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INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

Geneva

COUNCIL**Forty-Ninth Ordinary Session
Geneva, October 29, 2015****DRAFT PROGRAM AND BUDGET FOR THE 2016-2017 BIENNIUM***Document prepared by the Office of the Union**Disclaimer: this document does not represent UPOV policies or guidance*

1. In accordance with the UPOV Convention (Article 23(2) of the 1961 Convention and of the 1978 Act, and Article 27(2) of the 1991 Act) and the Financial Regulations and Rules of UPOV (document UPOV/INF/4/4), the Draft Program and Budget for the 2016-2017 Biennium is hereby presented for approval by the Council.

2. The Draft Program and Budget for the 2016-2017 Biennium, presented in the Annex to this document, is structured as follows:

1. INTRODUCTION
2. OBJECTIVES AND EXPECTED RESULTS BY SUB-PROGRAM
3. PROPOSED BUDGET
4. FINANCIAL INDICATORS 2010-2019

APPENDIX I: BUDGET METHODOLOGY

APPENDIX II: CONTRIBUTIONS OF MEMBERS

APPENDIX III: DEFINITIONS OF BUDGET HEADINGS

3. *The Council is invited to approve:*

(a) the proposals contained in this Draft Program and Budget for the 2016-2017 Biennium, as presented in the Annex to this document, including the amount of contributions from members of the Union;

(b) the proposed maximum ceiling of expenditure in the regular budget; and

(c) the total number of posts for the Office of the Union.

[Annex follows]

DRAFT PROGRAM AND BUDGET FOR THE 2016-2017 BIENNIUM

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APPENDIX I: BUDGET METHODOLOGY

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1. INTRODUCTION

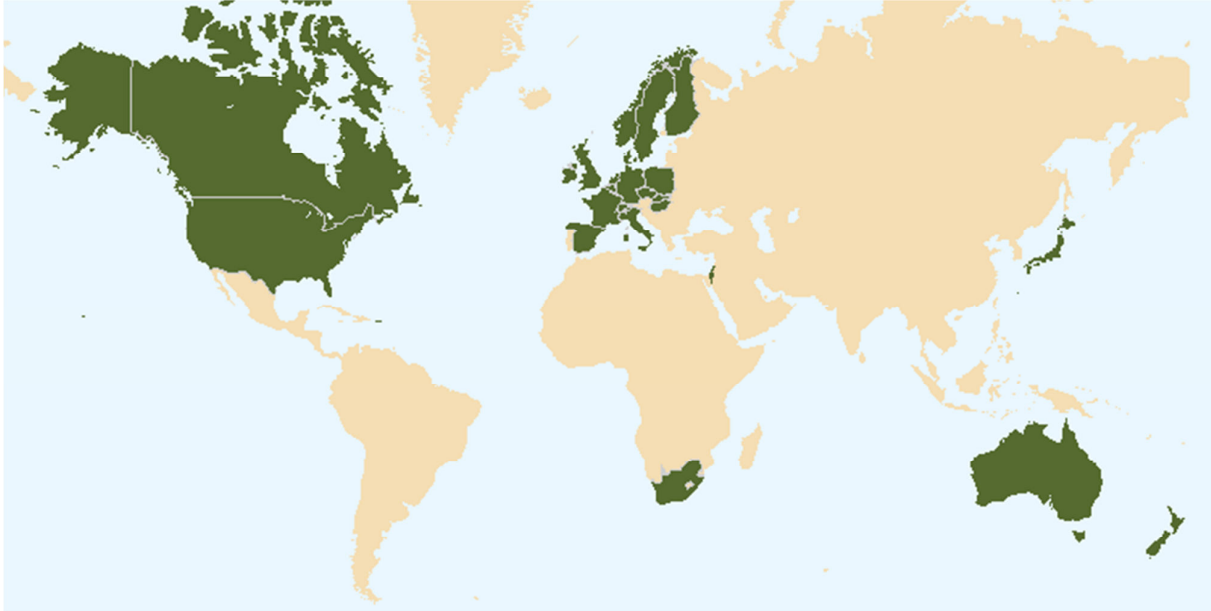
UPOV Mission Statement

**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.**

Policy considerations

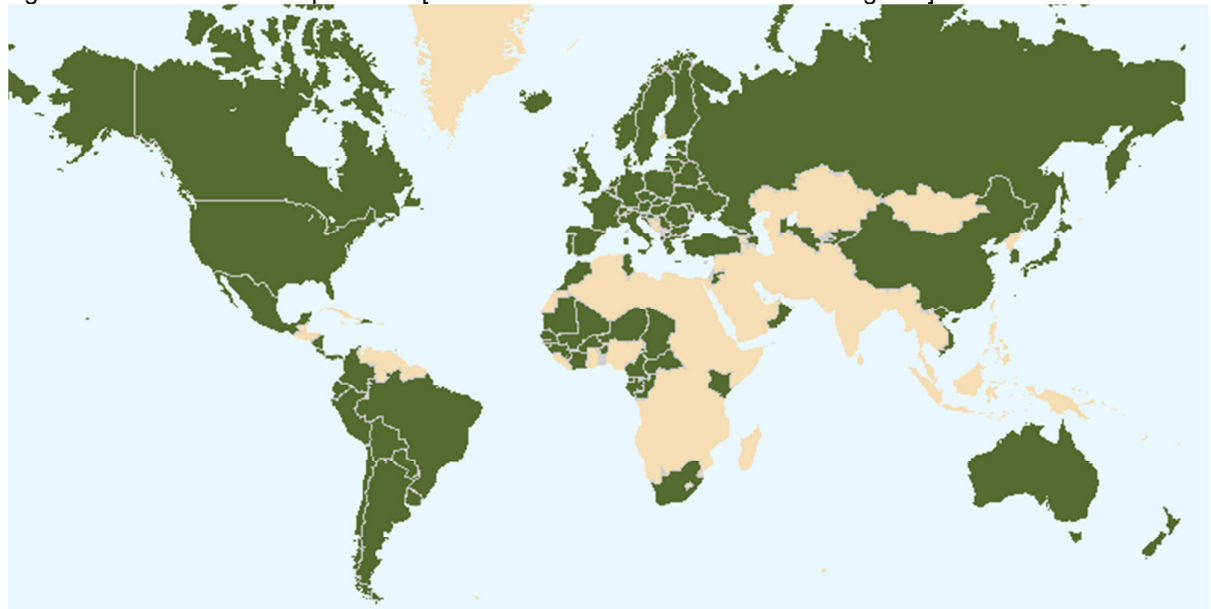
1.1 In the last 20 years, UPOV has developed into a global organization, comprising members from all regions of the World (see Figure 1 “UPOV membership in 1993” and Figure 2 “UPOV membership in 2014”).

Figure 1: UPOV membership in 1993 [territories of UPOV members shown in green]



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

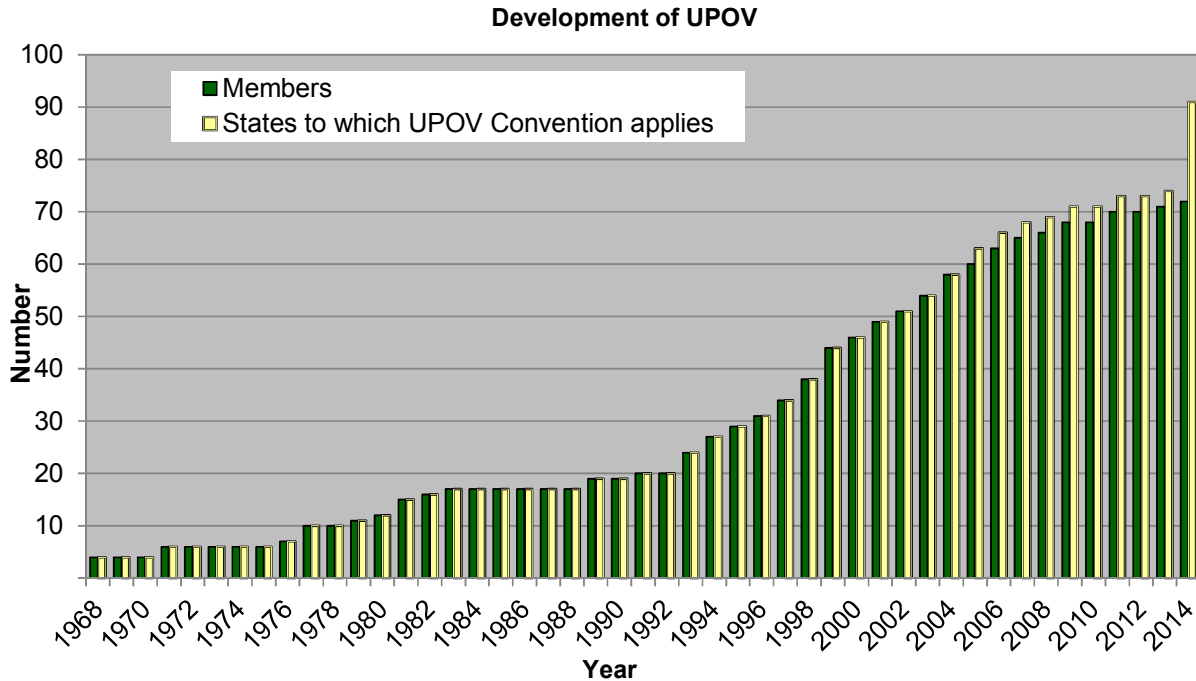
Figure 2: UPOV membership in 2014 [territories of UPOV members shown in green]



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

1.2 Figure 3 illustrates that there was a rapid expansion of UPOV from 1993 to 2007, at an average of three new members per year, followed by a period in which UPOV membership has increased on average by one new member per year. However, the recent membership of UPOV by the African Intellectual Property Organization (OAPI), which operates a plant variety protection system covering the territory of its 17 member States¹, signaled a substantial increase in the number of States to which the UPOV Convention applies, from 74 to 91 (23% increase).

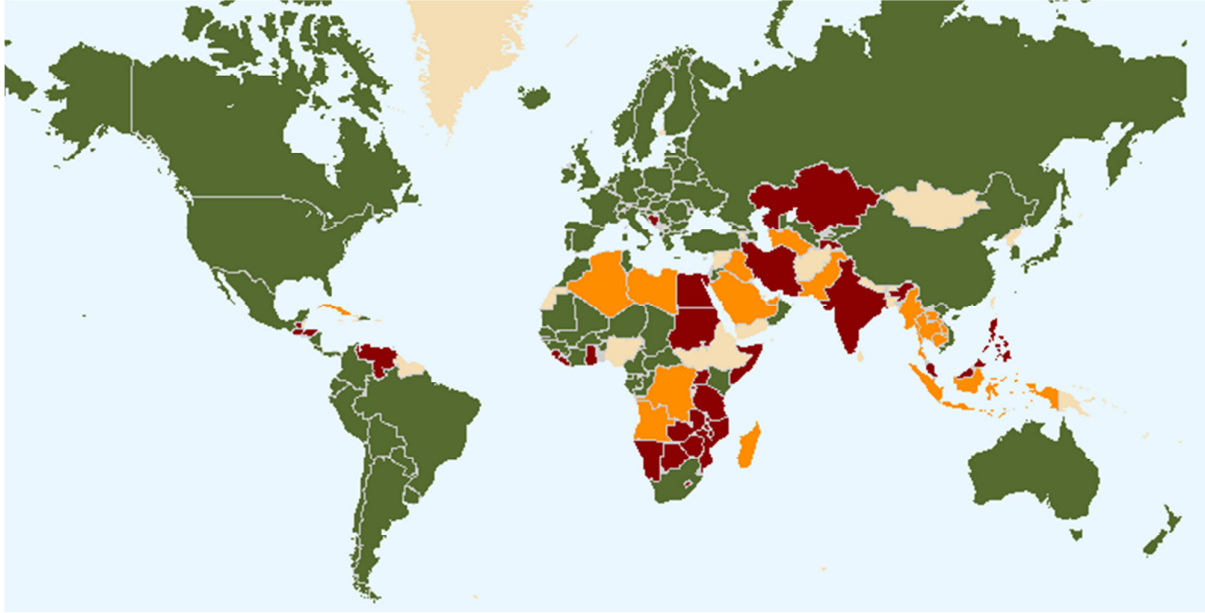
Figure 3: Expansion of UPOV



1.3 A graphic overview of the status in relation to UPOV as of July 31, 2015, is provided in Figure 4, providing information on UPOV members, 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. Detailed information is provided in Box 1.

¹ OAPI operates a plant variety protection system which covers 17 States: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal and Togo.

Figure 4: Status in relation to UPOV



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

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).

Box 1. Status in relation to UPOV

STATUS IN RELATION TO THE INTERNATIONAL UNION FOR THE PROTECTION
OF NEW VARIETIES OF PLANTS (UPOV)
as of July 31, 2015

I. Members of UPOV

African Intellectual Property Organization ^{3,5}	Colombia ²	Ireland ³	Oman ³	Spain ³
Albania ³	Costa Rica ³	Israel ³	Panama ³	Sweden ³
Argentina ²	Croatia ³	Italy ²	Paraguay ²	Switzerland ³
Australia ³	Czech Republic ³	Japan ³	Peru ³	The former Yugoslav Republic of Macedonia ³
Austria ³	Denmark ³	Jordan ³	Poland ³	Trinidad and Tobago ²
Azerbaijan ³	Dominican Republic ³	Kenya ²	Portugal ²	Tunisia ³
Belarus ³	Ecuador ²	Kyrgyzstan ³	Republic of Korea ³	Turkey ³
Belgium ¹	Estonia ³	Latvia ³	Republic of Moldova ³	Ukraine ³
Bolivia (Plurinational State of) ²	European Union ^{3,4}	Lithuania ³	Romania ³	United Kingdom ³
Brazil ²	Finland ³	Mexico ²	Russian Federation ³	United States of America ³
Bulgaria ³	France ³	Morocco ³	Serbia ³	Uruguay ²
Canada ³	Georgia ³	Netherlands ³	Singapore ³	Uzbekistan ³
Chile ²	Germany ³	New Zealand ²	Slovakia ³	
China ²	Hungary ³	Nicaragua ²	Slovenia ³	
	Iceland ³	Norway ²	South Africa ²	(Total 72)

¹ 1961 Convention as amended by the Additional Act of 1972 is the latest Act by which 1 State is bound.

² 1978 Act is the latest Act by which 18 States are bound.

³ 1991 Act is the latest Act by which 51 States and 2 organizations are bound.

⁴ Operates a plant variety rights system which covers the territory of its 28 member States.

(member States of the European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom)

⁵ Operates a plant variety rights system which covers the territory of its 17 member States.

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

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

States (17):

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

Organization (1):

African Regional Intellectual Property Organization (ARIPO)

(member States of ARIPO (19): Botswana, Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Rwanda, Sao Tome and Principe, Sierra Leone, Somalia, Sudan, Swaziland, Uganda, United Republic of Tanzania, Zambia, Zimbabwe)

III. 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, Lao People's Democratic Republic, Libya, Mozambique, Myanmar, Namibia, Pakistan, Saudi Arabia, Sudan, Thailand, Tonga, Turkmenistan, United Arab Emirates and Zambia

Organization (1):

Southern African Development Community (SADC)

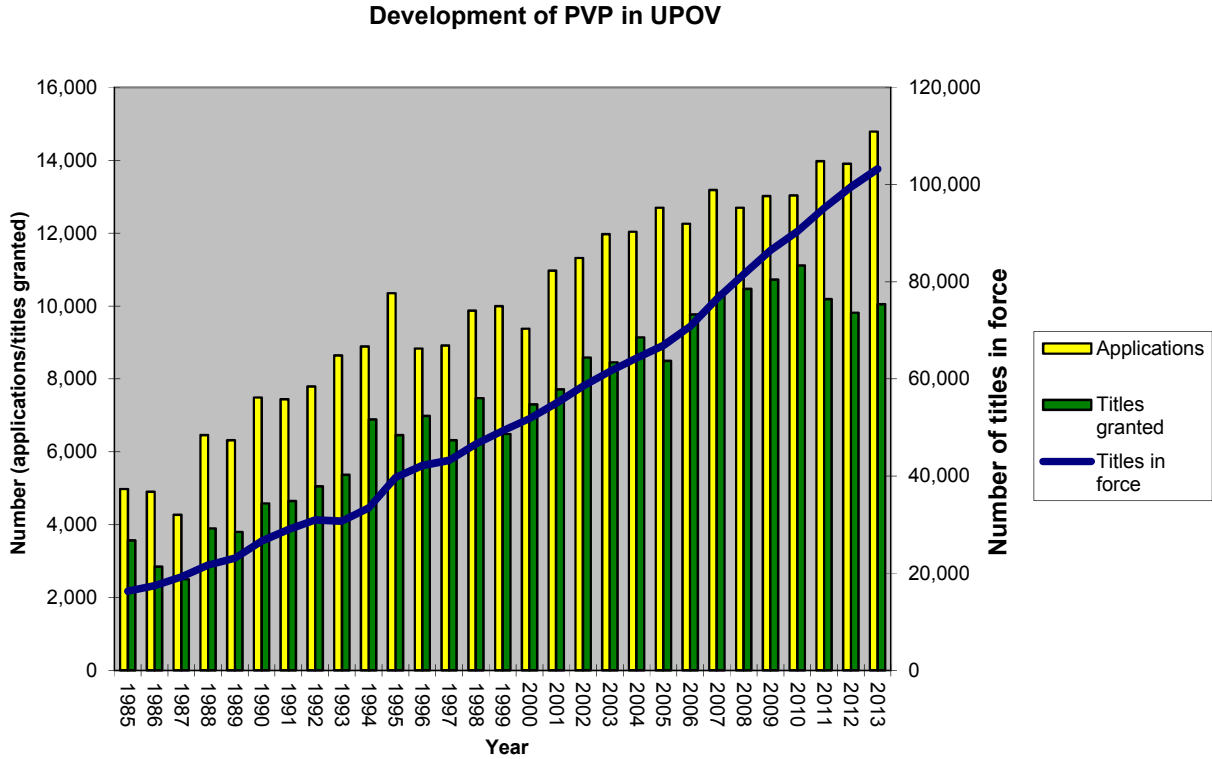
(member States of SADC (15): Angola, Botswana, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia, Zimbabwe)

1.4 The historic and recent expansion of UPOV, together with the continuing interest of States and organizations to become UPOV members, means that there is a need to review services for enhancing the effectiveness of the UPOV system (Sub-program UV.2) and for assistance in the introduction and implementation of the UPOV system (Sub-program UV.3). The Draft Program and Budget for the 2016-2017 Biennium reflects that need, as provided in the following paragraphs.

Enhancing the effectiveness of the UPOV system

1.5 The UPOV system continues to expand in terms of the number of members of the Union (see Figures 1 to 3), applications, titles granted and titles in force (see Figure 5). It is also estimated that, within the members of the Union, protection has been sought for varieties of more than 3,400 genera or species. During the period 2005-2014, that number increased by more than 120 genera/species per year (one new genus/species every three days). These figures demonstrate one of the reasons why cooperation between members of the Union is a key benefit of UPOV membership.

Figure 5: Number of applications, titles granted and titles in force in members of the Union

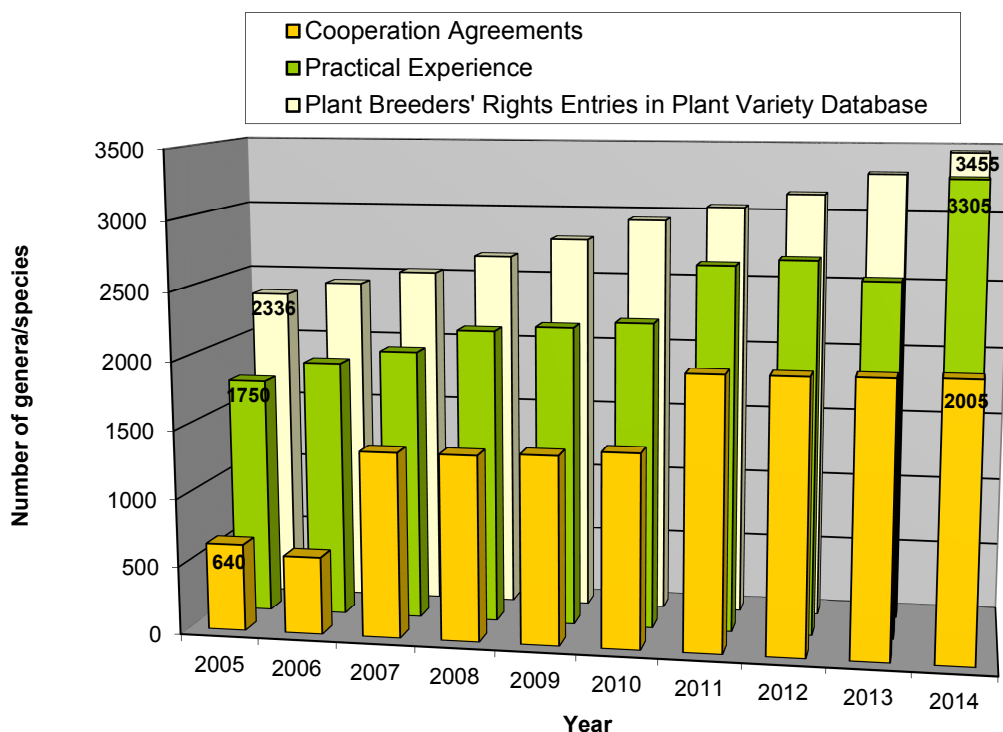


Cooperation in Examination

DUS Examination

1.6 The guidance developed by UPOV for the examination of Distinctness, Uniformity and Stability (“DUS”) promotes the sharing of knowledge and harmonization between members of the Union, thereby facilitating the exchange of DUS reports. 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 300 Test Guidelines, which are estimated to cover more than 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 3,300 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 6.

Figure 6



1.7 In order to support the development of Test Guidelines, and their use by members of the Union, work in the 2014-2015 Biennium will continue on the enhancement of the web-based Test Guidelines Template (TG Template). Collection of information on practical experience and cooperation in DUS examination will continue, for incorporation in the GENIE database, and information on software developed and made available by members of the Union (document UPOV/INF/16) and software and equipment used by members of the Union (document UPOV/INF/22) will continue to be collected and published.

1.8 In addition to the measures above, it is planned to develop and pursue a strategy to facilitate cooperation in DUS examination between members of the Union. Figure 6 demonstrates that the number of plant genera and species for which there are cooperation agreements between members of the Union has not increased in line with the number of genera and species for which there have been PBR applications and for which practical experience has been notified by members of the Union. In Figure 6, the large increases in numbers in 2007 and 2011 were almost exclusively as a result of cooperation involving the members States of the European Union and/or Community Plant Variety Office of the European Union (CPVO).

Variety denominations

1.9 In order to facilitate and harmonize the examination of variety denominations by members of the Union, work will continue on the development of proposals for a UPOV similarity search tool for variety denomination purposes. Work will also continue on enhancing the quality and quantity of data in the PLUTO database.

Facilitating applications

1.10 In the 2016-2017 Biennium, it is anticipated that a first version of the UPOV electronic application system will be implemented for selected species and languages, enabling breeders to provide information for PBR applications for participating members of the Union, via the UPOV website.

1.11 Subject to approval, the UPOV electronic application system could form the core of an international system of cooperation, which could also build on the initiatives above for facilitating cooperation in examination.

Guidance and information materials

1.12 UPOV has developed an extensive set 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. While the set of guidance and information materials is now rather extensive, work will continue with a view to developing further guidance and/or information with regard to certain important aspects, such as essentially derived varieties.

Assistance in the introduction and implementation of the UPOV system

1.13 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 be based on the following elements (see Sub-program UV.3):

- (a) Standard training activities organized or co-organized by UPOV
- (b) Training activities developed in conjunction with UPOV
- (c) Training activities to which UPOV contributes
- (d) *In situ* activities organized by UPOV
- (e) Resources for training and assistance

Communications

1.14 UPOV's mission is 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. Therefore, UPOV needs to explain how the UPOV system encourages the development of new varieties of plants, how new varieties benefit society and the role of the UPOV system in relation to agriculture and economic policy. In that regard, UPOV will contribute to the work of relevant international intergovernmental organizations in order to explain the UPOV system of plant variety protection, with the aim of securing mutual supportiveness.

1.15 The extensive guidance material and information developed by UPOV provide a basis for explaining the UPOV system. However, in order to enhance the effectiveness of the website for explaining the UPOV system, stakeholder-focused features, based on existing information, will be introduced on the UPOV website. Stakeholder-focused features will focus on the particular needs of: breeders; seed producers / plant propagators; farmers; processors, wholesalers and retailers; policy-makers; and the general public.

1.16 General information, suitable for a wide range of stakeholders, will continue to be developed. For example, as appropriate, work will continue on answers to frequently-asked questions about the UPOV system and the development of illustrative explanations and examples of the benefits of the UPOV system.

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

2.1.2.1 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.

2.1.2.2 The expansion of UPOV, combined with the continuing interest of States and organizations to become UPOV members, means that there is a need to consider further measures to: facilitate applications; facilitate cooperation between UPOV members (see Sub-program UV.2); and provide assistance in the introduction and implementation of the UPOV system in the most effective way within available resources (see Sub-program UV.3).

2.1.2.3 A key objective in the 2016-2017 Biennium will be to develop a policy on facilitating applications through the development of an electronic application system and facilitating cooperation in the examination of varieties. Statistics on applications and grants of plant breeders' rights are a key performance indicator of the effectiveness of the UPOV System. For the 2016-2017 Biennium, statistics by crop type (agriculture, fruit, ornamentals, vegetables and forest trees) are planned to be available as a result of allocation of crop type(s) for UPOV codes (see Sub-program UV.2).

2.1.2.4 There will be a need to monitor developments concerning the measures to provide training and assistance in the introduction and implementation of the UPOV system, as agreed in the Program and Budget for the 2016-2017 Biennium.

2.1.2.5 The implementation of the communication strategy agreed by the Consultative Committee will continue to be monitored with the aim of improving the level of understanding of the UPOV system. Policy direction on inter-relations with other organizations will continue to be an important objective in the 2016-2017 Biennium (see Sub program UV.4).

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 2016-2017 Biennium.
- (iii) Preparation and adoption of the Program and Budget for the 2018-2019 Biennium.

2.1.4 Expected Results and Performance Indicators

Expected Results	Performance Indicators
1. Organization of Council and Consultative Committee sessions	(a) participation in the sessions of the Council and the Consultative Committee.
2. Organize and monitor the work of UPOV committees	(a) approve and monitor the work programs of the CAJ, TC, TWPs and <i>ad hoc</i> working groups; (b) elect Chairs of the CAJ, TC, TWPs and <i>ad hoc</i> working groups and Vice Chairs of the CAJ and TC; and (c) approve the annual calendars of meetings.
3. Coordination, monitoring and performance assessment of Program and Budget for the 2016-2017 Biennium	(a) delivery of program within budget for the 2016-2017 Biennium; (b) approve the financial statements; and (c) approve the financial management report.
4. Preparation and adoption of the Program and Budget for the 2018-2019 Biennium	(a) preparation and adoption of the Program and Budget for the 2018-2019 Biennium in accordance with the "Financial Regulations and Rules of UPOV".
5. Examination of the conformity of laws, or draft laws, with the 1991 Act of the UPOV Convention	(a) recommendations by the Consultative Committee; and (b) decisions by the Council.
6. Review of developments concerning applications and grants of plant breeders' rights	(a) number of applications; (b) number of titles granted; (c) number of titles in force; (d) number of genera/species protected by members of the Union; (e) number of genera/species for which varieties have been protected; and (f) analysis by crop type.
7. Policy on facilitating applications through the development of an electronic application system and enhancing cooperation in the examination of varieties	(a) recommendations by the Consultative Committee; (b) decisions by the Council; and (c) cooperation between members of the Union in the examination of varieties.
8. Monitoring of measures to provide training and assistance in the introduction and implementation of the UPOV system	(a) evaluation of annual reports of the Secretary-General, performance reports for the biennia and other information; (b) States that accede to or ratify the 1991 Act of the UPOV Convention; States and organizations that become members of the Union; and number of genera and species protected by members of the Union; and (c) measures to provide training and assistance in the introduction and implementation of the UPOV system.
9. Monitoring the implementation of the communication strategy	(a) evaluation of annual reports of the Secretary-General, performance reports for the biennia and other information; and (b) recommendations by the Consultative Committee on the communication strategy.
10. Policy direction on inter-relations with other organizations	(a) recommendations by the Consultative Committee; and (b) decisions by the Council
11. Policy on other matters	(a) recommendations by the Consultative Committee; (b) decisions by the Council; and (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

Introduction

2.2.2.1 This sub-program covers the provision of guidance, information and resources for the operation of the UPOV system of plant variety protection, support for cooperation between members of the Union, the work of the relevant UPOV bodies and measures to facilitate applications for plant breeders' rights.

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 is 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 UPOV has developed an extensive set of guidance and information materials. However, work will continue with a view to developing further guidance and/or information with regard to certain important aspects, such as essentially derived varieties.

2.2.2.4 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. The communication strategy that addresses the development of communication methods and materials that are suited for a range of stakeholders is covered under Sub Programs UV.1 and UV.3.

2.2.2.5 As explained above, work will continue on the maintenance and further development of guidance and information in the 2016-2017 Biennium. However, now that an extensive set of guidance and information materials has been established, more focus can be placed on other important initiatives to maintain and improve the effectiveness of the UPOV system.

Cooperation in DUS Examination

2.2.2.6 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.

2.2.2.7 Cooperation within UPOV relies to a major extent on the input of members of the Union. In particular, experts from members of the Union develop Test Guidelines and share their practical experience with particular plant genera and species, for example in the form of the GENIE database. These measures facilitate cooperation in the examination of Distinctness, Uniformity and Stability ("DUS") and the use of existing DUS reports, which is the basis for an efficient system covering all plant genera and species that is accessible and affordable for all types of breeders.

2.2.2.8 The following measures to support and enhance cooperation between members of the Union will be pursued in the 2016-2017 Biennium:

- (a) Development of Test Guidelines;
- (b) Enhancement of the web-based Test Guidelines Template (TG Template) to further facilitate the drafting of Test Guidelines by experts of the members of the Union and the development of individual authorities' test guidelines by members of the Union, while reducing the administrative and translation work for UPOV;
- (c) Collection of information on practical experience and cooperation in DUS examination for inclusion in the GENIE database;
- (d) Collection of information on software developed and made available by members of the Union, and software and equipment used by members of the Union, for publication in documents UPOV/INF/16 and UPOV/INF/22, respectively.

2.2.2.9 In addition, it is planned to develop and implement a strategy to enhance cooperation in DUS examination between members of the Union (see Sub Program UV.1).

Variety denominations

2.2.2.10 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).

2.2.2.10 The program for improvements to the PLUTO database, as approved by the CAJ and TC, will continue to be implemented and reviewed as appropriate. In particular, work will continue in order to enhance the quality and quantity of data in the PLUTO database.

2.2.2.11 In order to facilitate and harmonize the examination of variety denominations by members of the Union, work will continue on the development of proposals for a UPOV similarity search tool for variety denomination purposes and, as appropriate, consideration will be given to a revision of document UPOV/INF/12 "Explanatory notes on variety denominations under the UPOV Convention".

Facilitating applications

2.2.2.12 In the 2016-2017 Biennium, subject to approval by the Council, it is anticipated that a first version of the UPOV electronic application system will be implemented for selected species and languages, enabling breeders to provide information for PBR applications for participating members of the Union, via the UPOV website.

2.2.2.13 Subject to approval by the Council, the UPOV electronic application system could form the core of an international system of cooperation, which could also integrate the initiatives set out above in relation to cooperation in the examination of DUS and variety denominations.

2.2.2.14 The GENIE and PLUTO databases will be modified in order for statistics by crop type (agriculture, fruit, ornamentals, vegetables and forest trees) to be made available through the allocation of crop type(s) for UPOV codes.

2.2.3 Activities

- (i) Two to four sessions of the Administrative and Legal Committee, two sessions of the Technical Committee, 12 sessions of Technical Working Parties, including two sessions 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 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.
- (iv) Development of Test Guidelines.
- (v) Assessment of new methods for Distinctness, Uniformity and Stability (DUS) examination.
- (vi) Information and guidance on the use of molecular markers in DUS testing and providing a forum for consideration of their use in variety identification and in essential derivation.
- (vii) Updating and further development of the PLUTO Database.
- (viii) Updating and further development of the of the GENIE database.
- (ix) Maintenance of the UPOV Lex database of legislation and relevant notifications.
- (x) Updating of the UPOV Collection.
- (xi) Development of UPOV electronic application system.

2.2.4 Expected Results and Performance Indicators

Expected Results	Performance Indicators
1. 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.
2. 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) publication of the UPOV Gazette and Newsletter; (c) inclusion of laws and relevant notifications of members of the Union in UPOV Lex; (d) availability of UPOV documents and materials in languages other than the UPOV languages (English, French, German and Spanish).
3. 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 PBR applications covered by adopted Test Guidelines; (d) number of Test Guidelines under development in the TWPs (e) participation in the development of Test Guidelines; (f) development of web-based Test Guidelines Template (TG Template) with facility for: (i) translation in UPOV languages; (ii) use by members of the Union in the preparation of individual authorities' test guidelines.
4. Cooperation in DUS examination	(a) plant genera and species for which members of the Union have practical experience included in GENIE database; (b) plant genera and species for which members of the Union cooperate in DUS examination included in GENIE database.
5. Cooperation in examination of variety denominations	(a) quantity and quality of data in PLUTO database: (i) number of contributors (ii) number of new submissions (iii) number of records (iv) number of mandatory items provided (v) number of non-mandatory items provided (vi) annual edition of CD-ROM version (b) development and approval by the Council of a UPOV similarity search tool for variety denominations and inclusion in PLUTO database.
6. Facilitating applications for plant breeders' rights	(a) development and approval by the Council of an electronic application system for selected species and languages, enabling breeders to provide information for PBR applications for participating members of the Union, via the UPOV website; (b) allocation of crop type(s) for UPOV codes and modification of the GENIE and PLUTO databases to enable statistics to be provided by crop type (agriculture, fruit, ornamentals, vegetables and forest trees).

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 UPOV Convention.

2.3.2 Narrative

Introduction

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 use of distance-learning courses, training of trainers, the prioritization of assistance by the Office of the Union and the use of external resources for administration, training and assistance according to available finances. This sub-program is supported by the regular budget, but extra-budgetary funds and support in kind provide a substantial proportion of the resources deployed for assistance. In order to utilize the available resources in the most effective way, the Office of the Union will continue to prioritize its activities and to explore synergies in its activities with members of the Union and other partners.

2.3.2.2 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.

Resources

2.3.2.3 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:

Extra-budgetary financial resources

2.3.2.4 UPOV greatly benefits from additional financial resources provided, for example, in the form of Funds-in-Trust. 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 of the Union. In recognition that 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.

Examples²:

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

Support from members of the Union

2.3.2.5 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. Support in the form of suitably qualified officials, fully funded by members of the Union through medium-term internships and/or the Junior Professional Officer (JPO) program, are also a potential source of support that will be considered, as appropriate.

Training courses on plant variety protection

2.3.2.6 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 de Capacitadores para Países Iberoamericanos: Protección de Obtenciones Vegetales según el Convenio de la UPOV y Formas Complementarias de Propiedad Intelectual*”, 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) and the World Intellectual Property Organization (WIPO); and the “Plant Variety Protection Under UPOV Convention” course, organized by the USPTO Global Intellectual Property Academy).

Cooperation with other organizations and bodies

2.3.2.7 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.

2.3.2.8 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 in accordance with the priorities for providing assistance.

Strategy for Training and Assistance

2.3.2.9 In order to utilize available resources in the most effective way, the Office of the Union will continue to prioritize its activities and to explore synergies in its activities with members of the Union and other partners according to the following strategy:

Standard training activities organized or co-organized by UPOV

2.3.2.10 The UPOV distance learning courses are a particularly effective means of providing high quality training to large numbers of participants and will continue to be a cornerstone of UPOV’s training and

² These examples of the situation in 2015 should not be construed as constituting any specific financial commitment or approval beyond 2015.

assistance strategy. The incorporation of UPOV distance learning courses into UPOV activities and activities organized by others (see below) will also be an important part of the strategy. In recognition of the limitation of UPOV staff resources, out-sourcing of administration and tutoring services will be organized according to available funds.

2.3.2.11 A further mechanism to make the most effective use of UPOV staff resources and the existing knowledge and experience within members of the Union, is to train non-UPOV staff to act as trainers (training of trainers). Training courses for trainers in appropriate languages will be organized according to available funds.

Training activities developed in conjunction with UPOV

2.3.2.12 A number of members of the Union provide important assistance to States and relevant organizations. Therefore, the Office of the Union will work with such members of the Union to develop activities to be organized with the members of the Union concerned and for which UPOV will fund suitable participants according to available funds.

Training activities to which UPOV contributes

2.3.2.13 In the case of activities developed and organized by members of the Union without the direct involvement of the Office of the Union, it is a matter for each member of the Union to decide on the activities that it wishes to pursue. Where invited, the Office of the Union will contribute to such activities as appropriate according to the priorities that the Council has established for assistance.

2.3.2.14 The Office of the Union will explore possibilities for increasing the number of academic institutes that incorporate information on the UPOV system in relevant courses.

In situ activities organized by UPOV

2.3.2.15 It will continue to be necessary to conduct *in situ* activities for certain needs, e.g. awareness-raising activities for local participants. Such activities can involve substantial resources for organization of the venue, accommodation, travel arrangements, etc. The Office of the Union will explore means of out-sourcing the organizational work.

Resources for training and assistance

2.3.2.16 In order to improve the effectiveness of those persons providing training and assistance on the UPOV system, the Office of the Union will develop training materials (e.g. standard presentations and links to relevant UPOV materials) that will be available online.

2.3.3 Activities

- (i) Assistance in drafting legislation.
- (ii) Development and operation of distance learning courses.
- (iii) Training and assistance activities.
- (iv) Development of training resources for trainers
- (v) Support for projects to introduce and implement the UPOV system.
- (vi) Awareness-raising events.

2.3.4 Expected Results and Performance Indicators

Expected Results	Performance Indicators
1. Raising awareness of the role of plant variety protection in accordance with the UPOV Convention	<ul style="list-style-type: none"> (a) States and organizations provided with information at UPOV activities; (b) States and organizations that contact the Office of the Union for assistance in the development of legislation on plant variety protection; (c) States and organizations that initiate with the Council of UPOV the procedure for becoming members of the Union; (d) participation in UPOV awareness-raising activities, or activities involving UPOV staff or UPOV trainers on behalf of UPOV staff.
2. Assistance in drafting legislation on plant variety protection in accordance with the 1991 Act of the UPOV Convention	<ul style="list-style-type: none"> (a) meetings with government officials to discuss legislative matters (b) States and organizations provided with comments on laws; (c) States and organizations receiving a positive advice from the Council of UPOV;
3. Assistance to States and organizations in the accession to the 1991 Act of the UPOV Convention	<ul style="list-style-type: none"> (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 UPOV Convention	<ul style="list-style-type: none"> (a) participation in distance learning courses; (b) training of trainers; (c) training activities developed in conjunction with UPOV; (d) participation by observer States and organizations in the CAJ, TC, TWPs and the associated preparatory workshops; (e) participation in UPOV activities; (f) participation in activities involving UPOV staff or UPOV trainers on behalf of UPOV staff; (g) academic courses featuring the UPOV system of plant variety protection; (f) implementation of projects with partner organizations and donors.

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

Introduction

2.4.2.1 UPOV's mission is 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. The aim of this Sub-program is to explain how the UPOV system encourages the development of new varieties of plants, how new varieties benefit society and the role of the UPOV system in relation to agriculture and economic policy.

Communications with Stakeholders

2.4.2.2 General information, suitable for a wide range of stakeholders, will continue to be developed. For example, work will continue on answers to frequently-asked questions about the UPOV system and the development of illustrative explanations and examples of the benefits of the UPOV system. As appropriate, UPOV will contribute to articles in relevant publications.

2.4.2.3 UPOV's website is an important means of communication with all UPOV's stakeholders and will be updated with suitable new materials in order to explain the importance of plant variety protection. In order to enhance the effectiveness of the website for explaining the UPOV system, stakeholder-focused features, based on existing information, will be introduced on the UPOV website. Stakeholder-focused features will focus on the particular needs of: breeders; seed producers / plant propagators; farmers; processors, wholesalers and retailers; policy-makers; and the general public.

2.4.2.4 UPOV will also continue to communicate with non-governmental organizations representing stakeholders:

- Breeders/ seed producers/ plant propagators: including the International Community of Breeders of Asexually Reproduced Ornamental and Fruit-Tree Varieties (CIOPOVA), International Seed Federation (ISF), CropLife International, International Association of Horticultural Producers (AIPH), African Seed Trade Association (AFSTA), Asia and Pacific Seed Association (APSA), European Seed Association (ESA), *Federación Latinoamericana de Asociaciones de Semillistas* (FELAS), Seed Association of the Americas (SAA).
- Farmers: Association for Plant Breeding for the Benefit of Society (APBEBES), World Farmers' Organisation (WFO), Committee of Agricultural Organizations in the European Union (COPA), General Committee for Agricultural Co-operation in the European Union (COGECA), European Coordination Via Campesina (ECVC).

Communications with other organizations

2.4.2.5 UPOV will contribute to the work of relevant international intergovernmental 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). 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).

2.4.2.6 With regard to organizations in the seed sector, UPOV's cooperation with the Organisation for Economic Co-operation and Development (OECD), in respect of the OECD's Seed Schemes, and with the International Seed Testing Association (ISTA), are of particular importance in relation to technical matters, e.g. DUS examination, variety denominations and the role of molecular markers in variety examination and identification. In relation to variety denominations, cooperation with the International Commission for the Nomenclature of Cultivated Plants of the International Union for Biological Sciences (IUBS) (ICNCP) is also of relevance.

2.4.3 Activities

- (i) Participation in meetings with intergovernmental and non-governmental organizations.
- (ii) Provision of comments and information to other organizations.
- (iii) Maintenance and further development of the UPOV website, including stakeholder-focused features
- (iv) Development and dissemination of information material for stakeholders.
- (v) Seminars or symposia on relevant topics.

2.4.4 Expected Results and Performance Indicators

<u>Expected Results</u>	<u>Performance Indicators</u>
1. Broaden public understanding of UPOV's role and activities	(a) availability of suitable information and materials for the general public, on UPOV website and through other media; (b) visits to general public features on UPOV website.
2. Enhance understanding of UPOV's role and activities for stakeholders	(a) availability of suitable information and materials for breeders, seed producers / plant propagators, farmers, processors/wholesalers/retailers and policy-makers, on UPOV website and through other media; (b) articles in relevant publications to which UPOV has contributed; (c) stakeholder-focused features on the UPOV website; (d) participation by stakeholders in seminars and symposia; (e) participation at meetings of, and with, relevant stakeholders.
3. Enhance understanding of UPOV's role and activities with 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 2016-2017 Biennium anticipates an income of 6,823,000 Swiss francs compared to the 2014-2015 budget of 6,794,000 Swiss francs (see **Tables 1 and 2**).

Table 1: Income and Expenditure 2012-2013, 2014-2015 and 2016-2017
(in thousands of Swiss francs)

	2012-2013 Actual A	2014-2015 Budget B	Variation		2016-2017 Proposed D=B+C
			C	C/B	
1. Income	6,791	6,794	29	0.4%	6,823
2. Expenditure	6,285	6,794	29	0.4%	6,823
Difference (1-2)	506	-	-	0.0%	-
3. Working Capital Fund	537	543	3	0.6%	546

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/4/3 "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 2016-2017 Biennium.

3.4 The estimates for Personnel Resources and Non-Personnel Resources are based on the interim financial statement for 2014.

Table 2: Structure of proposed budget 2016-2017 as compared to 2012-2013 and 2014-2015
(in thousands of Swiss francs)

	2012-2013 Actual A	2014-2015 Budget B	Variation		2016-2017 Proposed D=B+C
			C	C/B	
1. Personnel Resources	4,048	4,425	-72	-1.6%	4,353
2. Non-Personnel Resources	2,237	2,369	101	4.3%	2,470
<i>Internships and Fellowships</i>	-	-	38	-	38
<i>Travel, Training and Grants</i>	530	590	-140	-23.7%	450
<i>Contractual Services</i>	437	475	217	45.7%	692
<i>Operating expenses</i>	1,243	1,266	4	0.3%	1,270
<i>Equipment and supplies</i>	27	38	-18	-47.4%	20
3. Grand Total	6,285	6,794	29	0.4%	6,823

3.5 **Table 3** provides a resource plan for the 2014-2015 and the 2016-2017 biennia. The total program of activities to be conducted by UPOV in the 2016-2017 Biennium amounts to 7,265,000 Swiss francs. This amount includes 6,823,000 Swiss francs within the regular budget (see Table 1), and an estimated 442,000 Swiss francs, financed under trust fund arrangements.

3.6 For the 2016-2017 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 2016-2017 Biennium will be at a level of 442,000 Swiss francs. It should be noted that monetary support (e.g. Funds-in-Trust) and 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 2014-2015 and 2016-2017
(in thousands of Swiss francs)

	Regular Budget	Funds in Trust	Total resources
Budget and resource availability			
	A	B	C = A+B
Resource availability 2014-2015			
1 Income (Budget)	6,794	340	7,134
2 +/- Transfer from/ to reserves	-	-	-
3 Total, resources	6,794	340	7,134
Resource availability 2016-2017			
4 Income	6,823	442	7,265
5 +/- Transfer from/ to reserves	-	-	-
6 Total, resources	6,823	442	7,265
7 Variation 6/3(%)	0.4%		1.8%

3.8 **Table 4** shows the budget variations by object of expenditure between the 2014-2015 and the 2016-2017 biennia. The proposed budget for 2016-2017 is 6,823,000 Swiss francs, an increase of 29,000 Swiss francs, or 0.4% compared to the 2014-2015 budget.

Table 4: Proposed Budget 2016-2017: Budget Variation by Object of Expenditure
(in thousands of Swiss francs)

Object of Expenditure	2012-2013 Actual	2014-2015 Budget	Resource Variation		2016-2017 Proposed
			Amount	%	
	A	B	C	C/B	D=B+C
A. Personnel Resources					
Posts	3,385	4,225	-171	-4.0%	4,054
Temporary Staff	663	200	99	49.5%	299
Total, A	4,048	4,425	-72	-1.6%	4,353
B. Non-Personnel Resources					
<i>Internships and Fellowships</i>					
Internships	-	-	38	0.0%	38
Sub-total	-	-	38	0.0%	38
<i>Travel, Training and Grants</i>					
Staff missions	430	470	-70	-14.9%	400
Third Party Travel	100	120	-70	-58.3%	50
Sub-total	530	590	-140	-23.7%	450
<i>Contractual Services</i>					
Conferences	175	250	-50	-20.0%	200
Publishing	33	35	-25	-71.4%	10
Individual Contractual Services	5	40	30	75.0%	70
Other Contractual Services	224	150	262	174.7%	412
Sub-total	437	475	217	45.7%	692
<i>Operating Expenses</i>					
Sub-total	1,243	1,266	4	0.3%	1,270
<i>Equipment and Supplies</i>					
Furniture and Equipment	4	18	-8	-44.4%	10
Supplies and Materials	23	20	-10	-50.0%	10
Sub-total	27	38	-18	-47.4%	20
Total, B	2,237	2,369	101	4.3%	2,470
GRAND TOTAL	6,285	6,794	29	0.4%	6,823

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 2016-2017 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 on that basis is set out in Sub-program UV.2 and Sub-program UV.3. The Program and Budget for the 2014-2015 Biennium anticipates three posts in the director category. Currently, only two posts are 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 training and assistance) and the implementation of the communication strategy, it is proposed to upgrade a post in the General Service category to the Professional category. In accordance with the approach in 2014-2015 Biennium, short-term support in the general service category will be used as necessary and within the budget.

Table 5: Budget 2016-2017: Posts by Category

<i>Post Category</i>	<i>2012-2013</i> <i>A</i>	<i>2014-2015</i> <i>B</i>	<i>Variation</i> <i>C-B</i>	<i>2016-2017</i> <i>Proposed</i> <i>C</i>
Directors	2	3	-	3
Professionals	4	4	-	4
General Service	5	4	-	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 2016-2017 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 2016-2017: 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	608	2,326	1,135	284	4,353
Posts	608	2,027	1,135	284	4,054
Temporary Staff	0	299	0	0	299
B. Non-Personnel Resources					
<i>Internships and Fellowships</i>					
Internships	0	38	0	0	38
<i>Travel, Training and Grants</i>					
Staff Missions	0	100	160	140	400
Third Party Travel	0	0	50	0	50
<i>Contractual Services</i>					
Conferences	50	150	0	0	200
Publishing	0	10	0	0	10
Individual Contractual Services	0	0	70	0	70
Other Contractual Services	29	309	62	12	412
<i>Operating Expenses</i>	0	1,270	0	0	1,270
<i>Equipment and Supplies</i>					
Furniture and Equipment	0	10	0	0	10
Supplies and Materials	0	10	0	0	10
GRAND TOTAL	687	4,223	1,477	436	6,823

3.14 **Table 7** provides budget variation by sub-program between the budget 2014-2015 and the proposed budget 2016-2017.

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

Sub-program	2014-2015 Budget A	Variation		2016-2017 Proposed C=A+B
		Amount B	% B/A	
UV.1	720	-33	-4.6%	687
UV.2	3,934	289	7.3%	4,223
UV.3	1,578	-101	-6.4%	1,477
UV.4	562	-126	-22.4%	436
TOTAL	6,794	29	0.4%	6,823

3.15 **Table 8** provides information on income by source for the 2014-2015 and 2016-2017 biennia.

3.16 Total income under the regular budget in the 2016-2017 Biennium is expected to be 6,823,000 Swiss francs. This income figure is 29,000 Swiss francs or 0.4% higher than the income for the 2014-2015 Biennium of 6,794,000 Swiss francs. In particular, this projection assumes 63.6 contribution units in 2016 and 63.8 contribution units in 2017 with no change to the value of the contribution unit, which is proposed to remain at 53,641 Swiss francs during the 2016-2017 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 2016-2017 Biennium.

3.18 In addition to contributions from members of the Union, UPOV income is anticipated from other miscellaneous income (113,000 Swiss francs), including participants fees in UPOV's distance learning program (15,000 Swiss francs), administrative support costs under Funds in Trust (57,000 Swiss francs) and income from the use of the electronic application system (25,000 Swiss francs). Excluding contributions, all these sources combined are anticipated to generate 1.7% of UPOV's regular income in the 2016-2017 Biennium.

Table 8: Income 2014-2015 and 2016-2017: Variation by Source
(in thousands of Swiss francs)

Source	2012-2013 Actual A	2014-2015 Approved B	Variation		2016-2017 Proposed D=B+C
			C	C/B(%)	
Contributions	6,646	6,678	32	0.5%	6,710
Publications	4	10	-10	-100.0%	-
Interest	29	20	-20	-100.0%	-
Other**	112	86	27	30.8%	113
Total	6,791	6,794	29	0.4%	6,823

** Includes mainly income from administrative support costs under FITs (based on the average estimated FITS resources for 2010/11 and 2012/13), income from participants' fees in the UPOV's distance learning program and nominal income from an electronic application system.

4. FINANCIAL INDICATORS 2010-2019

4.1 The Program and Budget for the 2016-2017 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 2016-2017 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 2017.

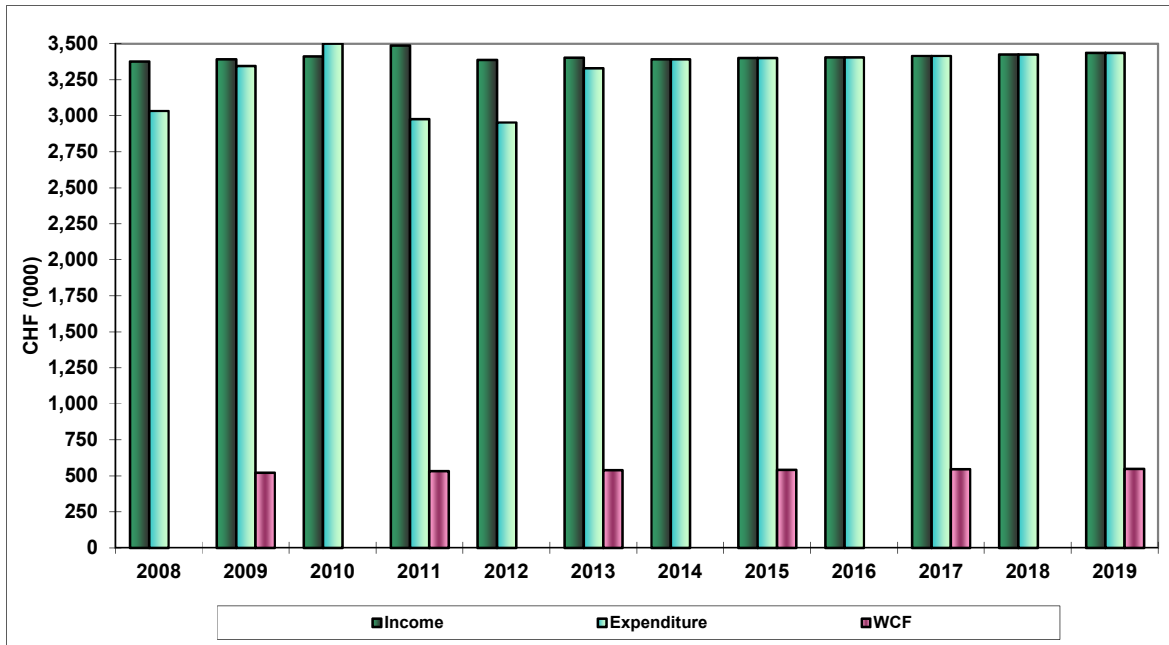
4.2 **Table 9** and the **graph** below show the evolution of the regular budget as far as income, expenditures and reserve and working capital fund levels are concerned.

Table 9: Income, Expenditure and Reserves for 2010-2019
(in thousands of Swiss francs)

Budgetary Basis

	<i>Actual</i>				<i>Budget</i>		<i>Proposed</i>		<i>Estimated</i>	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Income	3,412	3,489	3,388	3,403	3,392	3,402	3,406	3,416	3,427	3,438
Expenditure	3,501	2,978	2,954	3,331	3,392	3,402	3,406	3,416	3,427	3,438
<i>Difference</i>	-89	511	434	72	-	-	-	-	-	-

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 rounding. No income has been projected from an electronic application system or an international system of cooperation in 2018 or 2019.

- 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 63.8% of the budget in 2016-2017 and 64.5% in 2018-2019, compared to 64.4% in the 2012-2013 Biennium and 65.1% in the 2014-2015 Budget.

Non-personnel resources: Operating expenses, furniture and supplies costs are projected to remain stable and to account for 18.9% of the budget in both the 2016-2017 and the 2018-2019 biennia, compared to 20.2% in the 2012-2013 Biennium and 19.2% in the 2014-2015 Budget. Travel and contractual services costs are projected to account for 16.7% of the budget in 2016-2017 and 16.8% in 2018-2019, respectively, compared to 15.4% in the 2012-2013 Biennium and 15.7% in the 2014-2015 Budget. Internships are projected to account for 0.6% of the budget in 2016-2017.

[Appendix I follows]

ANNEX – 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 2014-2015, and concludes with the proposed budget for the 2016-2017 Biennium by incorporating the resource variation between the budget for 2014-2015 and the proposed budget for the 2016-2017 Biennium. Table 4 summarizes the main indicators discussed in this Appendix I.
2. Budget 2014-2015: The starting point for the budget is presented in document C/47/4 Rev.
3. Proposed budget 2016-2017: The proposed budget is the result of adding the resource variation to the 2014-2015 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]

ANNEX - APPENDIX II

CONTRIBUTIONS OF MEMBERS
AS OF JULY 31, 2015
(in Swiss Francs)

2014 Actual	2015 Actual	Members	Number of Units	Payable in January 2016	Payable in January 2017
0	10,728	African Intellectual Property Organization (OAPI)	0.20	10,728	10,728
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
10,728	10,728	Morocco	0.20	10,728	10,728
160,923	160,923	Netherlands	3.00	160,923	160,923

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2014 Actual	2015 Actual	Members	Number of Units	Payable in January 2016	Payable in January 2017
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
10,728	10,728	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
3,333,778	3,344,506		62.35	3,344,506	3,344,506

[Appendix III follows]

ANNEX – APPENDIX III

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; nominal income from the new electronic application system.

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.

Temporary Staff

Remuneration and allowances paid to staff on short term appointments.

Non-Personnel Resources

Internships and Fellowships

Internships: remuneration and allowances paid to interns.

Fellowships: expenses related to a training activity that provides a monetary grant to qualified individuals for the purpose of fulfilling special learning objectives.

Travel, Training and Grants

Staff missions: travel expenses and daily subsistence allowances for all staff on official travel.

Third party travel: travel expenses and daily subsistence allowances for all third parties – i.e. non-staff. This will include the travel costs of Government officials, participants and lecturers attending UPOV-sponsored meetings.

Training and related travel grants: travel expenses, daily subsistence allowances and training and other fees in connection with trainees attending courses, seminars, 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.

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.

Individual Contractual Services: remuneration paid in respect of individual contractual services. This category will also include the budget for Experts' Honoraria.

Other Contractual Services: includes all other contractual services with both commercial and non-commercial service providers.

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. Additionally, all common expenses related to either joint activities with WIPO or services actually rendered by WIPO.

Equipment and Supplies

Furniture and equipment: purchase of office furniture, office machines, computer equipment (desktop, laptops, printers, servers, etc.), conference servicing equipment, reproduction equipment and transportation equipment.

Supplies and materials: stationery and office supplies; internal reproduction supplies (offset, microfilms, etc.); library books and subscriptions to reviews and periodicals; uniforms; computer supplies, 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 Annex and of document]