



CC/85/4

ORIGINAL: English

DATE: February 4, 2013

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

Geneva

CONSULTATIVE COMMITTEE**Eighty-Fifth Session
Geneva, March 22, 2013****PREPARATION OF THE DRAFT PROGRAM AND BUDGET OF THE UNION
FOR THE 2014-2015 BIENNIUM***Document prepared by the Office of the Union*

1. The purpose of this document is to invite the Consultative Committee to consider a proposal prepared by the Office of the Union as the basis for the preparation of the Draft Program and Budget for the 2014-2015 Biennium, which is to be presented to the forty-seventh ordinary session of the Council, to be held in Geneva on October 24, 2013.
2. The proposal for the Draft Program and Budget for the 2014-2015 Biennium is presented in the Annex to this document. The following information is provided to assist the Consultative Committee in its consideration of that proposal.

Introduction

3. With regard to the preparation of the Draft Program and Budget of the Union, document UPOV/INF/4/2 "Financial Regulations and Rules of UPOV" states as follows:

"Regulation 2.2

The involvement of members of UPOV in the preparation of the proposed program and budget for the next financial period shall be in accordance with the mechanism that they adopted in that respect.

"Rule 102.1

The Vice Secretary-General shall prepare program and budget proposals for the forthcoming financial period at such time and with such details as the Secretary-General may prescribe.

[...]

"Regulation 2.6

The Secretary-General shall submit the proposed program and budget for the following financial period to the Consultative Committee for discussion, comments and recommendations, including possible amendments, by the first of September of the year preceding the financial period.

"Regulation 2.7

The Consultative Committee shall review the program and budget proposed by the Secretary-General and transmit it to the Council with its recommendations."

4. In line with recent practice, this document has been prepared for consideration by the Consultative Committee at its penultimate session before the Draft Program and Budget of the Union is to be adopted by the Council. On the basis of the comments of the Consultative Committee on this document, the Draft Program and Budget for the 2014-2015 Biennium will be submitted to the Consultative Committee by September 1, 2013, for consideration at its eighty-sixth session, to be held in Geneva on October 23, 2013. The Council will be invited to adopt the Program and Budget for the 2014-2015 Biennium at its forty-seventh ordinary session, to be held in Geneva on October 24, 2013.

5. With regard to the presentation, content and methodology of the Program and Budget, document UPOV/INF/4/2 "Financial Regulations and Rules of UPOV" states as follows:

"Presentation, content and methodology

"Regulation 2.3

"The proposed program and budget shall cover estimates for income and expenditure for the financial period to which it relates, in a consolidated form for UPOV.

"Regulation 2.4

"All estimates of income and expenditure shall be presented in Swiss francs.

"Regulation 2.5

"The proposed program and budget shall include a narrative setting out objectives and expected results during the Biennium, together with financial and human resources required to achieve the objectives, expected results and benchmarks and indicators of achievement. The proposed program and budget shall be preceded by a statement explaining the content of the program and the volume of resources allocated to it in relation to the previous financial period. The proposed program and budget shall be accompanied by such information, annexes and explanatory statements as may be requested by the Council and such further annexes or statements as the Secretary-General may deem necessary and useful.

"Rule 102.2

"The proposed program and budget shall contain:

"(a) A statement of financial and human resources requirements and nature of expenditure in a consolidated form for UPOV; for purposes of comparison, the expenditures for the previous financial period, the adopted initial budget and the proposed revised budget for the current financial period shall be indicated alongside the resource requirements estimates for the forthcoming financial period;

"(b) A statement of estimated income including income from contributions, fees for services rendered and income classified as miscellaneous in accordance with Regulation 3.13."

Structure of the Draft Program and Budget for the 2014-2015 Biennium

6. On the basis above, the proposal concerning the Draft Program and Budget for the 2014-2015 Biennium, presented in the Annex to this document, has been structured as follows:

1. INTRODUCTION
2. OBJECTIVES AND EXPECTED RESULTS BY SUB-PROGRAM
3. PROPOSED BUDGET

7. The proposal concerning the Draft Program and Budget for the 2014-2015 Biennium, presented in the Annex to this document, contains the following four sub-programs, which are unchanged from the Program and Budget for the 2012-2013 Biennium, except in relation to the proposed amendment to the first objective in Sub-program UV.4 "External Relations".

Sub-program UV.1
Overall Policy on Plant Variety Protection

Objectives:

- Policy direction and executive management.
- Planning, implementation and evaluation of program and budget.

Sub-program UV.2
Services to the Union for Enhancing the Effectiveness of the UPOV System

Objectives:

- To maintain and improve the effectiveness of the UPOV system.
- To provide and develop the legal, administrative and technical basis for international cooperation in plant variety protection according to the UPOV Convention.

Sub-program UV.3
Assistance in the Introduction and Implementation of the UPOV System

Objectives:

- To raise awareness of the role of plant variety protection according to the UPOV Convention.
- To assist States and organizations, particularly governments of developing countries and countries in transition to a market economy, in the development of legislation in accordance with the 1991 Act of the UPOV Convention.
- To assist States and organizations in their accession to the 1991 Act of the UPOV Convention.
- To assist States and organizations in implementing an effective plant variety protection system in accordance with the 1991 Act of the UPOV Convention.

Sub-program UV.4
External Relations

Objectives:

- To ~~broaden and~~ enhance the understanding of the UPOV system of plant variety protection ~~by the public and non-governmental organizations.~~
- To provide information on the UPOV Convention to other intergovernmental organizations, with the aim of achieving mutual supportiveness with other international treaties.

8. The expected results and performance indicators reflect the objectives, as set out above.

Preparation of the Draft Program and Budget for the 2014-2015 Biennium

9. Subject to general agreement by the Consultative Committee with the structure of the proposed Program and Budget for the 2014-2015 Biennium, as set out in the Annex to this document, the Office of the Union would draw up the Draft Program and Budget of the Union for the 2014-2015 Biennium for approval by the Council at its forty-seventh ordinary session, to be held on October 24, 2013.

10. The Consultative Committee is invited to consider the proposed basis for the Draft Program and Budget of the Union for the 2014-2015 Biennium, as presented in the Annex to this document, with regard to the preparation of the Draft Program and Budget of the Union for the 2014-2015 Biennium.

[Annex follows]

PROPOSED BASIS FOR THE DRAFT PROGRAM AND BUDGET
FOR THE 2014-2015 BIENNIUM

TABLE OF CONTENTS

1. INTRODUCTION

2. OBJECTIVES AND EXPECTED RESULTS BY SUB-PROGRAM

2.1 Sub-program UV.1: Overall Policy on Plant Variety Protection

2.1.1 *Objectives*

2.1.2 *Narrative*

2.1.3 *Activities*

2.1.4 *Expected Results and Performance Indicators*

2.2 Sub-program UV.2: Services to the Union for Enhancing the Effectiveness of the UPOV System

2.2.1 *Objectives*

2.2.2 *Narrative*

2.2.3 *Activities*

2.2.4 *Expected Results and Performance Indicators*

2.3 Sub-program UV.3: Assistance in the Introduction and Implementation of the UPOV System

2.3.1 *Objectives*

2.3.2 *Narrative*

2.3.3 *Activities*

2.3.4 *Expected Results and Performance Indicators*

2.4 Sub-program UV.4: External Relations

2.4.1 *Objectives*

2.4.2 *Narrative*

2.4.3 *Activities*

2.4.4 *Expected Results and Performance Indicators*

3. PROPOSED BUDGET

Table 1: Income and Expenditure 2010-2011, 2012-2013 and 2014-2015

Table 2: Structure of proposed budget 2014-2015 as compared to 2010-2011 and 2012-2013

Table 3: Resource Plan 2012-2013 and 2014-2015

Table 4: Proposed Budget 2014-2015: Budget Variation by Object of Expenditure

Table 5: Budget 2014-2015: Posts by Category

Table 6: Proposed Budget 2014-2015: Allocation by Object of Expenditure

Table 7: Budget Variation by Sub-program

Table 8: Income 2012-2013 and 2014-2015: Variation by Source

4. FINANCIAL INDICATORS 2008-2017

Table 9: Income, Expenditure and Reserves for 2008-2017

APPENDIX I: BUDGET METHODOLOGY

APPENDIX II: CONTRIBUTIONS OF MEMBERS

APPENDIX III: DEFINITIONS OF BUDGET HEADINGS

1. INTRODUCTION

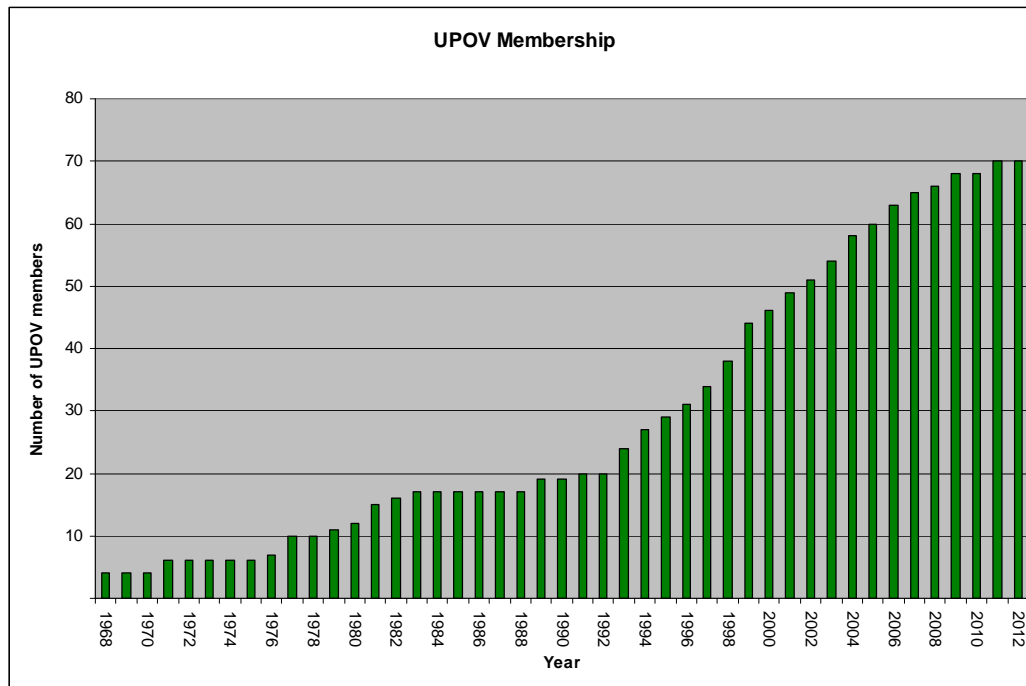
UPOV Mission Statement

To provide and promote an effective system of plant variety protection, with the aim of encouraging the development of new varieties of plants, for the benefit of society.

1.1 The trilogy of events in 2011 and 2012 (“Trilogy”) highlighted the importance of the UPOV system of plant variety protection in providing productive and sustainable agriculture that can deliver food security and economic development, thereby benefiting society as a whole. The “Symposium on Plant Breeding for the Future” (http://www.upov.int/meetings/en/details.jsp?meeting_id=24133), held in Geneva on October 21, 2011, highlighted the importance of plant breeding and plant variety protection for the development of varieties that enable farmers and growers to meet the needs of consumers. The “Seminar on Plant Variety Protection and Technology Transfer: the Benefits of Public-Private Partnership” (http://www.upov.int/meetings/en/details.jsp?meeting_id=22163), held in Geneva from April 11 to April 12, 2011, demonstrated the role of the UPOV system of plant variety protection in encouraging plant breeding in the private and public sectors, and in encouraging public-private partnerships, as well as highlighting its role in facilitating the delivery of varieties to farmers. The third event in the trilogy, the “Symposium on the Benefits of Plant Variety Protection for Farmers and Growers” (http://www.upov.int/meetings/en/details.jsp?meeting_id=26104), held in Geneva on November 2, 2012, provided illustrations of how plant variety protection can improve incomes for farmers and growers by supporting the development and supply of new, improved varieties that are suited to their needs and by providing a mechanism to facilitate cooperation and to add value in the production chain. The Symposium also provided examples of how farmers and growers can use plant variety protection as breeders.

1.2 The Trilogy built on the findings in the UPOV Report on the Impact of Plant Variety Protection (http://www.upov.int/export/sites/upov/about/en/pdf/353_upov_report.pdf), which demonstrated that, in order to enjoy the full benefits which plant variety protection is able to generate, both the implementation of the UPOV Convention and membership of UPOV are essential. Furthermore, it demonstrated that the expansion of UPOV provides benefits for both new and existing UPOV members.

Figure 1: Number of new members of the Union

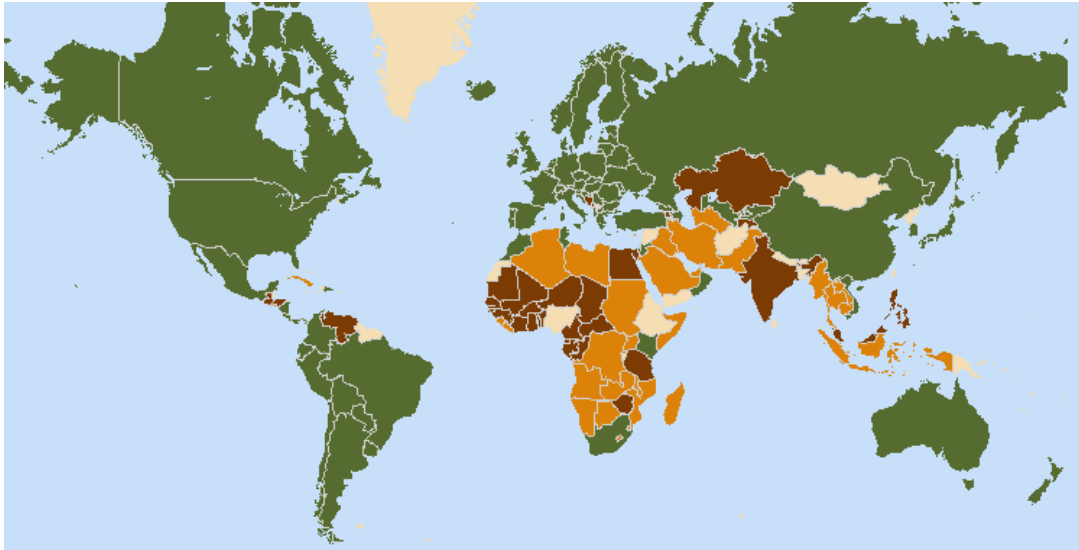


1.3 During the period 2007 to 2012, UPOV grew on average by one new member per year (see Figure 1) and is anticipated to continue to grow at a similar rate in the years ahead. Sixteen States and one intergovernmental organization have initiated the procedure for acceding to the UPOV Convention and 23 States and two intergovernmental organizations have been in contact with the Office of the Union for

assistance in the development of laws based on the UPOV Convention. Figure 2 provides a graphic overview of the current status in relation to UPOV. Box 1 provides information on those States and intergovernmental organizations which have initiated the procedure for acceding to the UPOV Convention and those which have been in contact with the Office of the Union for assistance in the development of laws based on the UPOV Convention. This information indicates that there remains a need to continue to work on raising awareness of the role of plant variety protection and to assist States and organizations to become members of the Union and to implement the UPOV system.

Figure 2: Map showing

- UPOV members (green);
- States and intergovernmental organizations which have initiated the procedure for becoming UPOV members (brown); and
- States and intergovernmental organizations which have been in contact with the Office of the Union for assistance in the development of laws based on the UPOV Convention (orange)



The boundaries shown on this map do not imply the expression of any opinion whatsoever on the part of UPOV concerning the legal status of any country or territory

Box 1

States and intergovernmental organizations which have initiated the procedure for acceding to the UPOV Convention

States (16):

Armenia, Bosnia and Herzegovina, Egypt, Ghana, Guatemala, Honduras, India, Kazakhstan, Malaysia, Mauritius, Montenegro, Philippines, Tajikistan, United Republic of Tanzania, Venezuela (Bolivarian Republic of) and Zimbabwe.

Organization (1):

African Intellectual Property Organization (OAPI)

(member States of OAPI (16): Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Togo).

States and intergovernmental organizations which have been in contact with the Office of the Union for assistance in the development of laws based on the UPOV Convention

States (23):

Algeria, Bahrain, Barbados, Brunei Darussalam, Cambodia, Cuba, Cyprus, El Salvador, Indonesia, Iraq, Islamic Republic of Iran, Lao People's Democratic Republic, Libya, Mozambique, Myanmar, Pakistan, Saudi Arabia, Sudan, Thailand, Tonga, Turkmenistan, United Arab Emirates and Zambia.

Organizations (2):

African Regional Intellectual Property Organization (ARIPO)

(member States of ARIPO (18): Botswana, Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Rwanda, Sierra Leone, Somalia, Sudan, Swaziland, Uganda, United Republic of Tanzania, Zambia, Zimbabwe)

Southern African Development Community (SADC)

(member States of SADC (15): Angola, Botswana, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia, Zimbabwe)

1.4 The main focus and priority for the 2014-2015 Biennium will continue to be support for members of the Union in the operation of their plant variety protection systems. The UPOV system continues to expand in terms of the number of members of the Union, applications, titles granted and titles in force (see Figures 1 and 3). It is also estimated that, within the members of the Union, protection has been sought for varieties of more than 3,000 genera or species. These figures demonstrate why cooperation between members of the Union is a key benefit of UPOV membership. In that respect, the guidance developed by UPOV for variety examination promotes harmonization between members of the Union, thereby facilitating the exchange of information and exchanging reports on the examination of Distinctness, Uniformity and Stability (“DUS”). The support provided by the Office of the Union and the cooperation within UPOV is built on the work and support of the individual members of the Union. Members of the Union have developed more than 280 Test Guidelines, which are estimated to cover approximately 90% of applications for plant breeders’ rights within the Union. In addition, members of the Union have provided information on their practical experience in DUS testing for more than 2,600 genera and species on the basis that they are willing to share that experience with other members of the Union. There are agreements for cooperation in DUS testing between members of the Union in relation to approximately 2,000 genera and species. The development of such cooperation is indicated in Figure 4. Measures to support and enhance cooperation between members of the Union will be pursued in the 2014-2015 Biennium, with particular regard to information available in the Plant Variety Database (PLUTO) and the GENIE database and on information on exchangeable software made available by members of the Union.

Figure 3: Number of applications, titles granted and titles in force in members of the Union

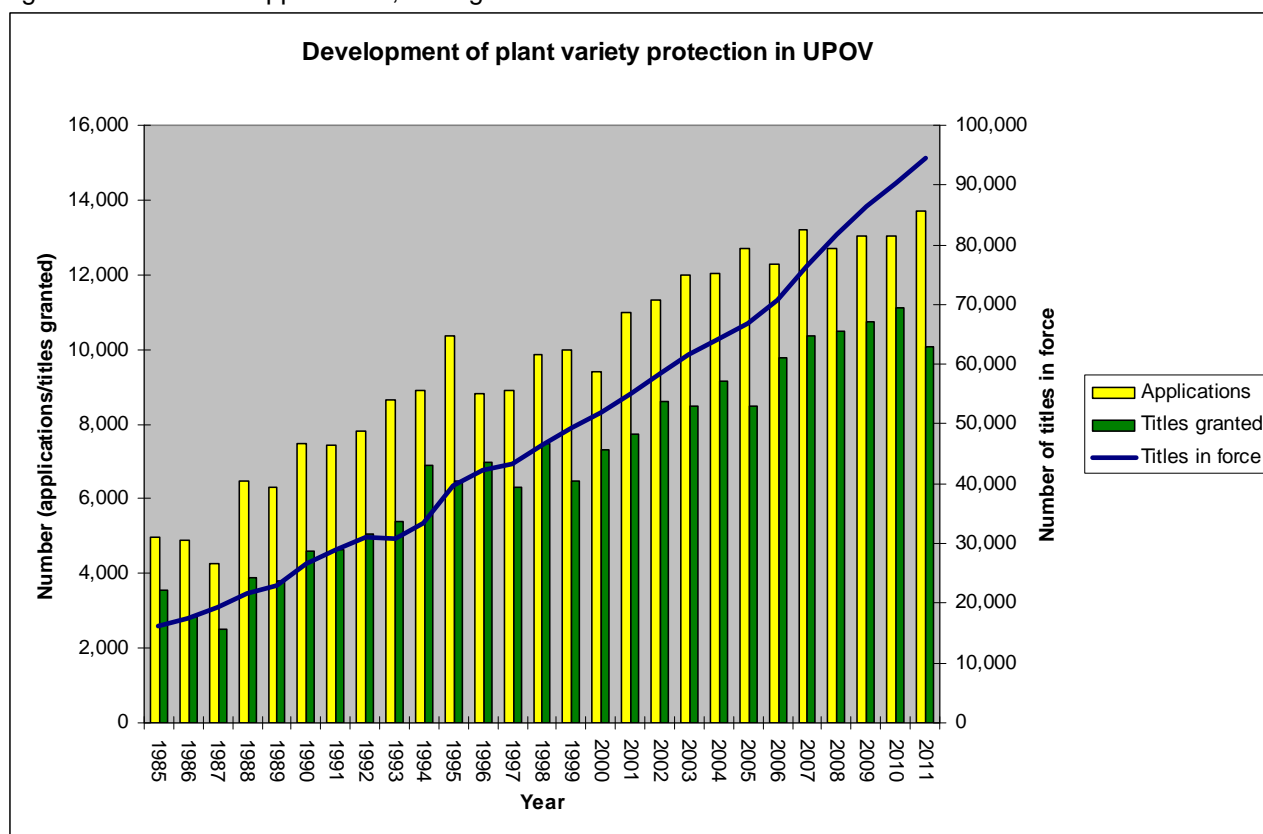
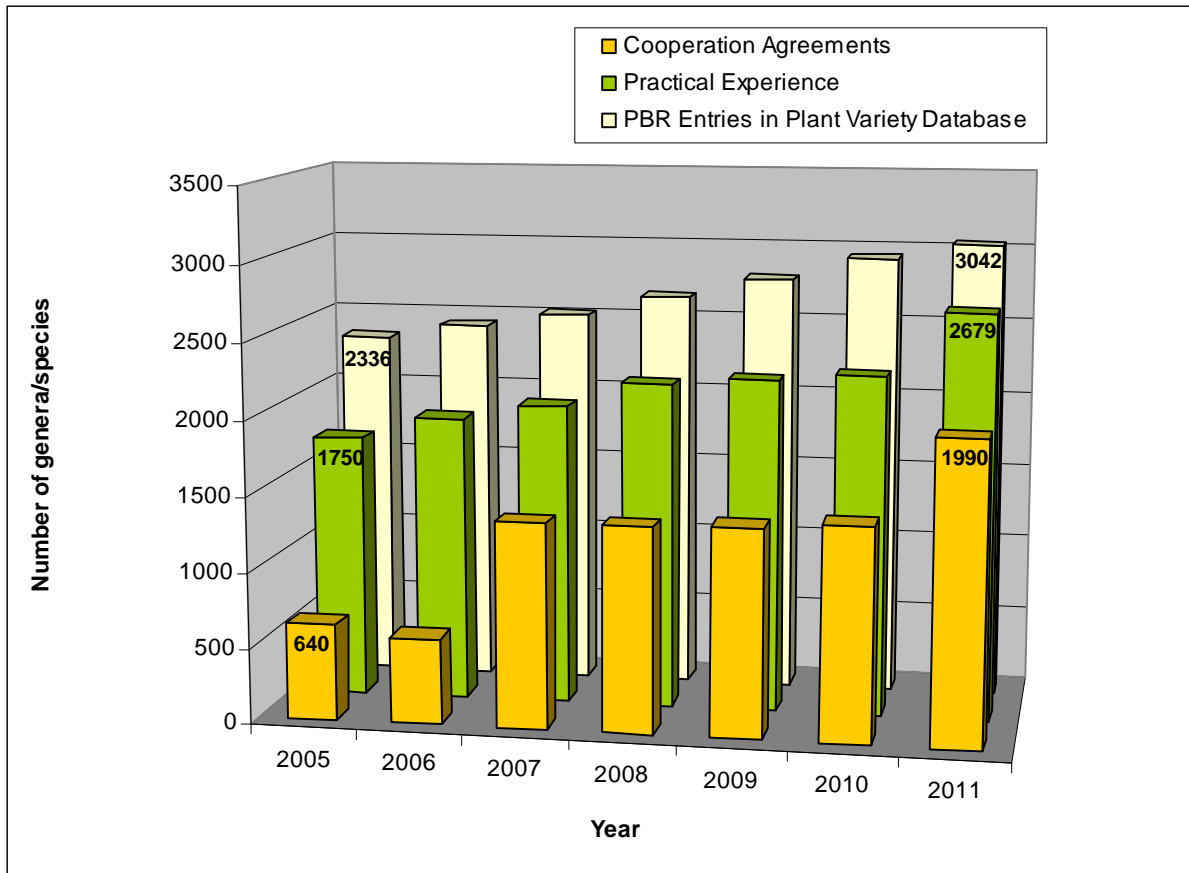


Figure 4: Experience and cooperation within UPOV



1.5 In order to provide continuous improvement in services for an increasing membership, resources will be focused on the development of guidance and information materials, including in languages other than the UPOV languages, databases and electronic forms that will be made widely available through relevant, particularly electronic, media (see Sub-program UV.2: Services to the Union for Enhancing the Effectiveness of the UPOV System, Section 2.2.2.1 “Narrative”).

1.6 Satisfying particular needs of members of the Union and potential members of the Union for assistance in the introduction and implementation of the UPOV system within available resources will rely on the continued development of electronic tools (e.g. website, distance-learning courses, web conferencing etc.), the prioritization of assistance by the Office of the Union and the use of external resources for training and assistance according to available finances. Individual assistance (e.g. missions) for members of the Union and potential members of the Union is supported by the regular budget, but extra-budgetary funds and support in kind provide major support for such activities. To provide greater flexibility according to need and available resources, and thereby maximize the assistance that can be offered, the Office of the Union will increasingly use external resources (e.g. administrative support for distance-learning courses, editing of publications) and make increasing use of external trainers (see Sub-program UV.3: Assistance in the Introduction and Implementation of the UPOV System, Section 2.3.2.1 “Narrative”).

1.7 In the wider context, UPOV will work to improve the understanding of plant variety protection for the stakeholder community and the general public. In that regard, UPOV’s website is an important means of communication and will be updated with suitable new materials in order to explain the importance of plant variety protection for a broad audience (see Sub-program UV.4: External Relations). Other means of communication, such as social media, will also be explored. UPOV will also continue to contribute to the work of relevant intergovernmental organizations, such as the World Trade Organization (WTO), the Convention on Biological Diversity (CBD) and the Food and Agriculture Organization of the United Nations (FAO), in order to explain the UPOV system of plant variety protection, with the aim of securing mutual supportiveness.

2. OBJECTIVES AND EXPECTED RESULTS BY SUB-PROGRAM

2.1 Sub-program UV.1: Overall Policy on Plant Variety Protection

2.1.1 Objectives

- (a) Policy direction and executive management.
- (b) Planning, implementation and evaluation of program and budget.

2.1.2 Narrative

This sub-program provides the framework for policy making, management and coordination of the activities within UPOV's overall program, as established by the Council with the guidance of the Consultative Committee.

2.1.3 Activities

- (i) Four sessions of the Council and four sessions of the Consultative Committee.
- (ii) Coordination, monitoring and performance assessment of the Program and Budget for the 2014-2015 Biennium.
- (iii) Preparation and adoption of the Program and Budget for the 2016-2017 Biennium.

2.1.4 Expected Results and Performance Indicators

<u>Expected Results</u>	<u>Performance Indicators</u>
1. Organization of Council and Consultative Committee sessions	(a) participation in the sessions of the Council and the Consultative Committee
2. Coordination, monitoring and performance assessment of Program and Budget for the 2014-2015 Biennium	(a) delivery of program within budget for the 2014-2015 Biennium
3. Preparation and adoption of the Program and Budget for the 2016-2017 Biennium	(a) preparation and adoption of the Program and Budget for the 2016-2017 Biennium in accordance with the "Financial Regulations and Rules of UPOV"
4. Council policy	(a) recommendations by the Consultative Committee; (b) decisions by the Council; (c) adoption of information and position papers by the Council.

2.2 Sub-program UV.2: Services to the Union for Enhancing the Effectiveness of the UPOV System

2.2.1 Objectives:

- (a) To maintain and improve the effectiveness of the UPOV system
- (b) To provide and develop the legal, administrative and technical basis for international cooperation in plant variety protection according to the UPOV Convention.

2.2.2 Narrative

2.2.2.1 In order to provide continuous improvement in services for an increasing membership, resources are focused on the development of guidance and information materials, databases and electronic forms that are made available through relevant, particularly electronic, media. Resources in this context include both the Office of the Union and the individual members of the Union, particularly through their participation in UPOV bodies and by the provision of information to facilitate cooperation. This sub-program covers the provision of legal, administrative and technical guidance and information concerning the UPOV system of plant variety protection, support for cooperation between members of the Union, the work of the relevant UPOV bodies, measures to facilitate applications for plant breeders' rights and the provision of information on the operation of the UPOV system for stakeholders.

Guidance and information materials

2.2.2.2 The effectiveness of the UPOV system is enhanced by the provision of guidance and information materials such as Explanatory Notes ("UPOV/EXN" series), Information Documents ("UPOV/INF" series), the "General Introduction to the Examination of Distinctness, Uniformity and Stability and the Development of Harmonized Descriptions of New Varieties of Plants", with its associated TGP documents, and Test Guidelines. Such materials provide the basis for harmonization and, thereby, facilitate cooperation between members of the Union. The identification of relevant matters for guidance and the development of appropriate materials continues to be a key objective of the work of the Administrative and Legal Committee (CAJ), the Technical Committee (TC) and the Technical Working Parties (TWPs). In that respect, the involvement of organizations representing stakeholders is an important means of ensuring that guidance and information is as effective as possible.

2.2.2.3 An important aspect for the effective operation of the UPOV system is that all stakeholders, including breeders, seed and plant producers and farmers, have a good understanding of the UPOV system. The guidance material and information developed by UPOV provide a basis for providing stakeholders with an explanation of the UPOV system and information on its operation. This sub-program includes the development of communication methods and materials that are suited for a range of stakeholders.

Cooperation

2.2.2.4 Cooperation between members of the Union is a key feature of the UPOV system and is the basis for an efficient system covering all plant genera and species. Such efficiency is an important means of ensuring that the UPOV system is accessible and affordable for all types of breeders.

2.2.2.5 The cooperation within UPOV relies to a major extent on the input of members of the Union. In particular, cooperation in the examination of DUS relies on experts from members of the Union in the development of Test Guidelines and on the willingness of members of the Union to share their practical experience with particular plant genera and species, for example in the form of the GENIE database. The contribution of data by members of the Union to the Plant Variety Database (PLUTO) provides essential support for the examination of variety denominations. Those contributions are further enhanced by the contribution of data by the Organisation for Economic Co-operation and Development (OECD) and by the cooperation agreements between UPOV and the World Intellectual Property Organization (WIPO) and between UPOV and the Community Plant Variety Office of the European Union (CPVO). The sharing of software applications, such as the DUST package (United Kingdom) and the GAIA software and SIRIUS system (France), also provide an important means of support for the examination of varieties.

2.2.2.6 In order to improve the understanding of the UPOV system, members of the Union are providing additional extra-budgetary resources to make material available in languages other than the UPOV languages (English, French, German and Spanish). Such initiatives include the establishment by the

Russian Federation of a Russian language website and the funding of translation of UPOV materials by Japan, through the Japan Fund-in-Trust.

Facilitating applications for plant breeders' rights

2.2.2.7 Initiatives to facilitate applications, such as standardized application forms and references and cooperation between members of the Union in the development of electronic application systems, provide direct benefits for applicants.

2.2.3 Activities

- (i) Four sessions of the Administrative and Legal Committee, two sessions of the Technical Committee, 11 sessions of Technical Working Parties, including one session of the Working Group on Biochemical and Molecular Techniques, and DNA-Profiling in Particular (BMT), and their respective preparatory workshops.
- (ii) Development of guidance and information materials, including Explanatory Notes and Information Documents, concerning the UPOV Convention.
- (iii) Development and dissemination of information material for stakeholders, including breeders, seed and plant producers and farmers.
- (iv) Further development of guidance documents on the examination of Distinctness, Uniformity and Stability ("DUS"), including the "General Introduction to the Examination of Distinctness, Uniformity and Stability and the Development of Harmonized Descriptions of New Varieties of Plants" (General Introduction) and the associated Test Guidelines' Procedures (TGP) documents.
- (v) Development of Test Guidelines.
- (vi) Assessment of new methods for Distinctness, Uniformity and Stability (DUS) examination.
- (vii) Consideration of the possible use of molecular markers in DUS testing and providing a forum for consideration of their use in variety identification and in essential derivation.
- (viii) Updating and further development of the Plant Variety Database.
- (ix) Updating of the GENIE database.
- (x) Maintenance of the UPOV Lex collection of legislation and relevant notifications.
- (xi) Updating of the UPOV Collection.
- (xii) Development of an electronic application form.
- (xiii) Seminars or symposia on relevant topics in conjunction with UPOV sessions.
- (xiv) Maintenance and further development of the UPOV website and other communication media.

2.2.4 Expected Results and Performance Indicators

<u>Expected Results</u>	<u>Performance Indicators</u>
1. Guidance on the UPOV Convention and its implementation and information on its application	(a) adoption of new or revised information materials concerning the UPOV Convention; (b) development and dissemination of information material for stakeholders, including breeders, seed and plant producers and farmers; (c) publication of the UPOV Gazette and Newsletter; (d) inclusion of laws and relevant notifications of members of the Union in UPOV Lex; (e) participation in seminars and symposia held in Geneva in conjunction with UPOV sessions.
2. Guidance on the examination of varieties	(a) adoption of new or revised TGP documents and information materials; (b) adoption of new or revised Test Guidelines; (c) number of applications covered by adopted Test Guidelines; (d) participation in seminars and symposia held in Geneva in conjunction with UPOV sessions.
3. Cooperation for the examination of plant breeders' rights	(a) plant genera and species for which members of the Union have practical experience; (b) plant genera and species for which members of the Union cooperate in DUS examination; (c) participation in the development of Test Guidelines; (d) quality and completeness of data in the Plant Variety Database and quality of search facility and facilities for access to other relevant data; (e) exchangeable software included in document UPOV/INF/16 "Exchangeable Software".
4. Participation by members of the Union and observers in the work of the UPOV bodies	(a) participation in the Administrative and Legal Committee, Technical Committee and Technical Working Parties and associated preparatory workshops.
5. UPOV documents and materials in additional languages	(a) availability of UPOV documents and materials in languages other than the UPOV languages (English, French, German and Spanish).
6. Facilitating applications for plant breeders' rights	(a) number of titles granted; (b) number of titles in force; (c) number of genera/species protected by members of the Union; (d) number of genera/species for which varieties have been protected; (e) use by members of the Union of standard UPOV references in application forms; (f) development of an electronic application form.
7. Provision of information on the UPOV Convention for stakeholders including breeders, seed and plant producers and farmers	(a) stakeholder-orientated information on the UPOV website and through other communication media.

2.3 Sub-program UV.3: Assistance in the Introduction and Implementation of the UPOV System

2.3.1 Objectives

- (a) To raise awareness of the role of plant variety protection according to the UPOV Convention.
- (b) To assist States and organizations, particularly governments of developing countries and countries in transition to a market economy, in the development of legislation in accordance with the 1991 Act of the UPOV Convention.
- (c) To assist States and organizations in their accession to the 1991 Act of the UPOV Convention.
- (d) To assist States and organizations in implementing an effective plant variety protection system in accordance with the 1991 Act of the UPOV Convention.

2.3.2 Narrative

2.3.2.1 This sub-program covers the assistance provided in response to requests by members of the Union and potential members of the Union. Satisfying the demand for assistance in the introduction and implementation of the UPOV system within available resources relies on the development of electronic tools (e.g. website, distance-learning courses, web conferencing, etc.), the prioritization of assistance by the Office of the Union and the use of external resources for training and assistance according to available finances. Individual assistance (e.g. missions) for members of the Union and potential members of the Union is supported by the regular budget, but extra-budgetary funds and support in kind provide major support. To provide greater flexibility according to need and available resources, and thereby maximize the assistance that can be offered, the Office of the Union will increasingly use external resources (e.g. administrative support for distance-learning courses, editing of publications) and will make increasing use of external trainers.

2.3.2.2 As of January 31, 2013, there were 71 members of the Union, of which 51 were bound by the 1991 Act of the UPOV Convention.

2.3.2.3 As of January 31, 2013, 16 States and one intergovernmental organization had initiated the procedure for acceding to the UPOV Convention, and 23 States and two intergovernmental organizations had been in contact with the Office of the Union for assistance in the development of laws based on the UPOV Convention. The resources within the regular budget of UPOV to finance the activities required under this sub-program are limited. The priority for providing assistance by the Office of the Union is as follows:

- (i) assistance to existing members of the Union;
- (ii) assistance to States and certain organizations that are not members of the Union, particularly governments of developing countries and countries in transition to a market economy, in the development of legislation in line with the 1991 Act of the UPOV Convention and their accession to the UPOV Convention; and
- (iii) assistance to States and certain organizations that are not members of the Union, in the implementation of legislation that has received a positive decision of the Council, according to their commitment to accede to the UPOV Convention.

2.3.2.4 Activities in this sub-program will involve an increasing use of electronic training materials, particularly distance learning courses, and new communication technologies, in order to maximize the effectiveness of available resources. The availability of communication technologies will mean that activities (e.g. seminars on selected topics) held in Geneva will be available to an audience beyond the participants in Geneva. The Office of the Union will continue to explore synergies in its activities with members of the Union and other partners.

Additional resources

2.3.2.5 A major feature of this sub-program is to provide a framework within which the Office of the Union can efficiently supplement its resources with financial resources and support in kind made available by members of the Union and other bodies. In general, the support can be categorized as follows:

Assistance provided by the Office of the Union through extra-budgetary financial resources

2.3.2.6 UPOV greatly benefits from additional financial resources provided, for example in the form of Funds in Trust, which are voluntary financial donations provided to UPOV by a member of the Union, usually provided to finance a specific program of activities mutually agreed between the Office of the Union and the donor member of the Union. Those resources are particularly important in enabling UPOV to provide assistance. In recognition that such Funds in Trust involve UPOV staff or other resources, the Office of the Union and the member of the Union concerned jointly develop a program of activities in accordance with the policy and priorities set by the UPOV Council.

Examples:

- The Funds-in-Trust provided by the Japanese Government for activities in the Asian region
- Memorandum of Understanding between the United States Patent and Trademark Office (USPTO) and UPOV

Support from members of the Union

2.3.2.7 A number of members of the Union provide important assistance to States and relevant organizations. As far as possible, and where appropriate, the Office of the Union explains the priorities that the Council has established for assistance; however, it is a matter for each member of the Union to decide on the activities that it wishes to pursue. Where the Office of the Union is requested to cooperate in such activities, it will cooperate as far as possible and within the policy and priorities set out by the Council for assistance by the Office of the Union.

2.3.2.8 An essential resource for the work of UPOV is the support in kind provided by many members of the Union in the form of experts acting as lecturers in UPOV activities and tutors in distance learning courses. A further important form of support in kind is medium-term internship of suitable qualified officials, fully funded by members of the Union, such as was provided by the Republic of Korea in 2009-2010.

Training courses on plant variety protection

2.3.2.9 A number of members of the Union provide training courses in plant variety protection according to the UPOV Convention (e.g.: the "Training Course on the Protection of Plant Breeders' Rights", organized by the Japan International Cooperation Agency (JICA) (Japan); the "*Taller internacional de evaluación de la distinción, homogeneidad y estabilidad (DHE) de variedades vegetales*" organized by the *Servicio Nacional de Inspección y Certificación de Semillas* (SNICS) and the *Colegio de Postgraduados* (Mexico); the "Plant Variety Protection Course", organized by Naktuinbouw (Netherlands); the "Training Course on Plant Variety Protection", organized by the Korean Seed & Variety Service (KSVS) and the Korean International Cooperation Agency (KOICA) (Republic of Korea); the "*Curso de formación sobre la protección de las obtenciones vegetales para países Iberoamericanos*", organized by the *Instituto Nacional de Semillas* (INASE) (Uruguay), the *Oficina Española de Variedades Vegetales* (OEVV) (Spain), the *Agencia Española de Cooperación Internacional para el Desarrollo* (AECID) (Spain), the United States Patent and Trademark Office (USPTO) (United States of America) and the World Intellectual Property Organization (WIPO); and the "Plant Variety Protection Under UPOV Convention" course, organized by the USPTO Global Intellectual Property Academy).

2.3.2.10 In the case of such training courses and other training courses that, in the view of the Office of the Union, meet the policies and priorities set out by the Council, the Office of the Union seeks to provide as much support as possible in the design and operation of the training courses. In that regard, the organizers of the training courses are encouraged to discuss with the Office of the Union their selection of trainees and the content of the course, with regard to the policies and priorities established by the Council, and are also encouraged to enable trainees to complete the UPOV distance learning course DL-205 "Introduction to the UPOV System of Plant Variety Protection" before, or during, the training course.

Cooperation with other organizations and bodies

2.3.2.11 UPOV's cooperation with the World Intellectual Property Organization (WIPO) is an important means of providing assistance to States and relevant organizations in an effective way.

2.3.2.12 The East Asia Plant Variety Protection (EAPVP) Forum works to facilitate the improvement of the implementation and the harmonization of the plant variety protection system in the Asian region and the Office of the Union will continue to work with the Forum.

2.3.2.13 The World Seed Project (WSP) is intended to provide an additional means of assistance to selected countries in developing plant variety protection in accordance with the UPOV Convention. The WSP was conceived to provide a framework to facilitate the development of new plant varieties and the delivery of high quality seed to farmers to enhance crop productivity. Through the combined efforts of the Food and Agriculture Organization of the United Nations (FAO), the International Seed Federation (ISF), the International Seed Testing Association (ISTA), the Organisation for Economic Co-operation and Development (OECD) and UPOV, the project is intended to assist the selected countries in the development and implementation of a predictable, reliable, effective, and affordable regulatory regimes. Countries to be involved in the WSP will be identified on the basis that the project is fully compatible with their vision for the development of a seed supply system that can respond to the challenges which agriculture faces in their country. The World Seed Project will require funding by external donors.

2.3.2.14 As appropriate, the Office of the Union will work with the organizations mentioned above and other relevant organizations within the policy and priorities set out by the Council for assistance provided by the Office of the Union.

Donor funding

2.3.2.15 UPOV has developed an "Assistance webpage" for members of the Union to use as a tool to mobilize additional extra-budgetary resources through donor funding.

2.3.3 Activities

- (i) Assistance in drafting legislation.
- (ii) Development and operation of distance learning courses.
- (iii) Training and assistance activities.
- (iv) Support for projects to introduce and implement the UPOV system.
- (v) Publications on the role of the UPOV system of plant variety protection, to be made available through the UPOV website and other communication channels.
- (vi) Awareness-raising events.

2.3.4 Expected Results and Performance Indicators

<u>Expected Results</u>	<u>Performance Indicators</u>
1. Raising awareness of the role of plant variety protection in accordance with the UPOV Convention	<ul style="list-style-type: none"> (a) publications on the role of plant variety protection made available through the UPOV website and other communication channels; (b) States and organizations provided with information at UPOV activities; (c) States and organizations that contact the Office of the Union for assistance in the development of legislation on plant variety protection; (d) States and organizations that initiate with the Council of UPOV the procedure for becoming members of the Union; (e) participation in UPOV awareness-raising activities, or activities involving UPOV staff or UPOV trainers on behalf of UPOV staff.

<u>Expected Results</u>	<u>Performance Indicators</u>
2. Assistance in drafting legislation on plant variety protection in accordance with the 1991 Act of the UPOV Convention	(a) States and organizations provided with comments on laws; (b) States and organizations receiving a positive advice from the Council of UPOV; (c) meetings with government officials.
3. Assistance to States and organizations in the accession to the 1991 Act of the UPOV Convention	(a) States that accede to or ratify the 1991 Act of the UPOV Convention; (b) States and organizations that become members of the Union.
4. Assistance in implementing an effective plant variety protection system in accordance with the 1991 Act of the UPOV Convention	(a) participation in distance learning courses; (b) participation by observer States and organizations in the CAJ, TC, TWPs and the associated preparatory workshops; (c) participation in UPOV activities; (d) participation in activities involving UPOV staff or UPOV trainers on behalf of UPOV staff; (e) training provided by UPOV trainers in non-UPOV activities; (f) implementation of projects with partner organizations and donors; (g) use of assistance web-page to obtain project support.

2.4 Sub-program UV.4: External Relations

2.4.1 Objectives

- (a) To broaden and enhance the understanding of the UPOV system of plant variety protection.
- (b) To provide information on the UPOV Convention to other intergovernmental organizations, with the aim of achieving mutual supportiveness with other international treaties.

2.4.2 Narrative

2.4.2.1 The UPOV system is an effective and balanced *sui generis* system of intellectual property protection and UPOV needs to explain its system in relevant policy fields.

2.4.2.2 UPOV's website is an important means of communication with the public and will be updated with suitable new materials in order to explain the importance of plant variety protection for a public audience. Other means of communications, such as social media will be used as appropriate. Where appropriate, UPOV will contribute to articles in relevant publications.

2.4.2.3 UPOV will contribute to the work of relevant organizations in order to explain the UPOV system of plant variety protection, with the aim of securing mutual supportiveness. In particular, UPOV will maintain contacts with WIPO; WTO and, in particular, its Council for Trade-Related Aspects of Intellectual Property Rights (Council for TRIPS); the Conference of the Parties to the Convention on Biological Diversity (CBD) including, in particular, its various committees and working groups concerning the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity; and the Food and Agriculture Organization of the United Nations (FAO) including, in particular, the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA) and the Commission on Genetic Resources for Food and Agriculture (CGRFA).

2.4.2.4 With regard to other intergovernmental organizations in the seed sector, UPOV's contacts with the Organisation for Economic Co-operation and Development (OECD), in respect of the OECD's seed trade scheme, and with the International Seed Testing Association (ISTA), are of particular importance.

2.4.2.5 With respect to cooperation with non-governmental organizations, UPOV will seek to maintain contacts with those organizations representing breeders including, in particular, the International Community of Breeders of Asexually Reproduced Ornamental and Fruit-Tree Varieties (CIOPORA), the International Seed Federation (ISF) and regional associations of breeders, including the African Seed Trade Association (AFSTA), the Asia and Pacific Seed Association (APSA), the European Seed Association (ESA), the *Federación Latinoamericana de Asociaciones de Semillistas* (FELAS) and the Seed Association of the Americas (SAA).

2.4.2.6 The role of plant variety protection for public sector research institutes means that UPOV will seek to develop and maintain contacts with relevant centers of the Consultative Group on International Agricultural Research (CGIAR).

2.4.2.7 UPOV will maintain contacts with other non-governmental organizations representing stakeholders, including farmers and growers, in order to explain the UPOV system of plant variety protection.

2.4.3 Activities

- (i) Participation in meetings with intergovernmental and non-governmental organizations.
- (ii) Provision of comments and information to other intergovernmental organizations.
- (iii) Updating of UPOV's information material and development of materials suited to a public audience.

2.4.4 Expected Results and Performance Indicators

<u>Expected Results</u>	<u>Performance Indicators</u>
1. Increased public understanding of UPOV's role and activities	(a) availability of public-orientated information and materials on UPOV website and through other media; (b) articles in relevant publications to which UPOV has contributed; (c) use of UPOV website and other media.
2. Provision of information to other organizations	(a) participation at meetings of, and with, relevant organizations; (b) contributions made to relevant organizations.

3. PROPOSED BUDGET

3.1 The proposed budget for the 2014-2015 Biennium anticipates an income of 6,794,000 Swiss francs compared to the 2012-2013 budget of 6,798,000 Swiss francs (see **Tables 1 and 2**).

Table 1: Income and Expenditure 2010-2011, 2012-2013 and 2014-2015
(in thousands of Swiss francs)

	2010-2011 Actual A	2012-2013 Budget B	Variation		2014-2015 Proposed D=B+C
			C	C/B	
1. Income	6,901	6,798	-4	-0.1%	6,794
2. Expenditure	6,479	6,798	-4	-0.1%	6,794
Difference (1-2)	422	-	-	0.0%	-
3. Working Capital Fund	537	540	3	0.6%	543

3.2 Expenditure is estimated at the same amount as the expected income.

3.3 With regard to the reserve fund, it is recalled that document UPOV/INF/4/2 "Financial Regulations and Rules of UPOV", Regulation 4.6, states that "[...] If after the closure of the financial period, the amount of the reserve fund exceeds 15 percent of the total income for the financial period, the amount in excess shall be reimbursed to the members of UPOV, unless otherwise decided by the Council. Any member of UPOV may request that the reimbursement attributed to it be deposited in a special account or trust fund specified by it.". The necessary arrangements would be made for consideration by the Consultative Committee and the Council if that situation is applicable at the closure of the 2014-2015 Biennium.

3.4 The estimates for Personnel Resources and Non-Personnel Resources reflect the interim financial statement for 2012.

Table 2: Structure of proposed budget 2014-2015 as compared to 2010-2011 and 2012-2013
(in thousands of Swiss francs)

	2010-2011 Actual A	2012-13 Budget B	Variation		2014-2015 Proposed
			C	C/B	A
1. Personnel Resources	4,271	4,542	-117	-2.6%	4,425
2. Non-Personnel Resources	2,208	2,256	113	5.0%	2,369
<i>Travel and contractual services</i>	908	990	113	11.4%	1,103
<i>Operating expenses, furniture and supplies</i>	1,301	1,266	0	0.0%	1,266
3. Grand Total	6,479	6,798	-4	-0.1%	6,794

3.5 **Table 3** provides a resource plan for the 2012-2013 and the 2014-2015 biennia. The total program of activities to be conducted by UPOV in the 2014-2015 Biennium amounts to 7,134,000 Swiss francs. This amount includes 6,794,000 Swiss francs within the regular budget (see Table 1), and an estimated 340,000 Swiss francs, financed under trust fund arrangements.

3.6 For the 2014-2015 Biennium, income and expenditure are expected to be balanced.

3.7 Funds-in-Trust are voluntary financial donations provided to UPOV by a member of the Union, usually provided to finance a specific program of activities mutually agreed between the Office of the Union and the donor member. Without prejudging sovereign decisions from donor members, it is expected that the overall amounts of Funds-in-Trust for the 2014-2015 Biennium will be at a level of 340,000 Swiss francs. It should be

noted that non-monetary support (support in kind), particularly of technical assistance and training activities by members of the Union, are not recorded in UPOV's budget.

Table 3: Resource Plan 2012-13 and 2014-2015
(in thousands of Swiss francs)

	Regular Budget	Funds in Trust	Total resources
Budget and resource availability	A	B	C = A+B
Resource availability 2012-2013			
1 Income (Budget)	6,798	684	7,482
2 +/-(-) Transfer from/ to reserves	-	-	-
3 Total, resources	6,798	684	7,482
Resource availability 2014-2015			
4 Income	6,794	340	7,134
5 +/-(-) Transfer from/ to reserves	-	-	-
6 Total, resources	6,794	340	7,134
7 Variation 6/3(%)	-0.1%	-	-4.7%

3.8 **Table 4** shows the budget variations by object of expenditure between the 2010-2011 and the 2014-2015 biennia. Actual expenditures in 2010-2011 amounted to 6,479,000 Swiss francs. The budget for 2012-2013 amounts to 6,798,000 Swiss francs, which represents an increase of 4.9%. The proposed budget for 2014-2015 is 6,794,000 Swiss francs, a decrease of 4,000 Swiss francs, or 0.1% compared to the 2012-2013 budget.

Table 4: Proposed Budget 2014-2015: Budget Variation by Object of Expenditure
(in thousands of Swiss francs)

Object of Expenditure*	2010-2011	2012-2013	Resource Variation		2014-2015
	Actual	Budget	Amount	%	Proposed
	A	B	C	C/B	D=B+C
A. Personnel Resources					
Posts	4,055	4,382	-157	-3.6%	4,225
Short-term expenses	216	160	40	25.0%	200
Total	4,271	4,542	-117	-2.6%	4,425
B. Non-Personnel Resources					
<i>Travel and Fellowships</i>					
Staff missions	437	470	-	0.0%	470
Third Party Travel	184	90	30	33.3%	120
Total	621	560	30	5.4%	590
<i>Contractual Services</i>					
Conferences	224	250	-	0.0%	250
Experts	3	100	90	90.0%	190
Publishing	48	70	-35	-50%	35
Other	11	10	-10	-100%	-
Total	286	430	45	10.5%	475
<i>Operating Expenses</i>					
Total	1,274	1,236	30	2.4%	1,266
<i>Equipment and Supplies</i>					
Furniture and Equipment	6	10	8	80%	18
Supplies and Materials	21	20	0	0%	20
Total	27	30	8	26.7%	38
GRAND TOTAL	6,479	6,798	-4	-0.1%	6,794

*: WIPO is currently considering certain changes to its chart of accounts, which will also be reflected in the UPOV chart of accounts.

3.9 **Table 5** reflects the number of posts by grade clusters. The post of the Secretary-General is included within this count, but at no cost, because the current Director General of WIPO has declined any salary or allowance from his functions as Secretary-General of UPOV.

3.10 The Program and Budget for the 2014-2015 Biennium anticipates no increase in the number of posts. The approach for providing improved services for an increasing membership and for satisfying requests for assistance by potential future members of the Union is to focus resources on the development of guidance and information materials, databases and electronic forms (see Sub-program UV.2.2.2.1 "Narrative") and the use of external resources for training and assistance according to available finances (see Sub-program UV.2.3.2.1 "Narrative"). That approach is reflected in the posts by category for the Program and Budget for the 2014-2015 Biennium. The Program and Budget for the 2012-2013 Biennium anticipated three posts in the director category. However, due to unforeseen personnel changes, only two posts were filled in the director category. In due course, and according to increased responsibilities, an upgrading of one of the posts currently classified in the professional category to the director category is anticipated for the future. In addition, to cover the responsibilities for supervising external resources (e.g. administrative support for distance learning courses, administration of trainers, editing of publications), it is proposed to upgrade a post in the General Service category to the Professional category. In accordance with the approach in 2012-2013 Biennium, short-term support in the general service category will be used as necessary and within the budget.

Table 5: Budget 2014-2015: Posts by Category

	2010-2011	2012-2013	Variation	2014-2015 Proposed
<i>Post Category</i>	<i>A</i>	<i>B</i>	<i>C-B</i>	<i>C</i>
Directors	3	3	-	3
Professionals	3	3	1	4
General Service	5	5	-1	4
Total	11	11	-	11

3.11 **Table 6** provides the proposed budget allocation by sub-program.

3.12 The proposed Program and Budget for the 2014-2015 Biennium is split into four sub-programs:

- UV.1: Overall Policy on Plant Variety Protection
- UV.2: Services to the Union for Enhancing the Effectiveness of the UPOV System
- UV.3: Assistance in the Introduction and Implementation of the UPOV System
- UV.4: External Relations

3.13 Personnel resources have been allocated by sub-program as a proportion of the staff time that is anticipated to be spent on each sub-program. Non-personnel expenditures have been distributed by sub-program in anticipation of their respective activities. It should be noted that common expenditures with WIPO for administrative services rendered to UPOV appear under sub-program UV.2.

Table 6: Proposed Budget 2014-15: Allocation by Object of Expenditure
(in thousands of Swiss francs)

<i>Object of Expenditure*</i>	<i>Sub-program</i>				<i>Total</i>
	<i>UV.1</i>	<i>UV.2</i>	<i>UV.3</i>	<i>UV.4</i>	
A. Personnel Resources	592	2,213	1,198	422	4,425
Posts	592	2,113	1,098	422	4,225
Short-term expenses	-	100	100	-	200
B. Non-Personnel Resources					
<i>Travel and Fellowships</i>	-	180	300	110	590
Staff Missions	-	180	180	110	470
Third Party Travel	-	-	120	-	120
<i>Contractual Services</i>	80	305	70	20	475
Conferences	80	120	40	10	250
Experts	-	150	30	10	190
Publishing	-	35	-	-	35
<i>Operating Expenses</i>	10	1,236	10	10	1,266
<i>Equipment and Supplies</i>	38	-	-	-	38
Furniture and Equipment	18	-	-	-	18
Supplies and Materials	20	-	-	-	20
GRAND TOTAL	720	3,934	1,578	562	6,794

*: WIPO is currently considering certain changes to its chart of accounts, which will also be reflected in the UPOV chart of accounts.

3.14 **Table 7** provides budget variation by sub-program between the budget 2012-2013 and the proposed budget 2014-2015.

Table 7: Budget Variation by Sub-program
(in thousands of Swiss francs)

Sub-program	2012-2013 Budget A	Variation		2014-2015 Proposed C=A+B
		Amount B	% B/A	
UV.1	729	-9	-1.2%	720
UV.2	3,801	133	3.5%	3,934
UV.3	1,631	-53	-3.2%	1,578
UV.4	637	-75	-11.8%	562
TOTAL	6,798	-4	-0.1%	6,794

3.15 **Table 8** provides information on income by source for the 2012-2013 and 2014-2015 biennia.

3.16 Total income under the regular budget in the 2014-2015 Biennium is expected to be 6,794,000 Swiss francs. This income figure is 4,000 Swiss francs or 0.1% lower than the income for the 2012-2013 Biennium of 6,798,000 Swiss francs. In particular, this projection assumes 62.15 contribution units in 2014 and 62.35 contribution units in 2015 with no change to the value of the contribution unit, which is proposed to remain at 53,641 Swiss francs during the Biennium.

3.17 The income from contributions is estimated on the assumption of one new member of the Union per year, each contributing 0.2 contribution unit to the budget (and 1,667 Swiss francs to the Working Capital Fund). At its twenty-third extraordinary session, held in Geneva on April 7, 2006, the Council decided that "members of the Union should not adjust downwards their number of units of contribution without considering the implications for UPOV and considering how such a reduction would be compensated by other members of the Union. In particular, members of the Union should not reduce their number of units of contribution during a budget period approved by the Council, except under exceptional and unavoidable circumstances" (see Annex III of document C(Extr.)/23/5). On that basis, no reduction in the number of units of contribution by members of the Union is anticipated within the 2014-2015 Biennium.

3.18 In addition to contributions from members of the Union, UPOV income is anticipated from publications (10,000 Swiss francs), interest earned by bank deposits from the reserves and working capital funds (20,000 Swiss francs) and other miscellaneous income (86,000 Swiss francs), including participants fees in the UPOV's distance learning program and administrative support costs under Funds in Trust. Excluding contributions, all these sources combined are anticipated to generate 1.7% of UPOV's regular income in the 2014-2015 Biennium.

3.19 The income for the 2014-2015 Biennium anticipates a reduction in income from interest and no income from subscriptions to the UPOV-ROM Plant Variety Database, as a result of the launch of the web-based version of the Plant Variety Database (PLUTO), which is freely accessible to all users.

Table 8: Income 2012-2013 and 2014-2015: Variation by Source
(in thousands of Swiss francs)

Source	2010-2011	2012-2013	Variation		2014-2015
	<i>Actual</i> A	<i>Approved</i> B	C	C/B(%)	<i>Proposed</i> D=B+C
Contributions	6,563	6,657	21	0.3%	6,678
Publications	48	10	0	0.0%	10
Interest	78	70	-50	-71.4%	20
Other*	212	61	25	41.0%	86
Total	6,901	6,798	-4	-0.06%	6,794

*: Includes mainly income from administrative support costs under FITs and income from participants fees in the UPOV's distance learning program.

4. FINANCIAL INDICATORS 2008-2017

4.1 The Program and Budget for the 2014-2015 Biennium includes a presentation of financial indicators covering a 10-year period, including two years beyond the new biennium and information from the recent past. The presentation of the financial indicators is intended to put the proposed budget for the 2014-2015 Biennium into context: indicating trends and assessing future financial sustainability. This information is provided to facilitate members' review and decision on the proposed Program and Budget, and it should not be construed as constituting any specific financial commitment or approval beyond 2015.

4.2 **Table 9** and the **graph** below show the evolution of the regular budget as far as income, expenditures and reserve and working capital funds levels are concerned.

Table 9: Income, Expenditure and Reserves for 2008-2017
(in thousands of Swiss francs)

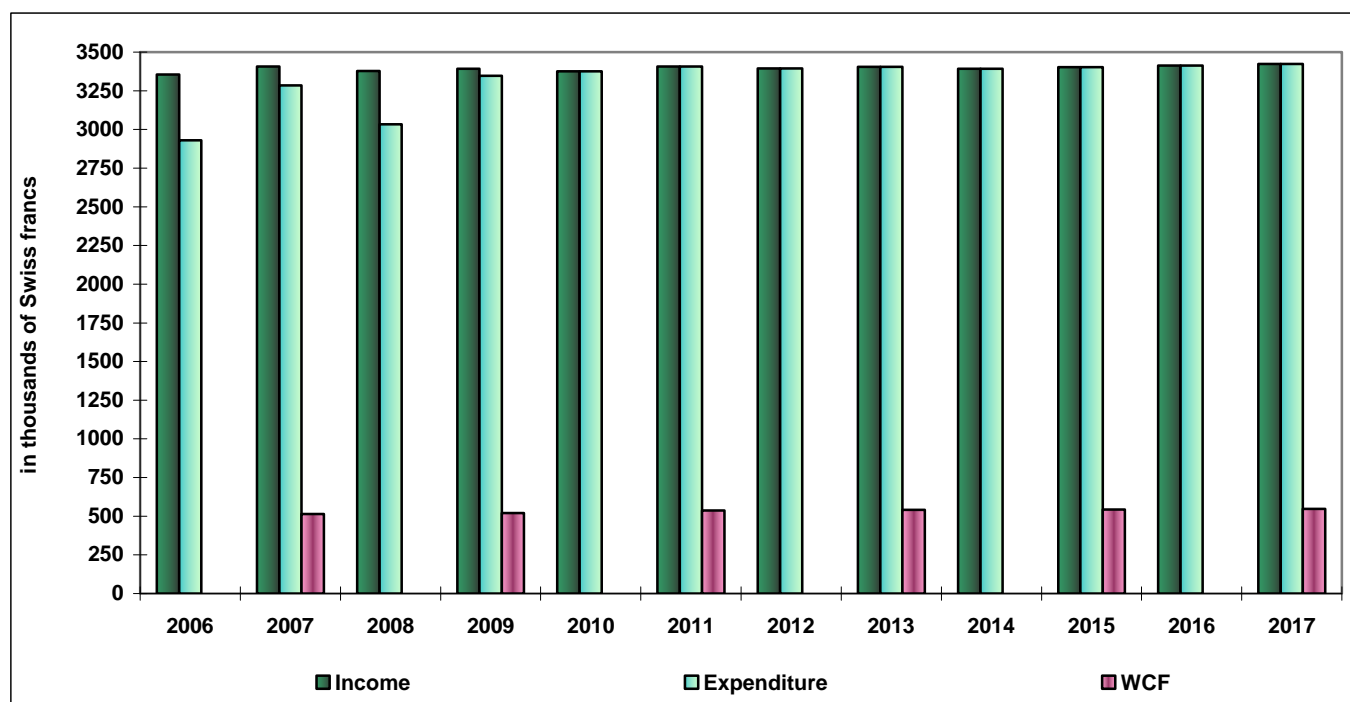
Budgetary Basis	Actual				Budget		Proposed		Estimated	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Income	3,378	3,393	3,412	3,489	3,394	3,404	3,392	3,402	3,413	3,423
Expenditure	3,034	3,347	3,501	2,978	3,394	3,404	3,392	3,402	3,413	3,423
Difference	344	46	- 89	511	-	-	-	-	-	-

RESERVE CEILING		2010-2011
Reserve closing balance 2011		1,037
IPSAS Adjustments to opening balances		-689
Reserve opening balance 2012		348

Income 2010-2011	6,901
Reserve Ceiling as % of income (15%)**	1,035
Reserve Fund in excess of 15%	-687

** : As per Financial Regulation 4.6 on Reserve funds, "[t]he use, other than for the covering of any deficits, of the reserve fund is a matter for the decision of the Council. If after the closure of the financial period, the amount of the reserve fund exceeds 15 percent of the total income for the financial period, the amount in excess shall be reimbursed to the members of UPOV, unless otherwise decided by the Council. Any member of UPOV may request that the reimbursement attributed to it be deposited in a special account or trust fund specified by it."

Table 9 Graph



4.3 The following assumptions are made:

– Income and Working Capital Fund: Accession of one additional member per year contributing 0.2 contribution unit each to the budget and 1,667 Swiss francs to the Working Capital Fund. The corresponding amounts have been inserted with some roundings.

– Expenditure:

Personnel resources: No additional staff are planned for the Office of the Union during the period under consideration. Personnel resources are anticipated to account for 65% of the budget in 2014-2015 and 66% in 2016-2017, compared to 66% in the 2010-2011 Biennium and 67% in the 2012-2013 Budget.

Non-personnel resources: Operating expenses, furniture and supplies costs are projected to remain stable and to account for 19% of the budget in both the 2014-2015 and the 2016-2017 biennia, compared to 20% in the 2010-2011 Biennium and 19% in the 2012-2013 Budget. Travel and contractual services costs are projected to account for 16% of the budget in 2014-2015 and 15% in 2016-2017, respectively, compared to 14% in the 2010-2011 Biennium and 15% in the 2012-2013 Budget.

APPENDIX I

BUDGET METHODOLOGY

1. The description of the regular budget methodology provides for the codification and clarification of budget practice as well as the role of the different sections within this proposed program and budget. The budget formulation process starts with the adopted budget for 2012-2013, and concludes with the proposed budget for the 2014-2015 Biennium by incorporating the resource variation between the budget for 2012-2013 and the proposed budget for the 2014-2015 Biennium. Table 4 summarizes the main indicators discussed in this Appendix I.
2. Budget 2012-2013: The starting point for the budget is presented in document C/45/4 Rev.2.
3. Proposed budget 2014-2015: The proposed budget is the result of adding the resource variation to the 2012-2013 budget and subsequent adjustments of items of expenditure according to UPOV's priorities.
4. A 10-year resource plan is presented in Table 9 of this document in order to provide an integrated financial overview, including budget estimates, resource availability and reserve movements. This resource plan is seen to help assessing the financial sustainability of the Union over the medium term.

[Appendix II follows]

CC/85/4: ANNEX

APPENDIX II

CONTRIBUTIONS OF MEMBERS
AS OF JANUARY 31, 2013
(in Swiss Francs)

2012 Actual	2013 Actual	Members	Number of Units	Payable in January 2014	Payable in January 2015
10,728	10,728	Albania	0.20	10,728	10,728
26,820	26,820	Argentina	0.50	26,820	26,820
53,641	53,641	Australia	1.00	53,641	53,641
40,231	40,231	Austria	0.75	40,231	40,231
10,728	10,728	Azerbaijan	0.20	10,728	10,728
10,728	10,728	Belarus	0.20	10,728	10,728
80,462	80,462	Belgium	1.50	80,462	80,462
10,728	10,728	Bolivia (Plurinational State of)	0.20	10,728	10,728
13,410	13,410	Brazil	0.25	13,410	13,410
10,728	10,728	Bulgaria	0.20	10,728	10,728
53,641	53,641	Canada	1.00	53,641	53,641
10,728	10,728	Chile	0.20	10,728	10,728
26,820	26,820	China	0.50	26,820	26,820
10,728	10,728	Colombia	0.20	10,728	10,728
10,728	10,728	Costa Rica	0.20	10,728	10,728
10,728	10,728	Croatia	0.20	10,728	10,728
26,820	26,820	Czech Republic	0.50	26,820	26,820
26,820	26,820	Denmark	0.50	26,820	26,820
10,728	10,728	Dominican Republic	0.20	10,728	10,728
10,728	10,728	Ecuador	0.20	10,728	10,728
10,728	10,728	Estonia	0.20	10,728	10,728
268,205	268,205	European Union	5.00	268,205	268,205
53,641	53,641	Finland	1.00	53,641	53,641
268,205	268,205	France	5.00	268,205	268,205
10,728	10,728	Georgia	0.20	10,728	10,728
268,205	268,205	Germany	5.00	268,205	268,205
26,820	26,820	Hungary	0.50	26,820	26,820
10,728	10,728	Iceland	0.20	10,728	10,728
53,641	53,641	Ireland	1.00	53,641	53,641
26,820	26,820	Israel	0.50	26,820	26,820
107,282	107,282	Italy	2.00	107,282	107,282
268,205	268,205	Japan	5.00	268,205	268,205
10,728	10,728	Jordan	0.20	10,728	10,728
10,728	10,728	Kenya	0.20	10,728	10,728
10,728	10,728	Kyrgyzstan	0.20	10,728	10,728
10,728	10,728	Latvia	0.20	10,728	10,728
10,728	10,728	Lithuania	0.20	10,728	10,728
40,231	40,231	Mexico	0.75	40,231	40,231

2012 Actual	2013 Actual	Members	Number of Units	Payable in January 2014	Payable in January 2015
10,728	10,728	Morocco	0.20	10,728	10,728
160,923	160,923	Netherlands	3.00	160,923	160,923
53,641	53,641	New Zealand	1.00	53,641	53,641
10,728	10,728	Nicaragua	0.20	10,728	10,728
53,641	53,641	Norway	1.00	53,641	53,641
53,641	53,641	Oman	1.00	53,641	53,641
10,728	10,728	Panama	0.20	10,728	10,728
10,728	10,728	Paraguay	0.20	10,728	10,728
10,728	10,728	Peru	0.20	10,728	10,728
26,820	26,820	Poland	0.50	26,820	26,820
10,728	10,728	Portugal	0.20	10,728	10,728
80,462	80,462	Republic of Korea	1.50	80,462	80,462
10,728	10,728	Republic of Moldova	0.20	10,728	10,728
10,728	10,728	Romania	0.20	10,728	10,728
26,820	26,820	Russian Federation	0.50	26,820	26,820
0	0	Serbia	0.20	10,728	10,728
10,728	10,728	Singapore	0.20	10,728	10,728
26,820	26,820	Slovakia	0.50	26,820	26,820
10,728	10,728	Slovenia	0.20	10,728	10,728
53,641	53,641	South Africa	1.00	53,641	53,641
107,282	107,282	Spain	2.00	107,282	107,282
80,462	80,462	Sweden	1.50	80,462	80,462
80,462	80,462	Switzerland	1.50	80,462	80,462
10,728	10,728	The former Yugoslav Republic of Macedonia	0.20	10,728	10,728
10,728	10,728	Trinidad and Tobago	0.20	10,728	10,728
10,728	10,728	Tunisia	0.20	10,728	10,728
26,820	26,820	Turkey	0.50	26,820	26,820
10,728	10,728	Ukraine	0.20	10,728	10,728
107,282	107,282	United Kingdom	2.00	107,282	107,282
268,205	268,205	United States of America	5.00	268,205	268,205
10,728	10,728	Uruguay	0.20	10,728	10,728
10,728	10,728	Uzbekistan	0.20	10,728	10,728
10,728	10,728	Viet Nam	0.20	10,728	10,728
3,323,050	3,323,050		62.15	3,333,778	3,333,778

[Appendix III follows]

DEFINITIONS OF BUDGET HEADINGS

Sources of Income

Contributions

Contributions of members of the Union under the UPOV Convention (Article 29 of the 1991 Act and Article 26 of the 1978 Act).

Publications Income

Revenue from the sale of publications and products by the Office of the Union.

Interest Income

Revenues from interest on capital deposits.

Other Income

All other income not described above, including accounting adjustments (credits) in respect of prior years, currency adjustments (credits) and income to cover "support costs" in respect of extra-budgetary activities executed by UPOV and financed by Funds-in-Trust; UPOV's share in WIPO's common income.

Objects of Expenditure

Personnel Resources

Posts

Remuneration received by staff members, in particular salaries, post adjustment, dependency allowances, language allowances and overtime, non resident allowances, assignment grant and representation allowances and allowances received by staff members not included in their salaries. The latter includes employer's contribution towards pension fund, participation in sickness insurance scheme, contribution towards the separation provision used for covering payments due upon separation from service, education grants, removal expenses, travel expenses of dependent children attending educational institutions, home leave, grants to cover costs of installation in the duty station, professional accident insurance premia, refund of national income taxes on salaries and other allowances, indemnities or grants paid by the Office of the Union.

Short-Term Expenses

Remuneration and allowances paid to staff on short term appointments.

Non-Personnel Resources

Travel and Fellowships

Staff Missions

Travel expenses and daily subsistence allowances for staff and headquarters-based consultants of the Office of the Union on official travel.

Third Party Travel

Travel expenses and daily subsistence allowances for government officials, participants and lecturers attending UPOV-sponsored meetings.

Fellowships

Travel expenses, daily subsistence allowances and training and other fees in connection with trainees attending courses, seminars, and long-term fellowships.

Contractual Services

Conferences

Remuneration, travel expenses and daily subsistence allowances for interpreters; renting of conference facilities and interpretation equipment; refreshments and receptions; and the cost of any other service directly linked to the organization of a conference.

Experts

All expenses connected with the employment of consultants, in particular: remuneration, travel expenses and daily subsistence allowances, with the exception of mission costs of headquarters-based consultants.

Publishing

Outside printing and binding: reviews: paper and printing; other printing: reprints of articles published in reviews; brochures; treaties; collections of texts; manuals; working forms and other miscellaneous printed material; production of CD-ROMs, videos, magnetic tapes and other forms of electronic publishing.

Other Services

Fees of translators of documents; rental of computer time; costs of staff training; recruitment costs; and other external contractual services.

Operating Expenses

All expenses arising from the acquisition, rental, improvement and maintenance of office space and rental or maintenance of equipment and furniture. Communication expenses such as telephone, telegrams, telexes, facsimile and mail, postage and carriage of documents; other expenses such as medical assistance, housing service, Administrative Tribunal, Staff Association, hospitality; bank charges; interest on bank and other loans (except building loans); currency adjustments (debits); audit expenses; unforeseen expenses and accounting adjustments (debits) in respect of prior years; contributions to joint administrative activities within the United Nations system. Also, all common expenses which are either related to joint activities with WIPO or services actually rendered by WIPO.

Equipment and Supplies

Furniture and Equipment

Purchase of furniture and equipment, in particular: office furniture and office machines; text processing and data processing equipment; conference servicing equipment; reproduction equipment; transportation equipment.

Supplies and Materials

All supplies and materials, in particular: stationery and office supplies; internal reproduction supplies (offset, microfilms, etc.); library books and subscriptions to reviews and periodicals; uniforms; data processing supplies; computer software and licenses.

Program

Main Program: UPOV consists of a single Main Program which has been designed according to the need to realize priorities as defined by its membership. Its over-reaching goals are grouped by type at the sub-program level.

Sub-programs: The UPOV Main Program is divided into four Sub-programs (UV.1-UV.4). Progress in each sub-program is monitored against pre-determined objectives. This process supports the efficient and cost-effective utilization of resources and the maintenance of a system of accountability for program implementation.

[End of Appendix III and of document]