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**INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS**  
GENEVA

**COUNCIL**

**Forty-Third Ordinary Session**  
**Geneva, October 22, 2009**

**PROGRAM AND BUDGET**  
**FOR THE 2010-2011 BIENNIUM**

*adopted by the Council*

1. At its forty-third ordinary session, held in Geneva on October 22, 2009, the Council considered document C/43/4 “Draft Program and Budget for the 2010-2011 Biennium” and approved:
  - (a) the proposals contained in the Draft Program and Budget for the 2010-2011 Biennium, 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.
2. The Council further agreed, as a result of the request of the Delegation of Japan at the seventy-eighth session of the Consultative Committee, to the deletion of the words “and Pacific” in the first indent of paragraph 39 (a) of document C/43/4 (corresponding now to paragraph 37 (a) of the adopted version of the Program and Budget for the 2010-2011 Biennium).
3. This document contains the Program and Budget for the 2010-2011 Biennium, as adopted by the Council.

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### **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.**

## **A. Policy Considerations**

4. For 2010-2011, the policy considerations reflected in the 2008-2009 program and budget remain essentially valid. However, a changing world carries many challenges. At the global level, increasing population, climate change, parallel demands for food and energy production and evolving human needs require a response in agricultural production, often at the same time as land and inputs become increasingly scarce and expensive. Agriculture and horticulture need to provide food security and economic development in the context of these global challenges by responding at the local, national and regional level. Success in responding to these challenges relies on dynamic and sustainable plant breeding. The UPOV system has been shown to provide an enabling framework which promotes plant breeding for the benefit of society.

## **Challenges**

5. During the forthcoming 2010-2011 biennium, meeting the need to provide and promote effective protection of new varieties of plants, in order to encourage plant breeding for the benefit of society, will continue to be a challenge. The UPOV Report on the Impact of Plant Variety Protection, which was published in January 2006, has demonstrated that, in order to enjoy the full benefits which plant variety protection is able to generate, both 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.

6. Within the framework of the UPOV Convention, the Union strives to manage and develop its system of plant variety protection in a way that secures the quality of the titles of protection granted by its members at an acceptable cost. The Union seeks to improve efficiency in order to minimize the cost of obtaining plant variety protection. Thus, membership of the Union and participation in an internationally harmonized system should produce an economic benefit to the individual member of the Union.

7. During the last two decades, there has been a substantial increase in the membership of the Union. By the end of 1991, the Union had 20 members; at the beginning of the 2010-2011 biennium, the membership of the Union is likely to be around 70 members. There is growing awareness in developing countries, and in countries in transition to market economies, that improved plant varieties are an important means of developing the agricultural sector and the overall economy. More countries realize that a reliable legal framework of intellectual property protection will encourage the creation of modern plant

varieties which offer trade opportunities and are able to create income. In addition, in many countries, publicly-funded agricultural research and plant breeding institutions, due to budgetary restrictions, have to look for ways to recover expenditure through effective protection of their new varieties in order to pursue research and breeding activities.

8. The States and Organizations indicated below have sought cooperation with UPOV in the development of effective legislation on plant variety protection in accordance with the UPOV Convention. This development requires a particular effort on behalf of the Union to assist and advise new and potential members of the Union in the development and implementation of plant variety protection. Priority will continue to be given to new members and to potential members according to their commitment to accede to the UPOV Convention.

States (17) and Organizations (1) which Have Initiated with the Council of UPOV  
the Procedure for Becoming Members of the Union

Armenia, Bosnia and Herzegovina, Egypt, Guatemala, Honduras, India, Kazakhstan, Malaysia, Mauritius, Montenegro, Peru, Philippines, Serbia, Tajikistan, The former Yugoslav Republic of Macedonia, Venezuela, Zimbabwe, as well as the African Intellectual Property Organization (Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal, Togo (16)).

Other States (45) and Organizations (1) which Have Been in Contact with the Office of the  
Union for Assistance in the Development of Legislation on Plant Variety Protection

Afghanistan, Algeria, Bahrain, Bangladesh, Barbados, Burundi, Cambodia, Congo (Democratic Republic of), Cuba, Cyprus, Djibouti, Dominica, El Salvador, Fiji, Ghana, Greece, Guyana, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Lao People's Democratic Republic, Lebanon, Libyan Arab Jamahiriya, Madagascar, Malawi, Mongolia, Myanmar, Nepal, Oman, Pakistan, Saudi Arabia, Seychelles, Sri Lanka, Sudan, Suriname, Syrian Arab Republic, Thailand, Tonga, Turkmenistan, Uganda, United Arab Emirates, United Republic of Tanzania, Yemen, Zambia, as well as the Southern African Development Community.

9. It is anticipated that the number of titles of protection granted according to the UPOV system, which currently amounts to around 10,500 per year, will continue to increase during the forthcoming biennium. The overall number of titles issued according to the UPOV system is estimated to be well over 100,000. Currently, approximately 73,000 titles of protection are in force. It is estimated that protection has been granted to varieties of around 3,000 genera and species. Continued attention is required to seek to ensure that developments in other instruments/fora, such as the Convention of Biological Diversity (CBD) and the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA) are implemented in a way that is mutually supportive with regard to the UPOV Convention.

10. Plant variety protection is a highly specialized field. The basic principles and the objectives of the UPOV Convention are not known to the broader public. International organizations which rely on public funding have an obligation to explain their role and activities and to participate in the public dialogue on issues that are relevant to their scope of

responsibility. Against this background, the Union needs to maintain its corporate identity and public presence during the next biennium.

## Prioritization

11. The general thrust of the program for the 2008-2009 biennium remains valid for the 2010-2011 biennium. The priorities will be the same.

12. Following the guidance from the Council, activities will be carried out in accordance with the following approach:

- services to existing members of the Union with a view to improving the effectiveness and efficiency of the plant breeders' rights system;
- prioritization and concentration of information, advice and training activities on new members of the Union and potential new members, according to their commitment to accede to the UPOV Convention;
- coordination of activities;
- prioritization of external relations' activities; and
- use of communication technologies (e.g. distance learning, video-conferencing).

13. It is proposed to continue efforts in respect of particular projects which were taken up and have already yielded substantial results, and which are expected to bring about medium and long-term benefits:

- continued development of distance learning materials in all UPOV languages with a focus on the introduction of a new course on the examination of applications for plant breeders' rights;
- development of information materials, including guidance for drafting legislation (in UPOV and other languages);
- a coordinated approach to training which reflects the growing number of new members of the Union expected in the forthcoming years and which maximizes the effectiveness of existing forms of activity, such as national and regional workshops and seminars, and supplements these with new approaches, such as distance learning and the use of UPOV trainees;
- pursuit of extra-budgetary sources of funding and operation of an assistance webpage to enhance cooperation;
- creation and improvement of databases related to improved services to existing and future members and ensuring an effective system of plant variety protection.

14. Provisions have been made to allow for the Office of the Union to provide lecturers and other support for the international training courses which a number of members are offering (Japan, Netherlands, Republic of Korea, Spain, Sweden and United States of America).

15. As the sub-program structure of the 2008-2009 biennium has proven to be appropriate, it is proposed to retain this structure for the 2010-2011 biennium as follows:

**Sub-program 1: Overall Policy on Plant Variety Protection**—This includes policy guidance and coordination of the activities of the Union as carried out by the Secretary-General and its Governing Bodies (Council and Consultative Committee).

**Sub-program 2: Improved Services to Members of the Union / Ensuring an Effective System of Plant Variety Protection**—This includes the governance and servicing of the Administrative and Legal Committee, the Technical Committee and its Technical Working Parties and the provision of legal and technical assistance.

**Sub-program 3: Extending the Coverage of Protection of New Varieties of Plants**—This includes the provision of advice, assistance and training to existing and potential members of the Union.

**Sub-program 4: External Relations**—This includes the enhancement of UPOV's external outreach, relations with intergovernmental and non-governmental organizations and the production of information materials.

## Structure of the Draft Budget

16. The proposed budget for the 2010-2011 biennium, as compared to the current budget, anticipates almost the same level of income as in 2008-2009, which is expected to reach some Sfr6,782,000 (see tables 1 and 2). No increase in the value of the contribution unit is foreseen. Expenditure is estimated at the same amount as the expected income. The increase in expenditure is due to increased staff costs, which include 6% of salary for the separation from service and the medical benefits provision. Under the current budget, 3% of salary is being reserved for that provision (see Recommendation of Auditor, document C/42/4, Annex B, paragraph 12). A substantial reduction in expenses for contractual services is required to maintain a balanced budget. Any increase in UPOV's activities in order to respond to requests for advice for new and future members would need to be financed from extra-budgetary resources. The reserves (including the Reserve Fund and the Working Capital Fund) would amount to Sfr1,329,000; the Reserve Fund alone would stand at Sfr796,000, or 11.7% of the budgeted expenditure. It should also be noted that it is not planned to give effect to the Recommendation of the Auditor in Annex B, paragraph 13 of document C/42/4 for increased financial reserves.

**Table 1: Income, Expenditure and Reserves 2006-2007, 2008-2009 and 2010-2011***(in thousands of Swiss francs)*

|  | 2006-2007 | 2008-2009 | Variation |      | 2010-2011 |
|--|-----------|-----------|-----------|------|-----------|
|  | Actual    | Budget    | C         | C/B  | Proposed  |
|  | A         | B         |           |      | D=B+C     |
| 1. Income                                | 6,760     | 6,754     | 28        | 0.4% | 6,782     |
| 2. Expenditure                           | 6,214     | 6,605     | 177       | 2.7% | 6,782     |
| Difference (1-2)                         | 547       | 149       |           |      | -         |
| 3. Reserve Fund                          | 647       | 796       |           |      | 796       |
| 4. Working Capital Fund                  | 513       | 523       |           |      | 533       |
| 5. Total Reserves at end of period (3+4) | 1,160     | 1,319     |           |      | 1,329     |

**Table 2: Structure of proposed budget 2010-2011  
as compared to 2006-2007 and 2008-2009***(in thousands of Swiss francs)*

|   | 2006-2007 | 2008-2009 | Variation |         | 2010-2011 |
|---|-----------|-----------|-----------|---------|-----------|
|   | Actual    | Budget    | C         | C/B     | Proposed  |
|   | A         | B         |           |         | D=B+C     |
| 1. Personnel Resources                            | 4,297     | 4,607     | 283       | 6.1%    | 4,890     |
| 2. Non-Personnel Resources                        |           |           |           |         |           |
| <i>Travel and contractual services</i>            | 542       | 732       | (106)     | (14.5%) | 626       |
| <i>Operating expenses, furniture and supplies</i> | 1,375     | 1,266     |           | -       | 1,266     |
| 3. Grand Total                                    | 6,214     | 6,605     | 177       | 2.7%    | 6,782     |

## Performance Assessment

17. According to the practice established in 2003, a system for the assessment of UPOV's performance will continue to be applied, using performance indicators to measure actual performance. The purpose of performance assessment in UPOV is twofold. Firstly, it increases transparency for members of the Union and, secondly, it constitutes a consolidated structure through which UPOV's long-term performance can be enhanced. A performance report for the 2010-2011 biennium will be provided as an annex to the Secretary-General's Annual Report in October 2012, and will provide an account of the extent to which expected results have been achieved.

## B. Proposed Program and Budget for the 2010-2011 Biennium

18. The total program of activities to be conducted by UPOV in the 2010-2011 biennium amounts to Sfr7,212,000. This amount includes Sfr6,782,000 within the regular budget (see Table 1), and an estimated Sfr430,000, financed under trust fund arrangements. Table 3 provides a resource plan for the 2008-2009 and the 2010-2011 biennia.

**Table 3: Resource Plan 2008-2009 and 2010-2011**

(in thousands of Swiss francs)

| <b>Budget and Resource Availability</b> | <b>Regular<br/>Budget<br/>A</b> | <b>Funds-in-<br/>Trust<br/>B</b> | <b>Total<br/>Resources<br/>C = A+B</b> |
|---|---------------------------------|----------------------------------|--|
| <b>Budget 2008-2009</b>                 |                                 |                                  |  |
| 1 Budget                                | 6,605                           | 441                              | 7,046                                  |
| <b>Resource availability 2008-2009</b>  |                                 |                                  |  |
| 2 Income                                | 6,754                           | 441                              | 7,195                                  |
| 3 +/- Transfer from/ to reserves        | (149)                           | -                                | (149)                                  |
| 4 Total, resources                      | 6,605                           | 441                              | 7,046                                  |
| <b>Budget 2010-2011</b>                 |                                 |                                  |  |
| 5 Budget                                | 6,782                           | 430                              | 7,212                                  |
| <b>Resource availability 2010-2011</b>  |                                 |                                  |  |
| 6 Income                                | 6,782                           | 430                              | 7,212                                  |
| 7 +/- Transfer from/ to reserves        | -                               | -                                | -                                      |
| 8 Total, resources                      | <b>6,782</b>                    | <b>430</b>                       | <b>7,212</b>                           |
| 9 Variation 8/4(%)                      | <b>2.7</b>                      | -                                | <b>2.4</b>                             |
| <b>Reserves<sup>1</sup> (revised)</b>   |                                 |                                  |  |
| 10 Level 31.12.2007                     | 1,160 (647)                     | 175                              | 1,335                                  |
| 11 +/- Transfer to/ from reserves       | 149                             | -                                | 149                                    |
| 12 Level 31.12.2009                     | 1,319 <sup>a</sup> (796)        | 220                              | 1,543                                  |
| 13 +/- Transfer to/ from reserves       | -                               | -                                | -                                      |
| 14 Level 31.12.2011                     | 1,329 <sup>a</sup> (796)        | 215                              | 1,544                                  |
| 15 Percentage of Budgeted Expenditure   | 19.6 (11.7)                     | 50.0                             | 21.4                                   |

<sup>1</sup> Reserve Fund and Working Capital Fund; in brackets: Reserve Fund alone.

<sup>a</sup> Includes contribution from new members to Working Capital Fund (2009: Sfr10,000; 2011: Sfr10,000).



19. Table 3 describes in a consolidated fashion the evolution of both income and expenditures within UPOV as well as the reserves, comprising the Reserve Fund and the Working Capital Fund. For the regular budget in 2008-2009, a slight surplus of income over expenditure is now anticipated and will be transferred to the reserves. For the 2010-2011 biennium, income and expenditure are expected to be balanced.

20. 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 2010-2011 biennium will be at a level of Sfr430,000.

21. Budget variations by object of expenditure between the 2006-2007 and the 2010-2011 biennia are shown in Table 4. Actual expenditures in 2006-2007 amount to Sfr6,214,000. The budget for 2008-2009 amounts to Sfr6,605,000, which represents an increase of 6.3%. The proposed budget for 2010-2011 is at the level of Sfr6,782,000, an increase of Sfr177,000 or 2.7% compared to the 2008-2009 budget.

**Table 4: Proposed Budget 2010-2011: Budget Variation by Object of Expenditure**  
(in thousands of Swiss francs)

| Object of Expenditure             | 2006-2007    | 2008-2009    | Resource Variation |              | 2010-2011    |
|-----------------------------------|--------------|--------------|--------------------|--------------|--------------|
|                                   | Actual       | Budget       | Amount             | %            | Proposed     |
|                                   | A            | B            | C                  | C/B          | D=B+C        |
| <b>A. Personnel Resources</b>     |              |              |                    |              |              |
| Posts                             | 4,297        | 4,517        | 283                | 6.3          | 4,800        |
| Short-term expenses               | -            | 90           | 0                  | 0.0          | 90           |
| <b>Total</b>                      | <b>4,297</b> | <b>4,607</b> | <b>283</b>         | <b>6.1</b>   | <b>4,890</b> |
| <b>B. Non-Personnel Resources</b> |              |              |                    |              |              |
| <i>Travel and Fellowships</i>     |              |              |                    |              |              |
| Staff missions                    | 310          | 300          | 0                  | 0,0          | 300          |
| Third Party Travel                | 42           | 70           | 0                  | 0,0          | 70           |
| Fellowships                       | -            | 0            | 0                  | na           | 0            |
| <b>Total</b>                      | <b>352</b>   | <b>370</b>   | <b>0</b>           | <b>0,0</b>   | <b>370</b>   |
| <i>Contractual Services</i>       |              |              |                    |              |              |
| Conferences                       | 121          | 120          | 20                 | 16.7         | 140          |
| Experts                           | 3            | 151          | -85                | -56.3        | 66           |
| Publishing                        | 61           | 61           | 9                  | 14.8         | 70           |
| Other                             | 5            | 30           | -30                | -100         | 0            |
| <b>Total</b>                      | <b>190</b>   | <b>362</b>   | <b>-86</b>         | <b>-23.8</b> | <b>276</b>   |
| <i>Operating Expenses *</i>       |              |              |                    |              |              |
| Premises and Maintenance          | 187          | 0            | 0                  | na           | 0            |
| Communication and Other           | 1,184        | 0            | 0                  | na           | 0            |
| <b>Total</b>                      | <b>1,371</b> | <b>1,236</b> | <b>0</b>           | <b>0.0</b>   | <b>1,236</b> |
| <i>Equipment and Supplies</i>     |              |              |                    |              |              |
| Furniture and Equipment           | -            | 15           | -15                | -100         | 0            |
| Supplies and Materials            | 4            | 15           | -5                 | -33.3        | 10           |
| <b>Total</b>                      | <b>4</b>     | <b>30</b>    | <b>-20</b>         | <b>-66.7</b> | <b>10</b>    |
| <b>GRAND TOTAL</b>                | <b>6,214</b> | <b>6,605</b> | <b>177</b>         | <b>2.7</b>   | <b>6,782</b> |

\* From 2008-2009 Operating Expenses are no longer subdivided.

22. Table 5 below 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. Currently, two of the posts in the general service category are filled at 80%. It is proposed that that situation and the increased workload due to the growth of the Union should be addressed with short-term support in the general service category at relevant times of the year.

**Table 5: Budget 2010-2011: Posts by Category**

| <i>Post Category</i> | <i>2006-2007</i> | <i>2008-2009</i> | <i>Variation</i> | <i>2010-2011<br/>Proposed</i> |
|----------------------|------------------|------------------|------------------|-------------------------------|
|                      | <i>A</i>         | <i>B</i>         | <i>C-B</i>       | <i>C</i>                      |
| Directors            | 3                | 3                | -                | 3                             |
| Professionals        | 4                | 3                | -                | 3                             |
| General Service      | 4                | 5                | -                | 5                             |
| Total                | 11               | 11               | -                | 11                            |

23. Given the restrictions on the income side, official travel is budgeted as the same level as in the 2008-2009 budget (Sfr300,000). Expenditure for third party travel will be incurred, in particular in order to respond to requests of new members of the Union for practical assistance in technical matters of plant variety protection, which requires involvement of experienced experts from other members of the Union.

24. Contractual services are proposed at a reduced level (Sfr276,000) compared to 2008-2009 with a provision to cover essentially cost of UPOV sessions at the headquarters. It is proposed to provide for an allocation of Sfr66,000 for specialist assistance in the development of UPOV information materials and website design.

25. After substantial reductions and clarifications under the 2008-2009 program and budget with regard to sub-item "Other" and item "Operating Expenses", expenditures under these items are kept unchanged. Expenditures for "Equipment and supplies" are estimated to be lower than in the 2008-2009 Budget (Sfr10,000).

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

**Table 6: Proposed Budget 2010-2011: 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> |              |
| <b>A. Personnel Resources</b>        | <b>818</b>         | <b>2,285</b> | <b>1,190</b> | <b>597</b>  | <b>4,890</b> |
| Posts                                | 818                | 2,195        | 1,190        | 597         | 4,800        |
| Short-term expenses                  | -                  | 90           | -            | -           | 90           |
| <b>B. Non-Personnel Resources</b>    |                    |              |              |             |              |
| <b><i>Travel and Fellowships</i></b> | <b>0</b>           | <b>125</b>   | <b>165</b>   | <b>80</b>   | <b>370</b>   |
| Staff Missions                       | 0                  | 115          | 115          | 70          | 300          |
| Third Party Travel                   | 0                  | 10           | 50           | 10          | 70           |
| Fellowships                          | 0                  | -            | -            | -           | -            |
| <b><i>Contractual Services</i></b>   | <b>55</b>          | <b>140</b>   | <b>81</b>    | <b>0</b>    | <b>276</b>   |
| Conferences                          | 55                 | 70           | 15           | -           | 140          |
| Experts                              | 0                  | 0            | 66           | -           | 66           |
| Publishing                           | 0                  | 70           | -            | -           | 70           |
| Other                                | 0                  | 0            | -            | -           | 0            |
| <b><i>Operating Expenses</i></b>     | <b>0</b>           | <b>1,236</b> | <b>0</b>     | <b>0</b>    | <b>1,236</b> |
| <b><i>Equipment and Supplies</i></b> | <b>0</b>           | <b>10</b>    | <b>0</b>     | <b>0</b>    | <b>10</b>    |
| Furniture and Equipment              | 0                  | 0            | 0            | 0           | 0            |
| Supplies and Materials               | 0                  | 10           | 0            | 0           | 10           |
| <b>GRAND TOTAL</b>                   | <b>873</b>         | <b>3,796</b> | <b>1,436</b> | <b>677</b>  | <b>6,782</b> |

27. As already outlined in Section A, the proposed Program and Budget for the 2010-2011 Biennium is split into four sub-programs: Overall policy on plant variety protection; Improved services to members of the Union / Ensuring an effective system of plant variety protection; Extending the coverage of protection of new varieties of plants; and External relations. 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.

28. In addition, Table 7 provides budget variation by sub-program between the budget 2008-2009 and the proposed budget 2010-2011.

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

| <i>Sub-program</i> | <i>2008-2009</i><br><i>A</i> | <i>Variation</i>          |                        | <i>2010-2011</i><br><i>Proposed</i><br><i>C=A+B</i> |
|--------------------|------------------------------|---------------------------|------------------------|---|
|                    |                              | <i>Amount</i><br><i>B</i> | <i>%</i><br><i>B/A</i> |   |
| UV.1               | 821                          | 52                        | 6.3                    | 873   |
| UV.2               | 3,802                        | -6                        | -0.2                   | 3,796   |
| UV.3               | 1,390                        | 46                        | 3.3                    | 1,436   |
| UV.4               | 592                          | 85                        | 14.4                   | 677   |
| <b>TOTAL</b>       | <b>6,605</b>                 | <b>177</b>                | <b>2.7</b>             | <b>6,782</b>  |

## C. Program Description

### Sub-program UV.1

### Overall Policy on Plant Variety Protection

**Objectives:**

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

#### **Background**

29. This sub-program provides the framework for policy making, management and coordination of all the activities of UPOV's overall program to be carried out under the guidance of the Governing Bodies (Council and Consultative Committee).

#### **Activities**

- Four sessions of the Council and four sessions of the Consultative Committee.
- Coordination, monitoring and performance assessment of the Program and Budget for the 2010-2011 Biennium.
- Preparation and adoption of the Program and Budget for the 2012-2013 Biennium.

## Sub-program UV.2

### Improved Services to Members of the Union / Ensuring an Effective System of Plant Variety Protection

#### **Objectives:**

- ◆ To maintain and improve the quality of protection provided by the UPOV system.
- ◆ To provide and develop the legal and technical basis for international cooperation in plant variety protection according to the 1991 Act of the Convention.

#### **Background**

30. The UPOV Convention, which has evolved over almost fifty years of application, has proved to be a suitable tool to enhance plant breeding for the benefit of society. Technological progress and the expansion of the principles of plant variety protection to almost all regions of the world and States with different situations of economic development require members of the Union to apply the Convention under constantly changing conditions. It is essential to secure a common understanding and to develop clear guidance.

31. A particular feature of the Union is the strong emphasis placed on cooperation and international exchange in the technical field of plant variety protection. Protection shall be granted if a variety is distinct, uniform and stable (DUS) and meets the other conditions in the UPOV Convention. The decision as to whether the DUS conditions of protection are fulfilled is normally based on tests which require the growing of the variety. In order to reach results that are comparable throughout the whole Union, harmonized approaches to variety testing need to be developed and to be updated according to experience gained. This harmonized approach allows for cooperation, specialization and exchange of results amongst authorities responsible for plant variety protection. It is one of the most important factors in implementing an effective system at a reasonable cost.

32. The furtherance of the legal and technical development of this system is mainly achieved through sessions of the Administrative and Legal Committee, the Technical Committee, the Technical Working Parties and their subgroups. The Office of the Union is responsible for the organization of those sessions and the preparation of the relevant documents.

| <u>Expected Results</u>   | <u>Performance Indicators</u>   |
|---|---|
| 1. Increased international harmonization of the implementation of the UPOV Convention.  | 1. Explanatory information on the UPOV Convention drafted or agreed.  |
| 2. Increased international harmonization in the examination of distinctness, uniformity and stability (DUS) of new varieties. | 2. TGP documents or Test Guidelines on the examination of distinctness, uniformity and stability (DUS) of new varieties proposed to, or adopted by, the Council of UPOV or its Committees.  |
| 3. Improved accessibility of information relevant for examination of applications.  | 3. Enhancement of the Plant Variety Database (UPOV-ROM) and operation of a web-based version (in cooperation with WIPO): (a) providing options for receiving data; (b) providing assistance in allocating UPOV codes to all entries; (c) operation of a common search platform with other relevant databases. |
| 4. Improved accessibility of information relevant for cooperation in examination  | 4.1 Operation of the GENIE database on the UPOV website.<br>4.2 Entries in exchangeable software document   |

### Activities

- Four sessions of the Administrative and Legal Committee, two sessions of the Technical Committee, 11 sessions of Technical Working Parties and their respective preparatory workshops, sessions of *Ad hoc* working groups.
- Development and updating of legal and technical assistance.
- Development of Test Guidelines in accordance with the expansion of UPOV and ongoing developments in plant breeding.
- Elaboration of Test Guidelines' Procedures (TGP) documents according to the program adopted by the Technical Committee and approved by the Council.
- Assessment of new methods for Distinctness, Uniformity and Stability (DUS) examination.
- Consideration of the possible use of molecular markers in DUS testing and variety identification.
- Drafting of explanatory information concerning the UPOV Convention.



- Improvements to the Plant Variety Database (UPOV-ROM) and operation of UPOV's GENIE database. The development of a web-based version of UPOV's Plant Variety Database is expected to be completed in the 2010-2011 biennium. Development and adoption of rules for access to and use of the web-based Plant Variety Database.
- Development and adoption of information and position papers by the Council.
- Seminars or symposia on relevant topics, in response to need.

## Sub-program UV.3

# Extending the Coverage of Protection of New Varieties of Plants

### Objectives:

- ◆ To assist States and certain organizations, particularly governments of developing countries and countries in transition to a market economy, in the development of legislation conforming with the 1991 Act of the UPOV Convention.
- ◆ To assist States and certain organizations in the accession to the 1991 Act of the UPOV Convention.
- ◆ To assist States and certain organizations in implementing an effective plant variety rights system in line with the 1991 Act of the UPOV Convention.

### **Background**

33. The UPOV Report on the Impact of Plant Variety Protection, which was published in 2006, has demonstrated that both implementation of the UPOV system of plant variety protection and membership of UPOV are essential for States/organizations to enjoy the full benefits and economic incentives which plant variety protection is able to generate. There is a demand-driven need to assist members of the Union that have recently acceded to the Union, in the implementation of their UPOV-based system of plant variety protection. One of the most important advantages for new members of the Union is that they immediately benefit from the experience gained by the Union during decades of operation. That should allow them to set up an effective system in a relatively short time span.

34. More than 50 States that are not members of the Union have shown a clear interest in developing a plant variety protection system based on the principles developed by the Union. Many of those have initiated discussions of views with the Office of the Union on this matter. UPOV, as the leading international institution in matters of plant variety protection, has the responsibility to provide assistance and advice. This requires a systematic approach in accordance with the level of information needed in each particular case. The methods range from initial visits to States and certain organizations with a view to providing general information on plant variety protection, seminars with the aim of raising awareness of circles concerned with plant variety protection (officials, breeders and farmers), participation in the UPOV distance learning program, workshops to highlight specific elements of plant variety protection, consultations to provide assistance in drafting legislation in accordance with the UPOV Convention and training courses for technical examiners and administrators. The extension of the UPOV system in terms of additional members and in terms of its application to additional genera and species will add to its overall effectiveness and is beneficial to the economies of present and future members of the Union.

35. The resources within the regular budget of UPOV to finance the activities required under this sub-program are limited. The Council has instructed the Office of the Union to

focus its services on members of the Union, new members and those States / intergovernmental organizations with a clear commitment to become a member of UPOV in the foreseeable future. That policy corresponds to one of the important findings of the UPOV Report on the Impact of Plant Variety Protection, according to which only those States which operate the UPOV system of plant variety protection and which are members of the Union will enjoy the full benefits which plant variety protection is able to generate.

36. Where appropriate, national or regional seminars will, as far as possible, be linked to sessions of UPOV Technical Working Parties in order to minimize travel costs and to benefit from the presence of experienced DUS experts. Such seminars will also be supplemented by participation in the distance learning courses, the first of a series of which has become operational under the 2004-2005 program and budget, and which, since then, has attracted more than 1,100 students. With the encouragement of the Office of the Union, a number of members of the Union have included the UPOV distance learning course as an element in their international training courses.

37. 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:

(a) *Financial resources*

Examples of relevant financial resources include:

- The Funds-in-Trust provided by the Japanese Government for activities in the Asian region;
- Financial support (and support in kind) from the French Government for seminars in Africa;
- Financial support (and support in kind) from the Spanish Government to seminars organized in Latin America or in Spain;
- Financial support (and support in kind) from the Swedish Government to seminars organized in Central Asia;
- Financial support (and support in kind) from the Government of the United States of America to seminars organized in Africa and Asia;
- Financial support from third-party donors.

(b) *Support in kind*

An essential resource for the work of UPOV is the support in kind provided by many members of the Union in the form of DUS experts acting as lecturers in UPOV activities or by providing technical support (e.g. exchangeable software such as the DUST package (United Kingdom) and GAIA (France)). A particular important form of support in kind are medium term internships of suitable qualified officials, fully funded by members (currently the Republic of Korea is providing an intern).

*(c) Support of training activities organized by members of the Union*

A number of members of the Union offer international training courses in plant variety protection or related areas (Japan, Netherlands, Republic of Korea, Spain, Sweden and United States of America). The Office of the Union seeks to support those activities by providing lecturers, facilitating participation in the UPOV distance learning courses and providing other support in kind.

| <u>Expected Results</u>  | <u>Performance Indicators</u>   |
|--|---|
| 1. Introduction of a legal basis of plant variety protection in line with the 1991 Act of the UPOV Convention by a growing number of States and intergovernmental organizations. | 1.1 Number of comments on laws and regulations.<br>1.2. Comments provided on laws and regulations that are taken into account by States and intergovernmental organizations.                                  |
| 2. Implementation of plant variety protection in line with the UPOV Convention.  | 2. Number of training activities initiated/implemented.   |
| 3. Broadening the competence for providing training on plant variety protection.   | 3. Number of training activities provided by UPOV-trained trainers.   |
| 4. Participation in UPOV distance learning courses.  | 4.1 Number of participants in the UPOV distance learning courses.<br>4.2 Teaching material created / operation of the distance learning course on the examination of applications for plant breeders' rights. |
| 5. Geographical expansion of the UPOV system.  | 5. Additional number of members of the Union.   |
| 6. Number of genera and species for which protection is offered.   | 6.1 Number of genera/species protected by members of the Union.<br>6.2 Number of genera/species for which varieties have been protected.  |
| 7. Strengthening of international cooperation and specialization in plant variety protection.  | 7.1 Number of bilateral and regional arrangements on plant variety protection.<br>7.2 Access to information on available experience and cooperation in DUS testing contained in the GENIE database.           |
| 8. Incentives for the development of agriculture and the overall economy of the States and intergovernmental organizations concerned.  | 8.1 Number of titles granted.<br>8.2 Number of titles in force.   |
| 9. Assistance webpage.   | 9. Offers of/requests for assistance, reports.  |

## **Activities**

- Advice to States and certain organizations (for Latin America, Africa, Arab countries, countries in transition, and for the Asian and Pacific region).
- Operation of a distance learning program in all UPOV languages; expansion to provide a course on the examination of applications for plant breeders' rights.
- Providing training for future trainers and refresher courses for trainers.
- Operation of an assistance webpage for the implementation of plant variety protection.
- Researching extra-budgetary funding.
- Operating pluriannual internships with full cost cover by members of the Union.

## Sub-program UV.4

### External Relations

#### Objectives:

- ◆ To increase public awareness of UPOV and strengthen its impact.
- ◆ To increase the understanding of UPOV's role and activities.
- ◆ To develop UPOV's corporate image.
- ◆ To maintain the attractiveness of the UPOV system.

#### **Background**

38. In recent years, intellectual property protection, in general, has attracted more attention. The UPOV system is an effective and well balanced *sui generis* system of intellectual property protection and UPOV needs to explain and to clarify its role and the answers which it provides to questions raised in relevant policy fields.

39. The Council sees the need for UPOV to actively participate in the relevant work of: 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) and, in particular, its various committees and working groups on access to genetic resources and benefit-sharing; and the Food and Agriculture Organization of the United Nations (FAO) and, in particular, the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture and the Commission on Plant Genetic Resources for Food and Agriculture. The aim of UPOV's participation is to explain the UPOV system of plant variety protection and to secure mutual supportiveness.

40. Reference is made in this context to UPOV's reply to the Secretariat of the CBD concerning Access to Genetic Resources and Benefit-sharing (Annex III of document C/37/21) in particular, and to a number of interventions, on that basis, in CBD and FAO fora.

41. Of particular relevance in external relations are 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).

42. There is an interest on behalf of some centers of the Consultative Group on International Agricultural Research (CGIAR) to cooperate with UPOV. This concerns, in particular, the International Rice Research Institute (IRRI), the International Center for Agriculture in the Dry Areas (ICARDA) and Bioversity International (the former International Plant Genetic Resources Institute (IPGRI)).

43. In respect of cooperation with non-governmental organizations, UPOV focuses on global associations of breeders, such as the International Community of Breeders of Asexually Reproduced Ornamental and Fruit-Tree Varieties (CIOPORA) and 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).

44. UPOV's website has become a major means of communication with members of the Union and the public. Posting of documents on the website has replaced most of the Office's mailing of paper copies. UPOV's views on key issues are made known to the public through the website. UPOV's databases will be available on the website in the course of the 2010-2011 biennium. Other products of the Office of the Union, such as the UPOV Gazette and Newsletter "Plant Variety Protection" and the Plant Variety Database UPOV-ROM, will continue to be produced and distributed. General information material about UPOV will be further improved and important results of UPOV's work, such as the "UPOV Report on the Impact of Plant Variety Protection", are expected to be updated and will continue to be made available on the UPOV website and in book format.

45. The success achieved in raising UPOV's public profile requires maintenance of the current level of activities and resources under this sub-program.

| <u>Expected Results</u>  | <u>Performance Indicators</u>  |
|--|--|
| 1. Recognition of the importance of the UPOV system by relevant organizations. | 1.1 Number of occasions UPOV is invited to participate in or to make presentations at meetings of intergovernmental and non-governmental organizations.<br><br>1.2 Incorporation of provisions which reflect UPOV's principles in international treaties and their implementation. |
| 2. Better understanding of the basic principles of the UPOV Convention.        | 2.1 Number of requests for information received.<br><br>2.2 Number of references in the media to the UPOV system.<br><br>2.3 Number of visits to the UPOV Website.<br><br>2.4 Information on impact of PVP.  |

### Activities

- Further optimization and updating of UPOV's information material and information methods (printed material and website).
- Updating and publication of information on the impact of plant variety protection.
- Participation in meetings with intergovernmental and non-governmental organizations.

## D. Income for the 2010-2011 Biennium

46. The resource plan included in Section B, highlighting the proposed draft Program and Budget for the 2010-2011 Biennium (see Table 3), includes two different types of resources: (i) regular budget, and (ii) Funds-in-Trust. 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.

47. Total income under the regular budget in the 2010-2011 biennium is expected to be Sfr6,782,000. This income figure is Sfr28,000 or 0.4% higher than the income for the 2008-2009 biennium of Sfr6,754,000. In particular, this projection assumes 60.40 contribution units in 2010 and 61 contribution units in 2011 and no changes in the value of the contribution unit, which is proposed to remain at Sfr53,641 during the next two years. The income from contributions was estimated on the assumption of three new members of the Union per year contributing each 0.2 contribution units to the budget (and Sfr1,667 to the Working Capital Fund). However, it has also been taken into account that with effect from 2009 and 2010 two members of the Union have reduced their contribution by 0.3 and 1.0 contribution units respectively. 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" (Annex III of document C(Extr.)/23/5). On that basis, no further reduction is anticipated, within the 2010-2011 biennium.

48. In addition to contributions from members of the Union, UPOV generates income from sales of publications estimated at Sfr70,000, interest earned by bank deposits from the reserves and working capital funds, estimated at Sfr100,000, and other miscellaneous income of Sfr100,000 including administrative support costs under Funds in Trust and an income from participants' fees in the UPOV distance learning program. Excluding contributions, all these sources combined are anticipated to generate 4.0% of UPOV's regular income in the 2010-2011 biennium. Table 8 details income, by source, in both biennia.

**Table 8: Income 2008-2009 and 2010-2011: Variation by Source**

(in thousands of Swiss francs)

| Source        | 2006-2007    | 2008-2009    | Variation |            | 2010-2011    |
|---------------|--------------|--------------|-----------|------------|--------------|
|               | Actual       | Adopted      | C         | C/B(%)     | Proposed     |
|               | A            | B            |           |            | D=B+C        |
| Contributions | 6,485        | 6,534        | (22)      | (0.3)      | 6,512        |
| Publications  | 68           | 70           | -         | -          | 70           |
| Interest      | 105          | 70           | 30        | 42.9       | 100          |
| Other         | 102          | 80           | 20        | 25.0       | 100          |
| <b>Total</b>  | <b>6,760</b> | <b>6,754</b> | <b>28</b> | <b>0.4</b> | <b>6,782</b> |



## E. Financial Indicators 2004-2013

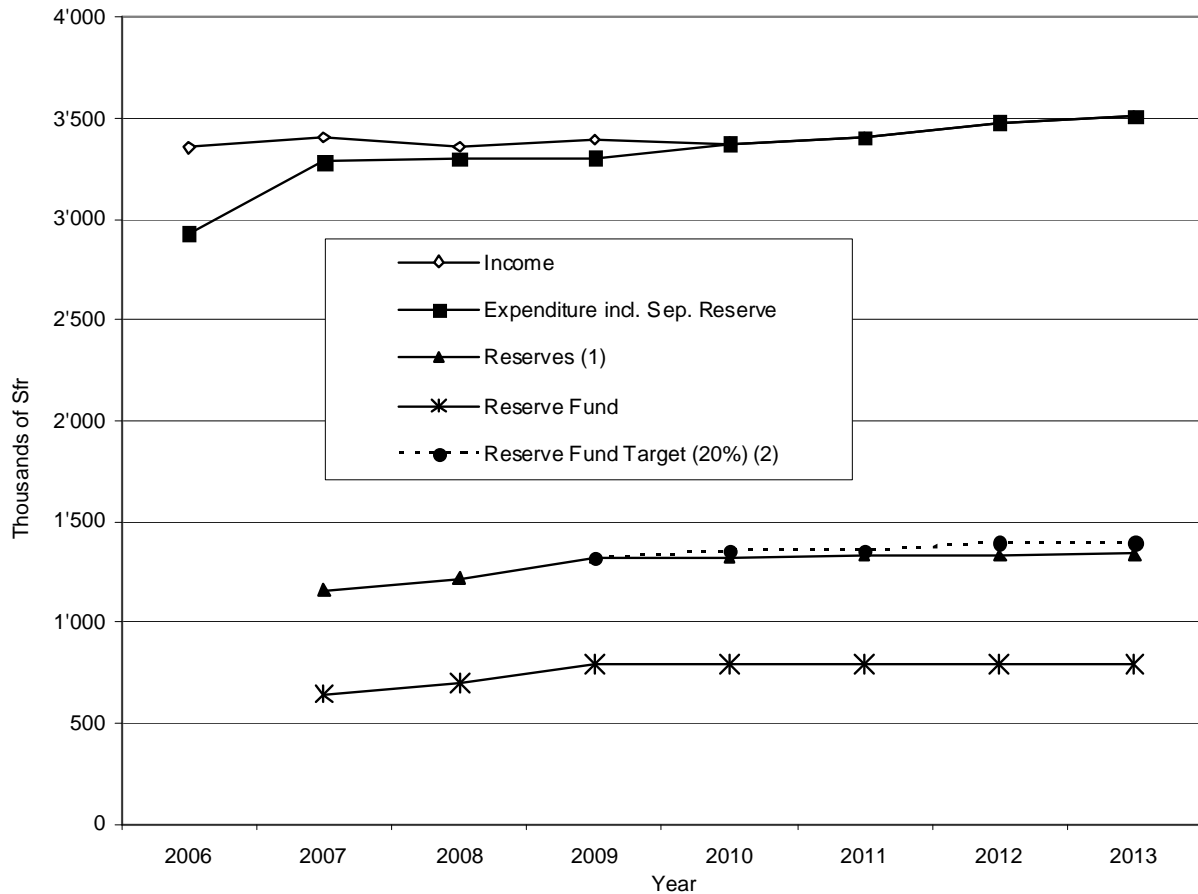
49. The proposed draft Program and Budget for the 2010-2011 Biennium includes a presentation of financial indicators covering a 10-year period, including two years beyond the new biennium and information from the recent past. The presentation of the financial indicators is intended to put the proposed budget for the 2010-2011 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 2011. 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 2004-2013**  
(in thousands of Swiss francs)

|                                   | <i>Actual</i> |             |             |             | <i>Budget</i> |             | <i>Proposed</i> |             | <i>Estimated</i> |             |
|-----------------------------------|---------------|-------------|-------------|-------------|---------------|-------------|-----------------|-------------|------------------|-------------|
|                                   | <i>2004</i>   | <i>2005</i> | <i>2006</i> | <i>2007</i> | <i>2008</i>   | <i>2009</i> | <i>2010</i>     | <i>2011</i> | <i>2012</i>      | <i>2013</i> |
| Income                            | 2,991         | 3,052       | 3,355       | 3,406       | 3,357         | 3,397       | 3,376           | 3,406       | 3,480            | 3,510       |
| Expenditure                       | 2,996         | 3,030       | 2,930       | 3,284       | 3,302         | 3,303       | 3,376           | 3,406       | 3,480            | 3,510       |
| Reserves <sup>1)</sup>            | 440           | 565         | 508         | 1,160       | 1,220         | 1,319       | 1,324           | 1,329       | 1,334            | 1,339       |
| Reserve Fund                      |               | 100         | 100         | 647         | 702           | 796         | 796             | 796         | 796              | 796         |
| Reserve Fund Target <sup>2)</sup> | 603           | 603         | 655         | 655         | 1,321         | 1,321       | 1,356           | 1,356       | 1,398            | 1,398       |

<sup>1)</sup> Reserve Fund and Working Capital Fund.

<sup>2)</sup> Until 2007: reserves (Reserve Fund and Working Capital Fund) target 10% of budgeted expenditure per biennium. From 2008 onwards: Reserve Fund target 20% of budgeted expenditure per biennium.



50. The following assumptions are made:

- Income and Working Capital Fund: Accession of three additional members per year contributing 0.2 contribution units each to the budget and Sfr1,667 to the Working Capital Fund. However, it has been taken into account that, with effect from 2009 and 2010, two members of the Union have reduced their contribution by 0.3 and 1.0 contribution units, respectively. Other sources of income are expected to remain unchanged. The corresponding amounts have been inserted with some roundings.
- Expenditure: Despite UPOV's continuing expansion, no additional staff is expected for the Office of the Union during the period under consideration. Staff expenditure accounts for 70% of the budget and it is expected that it will rise by 2.0% per year. Following a recommendation of the Auditor (see document C/42/4, Annex B, paragraph 12), 6.0% of salary have been set aside for the separation from service and medical benefits provision. Operating expenses, equipment and supplies costs (some 20% of the budget) have been kept unchanged.

51. It appears from the table and graph above that, under the assumptions in above paragraph 52, after 2011, expenditure for travel and contractual services would have to be reduced for a balanced budget.

52. Possible responses to that situation may include the following:

- Reduction of missions funded from within the budget to new and future members, to be replaced by e.g. video conferencing, distance learning;
- Additional extra-budgetary financing;
- Increase in income from services to the private sector (e.g. distance learning courses, database access);
- Increase in the number of contribution units by existing members of the Union;
- Greater number of new members and/or greater number of units of contribution of those new members; and
- Increase in the value of a contribution unit.

[Annexes follow]

## **ANNEX 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 2008-2009, and concludes with the proposed budget for the 2010-2011 biennium by incorporating the resource variation between the budget for 2008-2009 and the proposed budget for the 2010-2011 biennium. Table 4 summarizes the main indicators discussed in this Annex I.
2. Budget 2008-2009: The starting point for the budget is presented in document C/41/4. Results from the Interim Financial Statement for 2008 (document C/43/11) and most recent information on the cash flow are taken into account.
3. Proposed budget 2010-2011: The proposed budget is the result of adding the resource variation to the 2008-2009 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 the Union over the medium term.

[Annex II follows]

## ANNEX II

## CONTRIBUTIONS OF MEMBERS

AS OF JULY 31, 2009

(in Swiss francs)

| 2008<br>Actual | 2009<br>Actual | Members                          | Number<br>of Units | Payable in<br>January 2010 | Payable in<br>January 2011 |
|----------------|----------------|----------------------------------|--------------------|----------------------------|----------------------------|
| 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                     |
| 0              | 0              | 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                     |
| 80,462         | 80,462         | 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 Community               | 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                    |
| 0              | 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                     |

| <b>2008<br/>Actual</b> | <b>2009<br/>Actual</b> | <b>Members</b>           | <b>Number<br/>of Units</b> | <b>Payable in<br/>January 2010</b> | <b>Payable in<br/>January 2011</b> |
|------------------------|------------------------|--------------------------|----------------------------|------------------------------------|------------------------------------|
| 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                            |
| 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                             |
| 10,728                 | 10,728                 | Panama                   | 0.20                       | 10,728                             | 10,728                             |
| 10,728                 | 10,728                 | Paraguay                 | 0.20                       | 10,728                             | 10,728                             |
| 26,820                 | 26,820                 | Poland                   | 0.50                       | 26,820                             | 26,820                             |
| 26,820                 | 10,728                 | Portugal                 | 0.20                       | 10,728                             | 10,728                             |
| 40,231                 | 40,231                 | Republic of Korea        | 0.75                       | 40,231                             | 40,231                             |
| 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                 | 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                 | 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                             |
| <b>3,256,000</b>       | <b>3,250,636</b>       |                          | <b>59.80</b>               | <b>3,207,722</b>                   | <b>3,207,722</b>                   |

[Annex III follows]

## **ANNEX 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.

#### **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; honoraria paid to lecturers.

#### **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 Annex III and of document]