

Consultative Committee**CC/97/8****Ninety-Seventh Session
Geneva, October 29, 2020****Original:** English
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to be considered by correspondence

PREPARATION OF THE DRAFT PROGRAM AND BUDGET FOR THE 2022-2023 BIENNIUM*Document prepared by the Office of the Union**Disclaimer: this document does not represent UPOV policies or guidance*

1. The purpose of this document is to propose a basis for consideration of the Draft Program and Budget for the 2022-2023 Biennium.

2. The Consultative Committee is invited to approve:

(a) the preparation of a complete, preliminary Draft Program and Budget for 2022-2023 (e.g. see document CC/93/2 "Preliminary Draft Program and Budget for the 2018-2019 Biennium" and document "Preliminary Draft Program and Budget for the 2020-2021 Biennium" attached to UPOV Circular E-19/027) on the basis of the elements presented in this document, to be circulated to members of the Union by February 28, 2021, with 6 weeks for comments; and

(ii) the presentation of a Draft Program and Budget for 2022-2023 by September 1, 2021, in accordance with the Financial Regulations and Rules of UPOV (document UPOV/INF/4), for consideration by the Consultative Committee at its seventy-eighth session, to be held in Geneva on October 28, 2021 and by the Council at its fifty-fifth ordinary session, to be held in Geneva on October 29, 2021.

BACKGROUND

3. The Council, at its thirty-fourth extraordinary session, held in Geneva on April 6, 2017, decided to organize a single set of sessions from 2018 (see document C(Extr.)/34/7 "Report", paragraph 13).

4. Prior to that decision, the Consultative Committee had been presented with a complete, preliminary Draft Program and Budget for the subsequent Biennium (e.g. document CC/93/2 "Preliminary Draft Program and Budget for the 2018-2019 Biennium"), in conjunction with the most up-to-date information on the financial situation (e.g. see document CC/93/2, Annex I), as a basis for the preparation of the Draft Program and Budget to be presented to the Council in the corresponding October.

5. In its consideration of the organization of a single set of sessions, the Consultative Committee at its ninety-second session, held in Geneva on October 27, 2016, agreed that a document providing certain key elements of the Draft Program and Budget should be prepared after the Consultative Committee session one year before the Draft Program and Budget would be presented to the Council for adoption, noting that a revised draft could be considered by correspondence in March/April, if necessary (see document CC/92/21 "Report", paragraph 105).

PROPOSAL FOR CONSIDERATION OF THE DRAFT PROGRAM AND BUDGET FOR 2022-2023

6. In order to ensure sufficient opportunity for the Consultative Committee to consider the Draft Program and Budget for 2022-2023 before presentation to the Council in October 2021, the following steps are proposed:

(a) consideration of the key elements of the Draft Program and Budget 2022-2023, as set out in this document;

(b) on the basis of the key elements of the Draft Program and Budget 2022-2023 approved by the Consultative Committee, and subject to relevant developments:

(i) preparation of a complete, preliminary Draft Program and Budget for 2022-2023 (e.g. see document CC/93/2 "Preliminary Draft Program and Budget for the 2018-2019 Biennium" and document "Preliminary Draft Program and Budget for the 2020-2021 Biennium" attached to UPOV Circular E-19/027). The document would be circulated to members of the Union by February 28, 2021, with 6 weeks for comments; and

(ii) presentation of a Draft Program and Budget for 2022-2023 by September 1, 2021, in accordance with the Financial Regulations and Rules of UPOV (document UPOV/INF/4), for consideration by the Consultative Committee on October 28, 2021 and by the Council on October 29, 2021.

CERTAIN KEY ELEMENTS OF THE DRAFT PROGRAM AND BUDGET 2022-2023

7. The following elements are foreseen for the Draft Program and Budget for 2022-2023, with reference to the adopted Program and Budget for the 2020-2021 Biennium (see document C/53/4 Rev.):

Income

8. The budgeted income for the Program and Budget for the 2020-2021 Biennium is as follows (in thousands of Swiss francs):

Contributions		6,946
UPOV IT Tools and Service Fees		250
<i>UPOV PRISMA</i>	198	
<i>PLUTO database</i>	52	
Interest		-
Miscellaneous		151
<i>Administrative support costs under Funds in Trust</i>	121	
<i>Fees from distance learning program</i>	30	
Total		7,347

9. For the Draft Program and Budget for 2022-2023, the following variations would be budgeted:

Contributions

10. The budgeted income from contributions would be based on the following:

(a) the level of contributions in 2020 (CHF3,548,342), which includes an increase on 2019 as a result of China declaring that its number of contribution units would increase from one-half (0.5) to two (2.0) units, as of 2020, and Egypt, as a new member of the Union, contributing one fifth (0.2) of a unit ;

(b) An assumption of one new member of the Union per year in 2021 and 2022, each contributing 0.2 contribution unit to the budget in 2022 and 2023, respectively.

UPOV PRISMA Fees

11. Income for UPOV PRISMA fees in the Program and Budget for the 2020-2021 Biennium was projected at a substantially higher level than expected to minimize any risk that the maximum ceiling of expenditure would be less than the actual income (see document CC/97/4 "Review of Regulation 4.6 of the UPOV Financial Regulation and Rules"). Subject to a review of Regulation 4.6 of the UPOV Financial Regulation and Rules, as presented in document CC/97/4, income from UPOV PRISMA would be budgeted at a more realistic level, which is anticipated to be around CHF112,500 (1,250 submissions @ CHF90 – 500 in 2022; 750 in 2023), subject to developments in the interim.

PLUTO database

12. Income from the PLUTO database is anticipated to be budgeted slightly higher than the figure budgeted for 2021, corresponding to CHF150,000 (100 users in 2022 and 2023 @ CHF750/annum), subject to results after the PLUTO database fee is introduced in November 2020.

Interest

13. No income from interest is foreseen. The negative interest rates which are currently applied to all Swiss franc cash balances are expected to prevail during 2022-2023. UPOV's Swiss franc cash balances are protected from the effect of negative interest rates by the current banking and cash management setup which involves the provision of exemption thresholds at the discretion of UPOV's cash management banks. Based on current cash generation assumptions, and if limits with UPOV's principal banking partners (Credit Suisse and UBS) remain unchanged, UPOV is unlikely to be affected by negative interest rates in 2022-2023. Furthermore, WIPO's Finance Division will continue to monitor the developments in interest rates and will apply mitigating strategies as much as possible in order to minimize the impact of negative interest rates in the event that the protection limits are reduced.

Administrative support costs under Funds in Trust

14. No substantial variations are foreseen from the Program and Budget for the 2020-2021 Biennium.

Fees from distance learning program

15. No substantial variations are foreseen from the Program and Budget for the 2020-2021 Biennium.

Expenditure*Posts*

16. The adopted Program and Budget for the 2020-2021 Biennium specifies the following posts:

Directors*	3
Professionals	5
General Service	4
Total	12

*Includes the Secretary-General

17. The Strategic Business Plan 2018-2023 (see document CC/94/3, Annex) anticipated an increase in UPOV staff posts, if this could be sustainably financed by the regular UPOV budget, as follows:

- (i) IT Officer (2018-2019 Biennium);
- (ii) Administrative assistant (2018-2019 Biennium as temporary staff);
- (iii) Legal assistant (2020-2021 or 2022-2023 Biennium);

18. The Program and Budget for the 2020-2021 Biennium (document C/53/4 Rev.), includes provision for a temporary administrative staff person to cover work that is currently being undertaken by an agency staff worker, including in relation to support for UPOV PRISMA. The discontinuation of the UPOV-WIPO arrangement for the PLUTO database (see document CC/97/3 "Strategic Business Plan") requires UPOV to provide administrative support for the contribution of data and maintenance of the PLUTO database. Therefore, it is proposed that this administrative work be covered by temporary staff in the 2022-2023 Biennium with a view to creating posts if and when the financial situation allows.

19. On the above basis, the human resources proposed for the Program and Budget for the 2022-2023 Biennium would be as follows:

	2020-2021	2022-2023
Posts		
Directors*	3	3
Professionals	5	6
General Service	4	4
Total	12	13
Other human resources		
Temporary staff	1	2
Agency Workers	2	1
Fellows	2	2
Junior Professional Officer	2	1
Interns	2	1

Objects of expenditure

20. The budgeted expenditure for the Program and Budget for the 2020-2021 Biennium is as follows (in thousands of Swiss francs):

Object of Expenditure	2020-2021
A. Personnel Resources	
Posts	4,688
Temporary Staff	251
Total, A	4,939
B. Non-Personnel Resources	
Internships and Fellowships	
Internships	5
Fellowships	65
Sub-total	69
Travel, Training and Grants	
Staff missions	500
Third Party Travel	25
Sub-total	525
Contractual Services	
Conferences	160
Publishing	-
Individual Contractual Services	20
Other Contractual Services	385
Sub-total	565
Operating Expenses	
Sub-total	1,239
Equipment and Supplies	
Furniture and Equipment	5
Supplies and Materials	5
Sub-total	10
Total, B	2,408
GRAND TOTAL	7,347

21. For the Draft Program and Budget for 2022-2023, the following variations are envisaged:

Personnel resources

22. An increase in personnel costs is anticipated as a result of reclassification of a post in the General Service category to the Professional category, one additional post in the General Service category and an additional temporary staff position to replace work done by an agency worker.

Interns

23. No differences are anticipated between the Program and Budget for the 2020-2021 Biennium and the Program and Budget for the 2022-2023 Biennium.

Fellowships

24. No differences are anticipated between the Program and Budget for the 2020-2021 Biennium and the Program and Budget for the 2022-2023 Biennium.

Travel, Training and Grants

25. Adaptation to work practices during the COVID-19 situation demonstrated new opportunities to work remotely in an effective way. It is intended to build on that experience in order to decrease the need for travel and thereby reduce travel costs.

Contractual services

26. A reduction in costs for agency workers is anticipated as a result of a temporary staff position replacing work done by an agency worker.

Operating Expenses

27. Subject to containment of translation costs according to the proposed policy on translation presented in document CC/97/10, no substantial variations are foreseen for Operating Expenses.

Equipment and Supplies

28. No substantial variations are foreseen for Equipment and Supplies.

29. *The Consultative Committee is invited to approve:*

(a) the preparation of a complete, preliminary Draft Program and Budget for 2022-2023 (e.g. see document CC/93/2 "Preliminary Draft Program and Budget for the 2018-2019 Biennium" and document "Preliminary Draft Program and Budget for the 2020-2021 Biennium" attached to UPOV Circular E-19/027) on the basis of the elements presented in this document, to be circulated to members of the Union by February 28, 2021, with 6 weeks for comments; and

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