
IP Awareness Video and Song Launch .....	26
Copyright Publications .....	26
Establishment of CMO in the Kingdom of Eswatini and Sierra Leone .....	26
<b>Information and Communication Technology (ICT).....</b>	<b>28</b>
ARIPO Online Services.....	28
ARIPO Member States Module.....	28
ARIPO Regional IP Database .....	28
ARIPO Sub-Regional Technology and Innovation Support Centre (TISC) Network .....	28
<b>Visibility .....</b>	<b>29</b>
International Exhibitions .....	29
<b>Our People .....</b>	<b>30</b>
Employee Development.....	30
Staff Training Programmes .....	30
Secondment.....	30
Employee Engagement Strategy .....	30
Staff Team Building .....	31
Employee Wellness .....	32
Performance Management.....	32
Geographical and Gender Diversity .....	32
Long Service Awards .....	32
<b>2020 ARIPO INDUSTRIAL PROPERTY STATISTICS .....</b>	<b>33</b>
<b>Industrial Property Applications.....</b>	<b>33</b>
Patents .....	33
Patent Applications Filed.....	33
Monthly Patent Applications Filed .....	33
Industrial Designs.....	34
Industrial Design Applications Filed .....	34
Monthly Industrial Design Applications Filed.....	34
Utility Models.....	35
Utility Model Applications Filed .....	35
Monthly Utility Model Applications Filed.....	35
Trademarks .....	36
Mark Applications Filed .....	36
Monthly Mark Applications Filed .....	37
Applications' Designations .....	38
Requests for Substantive Examination .....	39
Monthly Requests for Substantive Examination .....	39



<b>Grants and Registrations .....</b>	<b>40</b>
Patents Granted .....	40
Industrial Design Registrations .....	41
Utility Model Registrations.....	41
Mark Registrations .....	42
<b>FINANCIAL MANAGEMENT .....</b>	<b>43</b>
<b>Key Highlights of 2019 Financial Performance .....</b>	<b>44</b>
Financial Performance Analysis .....	44
Income .....	44
Comparison with Prior Year .....	45
Expenditure.....	46
Comparison with Prior Year .....	46
Financial Position Analysis.....	47
Cashflow Statement.....	47
Analysis of Budget vs Actuals .....	48
Report on the Member States' Financial Position for the Period Ending December 31, 2019 .....	48
<b>ANNEXES: AUDITED FINANCIAL STATEMENT 2019 .....</b>	<b>49</b>



# ABBREVIATIONS

ACE	Advisory Committee on Enforcement
AfCFTA	African Continental Free Trade Area
AfriPI	Intellectual Property Rights & Innovation in Africa
AFSTA	African Seed Trade Association
AISGE	Artistas Intérpretes, Sociedad de Gestión
AJIP	African Journal of Intellectual Property
ARIPO	African Regional Intellectual Property Organization
ARPET	African Regional Patent Examination Training
AU	Africa Union
BRELA	Business Registration and Licensing Authority
CIPO	Canadian Intellectual Property Office
CISAC	International Confederation of Societies of Authors and Composers
CMOs	Collective Management Organizations
CNIPA	China National Intellectual Property Administration
DGIP	Directorate General of Intellectual Property
EPO	European Patent Office
ESAMI	Eastern and Southern African Management Institute
EUIPO	European Union Intellectual Property Office
EUTM	European Union Trademarks
GI	Geographical Indication
ICT	Information Communication Technologies
IFRRO	International Federation for Reproduction Rights Organizations
IGO	Inter-governmental Organization
ILO	International Labour Organization



INTA	International Trademark Association
IP	Intellectual Property
IPA	International Publishers Association
IPOS	Intellectual Property Office of Singapore
JPO	Japan Patent Office
KNUST	Kwame Nkrumah University of Science and Technology
MIP	Master in Intellectual Property
MoU	Memorandum of Understanding
RCD	Community Registered Design
RECs	Regional Economic Communities
RPET	Regional Patent Examination Training
SNEP	Seconded National Experts Program
TISC	Technology and Innovation Support Centre
UDSM	University of Dar es Salaam
UKIPO	United Kingdom Intellectual Property Office
UNECA	United Nations Economic Commission for Africa
USPTO	United States Patent and Trademark Office
URSB	Uganda Registration Service Bureau
V&G	Value and Growth
WAO	WIPO/ARIPO/OAPI (WAO) Tripartite Agreement
WIPO	World Intellectual Property Organization
ZIPO	Zimbabwe Intellectual Property Organization
ZOU	Zimbabwe Open University



# FOREWORD

The year 2020 marked the end of the five-year ARIPO Value and Growth Transformation Strategic Plan 2016–2020, which was anchored on fostering creativity and innovation for economic growth in Africa. The Organization thus undertook a review of the implementation of the Strategic Plan. The review indicated an 84.6% overall implementation status of the Strategic Plan, with the shortfall largely attributed to the effects of the global COVID-19 pandemic. The challenges that were experienced were identified. The review made valuable recommendations, which can be considered during the development and implementation of the next five-year strategic plan.

The global COVID-19 pandemic presented unique challenges for the Organization. At the onset of the pandemic, ARIPO, like all other organizations and businesses had to adopt new operational strategies to ensure that service to clients and stakeholders was not compromised. The 24-hour e-service and other online platforms became instrumental in how we did business with our clients. The platforms ensured business continuity with respect to all aspects of industrial property administration, brand visibility and communication. This saw an increase in the uptake of the online services, with 85% of all new applications received in 2020 filed online compared to 77% in 2019.



*Dr. Fernando dos Santos*

On the brand visibility and communication side, ARIPO relied more on using social media platforms to keep the stakeholders and clients engaged with the Organization and its activities.

The Organization, in collaboration with cooperating partners, organized and held several online initiatives, such as webinars and online training programmes that benefitted the Member States and the staff.

The Organization also held all the Administrative and Technical Committee meetings virtually. The Forty-fourth Session of the Administrative Council was, however, held in a hybrid format. While delegates from Zimbabwe including Ambassadors from the ARIPO Member States accredited to Zimbabwe and Secretariat staff participated physically at the ARIPO headquarters, all other Member States delegates, IP agents, and cooperating partners participated virtually.

The Forty-fourth Session paid tribute to the outgoing Director General, Dr. Fernando dos Santos for the achievements realized by ARIPO during his eight-year tenure. The Session also elected Mr. Bemanya Twebaze, a national of Uganda, as the new Director General of ARIPO for the period January 1, 2021 to December 31, 2024.

The Organization continued with its support for the Masters in Intellectual Property (MIP) programme at Africa University and Kwame Nkrumah University of Science and Technology (KNUST). In February, the MIP programme at the University of Dar es Salaam was officially launched bringing to three the institutions that are offering the programme in partnership with ARIPO. ARIPO continued to offer scholarships and technical support to the three institutions.

The year 2020 witnessed a drop in industrial property filings in patents, trademarks, and utility models. There was however a 13% increase in the number of industrial design applications received by the office compared

to the previous year. Patents registered a 13% drop in applications compared to 2019. Utility models registered a sharp drop of 39%. Trademark applications fell by 16% when compared to 2019. The number of classes for the trademark applications filed during the reporting period declined by 11%. There was however a 45% increase in the number of patents that were granted in 2020 compared to those granted in 2019.

As 2021 beckons, with the coming in of a new Director General, and armed with the lessons learned from the Value and Growth Transformation Strategic Plan 2016-2020, the Organization is confident that it will deliver even more value to its stakeholders and clients.

Fernando dos Santos

  
-----  
**Director General**



# ARIPO MEMBERSHIP AND PROTOCOLS SIGNED

## MEMBERSHIP

Membership to ARIPO is open to Member States of the Economic Commission for Africa (UNECA) or the African Union (AU). As of 31 December 2020, the ARIPO membership was at 20 Member States as shown in the map in Figure 1 below.



Figure 1. Map of the ARIPO Member States

## The ARIPO Member States and the Protocols

Table 1 below lists the current Member States of ARIPO, dates they joined the Organization, and dates when they became Contracting States to the ARIPO Protocols that are in force.

Country	Lusaka Agreement	Harare Protocol	Banjul Protocol	Swakopmund Protocol	Arusha Protocol
<b>Botswana</b>	6 February 1985	6 May 1985	29 October 2003	28 March 2012	
<b>Kingdom of Eswatini</b>	17 December 1987	17 March 1988	17 March 1988		
<b>The Gambia</b>	15 February 1978	16 January 1986		11 February 2015	
<b>Ghana</b>	15 February 1978	25 April 1984			
<b>Kenya</b>	15 February 1978	24 October 1984			
<b>Kingdom of Lesotho</b>	23 July 1987	23 October 1987	12 February 1999		
<b>Liberia</b>	24 December 2009	24 March 2010	24 March 2010	25 October 2016	
<b>Malawi</b>	15 February 1978	25 April 1984	6 March 1997	20 December 2012	
<b>Mauritius</b>	25 September 2020				
<b>Mozambique</b>	8 February 2000	8 May 2000	15 February 2020		
<b>Namibia</b>	14 October 2003	23 April 2004	14 January 2004	11 February 2015	
<b>Rwanda</b>	24 June 2011	24 September 2011		16 July 2012	7 June 2019
<b>São Tomé &amp; Príncipe</b>	19 May 2014	19 August 2014	27 November, 2015		29 September 2020
<b>Sierra Leone</b>	5 December 1980	25 February 1999			
<b>Somalia</b>	10 December 1981				
<b>Sudan</b>	2 May 1978	25 April 1984			
<b>Tanzania</b>	12 October 1983	1 September 1999	1 September 1999		
<b>Uganda</b>	8 August 1978	25 April 1984	21 November 2000		
<b>Zambia</b>	15 February 1978	26 February 1986		28 August 2015	
<b>Zimbabwe</b>	11 November 1980	25 April 1984	6 March 1997	22 April 2013	

Table 1: ARIPO Member States and the dates when they became Contracting States to the ARIPO Protocols

# ORGANS OF ARIPO

## OVERVIEW

The African Regional Intellectual Property Organization (ARIPO) is governed through various organs. These organs are the Council of Ministers, Administrative Council, Board of Appeal and the Secretariat. The Administrative Council has subsidiary committees that come under two broad categories, namely, Administrative Committees as well as Technical Committees.

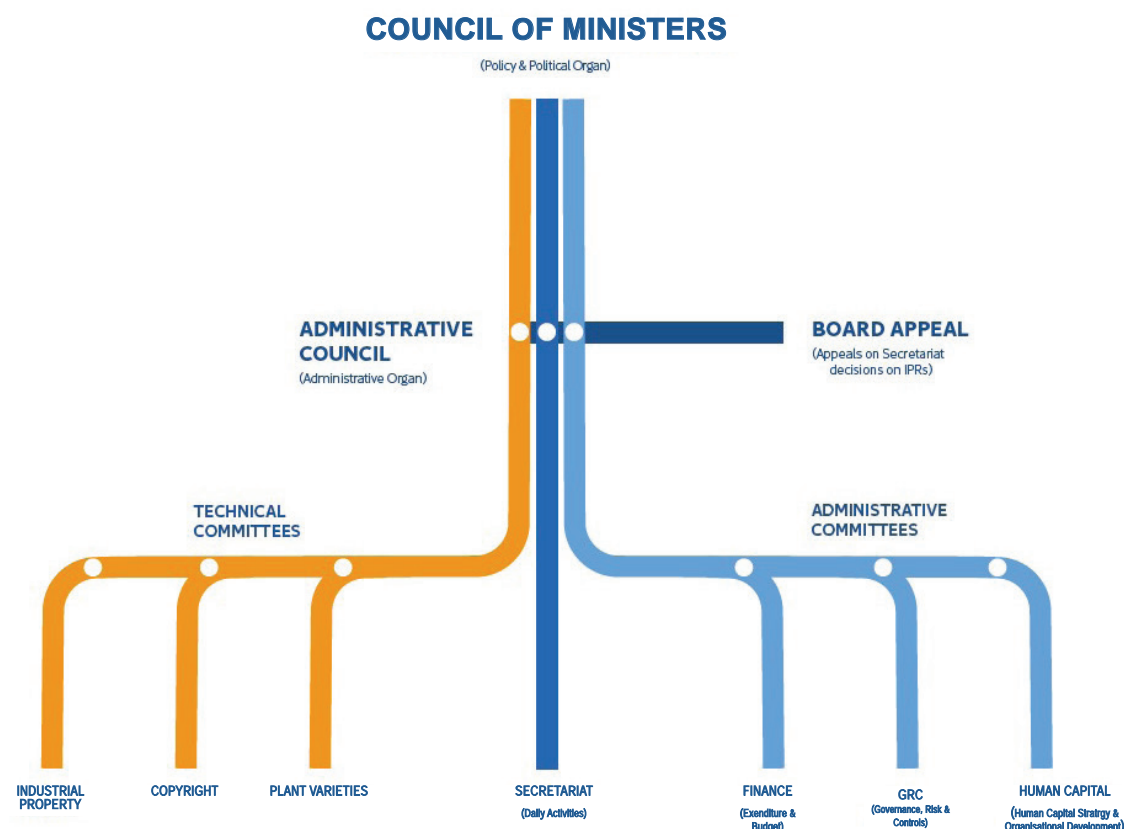


Figure 1. ARIPO organs.

## COUNCIL OF MINISTERS

The Council of Ministers comprises Ministers of governments of the ARIPO Member States who are responsible for the administration of intellectual property laws in their respective countries. It is the supreme organ of the Organization. The Republic of Liberia is the current Chair of the Council of Ministers.

## **ADMINISTRATIVE COUNCIL AND ITS SUBSIDIARY COMMITTEES**

The Administrative Council is composed of Heads of offices responsible for Industrial Property and Copyright in the Member States. The Administrative Council is subordinate to the Council of Ministers. The Republic of Liberia is the current Chair of the Administrative Council.

### **Subsidiary Committees of the Administrative Council**

The Administrative Council has subsidiary Committees in place to administer the affairs of ARIPO. These come under two broad categories, namely, the Technical Committees and the Administrative Committees. Under the former, there are three committees, which are Technical Committee on Industrial Property, Technical Committee on Copyright & Related Rights, and Technical Committee on Plant Varieties Protection.

Similarly, under Administrative Committees, ARIPO has three committees, namely, Audit Committee, Finance Committee and Human Capital Committee.

## **BOARD OF APPEAL**

The Board of Appeal is established to hear and review appeals against the administrative decisions of the Office in the implementation of ARIPO Protocols. It is independent of any organ of the Organization.

## **THE SECRETARIAT**

The Secretariat is responsible for the day-to-day activities of the Organization and implementation of policies issued by the Administrative Council and the Council of Ministers. It is headed by a Director General who is the principal executive officer of the Organization. The holder of the office must be a citizen of an ARIPO Member State.



# ARIPO'S LEGAL INSTRUMENTS

## LUSAKA AGREEMENT

ARIPO was established under the Lusaka Agreement, which was signed in Lusaka, Zambia, on 9 December 1976. The objectives are, *inter alia*, to promote, harmonize and develop intellectual property systems in Africa. To carry out its functions, ARIPO administers four Protocols. These are the Harare Protocol, the Banjul Protocol, the Swakopmund Protocol and the Arusha Protocol.

## HARARE PROTOCOL

The Protocol on Patents and Industrial Designs (the Harare Protocol) was adopted in 1984 empowering ARIPO to grant patents and register industrial designs as well as utility models on behalf of the protocol's Contracting States. Currently, the Protocol is in force in all the Member States except Somalia and Mauritius.

## BANJUL PROTOCOL

Adopted in 1993, this protocol empowers ARIPO to register marks on behalf of the Contracting States. Eleven countries are currently party to the Protocol. These are Botswana, Kingdom of Eswatini, Kingdom of Lesotho, Liberia, Malawi, Mozambique, Namibia, São Tomé & Príncipe, Tanzania, Uganda and Zimbabwe.

## SWAKOPMUND PROTOCOL

The Swakopmund Protocol on the Protection of Traditional Knowledge and Expressions of Folklore was adopted in 2010 and entered into force in 2015. The Protocol aims to protect the traditional knowledge and expressions of folklore of Africa and to ensure that it is properly utilized for the welfare of her people. Eight Member States have ratified the Protocol. These are Botswana, The Gambia, Liberia, Malawi, Namibia, Rwanda, Zambia, and Zimbabwe.

## ARUSHA PROTOCOL

The Arusha Protocol for the Protection of New Varieties of Plants was adopted in Arusha, Tanzania in July 2015. It aims to provide the Member States with a regional plant variety protection system that recognizes the need to provide growers and farmers with improved varieties of plants to ensure sustainable agricultural production.

The Protocol has received five signatures from The Gambia, Ghana, Mozambique, São Tomé & Príncipe, and the United Republic of Tanzania. So far, Rwanda and São Tomé & Príncipe have ratified the Protocol. The Protocol will only enter into force after four States have ratified it.

# 2020 HIGHLIGHTS – OUR YEAR IN PERSPECTIVE

## THE ARIPO ADMINISTRATIVE COUNCIL

### **FORTY-FOURTH SESSION OF THE ADMINISTRATIVE COUNCIL OF ARIPO**

The Forty-fourth Session of the Administrative Council of ARIPO was held from November 16 to 20, 2020. The Session was held in a hybrid format. Member States delegates except Zimbabwe, participated virtually due to the COVID-19 pandemic. The Zimbabwean delegation and Ambassadors from the ARIPO Member States accredited to Zimbabwe attended the Council meeting physically at the ARIPO Secretariat. The Session was officially opened by Zimbabwe's Minister of Justice, Legal and Parliamentary Affairs, Hon. Ziyambi Ziyambi.

The Administrative Council received reports on the 2020 main achievements, statistics on industrial property rights applications received and granted by the Organization, and the outcome of a review of the ARIPO Value and Growth Transformation Strategic Plan 2016-2020. The Forty-fourth Session also discussed and adopted several administrative documents, including the proposed budget and programme of activities for 2021.

The Administrative Council agreed to hold an Extra-ordinary Session in 2021 to discuss other items of its traditional agenda, including the proposals to amend some of the ARIPO Protocols (Harare Protocol on Patents and Industrial Designs and Banjul Protocol on Marks) to align them with international trends.



*Minister of Justice, Legal and Parliamentary Affairs of  
Zimbabwe, Honourable Ziyambi Ziyambi*



*ARIPO Director General, Dr. Fernando dos Santos*

The Session also elected Mr. Bemanya Twebaze, a national of Uganda as the new Director General for a fixed term of four years commencing January 1, 2021 and ending on December 31, 2024.

The Permanent Secretary for the Ministry of Justice, Legal and Parliamentary Affairs, Mrs. Virginia Mabhiza, officially closed the Session. In her closing remarks, read by Mr. Willy Mushayi, the Acting Registrar at the Zimbabwe Intellectual Property Office, she applauded the Administrative Council's Chairperson, Hon. Adelyn Cooper, the Director General, and the Council members for their commitment and participation in the session.

The Permanent Secretary also commended Dr. dos Santos for the achievements realized by ARIPO during his tenure. These included new memberships of São Tomé & Príncipe, and Mauritius, the adoption of the Arusha Protocol, the entry into force of the Swakopmund Protocol, and the extension and commissioning of the ARIPO Headquarters among other notable achievements. The Permanent Secretary also congratulated the Director General-elect, Mr. Bemanya Twebaze, and offered her support during his tenure at ARIPO.

Inter-governmental Organizations and Co-operating Partners represented at the Council meeting were: Artistas Intérpretes Sociedad de Gestión (AISGE), the World Intellectual Property Organization (WIPO), the European Patent Office (EPO), the China National Intellectual Property Administration (CNIPA), the Intellectual Property Office of Singapore, the Canadian Intellectual Property Office (CIPO), the African Seed Trade Association (AFSTA), the U.S Patent and Trademark Office (USPTO), Japan Patent Office (JPO) and the Organisation Africaine de la Propriété Intellectuelle (OAPI).

Patent Agents represented were: Adams and Adams, Lysaght & Company, Ngeri, Omiti & Bush Advocates, Cronje & Co., Roland Intellectual Property Consultants, Spoor & Fisher, B Matanga Intellectual Property Attorneys, Gill, Godlonton & Gerrans, Donsa, Nkomo & Mutangi Legal Practitioners, Honey & Blanckenberg, Mawere & Sibanda Legal Practitioners, Muvingi & Mugadza Legal Practitioners, and Samuriwo Attorneys.



*Permanent Secretary for the Ministry of Justice, Legal and Parliamentary Affairs of Zimbabwe, Mrs. Virginia Mabhiza*



*The Chairperson of ARIPO Administrative Council, Honourable Adelyn Cooper*





*Ambassadors of some ARIPO Member States to Zimbabwe, Permanent Secretary, Mrs. Virgina Mabhiza, ZIPO and ARIPO officials at the opening ceremony*



*The Forty-fourth Session of the Administrative Council in progress virtually*

## END OF TENURE FOR DR. FERNANDO DOS SANTOS

The year closed with Dr. Fernando dos Santos leaving the Organization at the end of his eight-year tenure at the helm of the Secretariat, having served as Director General of ARIPO from January 1, 2013 to December 31, 2020. ARIPO and its Member States credit Dr. dos Santos, for a dedicated and outstanding service to the Organization, including his contribution in advancing intellectual property (IP) in Africa and elevating the image of ARIPO on the global IP arena.

During his tenure, Dr. dos Santos instituted numerous changes at the Secretariat including the rebranding exercise that resulted in the adoption of a new ARIPO logo, the successful implementation of the Value & Growth Transformation Strategic Plan 2016-2020, extension of the ARIPO headquarters building, strengthening the IP human resource base in Africa through the MIP programmes and the development of IP administrative capacities in the Member States through training.

Furthermore, São Tomé and Príncipe and Mauritius joined the Organization. The Arusha Protocol for the Protection of New Varieties of Plants was adopted and 11 new accessions to the ARIPO Protocols were realized.



*Dr. dos Santos displaying his citation*



*Mr. Willie Mushayi hands over an award to Dr. dos Santos on behalf of the members of the Administrative Council*



Dr. dos Santos is also credited with the Development of the Legal Framework on Establishment of a Regional Voluntary Copyright Registration and Notification System, whose draft protocol awaits adoption in 2021 at a Diplomatic Conference.

Other notable achievements attributed to Dr. dos Santos include the introduction of Master of Philosophy Degree in IP at Kwame Nkrumah University of Science and Technology (KNUST) in Kumasi, Ghana and the Master of Intellectual Property Degree at University of Dar es Salaam, Tanzania. Continued support was given to the Masters in Intellectual Property Degree programme at Africa University, in Mutare, Zimbabwe.

Dr. dos Santos also successfully concluded the Project to Upgrade and Modernize the ARIPO ICT Infrastructure and the inclusion of ARIPO's published trademark and design data on the EUIPO TMview and DesignView respectively as well as the inclusion of ARIPO in the EUIPO TMClass.

Dr. dos Santos facilitated the conclusion of several new MoUs between ARIPO and its partners to enhance more cooperation and skills exchange among the parties.

He received several honours, recognitions, and awards in his personal capacity as well as on behalf of ARIPO. He was voted thrice as one of the top 50 "Most Influential People" in IP by the United Kingdom based 'Managing Intellectual Property' in 2015, 2018 and in 2019. Under his watch, ARIPO headquarters was adjudged the best commercial property in Zimbabwe at the Zimbabwe Project Management Awards 2017, a special award from the Project Management Zimbabwe 8th Annual Project Managers Dinner and the National Business Excellence Award 2018 at the Megafest Business Awards.

The Acting Registrar of Deeds, Companies and Intellectual Property of the Republic of Zimbabwe, Mr Willie Mushayi, handed Dr. dos Santos a citation highlighting these accomplishments at the conclusion of the Forty-fourth Session of the Administrative Council of ARIPO in November 2020 on behalf of the Chairperson of the Administrative Council of ARIPO, Hon. Adelyn Cooper.

At the same occasion, the ARIPO Intellectual Property Development Executive, Mr. Emmanuel Sackey, who would be retiring from ARIPO in February 2021, was honoured for his 20 years of service at the Secretariat.



*The Acting Registrar of Deeds, Companies and Intellectual Property of the Republic of Zimbabwe, Mr. Willie Mushayi*



*ARIPO Intellectual Property Development Executive, Mr. Emmanuel Sackey*

## ELECTION OF NEW DIRECTOR GENERAL

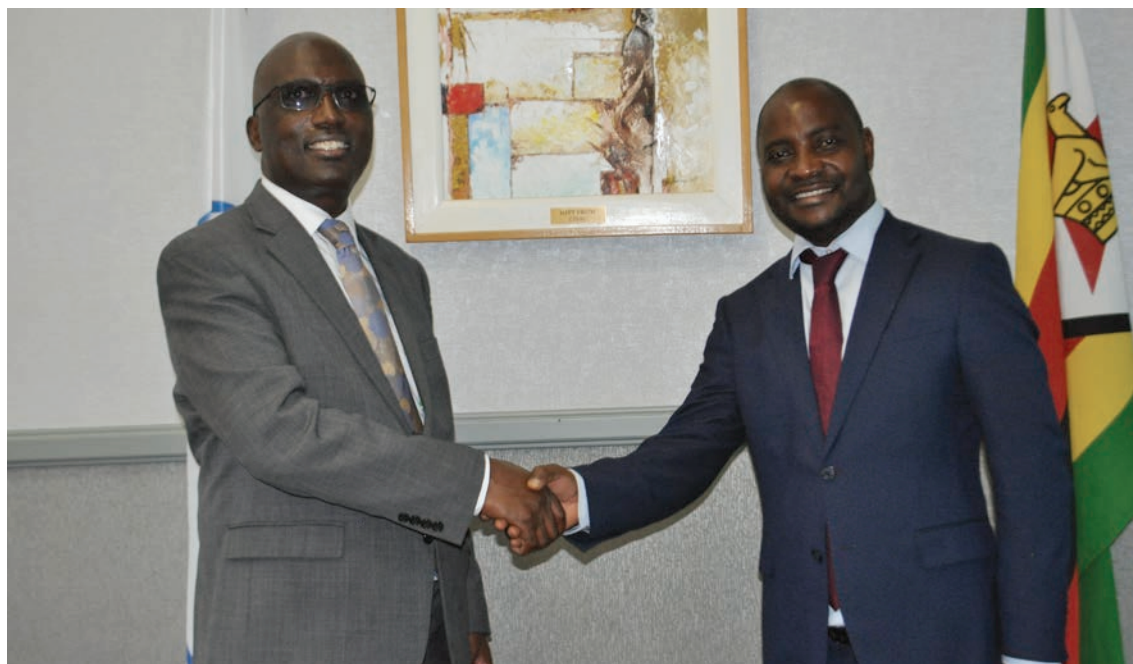
The Forty-fourth Session of the Administrative Council of ARIPO elected Mr. Bemanya Twebaze, a national of Uganda, to the position of Director General of ARIPO at its session held from November 16 to 20, 2020. Mr. Bemanya's tenure will run from January 1, 2021 to December 31, 2024.

Mr. Bemanya holds among others, an Executive MBA Degree from the Eastern and Southern African Management Institute (ESAMI), an Honors Degree in Law from Makerere University Kampala, a Post-graduate Diploma in Legal Practice from the Law Development Centre, Kampala, and an

Executive Certificate in Public Leadership from Harvard Kennedy School. Before his election, Mr. Bemanya served as the Registrar General of Uganda Registration Services Bureau (URSB) and was also the Official Receiver of Uganda, since 2012. During his leadership at URSB, he undertook rigorous administrative, legal, and regulatory reforms that transformed URSB into one of the most progressive, innovative, transparent, and customer-centric organizations in Uganda and the region. Under his stewardship, URSB opened branch offices to increase the accessibility of services throughout the country's regions.



*Director General-elect Mr. Bemanya Twebaze*



*Director General-elect Mr. Bemanya Twebaze and outgoing Director General Dr. dos Santos*

Additionally, Mr. Bemanya has previously held various portfolios at international level including, Chairman of the World Intellectual Property Organization (WIPO) Advisory Committee on Enforcement (ACE); Chairman of the Administrative Council of ARIPO, President of the Paris Union Assembly (International Union for the Protection of Industrial Property), and member of the International Trademark Association (INTA) IP Office of the Future Think Tank. Mr. Bemanya also served in Uganda as a Board Member of the National Identification and Registration Authority (NIRA), and Capital Markets Authority (CMA), among others.





# REVIEW OF THE IMPLEMENTATION OF THE ARIPO VALUE AND GROWTH STRATEGIC PLAN (2016-2020)

ARIPO undertook a review of the ARIPO Value and Growth Transformation Strategic Plan 2016-2020. The review was aimed at assessing progress made by the Organization towards achieving the goals of the Strategic Plan. The review identified implementation challenges that were experienced and provided recommendations that would inform the development and implementation of the next five-year strategic plan.

Qualitative and quantitative methodologies were employed during the review to gather data from all members of staff, and other relevant sources including reports of the Administrative Council, as well as monthly, quarterly and annual reports of the Organization. A total of 121 planned activities out of 143 under the six goals were successfully implemented representing an 84.6% overall implementation status of the Strategic Plan.

Table 2 below contains a summary of the implementation status and level of achievement of each Strategic Goal.

Strategic Goal	Number of planned activities under different strategies	No. of activities implemented	Percentage Goal Achievement
<b>Goal 1:</b> Provision of Premier IP Services	21	14	66.7%
<b>Goal 2:</b> Promotion and Development of IP Policies, Laws and Systems Appropriate to the Needs of the Member States and International Cooperation	11	10	90.9%
<b>Goal 3:</b> Promotion of Creativity, Innovation, and the Utilization of IP	10	9	90.0%
<b>Goal 4:</b> Capacity Building and Awareness Raising	20	19	95.0%
<b>Goal 5:</b> Revenue Generation and Mobilization	7	6	85.7%
<b>Goal 6:</b> Effective Resource Management, Governance and Support	74	63	85.1%
Overall	143	121	84.6%

*Table 2: Activity implementation status and levels of goal achievement.*

The review revealed some of the challenges that affected the implementation of the Strategic Plan, which included budget constraints, lack of a comprehensive reward and recognition system, and the emergence of the COVID-19 pandemic. These implementation challenges provided an opportunity for the development of solutions and recommendations to support the development and implementation of the Organization's next Strategic Plan for the period 2022-2026.

# COVID-19 PANDEMIC IMPACT ON ARIPO'S WORK

The global outbreak of COVID-19 presented unique challenges to both employers and employees. Both needed to quickly reinvent themselves and adapt to the “new normal”. The pandemic transformed ARIPO's views and approaches to work. The need to adequately prepare and support the employees for them to continue delivering on the ARIPO mandate became paramount to the Organization.

ARIPO, realized early in 2020 that the situation would demand more flexibility and adaptability of employees on one end and the internal systems and processes on the other. As a result, these aspects were the first to get attention. The Organization thus put in place a sustainable system and the necessary infrastructure for staff to productively work from home. ARIPO clients engaged and did business with the Organization via the e-service platform that is accessible at any time of the day.

Applications filed at ARIPO through the e-service platform increased from 77% to 85% in 2019. For patents, online applications comprised 97% of all patent applications received in 2020. The processing times were also significantly reduced.

On business communications and brand visibility, ARIPO enhanced a strong digital presence to facilitate increased responsiveness, stakeholder engagement, marketing/brand development and capacity building. Regularly, most staff engagement activities were conducted virtually to keep them informed and abreast of the developments in the Organization. Indeed, technology enabled the Organization to carry out and fulfil its mandate and achieve the results that once seemed impossible when the impact of the pandemic began to be felt.

# STRATEGIC PARTNERSHIPS

## International Cooperation

In collaboration with ARIPO's cooperating partners, several initiatives were undertaken for the benefit of Member States in training and capacity building. Joint programmes were organized with such partners as WIPO, EUIPO, USPTO, UNDP, among others.

### ARIPO/WIPO Training of Trainers programme

ARIPO collaborated with WIPO to conduct the Training of Trainers (TOT) programme for East Africa region. The training programme is one of the initial steps towards the establishment of the ARIPO Center of Excellence. The training was conducted virtually for six weeks with over thirty participants from, Tanzania, Uganda, Zambia, Malawi, Sudan, Kenya, and Rwanda. Similar exercises had been conducted in Harare and Accra in 2019.

WIPO further availed virtual training opportunities to ARIPO and the Member States. These important training courses include the SAKPATENTI Training Course on Geographical Indications (GIs); the WIPO-CEIPI-INPI Advanced Training Course on Intellectual Property, training on Transfer of Technology and Licensing, and the Korea Summer School.

## Training Programme with WIPO Academy

The ARIPO Academy working with WIPO Academy organized an Online Continuous Training of Trainers Programme for lecturers from the three MIP teaching universities. The training sought to explore various ways in which trainers could organize, plan for, and undertake training using the most modern information technologies and contemporary training methods. The training proved to be highly relevant especially in the COVID-19 era in which safe training options such as virtual methods must be done.

### EPO-ARIPO Reinforced Partnership Framework

The EPO renewed its cooperation agreement with ARIPO through the Reinforced Partnership on strategic and technical areas of common interest in the field of patents. Under this framework, EPO offered to, among others, assist ARIPO in training examiners in the ARIPO Member States under the ARIPO Regional Patent Examination Training (ARPET) programme. In February 2020, two ARIPO examiners who had enrolled for the programme in January 2018 graduated. This milestone was a precursor to the eventual rollout of the programme to the Member States targeting candidates from academic and research institutions with a science background. The EPO offered to assist the programme with the mentorship and supervision of the trainees.



## Pan-African Project on IP Rights (AfrIPI).

The Organization agreed to work with EUIPO under the AfrIPI framework for the funding of IP projects in Africa. On September 7, 2020, a virtual meeting was held to formally plan for the project and a steering committee, chaired by ARIPO, was also officially inaugurated. AfrIPI agreed to take part in teaching and curriculum improvements of the MIP programmes. More training assistance was pledged for SMEs, utility models and organization of the judges' colloquium, among others.

## IP Awareness and Building Respect for IP in Schools of ARIPO Member States.

WIPO agreed to partner with ARIPO on a project titled "Establishment of IP Clubs in Secondary Schools" in ARIPO Member States. The pilot phase of the IP School project was funded through the WIPO-Korea Funds-in-Trust. Three ARIPO Member States, namely, Botswana, Malawi and Zimbabwe were selected for the pilot phase. The project is geared towards creating IP awareness and building respect for IP among school-going youths between the ages of 13 to 18 years. However, due to the COVID-19 pandemic, the project was postponed to 2021.

## UNDP Youth Connekt

ARIPO collaborated with UNDP Harare Office in the virtual Youth Connekt stakeholders meeting. ARIPO trained the youths on intellectual property protection and commercialization. At the request of ARIPO, UNDP agreed to consider supporting the youths to register their IP assets.

## International Labour Organization (ILO)

ARIPO met with the International Labour Organization in December 2020 to discuss prospects of collaboration. These included initial discussions to sign an MoU, which would be followed by training support and guidance to young entrepreneurs and innovators as well as SMEs on IP awareness. Lessons from this initiative would possibly be made regional. ARIPO pledged to deploy its expertise in the cooperation activities using its regional SMEs networks.

## EUIPO Support for the Diplomatic Conference

The EUIPO through the AfrIPI Project agreed to co-sponsor the Diplomatic Conference on Voluntary Registration of Copyright and Related Rights, to the tune of US\$104,449.00. The Diplomatic Conference will be held in Kampala, Uganda in 2021.



*EUIPO team with ARIPO members of staff*

## Other Cooperation Activities

- Awareness creation and capacity building activities jointly organized with WIPO and other partners.
- Provision of scholarships for the MIP programme at the Africa University by the Japan Patent Office through the Funds-in-Trust at WIPO.
- A series of webinars in collaboration with the United States Patent and Trademark Office (USPTO).
- Several webinars under the framework of the WIPO/ARIPO/OAPI (WAO) Tripartite Agreement.
- Participation by ARIPO staff in several virtual international IP related activities.
- Offer by CNIPA to make available any training content the ARIPO Academy might need to conduct training.
- ARIPO-WIPO-Japan Patent Office's collaboration with a Zimbabwean primary school, IP personalities and local music studios to produce a song on counterfeiting and piracy and a video to promote respect for IP targeting young people.

## MEMORANDA OF UNDERSTANDING

ARIPO concluded new Memoranda of Understanding (MoUs) with the Zimbabwe Open University (ZOU), Canadian Intellectual Property Office (CIPO) and Indonesia's Directorate General of Intellectual Property (DGIP). Two existing MoUs with EUIPO and USPTO were renewed.

### Zimbabwe Open University

Following the awareness training that ARIPO delivered at ZOU, the university proposed a formal collaboration with ARIPO through an MoU that was signed on March 12, 2020. The relationship will assist ZOU to come up with an IP curriculum for certificate, bachelors, masters, and PhD programmes.

### Canadian Intellectual Property Office (CIPO)

The Organization signed an MoU with CIPO on bilateral exchanges in the IP field, facilitating the development of science, technology, innovation and entrepreneurship for the economic development of the Member States.



*ZOU Vice-Chancellor and ARIPO Director General signing the MoU between ZOU and ARIPO*



## Indonesia's Directorate General of Intellectual Property (DGIP)

On December 9, 2020, ARIPO and Indonesia's Directorate General of Intellectual Property (DGIP) signed an MoU for the development of the ARIPO Regional Copyright Database. The objective of the MOU is to develop a mutually beneficial cooperation on the implementation of an electronic registration system for copyright works, genetic resources, traditional knowledge, and traditional cultural expressions for ARIPO.

## HIGH-LEVEL MEETINGS

ARIPO participated at the WIPO/ARIPO/OAPI and the regional economic communities (RECs) roundtable meeting held from February 10-12, 2020 in Geneva. The meeting was on the theme: Contributing to a Balanced and Effective Intellectual Property System in the Implementation of the African Continental Free Trade Area (AfCFTA).

In the framework of new membership drive, ARIPO held virtual meetings with the Minister of Culture, Industry and Trade of the Republic of Cape Verde and the country's IP stakeholders on August 10 and 12, 2020, respectively. The meetings discussed the prospects of the accession by Cape Verde to ARIPO.



*The DGIP Indonesia delegation at ARIPO*



*Roundtable WIPO/ARIPO/OAPI and the Regional Economic Communities (RECs)*

# ***CAPACITY BUILDING, IP KNOWLEDGE DEVELOPMENT AND OUTREACH***

The onset of the COVID-19 pandemic in the first quarter of 2020 impacted the delivery of some activities by the ARIPO Academy. Despite this, tremendous successes were scored on various fronts. The Academy strove to maintain continuity in areas such as the Masters in Intellectual Property (MIP) programmes, internal training, joint webinars with partners and the deployment of the ARPET programme, among others. Immediate interventions were put in place to migrate all planned joint programmes from physical contact to online.

## **MASTERS IN INTELLECTUAL PROPERTY PROGRAMMES**

The MIP programmes, which are delivered jointly with three partner universities in the ARIPO region, namely Africa University (AU) in Zimbabwe, Kwame Nkrumah University of Science and Technology (KNUST) in Ghana and University of Dar es Salaam (UDSM) in Tanzania proceeded virtually at AU. KNUST postponed admissions.

### **Africa University**

Research projects for the 12th Cohort students were successfully supervised. Admissible students for the 13th Cohort were selected. Recipients of the ARIPO scholarships were also selected. Seven students, one each from Kenya, Kingdom of Lesotho, The Gambia, Rwanda, São Tomé and Príncipe, Zambia, and Zimbabwe were awarded the sponsorships.

The 13th Cohort at Africa University was the first to have the residential phase delivered online due to the COVID-19 restrictions. Equally affected was the University's 26th graduation ceremony, which was postponed from the usual first Saturday of June to October 17, 2020. It was held virtually and witnessed by people from all over the world. From the MIP class of 2019, a group of 35 students graduated, pushing the total number of MIP graduates from the university to 363.

## **Kwame Nkrumah University of Science and Technology**

The COVID-19 pandemic had a minimal effect on the 2nd cohort of the MPhil program in IP. When the institution announced an indefinite closure on March 16, 2020, the programme had covered much of what needed physical in-person attendance in the residential phase.

The selection of students for the 3rd cohort was done in the last quarter of 2020 and ARIPO offered sponsorships to five students from Malawi, Namibia, Tanzania, Uganda, and Zambia. The students are to start their studies in January 2021 when the university reopens.



University of Dar es Salaam (UDSM)

The programme at UDSM was officially launched on February 17, 2020. The launch was graced by the Director General of ARIPO, the leadership of the University and the Chief Executive Officer of the Business Registration and Licensing Authority (BRELA). The MIP programme was not affected much by the COVID-19 pandemic.

The 1st Cohort had just finished their residential phase and the students had started returning to their respective countries when most countries went under COVID-19 induced lockdowns. For most of the lockdown period, the university was on vacation. It re-opened in the 3rd quarter of 2020. The 2nd cohort students started the distance learning phase from August to October 2020.



The ceremony to launch the MIP programme at UDSM

Overview of MIP Students Enrolment

The MIP programme continues to grow with the advent of the two new programmes in Ghana and Tanzania. Figure 3 below shows the distribution of the enrolment among the three universities so far.

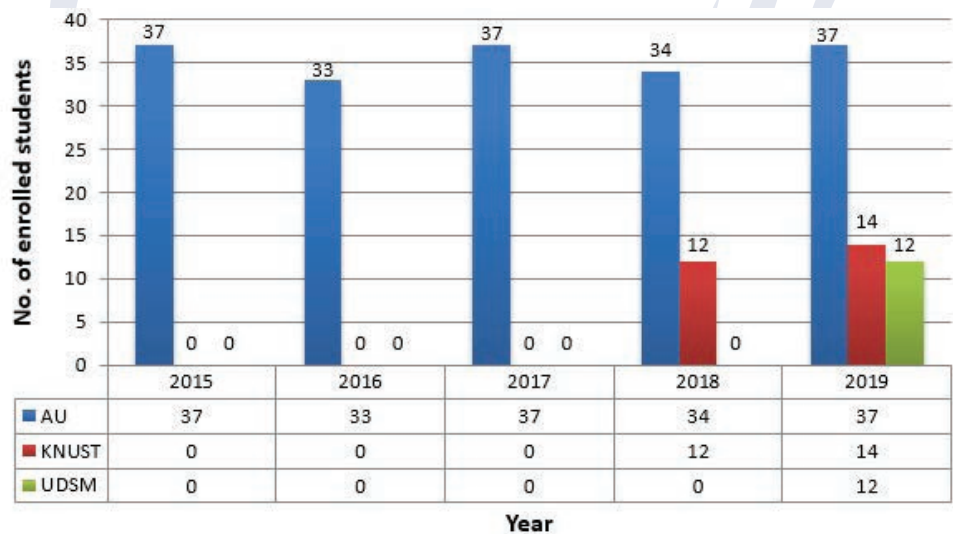


Figure 3: Historical overview of the MIP programme at Africa University (AU), Kwame Nkrumah University of Science and Technology (KNUST), and University of Dar es Salaam (UDSM)

INTERNAL TRAINING 2020

The challenges of the COVID-19 pandemic brought new opportunities for ARIPO’s internal training programmes in 2020. The entire training programme for the year was delivered virtually. The topics covered the key aspects of ARIPO internal processes. The training was received with satisfaction as staff indicated that they got to better understand the internal processes of the Organization. It also empowered them to better present and share the interests and activities of the Organization in engagements with external stakeholders.

## **The African Journal of Intellectual Property (AJIP)**

The AJIP is a scholarly peer-reviewed journal, which is published bi-annually by ARIPO and Africa University. It responds to the growing need for the documentation of, and access to research in diverse aspects of intellectual property in Africa. The partners published two issues of the journal as planned in 2020. The journal has so far produced eight issues.

A web application for the online publication of AJIP was developed and developed in March 2020. All the editions have now been published online at [ajip.aripo.org](http://ajip.aripo.org). Users can browse through the contents page and abstracts. The online publication allows users to buy any issue or individual articles of their choice.

## **ARIPO Directory of IP Professionals**

ARIPO compiled a Directory of Intellectual Property Professionals, which consists of two parts. The first part is the Directory of MIP Graduates. The second part consists of other IP professionals who are not graduates of the MIP programme. The directory is a reference tool to the pool of knowledge and expertise from which the Organization and national IP offices can draw resource persons for training programmes and other IP related activities.

Every year, ARIPO updates the directory with details of new MIP graduates from the three partnering universities.

## **ARIPO e-Learning Service**

The e-Learning Service came as a useful intervention and a response to avert an all-out shut down of training activities at ARIPO. In view of this, it became imperative for ARIPO to consider providing online and virtual learning services.

The new e-learning service will be rolled out to the Member States, staff, users, and other partners. The timing is right, considering that the accelerated changes in higher education are mostly driven by cutting edge technologies. The e-learning service will thus be extended to the MIP programme making the possibility of introducing online MIP teaching and learning than ever before.

The Academy programmes that are currently being transitioned to the e-learning platform are joint academic programmes; programmes offered by ARIPO and the cooperating partners; internal training programs; and the ARPET programme. This new strategy could not have come at a better time when not only the cost but also the drudgery of delivering training that could otherwise be done virtually continue to be staggering.





# COPYRIGHT & RELATED RIGHTS

## Draft Protocol on Voluntary Registration of Copyright and Related Rights

ARIPO developed a draft Protocol on Voluntary Registration and Notification of Copyright and Related Rights following a decision of the Seventeenth Session of the Council of Ministers of ARIPO held in Margibi County, Liberia, from November 21-22, 2019. The protocol was developed in consultation with the Member States, and cooperating partners, namely; International Publishers Association (IPA), International Federation for Reproduction Rights Organizations (IFRRO), United States Patent and Trademark Office (USPTO) in consultation with US Copyright Office, AISGE Foundation (Performing Rights Society), Canadian Intellectual Property Office (CIPO), the World Intellectual Property Organization (WIPO) and European Union Intellectual Property Office (EUIPO).

A business case was also developed to support the establishment of a voluntary copyright registration system at ARIPO. The draft protocol is expected to be reviewed by a copyright experts' meeting in July 2021, in Kampala, Uganda ahead of the Eleventh Extra-ordinary Session of the Administrative Council of ARIPO. The protocol shall finally be considered for adoption by a Diplomatic Conference to be held after the Eleventh Extra-ordinary Session of the Administrative Council.

The European Union Intellectual Property Office (EUIPO) through the AfriPI Project is partially sponsoring the Diplomatic Conference.

## IP Awareness Video and Song Launch

ARIPO in cooperation with WIPO and Japan Patent Office collaborated with Hatcliffe 2 Primary School in Harare, Zimbabwe, Zuvva Fashion, Dereck Mpfu who is an IP Ambassador for Zimbabwe, Monolio Studio and Chosen Media Africa, and produced a song on trademark counterfeit and piracy as well as a short video to promote respect for IP targeting young people. The video and song were launched on February 28, 2020, during the ARIPO annual retreat and team building exercise in Harare and has been shared with the Member States. Another song titled, "Innovate for a Green Future" to commemorate the 2020 World IP day was also produced.

## Copyright Publications

The Organization published the ARIPO Cultural Festivals and Events report and the ARIPO Guidelines to Audiovisual Contracts. The Cultural Festival and Events report provides relevant information to attract local and international tourism in ARIPO Member States. The Guide to Audiovisual Contract aims to capacitate rights holders in terms of undertaking formal contracts.

## Establishment of CMO in the Kingdom of Eswatini and Sierra Leone

ARIPO with the financial and technical support of WIPO is assisting in the establishment of Collective Management Organizations (CMOs) in the Kingdom of Eswatini and Sierra Leone. A regional Consultant was engaged to develop implementing regulations for the Copyright Act of Kingdom of Eswatini. The background report on the development of implementing regulations for the Copyright Law of Kingdom of Eswatini was submitted to WIPO for their consideration.





Reputation  
CRM  
Quality

# ICT

# INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

## ARIPO Online Services

Although most business operations were affected by the COVID-19 outbreak, the infrastructure and information systems put in place enabled the organization to continue offering effective and efficient services to the stakeholders, thanks to the e-service platform.

The ARIPO online service enabled applicants to submit their IP applications online. The service provides for e-filing and e-payment through the e-service platform. It also provides functions for online file inspection, filing of follow up documents, the Intellectual Property Digital Library (IPDL), journal search and downloading of forms and fees information.

The e-service platform proved very effective during the COVID-19 induced lockdowns as it ensured business continuity. There was an increase in the uptake of the online services with 85% of all new applications received in 2020 filed online compared to 77% in 2019, 73% in 2018, 58% in 2017 and 33% in 2016. Individually, patents recorded the highest percentage with 97% of patent applications filed online. The online service platform has been continuously available for the users' convenience.

## ARIPO Member States Module

ARIPO is implementing the Member States (MS) module, which allows for online data exchange between POLite+ of ARIPO and IPAS of its Member States. The module allows for paperless exchange of information. Through it, ARIPO and its Member States can exchange all types of notifications, forms, and documents online. The module is being implemented with support from WIPO and has now been implemented in twelve Member States namely, Botswana, Ghana, Kenya, Malawi, Mozambique, Namibia, Rwanda,

São Tomé & Príncipe, Tanzania, Uganda, Zambia, and Zimbabwe. The long-term objective is to implement the module in all the Member States to facilitate the paperless exchange of information between the Secretariat and the Member States.

## ARIPO Regional IP Database

ARIPO launched its Regional Intellectual Property (IP) database in September 2018. It is a centralized database with published IP titles from ARIPO and its Member States. It now contains more than 600,000 IP titles from ARIPO and thirteen Member States, namely: Botswana, Kingdom of Eswatini, Gambia, Ghana, Kenya, Malawi, Mozambique, Namibia, Rwanda, Tanzania, Uganda, Zambia, and Zimbabwe. The Regional IP Database is designed to efficiently serve multiple purposes, including on-line provision of published IP data, encouragement of regional trade, scientific information research, IP rights protection and enforcement in the ARIPO region, as well as sustainable development of IP. The development of the Regional IP Database was supported by WIPO.

## ARIPO Sub-Regional Technology and Innovation Support Centre Network

The Sub-regional Technology and Innovation Support Centre (TISC) Network encourages Member States to use TISC resources concretely to promote innovation and entrepreneurship in the region. ARIPO and WIPO jointly organized a Virtual Regional Meeting on Developing the Regional TISC Network that was held on November 23, 25 and 26, 2020. The meeting reviewed the progress made and discussed steps toward implementing the action plan to establish an ARIPO regional TISC network. It also discussed the results of a feasibility study on a TISC certification scheme.

# VISIBILITY

In 2020 with the onset of the COVID-19 pandemic, ARIPO ventured more on using digital marketing and social media platforms to ensure clients and stakeholders were kept informed.

The ARIPO social media became a lifeline to ARIPO customers as it kept the dialogue going in real-time. Social media has become the way ARIPO engages with existing and prospective customers. The number of followers on ARIPO social media increased in 2020 with LinkedIn recording a 96.67% increase, from 1021 to 2008 followers by end of year, Twitter 44.03% increase from 1626 to 2342 and Facebook 27.46% from 3194 to 4071 followers. The number of engagements with ARIPO using social media also increased with many followers and inquiries coming through social media.

The ARIPO website was continuously updated with articles on ARIPO activities and achievements as well as on virtual events. The ARIPO website and mainly the social media channels have been used to promote Innovation and IP and publish success stories from the region.

ARIPO registered the Anderson Ray Zikonda Library for free online access to Open Access Resources such as the WIPO's Access to Research for Development and Innovation (ARDI), Research4Life databases, Directory of Open Access Journals (DOAJ) and Directory of Open Access Books (DOAB), National Academy of Sciences featuring Elsevier Science and Science Direct, among many others. The library is accessible to all through the ARIPO website.

## International Exhibitions

To ensure that ARIPO's visibility was maintained despite the travel restrictions, ARIPO participated in virtual exhibitions and events. The international exhibitions are as follows:

- (a) International Trademark Association (INTA) Brands in Society virtual conference held on June 22 to 23, 2020.
- (b) International Intellectual Property Lawyers Association Virtual IP Summit from October 19 to 23, 2020.
- (c) INTA Leadership Meeting from November 9-12, 2020.
- (d) INTA 2020 Annual Meeting from November 16-29, 2020. An animation video on ARIPO was developed for the INTA exhibition.

# OUR PEOPLE

## EMPLOYEE DEVELOPMENT

### Staff Training Programmes

The Organization dedicated 752 hours amongst 87% of staff towards staff training and development in various fields including: finance, employee wellness and productivity and industrial property rights administration. An average 16 hours of training per participating staff was realized.

The Organization also conducted several internal training programmes facilitated by in-house subject experts as part of its training and employee engagement strategies in the wake of the COVID-19 induced lockdown. The topics covered during the training included filing ARIPO patent applications during COVID-19, ARIPO new training and learning methods, budgeting and forecasting and the ARIPO digital library services.

### Secondment

Ms Pedzisai Rewayi, Senior Formality Examiner completed her secondment to the European Union Patent Office (EUIPO) in Alicante, Spain. The secondment was under the EUIPO Seconded National Experts Program (SNEP), which supports the exchange of best practices and exposes participants to procedures and practices in the European Union Trademarks (EUTM) and Community Registered Design (RCD) systems. This initiative will strengthen ARIPO's trademark processing capacity.



*ARIPO Senior Formality Examiner, Ms.  
Pedzisai Rewayi*

### Employee Engagement Strategy

The employee engagement strategy for 2020 was focused on increased communication across all categories of staff especially during the COVID-19 lockdown when staff members continued to work from home.

The Organization embraced information and communication technologies (ICT) tools such as Zoom to further strengthen corporate communications, facilitate internal training and conduct meetings. This technology helped create the much-needed platform for employees to interact, collaborate and stay focused on the Organization's mandate during the COVID-19 lockdown.



# STAFF TEAM BUILDING

An all-staff team building exercise was held on February 28, 2020 at a resort in Harare, Zimbabwe. During the team building session, staff was apprised of 2019 achievements in line with the Value and Growth Strategic Plan, as well as the 2020 strategic focus.



## EMPLOYEE WELLNESS

The Organization continued to implement the Employee Wellness Strategy as it recognizes the important contribution of employee health, safety and wellness issues on the employees' overall wellbeing, their individual performance and ultimately the Organization's performance.

Following the outbreak of the COVID-19 pandemic and the national lockdown that followed, the Organization implemented several preventative measures to prevent the spread of the virus and to reduce the risk of infection among employees.

Measures taken include, introducing work-from-home arrangements for all staff; development of a comprehensive occupational health, safety, and wellness policy to include measures to address pandemics; implementation of World Health Organization prescribed COVID-19 protocols when visiting the ARIPO offices; and development and delivery of a customized COVID-19 training module.

## PERFORMANCE MANAGEMENT

ARIPO is committed to building a value and growth culture by ensuring that staff members take ownership of their work whilst receiving guidance from management to align performance to the overall strategy of the Organization. The Organization has continued to achieve several milestones including year on year revenue increase despite the challenges brought by the COVID-19 pandemic.

## GEOGRAPHICAL AND GENDER DIVERSITY

The Organization currently employs 54 members of staff composed of 23 professional staff, 4 intermediary staff and 27 general service staff. The gender distribution is 28 (52%) males and 26 (48%) females. Member State representation at the professional level currently stands at 13 states.

## LONG SERVICE AWARDS

On December 17, 2020, the Organization recognized 8 members of staff who had served the Organization for various periods. These ranged from 5 years to 35 years.



*The Director General with the recipients of the long service awards*

# 2020 ARIPO INDUSTRIAL PROPERTY STATISTICS

## INDUSTRIAL PROPERTY APPLICATIONS

### PATENT APPLICATIONS FILED

The number of patent applications decreased by 13% in 2020 to 754 compared to 868 in 2019. Figure 4 below shows the filing trend over the past five years.

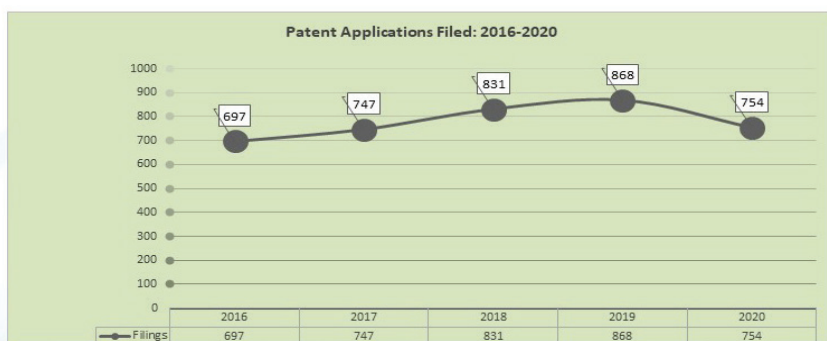


Figure 4: Patent applications filed in the period 2016 – 2020.

### Monthly Patent Applications Filed

Figure 5 below indicates that the average patent applications filed monthly during 2020 was 63 applications, which was lower than the monthly average of 72 applications in 2019.

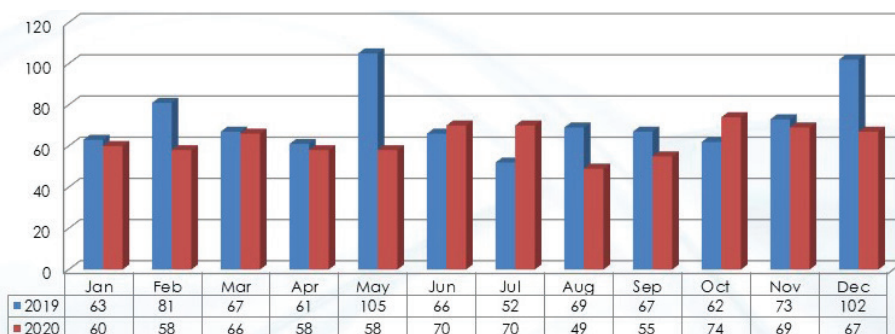


Figure 5: Monthly patent applications filed 2019 - 2020



# INDUSTRIAL DESIGNS

## Industrial Design Applications Filed

In 2020, 87 industrial design applications were filed compared to 76 applications filed in 2019. The increase represents 13% more applications in 2020 from the 2019 total. Figure 6 below shows the design applications filing trend in the past five years.

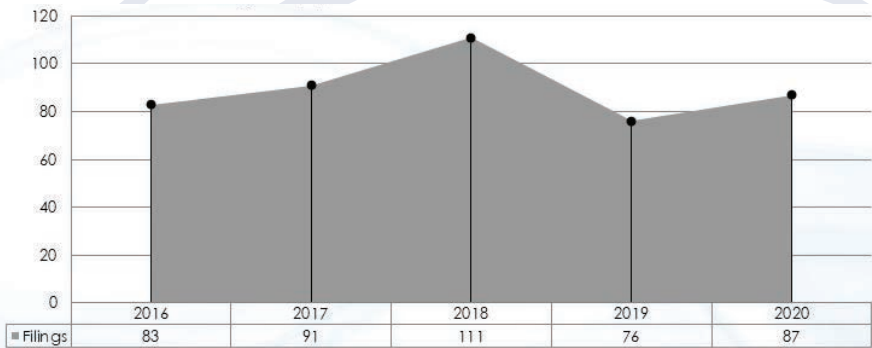


Figure 6: Industrial design applications filed 2016 - 2020

## Monthly Industrial Design Applications Filed

On a monthly basis, the industrial design applications were averaging 7 compared to 6 in the previous year.

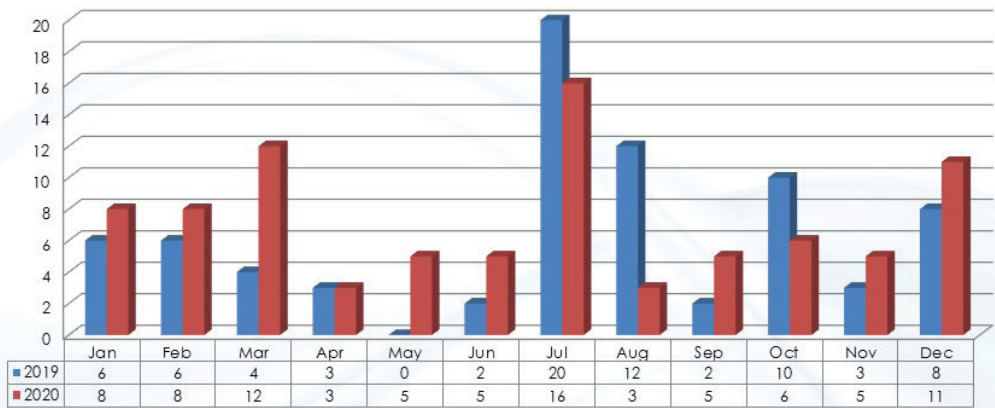


Figure 7: Average monthly industrial design applications filed 2019 - 2020



UTILITY MODELS

Utility Model Applications Filed

The number of utility model applications filed in 2020 stood at 14 compared to 23 filed in 2019 marking a decrease of 39%. Figure 8 below shows the continued decline in applications from the peak of 42 in 2018.

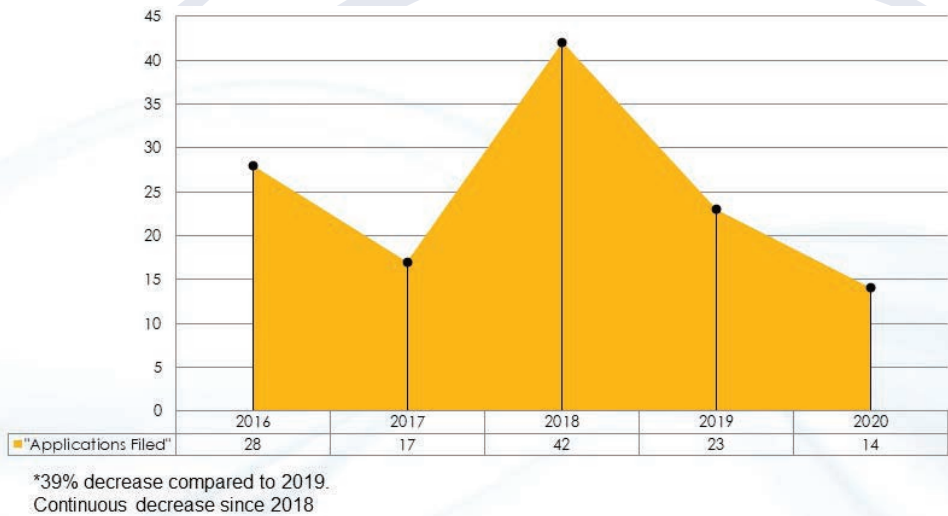


Figure 8: Utility model applications filed in the period 2016 - 2020.

Monthly Utility Model Applications Filed

On a monthly basis, utility model applications filed were slightly above 1 file per month down from an average of 2 files per month in 2019.

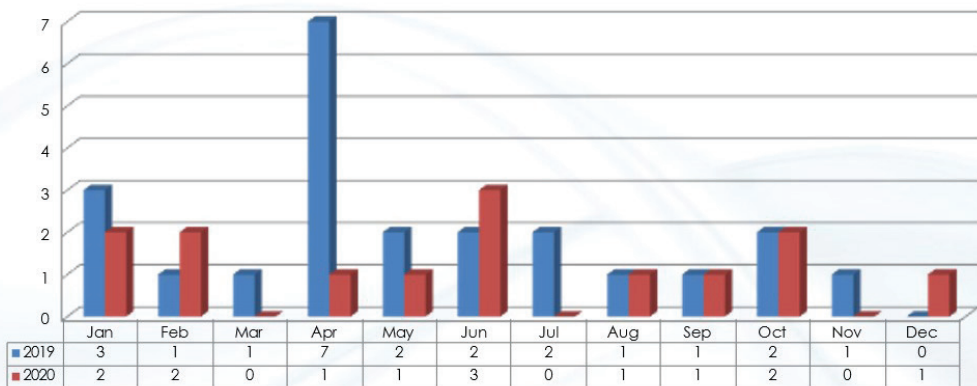


Figure 9: Monthly utility model applications filed in the period 2019 - 2020



# TRADEMARKS

## Mark Applications Filed

In 2020, 341 trademark applications were filed compared to 408 in 2019. This is a 16% decrease in trademark applications compared to 2019. The number of classes for the applications filed during the reporting period is 659 compared to 744 filed in 2019 – a decline of 11%.

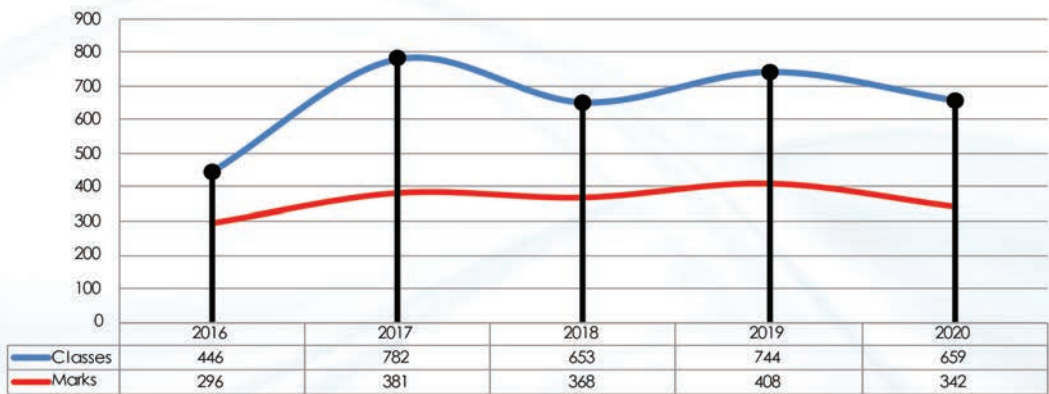


Figure 10: Mark applications and the classes in which they were filed 2016 - 2020.

## Monthly Mark Applications Filed

Figure 11 below shows the monthly applications received in 2019 and that for 2020. Trademark applications per month averaged 28 in 2020 dropping from 34 in 2019. This is a monthly negative growth of 17%. The number of classes applied for in the same period averaged 55 classes per month in 2020 dropping from 82 classes per month in 2019. This translates to a 33% decline in the total classes applied for in 2020 compared to 2019.

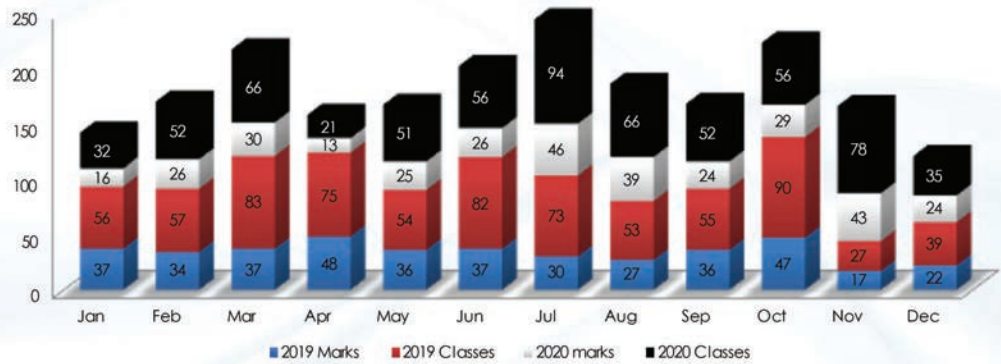


Figure 11: Monthly mark applications and the classes in which they were filed 2019 - 2020.

# APPLICATIONS' DESIGNATIONS

According to Figure 12 below, 8 049 designations were made in the 754 patent applications filed in 2020. This was an average of 10.7 designations per patent application. The 87 industrial design applications received had a cumulative total of 716 designations averaging 8.2 designations per application. The 14 utility model applications had 102 designations with an average of 7.3 designations per application.

On the other hand, a total of 1 881 designations were made from the 341 trademark applications received in 2020. On average, this is 5.5 designations of the eligible Contracting States per application.

Month	Patents			Industrial Designs			Marks			Utility Models		
	Designations	Appl. Filed	Monthly Av. per appl.	Designations	Appl. Filed	Monthly Av. per appl.	Designations	Appl. Filed	Monthly Av. per appl.	Designations	Appl. Filed	Monthly Av. per appl.
Jan	604	60	10.1	35	8	4.4	110	16	6.9	9	2	4.5
Feb	655	58	11.3	56	8	7.0	145	26	5.6	6	2	3.0
Mar	814	66	12.3	114	12	9.5	171	30	5.7	0	0	0.0
Apr	648	58	11.2	20	3	6.7	118	13	9.1	5	1	5.0
May	458	58	7.90	61	5	12.20	105	25	4.2	18	1	18.0
Jun	725	70	10.36	40	5	8.00	136	26	5.23	21	3	7.00
Jul	763	70	10.90	122	16	7.63	207	46	4.50	0	0	0.00
Aug	590	49	12.04	6	3	2.00	236	39	6.05	1	1	1.00
Sep	706	55	12.84	30	5	6.00	119	24	4.96	3	1	3.00
Oct	684	74	9.24	45	6	7.50	173	29	5.97	21	2	10.50
Nov	736	69	10.67	83	5	16.60	235	43	5.47	0	0	0.00
Dec	666	67	9.94	104	11	9.45	126	24	5.25	18	1	
Total	8049	754		716	87		1881	341		102	14	
Overall Av. des. per appl.			10.7			8.2			5.5			7.3

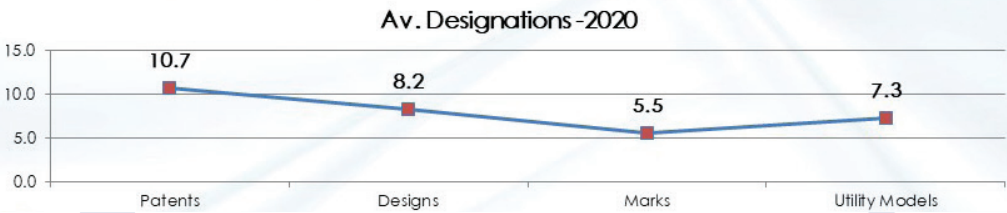


Figure 12: Monthly designations in the applications filed - 2020.



# REQUESTS FOR SUBSTANTIVE EXAMINATION

In 2017, ARIPO introduced a new provision in the Harare Protocol that requires applicants to request for substantive examination of their patent applications. Since then, there had been a continuous increase in the number of such requests each year. In 2020 however, there was a 14% decline in such requests compared to the total requests received in 2019.

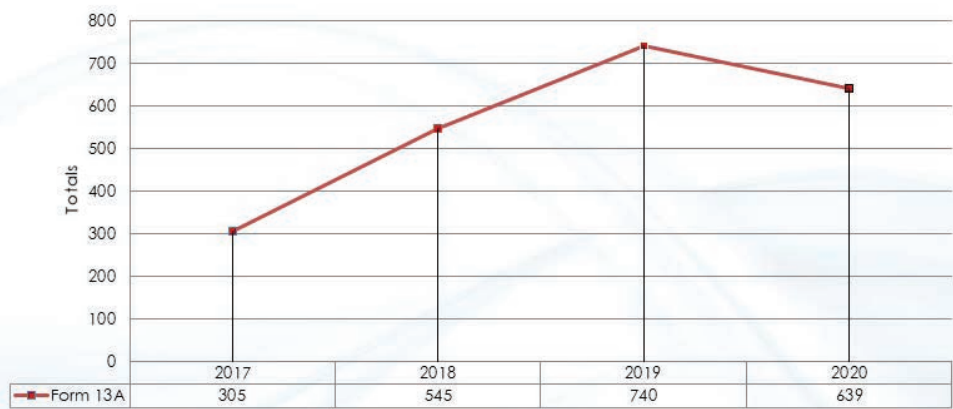


Figure 13: Requests for examination filed per year 2017 - 2020

## Monthly Requests for Substantive Examination

Figure 14 below shows monthly requests for examination that were made by applicants in 2020 and those made in 2019.



Figure 14: Requests for examination filed per month – 2019 and 2020.

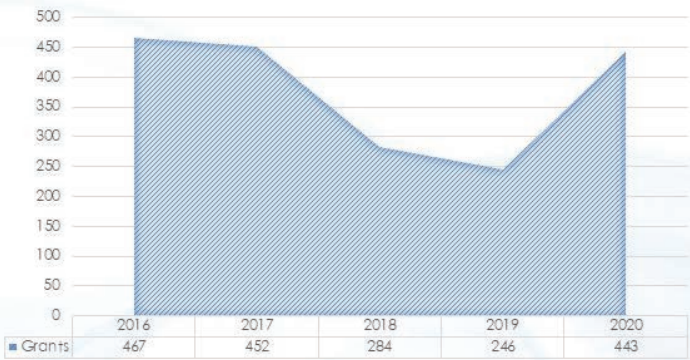
# GRANTS AND REGISTRATIONS

## Patents Granted

A total of 443 patents were granted in 2020 compared to 246 in 2019 representing a 44.5% increase. On average, 37 patents were granted each month in 2020.

Monthly Grants – 2020	
Month	Total
Jan	29
Feb	40
Mar	55
Apr	42
May	38
Jun	18
Jul	29
Aug	39
Sept	40
Oct	36
Nov	40
Dec	37
Total	443
Av. Grants	37
Projection	443

Patents Granted 2016 – 2020.



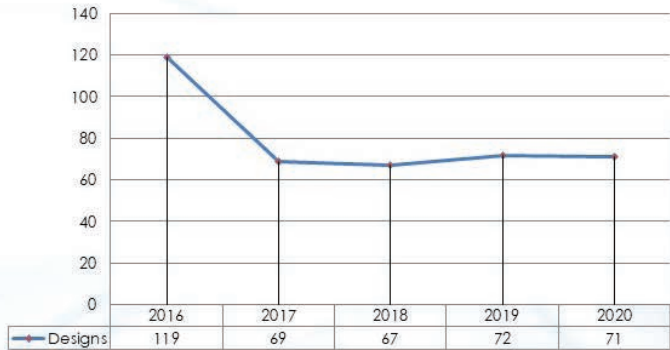
Increase of 44.5% In grants compared to 246 in 2019

Figure 15: Patents granted 2016 – 2020.

## Industrial Designs Registrations

In 2020, 71 industrial designs were registered. A near constant yearly registration has been maintained in the last 5 years. A monthly average of 6 registrations was realized in the reporting period.

Monthly Registrations 2020	
Month	Total
Jan	2
Feb	6
Mar	7
Apr	3
May	7
Jun	11
Jul	13
Aug	5
Sep	3
Oct	4
Nov	5
Dec	5
<b>Total</b>	<b>71</b>
Av. Reg.	6
Projection	71



\*Near constant yearly registrations since 2017

Figure 15: Industrial design registrations 2016 - 2020.

## Utility Model Registrations

Only 3 utility models were registered in 2020 compared to 12 in the previous year. This translates to 75% decline in utility model registrations in 2020.

Monthly Registrations 2020	
Month	Totals
Jan	1
Feb	0
Mar	1
Apr	0
May	0
Jun	0
Jul	0
Aug	1
Sep	0
Oct	0
Nov	0
Dec	0
<b>Total</b>	<b>3</b>
Av. Reg:	0
Projection	3



Figure 16: Utility model registrations 2016 - 2020.

## Mark Registrations

In the year under review, 201 marks were registered down from 226 in 2019. This indicates a 11% drop in mark registrations from 2019. The marks registered in 2020 collectively had 360 classes, which was a marginal drop of 2% from 369 classes registered in 2019. Figure 17 below shows the total registrations for the past 5 years.

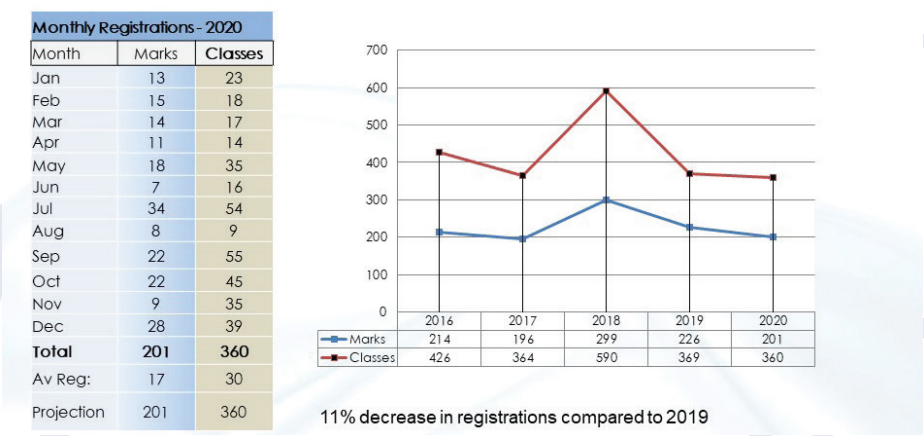


Figure 17: Mark registrations 2016 - 2020



# FINANCIAL MANAGEMENT



# KEY HIGHLIGHTS OF 2019 FINANCIAL PERFORMANCE

## FINANCIAL PERFORMANCE ANALYSIS

### INCOME

A statistical analysis of the Organization's financial performance for the 2019 financial year showed a deficit of US\$174,498. In 2018 the deficit was US\$564,963. Before depreciation and amortisation, the Organization recorded a surplus of US\$766,463 in 2019 compared to 396,842 in 2018. This reflects a 93.1% improvement on the Organization's surplus. Depreciation and amortisation for the year totalled US\$940,961 while in 2018 it totalled US\$961,445.

The overall total Organization's revenue increased by 0.3%. The total revenue generated during the year was US\$10,386,187. In 2018 it was US\$10,358,147. This total revenue is before share of fees with the Member States.

The Member States share of fees for the year totalled US\$4,038,984. In 2018 it totalled US\$4,074,220 translating to a decline of 0.9%.

After sharing of fees between ARIPO and its Member States, the total revenue due to ARIPO for the year was US\$6,347,203, while in 2018 it was US\$6,283,921, translating to an increase of 1.01%.

The pie chart below gives highlights of 2019 revenue composition. The largest source of revenue was the Harare Protocol which accounted for 86% of the total revenue.

### REVENUE FOR 2019

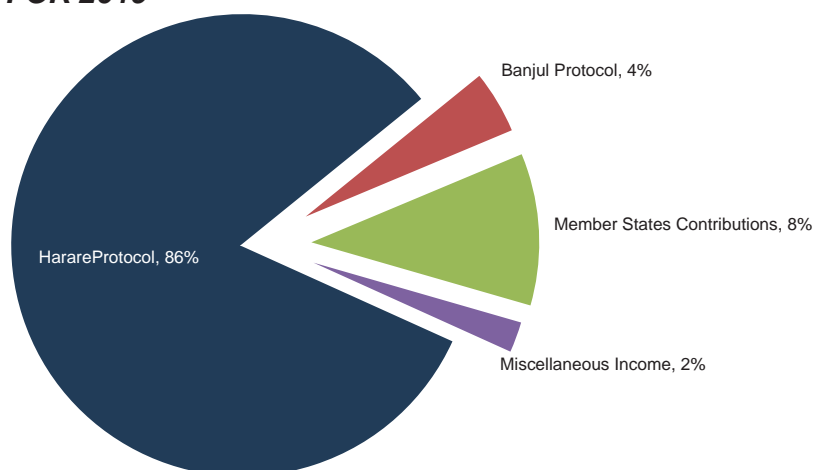


Figure 18: Contribution of the ARIPO revenue sources in 2019

## Comparison with Prior Year

Table 9 below shows the net changes between 2018 and 2019 financial years.

	2019	2018	Net Change	% Net Change
Revenue from Protocol	5,640,655	5,249,426	391,229	7.5%
Member States Contributions	502,200	502,200	0.00	0%
Miscellaneous Income	114,348	99,795	14,553	14.6%

Table 9: Revenue contributions per each source for 2018 and 2019.

The main source of ARIPO revenue is income from the Protocols (Harare and Banjul Protocols). They contribute 90% of the overall revenue of the Organization. The graph in Figure 19 below highlights the % growth of this revenue stream year on year in the past five years. The average growth in the past 5 years was 9.3%.

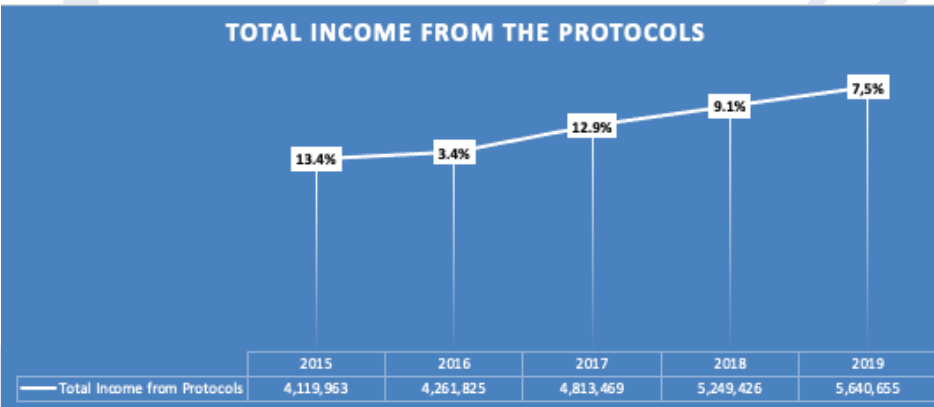


Figure 19: Total income from the Protocols

## EXPENDITURE

The total expenses of the Organization for 2019 were US\$6,521,701, representing a decrease of 5.02% when compared to 2018 total expenses of US\$6,848,884, both inclusive of depreciation and amortization of US\$940,961 and US\$961, 445, respectively. The largest expense for the Organization is personnel costs amounting to US\$3,990,176 followed by missions and training costs which amounted to US\$1,070,525 and lastly operating costs totalling US\$520,039.

### 2019 EXPENDITURE

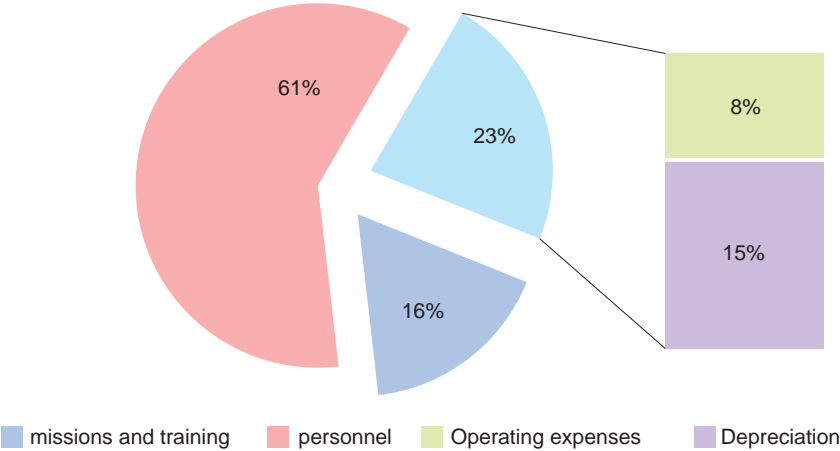


Figure 20: 2019 Expenditure items

Table 10 below shows that personnel costs increased by 1.2% in 2019 compared to 2018. Significant decreases on missions and training costs were registered as well as a marginal decrease in operating costs. This is attributable to cost cutting measures the Organization put in place to curb the going concern risk.

### Comparison with Prior Year

	2019	2018	Net Change	% Net Change
Personnel expenditure	3,990,176	3,942,740	47,436	1.2%
Missions & Training	1,070,525	1,420,526	-350,001	-32.6%
Operating Costs	520,039	524,173	-4,134	-0.8%
Depr'n & Amortisation	940,961	961,445	-20,484	-2.2%

Table 10: Comparison of cost per expenditure items in 2018 and 2019



## FINANCIAL POSITION ANALYSIS

As of December 31, 2019, the Organization’s total assets were valued at US\$15,592,020 with fixed assets amounting to US\$10,457,954 and current assets totalling to US\$5,134,066. The total current liabilities amounted to US\$10,918,231. As of December 31, 2018, the Organization’s fixed assets totalled US\$11,387,456 and the total current assets were US\$4,541,500. The total current liabilities of US\$11,139,849, show an overall decrease of 3.8% in net assets. This is shown in Figure 21 below.

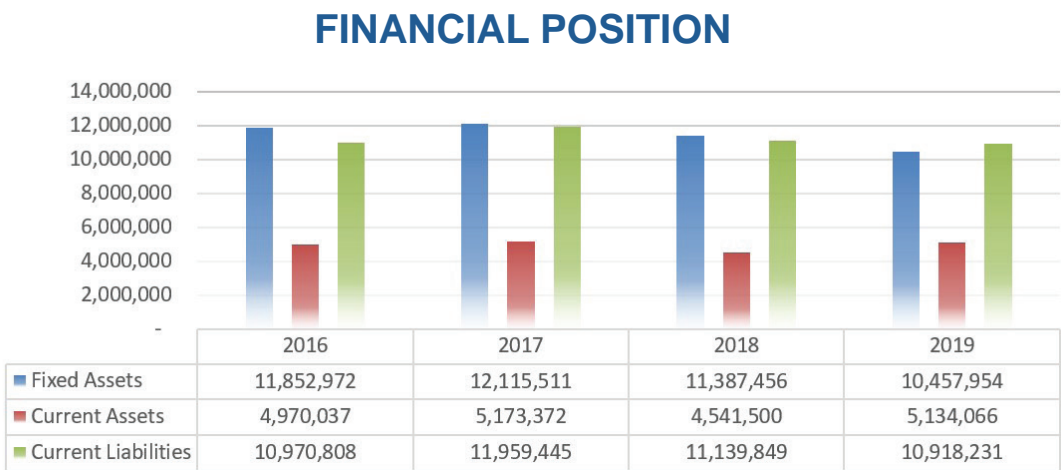


Figure 21: ARIPO financial position.

## CASHFLOW STATEMENT

During the financial year under review, the net cash flow generated from operating activities totalled US\$762,520. This was an increase of 138.7% to that of 2018 which totalled US\$319,485. The net cash outflow from investing activities was US\$2,168 while in 2018 the total cash outflow amounted to US\$222,582. During the current financial year there was no activity in cashflow from financing activities.

The overall net cash flow for the Organization as of December 31, 2019 increased by US\$760,352 resulting to a total US\$4,634,293 which represented a growth of 19.6% to that of 2018, which amounted to US\$3,873,940.

ANALYSIS OF BUDGET vs ACTUALS

The Organization’s overall revenue budget for the year 2019 totalled US\$10,368,458, which is 89.7% of the projected revenue of US\$11,555,899. Of the total revenue realised, US\$4,038,984 was share of fees earned by the Member States.

The total expenditure estimates for the year including capital expenditure totalled US\$5,563,173 and the total actual expenditure was US\$5,170,231, translating to 92.9% utilisation. Of the total expenditure incurred, US\$28,141 was used for purchase of capital expenditure.

REPORT ON THE MEMBER STATES’ FINANCIAL POSITION FOR THE PERIOD ENDING DECEMBER 31, 2019

Member States earned a total US\$4,038,984 in 2019 while in 2018 they earned US\$4,074,220. This translates to a slight decline of 0.9%. All the Member States earned enough fees to offset their annual assessed contributions of US\$27,900 each. Most Member States’ annual earnings are averaging around 6% to 7% of the overall share of fees as shown in figure 10 below.

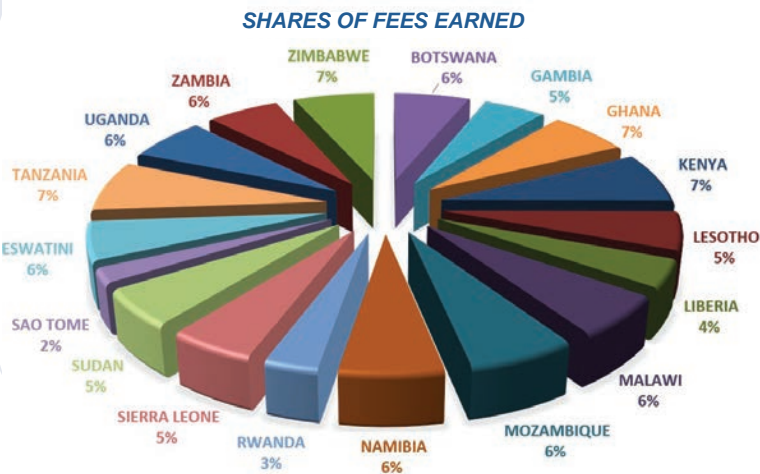


Figure 22: Member States share of fees.

# ANNEXES

AUDITED FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2019

# AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANISATION

## NATURE OF BUSINESS

The African Regional Intellectual Property Organization (“ARIPO”) functions are, the modernization, harmonization and development of the Intellectual Property Laws of Member States; fostering the establishment of a close relationship between the Member States in Intellectual Property Matters; the establishment of common services and organs

for the modernization, harmonization and development of Intellectual Property activities affecting the Member States; and promotion and evolving of a common view and approach to Intellectual Property matters and assisting the Member States in the acquisition and development of Intellectual Property related technology.

## GOVERNING ORGANS:

### Council of Ministers

The Council of Ministers consists of Ministers of the Governments of Member States who are responsible for the administration of Intellectual Property.

### Administrative Council

The Administrative Council consists of the Heads of Offices dealing with the administration of Intellectual Property in the Member States.

### Senior Management Team (Secretariat)

- Mr. F. Dos Santos (Director General)
- Mrs. H. D. Arko-Dadzie (Corporate Services Executive)
- Mr. E. Sackey (IP Development Executive)
- Mr. J. Kabare (IP Operations Executive)

### ADDRESS:

11 Natal Road.  
P O Box 4228  
Belgravia,  
Harare, Zimbabwe

## MAIN BANKERS:

### Swiss Bank Cooperation

UBS SA, Castle Postale  
CHI121, Geneva 2  
Geneva 2, Switzerland

### Stanbic Bank Zimbabwe Limited

Belgravia branch  
Harare  
Zimbabwe

**INDEPENDENT AUDITORS:**

BDO Zimbabwe Chartered Accountants  
3 Baines Avenue  
Harare

**ATTORNEYS:**

Honey & Blanckenburg  
200 Herbert Chitepo Avenue  
Harare

Index To The Financial Statements For The Year Ended  
31 December 2019

**Contents Page**

<i>Administrative Council's responsibility statement</i>	2
<i>Independent auditor's report</i>	4
<i>Statement of financial position</i>	8
<i>Statement of financial performance</i>	9
<i>Statement of changes in reserves</i>	10
<i>Statement of cashflows</i>	11
<i>Notes to the financial statements</i>	12 - 21
<i>Statement of comparison of budget and actual amounts</i>	22 - 23



# ADMINISTRATIVE COUNCIL'S RESPONSIBILITY STATEMENT

The Administrative Council is required to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is its responsibility to ensure that the financial statements fairly present the state of affairs of the Organisation as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Public Sector Accounting Standards.

The Administrative Council acknowledges that it is ultimately responsible for the system of internal financial control established by the Organisation and places considerable importance on maintaining a strong control environment. To enable it to meet these responsibilities, the Administrative Council sets standards for internal control aimed at reducing the risk of fraud or error in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Organisation and all employees are required to maintain the highest ethical standards in ensuring the Organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Organisation is on identifying, assessing, managing and monitoring all known forms of risk across the Organisation.

While operating risk cannot be fully eliminated, the Organisation endeavours to minimize it by ensuring that appropriate infrastructure,

controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Administrative Council is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, but not absolute, assurance against material misstatement or loss.

In preparing the financial statements, the Administrative Council is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so. The Administrative Council has assessed the ability of the Organisation to continue operating as a going concern and believes that the preparation of the financial statements on a going concern basis is still appropriate as disclosed in Note 16 to the financial statements.

The external auditors are responsible for independently auditing and reporting on the Organisation's financial statements. The financial statements and related notes have been audited by the Organisation's external auditors and their report is presented on pages 3 to 5. The audited annual financial statements set out on pages 6 to 23 were approved by the Administrative Council on 16 November 2020 and were signed on its behalf by:



F. Dos Santos

**DIRECTOR GENERAL**



P. Adelyn Cooper

**CHAIRPERSON**

**2 December 2020**

# Independent Auditors' Report To The Members Of The Administrative Council Of African Regional Intellectual Property Organisation Report On The Audited Financial Statements

## Opinion

We have audited the financial statements of African Regional Intellectual Property Organisation set out on pages 7 to 23, which comprise the statement of financial position as at 31 December 2019, statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements; including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of African Regional Intellectual Property Organisation as at 31 December 2019, its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Relating to Going Concern

We draw attention to note 16 which indicates that the Organisation incurred a deficit of US\$174,497 (2018: US\$564,963) during the year ended 31 December 2019 and as at that date, the Organisation's current liabilities exceeded its current assets by US\$5,784,165 (2018: US\$6,598,349). These conditions and other matters set forth in Note 16 to the financial statements indicate the existence of a material uncertainty that may cast significant doubt about the Organisation's ability to continue operating as a going concern. Our opinion is not qualified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and our response to each matter below does not represent a separate opinion on each of these matters. In addition to the matter described in the material uncertainty relating to going concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Completeness and accuracy of revenue	How our audit addressed the Key Audit Matter
<p>The Organisation's revenue is derived from intellectual property registrations and annual maintenance fees. The fees earned are based on a number of protocols. Annual maintenance fees are at times paid for more than one financial year and some of the revenue is deferred to future years. The intellectual property registration process for applications is automated and also involves some online interface. The revenue recognition process is complex and includes judgement in determining the period in which the revenue is recognised. The completeness and accuracy of revenue was thus a key audit matter.</p>	<p>We performed the following audit procedures among others with the assistance of our information systems auditors:</p> <p>Performed general application control reviews for the operating system to verify operational effectiveness of the controls.</p> <p>Performed test of controls on the revenue cycle focusing on key controls and segregation of duties in the validation of applications.</p> <ul style="list-style-type: none"> <li>• Evaluated the Organisation's revenue recognition policy for compliance with International Public Sector Accounting Standard 9.</li> <li>• Vouched applications verifying rates as promulgated in the various Protocols.</li> <li>• Reviewed management's computation of deferred revenue relating to future period maintenance fees.</li> </ul>

## Responsibilities of the Administrative Council for the financial statements

The Administrative Council is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting, and for such internal control as the Administrative Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Administrative Council is responsible for assessing the Organisation's ability to continue operating as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administrative Council either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Administrative Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the

underlying transactions and events in a manner that achieves fair presentation. We communicate with the Administrative Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Administrative Council with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated to the Administrative Council, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. The engagement partner on the audit resulting in this independent auditor's report is Gladman Sabarauta.



**BDO Zimbabwe Chartered Account**  
3 Baine Avenue,  
Harare

**Gladman Sabarauta CA(Z)**  
Partner  
Registered Public Auditor

**2 December 2020**


## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

ASSETS	Note	2019 US\$	2018 US\$
<b>Current assets</b>			
Cash and cash equivalents	5	4,634,294	3,873,940
Trade and other receivables	6	499,772	667,560
		5,134,066	4,541,500
<b>Non-current assets</b>			
Investments - treasury bills		-	16,680
Intangible asset	7	2,197,270	2,681,416
Motor vehicles, furniture, equipment	8	677,748	898,045
Land and buildings	8	7,582,936	7,791,315
		10,457,954	11,387,456
Total assets		15,592,020	15,928,956
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Member States payables	9	8,524,909	8,195,331
Other payables		37,898	111,509
Fees received in advance-deferred	10	1,710,619	1,782,923
Receipts from agents not allocated		187,668	263,129
Employee benefits	11	457,137	786,957
		10,918,231	11,139,849
<b>Non-current liabilities</b>			
Fees received in advance-deferred	10	83,813	24,633
Total liabilities		11,002,044	11,164,482
Net assets		4,589,976	4,764,474
<b>RESERVES</b>			
Revaluation reserve		1 728 060	1 728 060
Accumulated surplus fund		2 861 916	3 036 414
<b>Total equity</b>		<b>4,589,976</b>	<b>4,764,474</b>



F. Dos Santos

**DIRECTOR GENERAL**



P. Adelyn Cooper

**CHAIRPERSON**

2 December 2020



## STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 DECEMBER 2019

Revenue	Note	2019 US\$	2019 US\$
Fees from protocols	-	5,640,655	5,249,426
Contributions from member states		502,200	502,200
Member states contribution to reserve fund		90,000	432,500
Other income	12	114,348	99,795
<b>Total revenue</b>		<b>6,347,203</b>	<b>6,283,921</b>
Expense			
Mission and training costs		1,070,525	1,420,526
Personnel expenditure		3,990,176	3,942,740
Depreciation and amortisation		940,961	961,445
Other operating expenses	13	520,039	524,173
<b>Total expenses</b>		<b>6,521,701</b>	<b>6,848,884</b>
Surplus for the year before depreciation and amortisation		766,463	396,482
<b>Deficit for the year after depreciation and amortisation</b>		<b>(174,498)</b>	<b>(564,963)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US\$	2018 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Deficit for the year		( 174 498)	(564,963)
Adjusted for:			
- Property and equipment depreciation		456,817	514,543
- Ammortisation		484,146	446,902
- Profit on disposal of property and equipment		(3,572)	(9,866)
- Interest income		(5,721)	(943)
		75-7-,172	385,673
<b>Changes in working capital:</b>			
Decrease in trade and other receivables		167,788	18,634
Increase in trade payables and other payables		255,965	30,380
Increase/(decrease) in fees received in advance-deferred		(13,124)	(283,806)
Decrease in receipts from agents not allocated		(75,461)	(104,479)
(Decrease)/increase in employee benefits liability		(329,820)	273,082
Net cash flows generated from operating activities		762,520	319,485
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease in investments		16,680	16,680
Interest income received		5,721	943
Additions to property and equipment		(28,141)	(313,142)
Retention fee adjustment			61,258
Proceeds from sale of property and equipment		3,572	11,679
Net cash flows used in investing activities		(2,168)	(222,582)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in loans			(710,141)
Net cash flows utilised in financing activities			(710,141)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>760,352</b>	<b>(613,238)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>3,873,940</b>	<b>4,487,178</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>5</b>	<b>4,634,293</b>	<b>3,873,940</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

## 1 Objectives of the Organization

African Regional Intellectual Property Organization ("ARIPO" or "the Organization") was established in 1976.

The objectives of the Organization are:

- promoting the harmonisation and development of the intellectual property laws;
- fostering the establishment of a close relationship between its members in matters relating to intellectual
- establishing such common services or organs as may be necessary or desirable for the co-ordination, harmonisation and development of Intellectual Property.

ARIPO carries out a wide variety of tasks related to the protection of IP rights including working with Member States to develop IP laws; managing regional registration systems for trademarks, industrial designs and appellations of origin and a filing system for patents; providing dispute resolution services; and acting as a forum for informed debate and for the exchange of expertise.

The Organization is an inter-governmental organization established by the Lusaka Agreement signed in Lusaka, Zambia on December 9, 1976. The Organization operates and is governed according to the provisions of the Lusaka Agreement. The Membership of the Organization is open to the member states of the African Union and currently has 18 member countries. ARIPO is governed by the following constituent bodies:

- the Council of Ministers, which is the supreme body of the Organization, consists of Ministers of Governments of the member states;
- the Administrative Council, which is responsible for the administration of intellectual property; and
- the Secretariat, which reports to the Administrative Council and performs duties as delegated by the Administrative Council.

## 2 Summary of Significant Accounting Policies

These financial statements have been prepared on an accrual and going-concern basis and in accordance with International Public Sector Accounting Standards ("IPSAS").

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

### 2.1 Changes in accounting policy and interpretations.

#### (a) New standards, interpretations and amendments effective from 1 January 2019.

The following new standards, amendments and interpretations are effective for the first time in these financial statements and have not had a material effect on the organisation:

IPSAS 39 Employee Benefits: Replaces the current standard on employee benefits, PBE IPSAS 25. PBE IPSAS 39 is based on IPSAS 39, which was issued by the IPSASB to update its standards for the amendments to IAS 19 made by the IASB during the 2011 - 2015 period. (Effective for periods beginning on or after 1 January 2019).

IPSAS 26 Impairment of Cash-Generating Unit: The amendments amend IPSAS 26 Impairment of Cash Generating Assets to include assets measured at revalued amounts under the revaluation model in PBE IPSAS

17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets ("revalued assets"). As a result of the amendments, revalued assets are subject to the same impairment assessment requirements as assets that are measured using the cost model. However, where an impairment loss is recognised for an asset (or group of assets) that is revalued, an entity is not necessarily required to revalue the entire class of assets to which that impaired asset (or group of assets) belongs.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

The amendment also clarify that for revalued assets, impairment losses and reversals thereof are accounted for in the same way as revaluation decreases and increases. (Effective for periods beginning on or after 1 January 2019).

### **(a) New standards, interpretations and amendments not yet effective**

**PBE IFRS 9 Financial instruments:** This standard replaces most of the requirements of PBE IPSAS 29. This new standard, effective 1 January 2021:

- Introduces a new classification model for financial assets, which may cause certain financial assets to be classified and measured differently as compared to PBE IPSAS 29.
- Introduces a more flexible and less rules-based hedge accounting model, which allows hedge accounting to be applied to a wider range of risk management strategies.
- Introduces a more forward-looking impairment model for financial assets, based on expected credit loss, which may cause certain assets to be impaired earlier than they would be under the current "incurred loss" model.
- Requires PBEs to provide additional disclosures about hedge accounting and impairment.

**IPSAS 41 Financial instruments:** This Standard, when applied, supersedes parts of PBE IPSAS 29 Financial Instruments: Recognition and Measurement and supersedes PBE IFRS 9 Financial Instruments.

- Introduces a classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

- Applies a forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Introduces a hedge accounting model that broadens the hedging arrangements in scope of the guidance.

The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

The Organisation has not yet assessed the impact of adopting the standards and amendments.

## **2.2 Foreign currency translation**

### **(a) Functional and presentation currency**

The financial statements are presented in the United States of America dollar (US\$), which is the Organization's functional and presentation currency.

## **2.3 Cash and cash equivalents**

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash on hand and demand deposits with banks.

## **2.4 Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method and represent amounts due from staff or customers for services performed in the ordinary course of business.

Other receivables are measured at the fair value of the consideration received or receivable, less an allowance for impairment.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

An allowance for impairment of other receivables is established when there is objective evidence that the Organization will not be able to collect all amounts due according to the original terms of the agreement. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The allowance is recognised in the statement of financial performance.

**2.5 Property and equipment**

Property and equipment are valued at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organization and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Land and buildings are initially recognized at cost, but are subject to revaluation to fair value by an external independent valuer. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Land is not depreciated. Property and equipment are depreciated on the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

<i>Buildings</i>	<i>40 years</i>
<i>Furniture and fittings</i>	<i>10 years</i>
<i>Computer and equipment</i>	<i>4 years</i>
<i>Motor vehicles</i>	<i>5 years</i>
<i>Software</i>	<i>10 years</i>

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. There has been no change to the estimated useful lives from those applied in the previous financial year.

**2.6 Borrowing costs**

Borrowing costs consist of interest and other costs that the organisation incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the period in which they are incurred.

**2.7 Receipts from agents not allocated**

Receipts from agents not allocated represent annual maintenance fees paid in the current financial year for IP protection that extends to the next financial year.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 2.8 Employee benefits

##### (a) Pension obligations

The Organization has a defined contribution plan, which is a pension plan under which the Organization pays fixed contributions to a separate entity. The Organization has no legal or constructive obligation to pay further contributions if the entity does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current and prior periods.

##### (b) Termination benefits

Termination benefits are payable when employment is terminated by the Organization before the normal retirement date or whenever the employee accepts voluntary redundancy in exchange for these benefits.

##### (c) Other benefits

The Organization recognises provisions for the value of accumulated leave deferred at the reporting date and for gratuity payable at the reporting date.

#### 2.9 Member State payables and other payables

The Organization collects maintenance fees on behalf of member states. The Organization holds these funds on a temporary basis until they are transferred to the Member States. These funds are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business). Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

#### 2.10 Revenue

Fees from protocols comprise fees charged for applications for registration of patents, trademarks and industrial designs and annual maintenance fees for the protection of the patents, trademarks and industrial designs.

All revenue from fees related to the processing of IP Rights will be recognized when the application is due for service. All revenue from fees such as renewals, modifications, abandonment, transfers, confirmations and adjustments will be recognized when the service has been performed.

Revenue from other fees will be recognized when ARIPO's services have been provided.

The distribution of fees between ARIPO Office and Member states is as follows:

- 5% of the application fees shall be due to the Member state in which the application is filed and 95% shall be due to ARIPO Office;
- 50% of the designation fee shall be due to the designated member state and 50% shall be due to ARIPO.
- 50% of the annual maintenance fee shall be due to the designated member state and 50% shall be due to the ARIPO Office.

Fees due to Member States are held in favour of the Member States and, on request, are transmitted to the Member States.

Contributions from Member States are recognized as revenue at the beginning of the financial year to which they relate.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 2.11 Operating expenses

Expenses are recognised when incurred rather than when paid.

### 2.12 Taxation

The Organization's receipts and accruals are exempt from income tax in terms of paragraph 2(e) of the Third Schedule of the Zimbabwe Income Tax Act (Chapter 23:06).

### 3 Critical Judgements in Applying the Organisation's Accounting Policies

In preparing the financial statements, the Administrative Council is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include:

#### (a) Impairment testing

At the reporting date, the Organisation reviews the carrying amounts of the assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). The determination of value in use requires the estimation of future cash flows and a discount rate.

#### (b) Useful lives of property and equipment

The Organisation reviews the estimated useful lives of property and equipment at the end of each reporting period considering expected physical wear and tear.

#### (c) Going concern

The Organisation assesses the appropriateness of the going concern assumption at each statement of financial position date. The assessment requires judgmental estimates and assumptions regarding future cash flows and the discount rate used to determine the present value of cash flows.

#### (d) Functional currency

During the year, the organisation has been operating in an environment where a combination of United States Dollars (USD) and the local currency were in use. The organisation, based on requirements of IPSAS 4, assessed its functional currency and adopted the United States Dollar (USD) as its functional currency.

## 4 FINANCIAL RISK MANAGEMENT

The Organization's activities expose it to a variety of financial risks: market risk including price risk, credit risk and liquidity risk.

#### (a) Market risk

##### (i) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Organization is not exposed to price risks as it does not hold any equity securities or commodities.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### (ii) Foreign exchange risk

Foreign exchange risk arises in respect of recognised financial assets and financial liabilities that are not in the functional currency of the Organization. The Organization does not operate in any other currency apart from its functional currency and is therefore not exposed to foreign exchange risk.

### (iii) Interest rate risk

Interest rate risk is the risk that the Organization will be adversely affected by the changes in the level of volatility of market interest rates.

The Organization has fixed interest-bearing assets or liabilities therefore has no significant exposure to interest rate risk.

### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

## 7 INTANGIBLE ASSET

### Carrying amount as at 01 January 2018

Gross carrying amount - valuation

Accumulated amortisation

Amortisation for the year

### Carrying amount as at 31 December 2018

Gross carrying amount - valuation

Accumulated amortisation

Amortisation for the year

### Carrying amount as at 31 December 2019

Gross carrying amount - valuation

Accumulated amortisation

US\$

3,128,318

4,469,024

(1,340,706)

(446,902)

2,681,416

4,469,024

(1,787,608)

(484,146)

2,197,270

4,469,024

(2,271,754)

The Intangible asset relates to POLITE + application system, a customised Intellectual Property Rights system that was developed by the Korean International Cooperation Agency (KOICA).

**NOTES TO THE FINANCIAL STATEMENTS**  
**(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

**8 PROPERTY AND EQUIPMENT**

	Land	Buildings	Computers & equipment	Furniture and fittings	Motor Vehicles	TOTAL US\$
	US\$	US\$	US\$	US\$	US\$	US\$
Carrying amount as at 31 December 2017	260,000	7,773,192	481,120	429,904	9,617	8,953,833
Gross carrying amount-cost/valuation	260,000	8,371,355	1,267,497	610,680	145,516	10,655,048
Accumulated depreciation		(598,163)	(786,377)	(180,776)	(135,899)	(1,701,217)
Additions at cost	2,708	25,052	37,487	182,762	65,133	313,142
Retention fee adjustment		(61,258)				(61,258)
Depreciation for the year		(208,379)	(239,101)	(52,940)	(14,123)	(514,543)
Disposals at carrying amount			(1,813)			(1,813)
Disposals at cost			(4,590)	(84,228)		88,818
Disposals accumulated depreciation			2,777	84,228		87,005
Carrying amount as at 31 December 2018	262,708	7,528,607	277,693	559,726	60,626	8,689,360
Gross carrying amount-cost/valuation	262,708	8,335,149	1,300,394	709,214	210,649	10,818,114
Accumulated depreciation		(806,542)	(1,022,701)	(149,488)	(150,023)	(2,128,754)
Additions at cost			6,340		21,801	28,141
Depreciation for the year		(208,379)	(138,254)	(93,847)	(16,337)	(456,817)
Disposals at carrying amount						
Disposals at cost					(16,810)	(16,810)
Disposals accumulated depreciation					16,810	16,810
Carrying amount as at 31 December 2019	262,708	7,320,228	145,779	465,879	66,090	8,260,684
Gross carrying amount-cost/valuation	262,708	8,335,149	1,306,734	709,214	215,640	10,829,445
Accumulated depreciation		(1,014,921)	(1,160,955)	(243,335)	(149,550)	(2,568,761)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 9 MEMBER STATES PAYABLES

	2019 US\$	2018 US\$
Botswana	184 234	193,349
Gambia	337 222	349,451
Ghana	459 087	716,642
Kenya	140 594	218,699
Kingdom of Lesotho	1 903 181	1,715,672
Liberia	29 246	35,824
Malawi	800 172	698,823
Mozambique	149 679	159,823
Namibia	122 426	44,110
Rwanda	200 927	110,410
Sierra Leone	93 019	161,746
Sudan	1 046 038	865,197
Swaziland	2 159 011	1,946,270
Tanzania	413 784	149,748
Uganda	247 380	297,917
Zambia	134 179	179,162
Zimbabwe	104 730	352,488
	8,524,909	8,195,331

#### 10 FEES AND MEMBER STATES CONTRIBUTIONS RECEIVED IN ADVANCE- DEFERRED

Fees received in advance	2019 US\$	2018 US\$
Balance as at 1 January	1,807,556	2,091,362
Fees earned in the current period, deferred from the following periods:		
2017	(24,958)	(1,645,165)
2018	(1,721,170)	
Fees received in current period, deferred to the following periods:		
2019		1,721,170
2020	1,710,619	24,633
2021+	22,386	
Balance as at 31 December	1,794,432	2,192,000
<b>Member States contributions received in advance</b>		
Contributions earned		(384,444)
<b>Total fees and Member States Contributions received in advance</b>	<b>1,794,432</b>	<b>1,807,556</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 11 EMPLOYEE BENEFITS

Employee benefits comprise of short-term employee benefits that include salary, allowances, grant on initial assignment, grants for the education of dependent children and paid annual leave.

The Organization has recognized liabilities for the following short-term benefits, the value of which is based on the amount payable to each staff member at the reporting date:

Accumulated leave: staff members are eligible for 30 days annual leave and may accumulate up to a maximum of 60 days leave. The Director General is eligible for 34 days annual leave and may accumulate up to a maximum of 68 days leave.

Gratuity: contract employees are eligible to an annual gratuity of 25% of their annual base salary up to a maximum of four years.

Balance as at 1 January 2018
Payments made during the year
Provisions made during the year
Balance as at 31 December 2018
Balance as at 1 January 2019
Payments made during the year
Provisions made during the year
Balance as at 31 December 2019

Leave pay provision US\$	Gratuity US\$	Total US\$
140,850	373,025	513,875
(60,805)	(6,976)	(67,781)
52,283	288,581	340,864
132,328	654,630	786,957
132,328	654,630	786,957
(54,058)	(696,681)	(750,739)
54,494	366,426	420,920
132,763	324,375	457,137

#### 12 OTHER INCOME

Interest income
Search request fees
Subscription to ARIPO Journal
Profit on disposal of property and equipment
Miscellaneous income
Hire of ARIPO facilities
Staff revolving loan Interest
Academy
EUIPO
Tax and duty rebates

2019 US\$	2018 US\$
5,721	943
9,218	7,291
150	100
3,572	9,866
8,573	7,406
1,560	3,351
20,831	24,363
13,794	
11,736	
39,193	46,475
114,348	99,795

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 OTHER OPERATING EXPENSES

	2019 US\$	2018 US\$
Audit fees	16,306	14,877
Bank charges	36,150	32,737
Communication costs	57,961	88,806
Exchange loss	90,175	-
Supplies and consumables	76,658	55,400
Insurance	28,856	22,313
Office Expenses	49,580	94,084
Security	44,269	47,982
Repairs and maintenance - fixtures and fittings	5,765	18,011
Repairs and maintenance - buildings	10,691	19,043
Repairs and maintenance - equipment	23,950	19,464
Repairs and maintenance vehicles	8,371	37,125
Software and licenses	46,926	47,365
Miscellaneous expenses	24,383	26,966
	520,039	524,173

### 14 RELATED PARTIES

The Organization is governed by the Administrative Council composed of representatives of all member countries. They do not receive remuneration from the Organization. The Organization is managed by a Director General and by officers (key management personnel) who are remunerated by the Organization. The aggregate remuneration paid to key management personnel includes salaries, allowances, travel and other entitlements paid in accordance with the ARIPO Staff Rules and Regulations and applicable to all.

The Organization key management personnel are as follows:

- Director General
- IP Development Executive
- IP Operations Executive
- Corporate Services Executive

Their combined aggregate annual remuneration and post-employment benefits are as follows:

	2019 US\$	2018 US\$
Short-term employee benefits (annual salaries and allowances)	592,924	575,871
Medical benefits paid for the year	10,130	13,298
Long-term employee benefits (leave days accrued and gratuities due)	238,916	268,965
	841,970	858,134

#### 14.1 Loans to key management

Staff loans	60,246	65 994
-------------	--------	--------

Staff loans are extended to purchase vehicles, furniture or other requisites. Interest on loans is at 5% per annum.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 15 CONTINGENT LIABILITY

The organisation has a claim in respect of work carried out by a contractor amounting to US\$101,640. The amount has not been accrued in the financial statements as the actual work done and the value thereof are yet to be agreed on.

### 16 GOING CONCERN

The Organisation incurred a deficit of US\$174,497 (2018:US\$564,963) during the year ended 31 December 2019 and as at that date, the Organisation's current liabilities exceeded its current assets by US\$5,784,165 (2018: US\$6,598,349). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Organisation's ability to continue operating as a going concern. The ability of the organisation to continue as a going concern is dependent on it posting surpluses and paying member states liabilities.

- *The Organization has successfully implemented specific measures that are addressing its financial situation*
- *As at August 2020, Member States liability had reduced to US\$2,491,833.*
- *The following are strategies employed to ensure that the Organisation will continue to operate as a going concern.*
- *The Organisation has adopted cost cutting and optimization measures to ensure that it is able to pay its liabilities. The following cost containment measures have been adopted:*
- *Freezing the recruitment of staff for the period 2019 to 2021.*
- *Repayment of \$100,000 staff loan revolving fund back to the organisation.*

- *Half-day team building sessions will be undertaken for the period 2020-2022 as opposed to weekend annual retreats.*
- *Encashment of leave days to be suspended for the two year period to 2022. Staff will be encouraged to go on leave.*
- *Repayment of staff advances in the year advanced to avoid liquidity issues.*

As a result of the implementation of the above measures, it is estimated that expenditure will be significantly reduced.

It is on this basis that the Administrative Council believes that the Organisation is still a going concern.

### 17 EVENTS AFTER THE REPORTING DATE

#### 17.1 Outbreak of COVID-19

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Administrative Council cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact financial position, results of operations, and cash flows of the organisation in the 2020 fiscal year.

Subsequent to 2019 year end, the organisation engaged in VAT assessment which may result in either an increase in accounts receivables or accounts payables. The financial impact thereof has not yet been determined.

#### 17.2 Approval of financial statements

The financial statements were approved for issue by the Administrative Council on 2 December 2020.

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

	Original Budget US\$	Final Budget US\$	Actual Amounts US\$	Difference: Final budget and actual US\$
<b>REVENUE</b>				
Fees from Protocols	11,003,699	11,003,699	9,661,911	(1,341,788)
Contributions from Member States	502,200	502,200	502,200	-
Other Revenue	50,000	50,000	204,348	154,348
	<b>11,555,899</b>	<b>11,555,899</b>	<b>10,368,458</b>	<b>(1,187,441)</b>
<b>PROGRAMME TITLE</b>				
IP operations	49,000	41,800	31,578	10,222
IP ecosystem for growth	219,500	19,500	20,431	(931)
IP knowledge	465,000	379,580	265,530	114,050
Policy and legal	102,000	61,000	23,899	37,101
People and organization transformation	157,250	80,500	41,437	39,063
Information and communication technology	151,700	63,200	46,926	16,274
Marketing, customer engagement and Cooperation	131,060	67,560	50,944	16,616
Financial and management accounting	19,000	30,000	28,621	1,379
Internal audit	13,000	3,000	-	3,000

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

### RUNNING COSTS

Personnel costs	4,006,076	3,739,379	3,569,256	170,123
Operating Costs	620,800	504,740	468,250	36,490
Annual meetings and conferences	744,356	539,914	595,217	(55,303)
Capital expenditure	33,000	33,000	28,141	4,859
<b>TOTAL EXPENDITURE</b>	<b>6,711,742</b>	<b>5,563,173</b>	<b>5,170,231</b>	<b>392,942</b>
Surplus as per actual budget statement				5,198,227

### IPSAS adjustments to deficit for the year:

Member States share of fees				(4,038,984)
Depreciation and amortisation				(940,961)
Provisions for gratuities and leave days				(420,920)
Purchase of property and equipment				28,141
<b>Adjusted deficit for the year per IPSAS</b>				<b>( 174 497)</b>

ARIPO's budget and financial statements are prepared using two different bases. The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Cash Flow Statement are prepared on a full accrual basis, whereas the Statement of Comparison of Budget and Actual Amounts is prepared on a modified accrual basis in accordance with ARIPO's Financial Regulations.

As required by IPSAS-24, the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, reconciled to the actual deficit amount presented in the Statement of Financial Performance as shown above.



NOTES

Handwriting practice area with horizontal blue lines and large, faint, stylized circular graphics.



