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PROGRAM AND BUDGET FOR THE 2018-2019 BIENNIUM*adopted by the Council*

1. At its fifty-first ordinary session, held in Geneva on October 26, 2017, the Council adopted the proposals contained in the Draft Program and Budget for the 2018-2019 Biennium, as presented in the Annex to this document, including the amount of contributions from members of the Union, the proposed maximum ceiling of expenditure in the regular budget, and the total number of posts for the Office of the Union.
2. The Annex to this document contains the Program and Budget for the 2018-2019 Biennium, as adopted by the Council.

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PROGRAM AND BUDGET FOR THE 2018-2019 BIENNIUM

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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.**

Background

1.1 UPOV's mission is "[t]o provide and promote an effective system of plant variety protection, with the aim of encouraging the development of new varieties of plants, for the benefit of society".

1.2 In terms of providing an effective system of plant variety protection, UPOV has consistently emphasized that its priority is service to UPOV members. Historically, that can be seen from the allocation of the major proportion of its resources under Sub-program UV.2 "Services to the Union for Enhancing the Effectiveness of the UPOV System" (62% of the budget in the Program and Budget for the 2016-2017 Biennium). Furthermore, within Sub-program UV.3 "Assistance in the Introduction and Implementation of the UPOV System" (22% of the budget in the Program and Budget for the 2016-2017 Biennium), first priority is given to assistance to existing members of the Union (see document C/49/4 Rev. "Program and Budget for the 2016-2017 Biennium", Annex, paragraph 2.3.2.2).

1.3 At the same time, the importance of promoting the UPOV system was highlighted in the UPOV Report on the Impact of Plant Variety Protection¹, which demonstrated that the expansion of UPOV benefitted both existing and new UPOV members (see "Expansion of UPOV: a benefit for new and old UPOV members"). In that regard, activities in the promotion of the UPOV system are based on two main considerations. Firstly, UPOV places emphasis on the principle that it is a sovereign matter for each State and organization on whether to develop legislation in accordance with the UPOV Convention and to become a UPOV member; and secondly, there are limited resources for such activities within the regular program and budget.

1.4 Recent developments in UPOV membership (see Figures 2 and 3) and increasing awareness of the need for effective policies to meet the increasing demands on agriculture, mean that there is a need for UPOV to review the resources required to meet its goals and objectives, both in terms of services to members and in explaining the benefits of plant variety protection and UPOV membership to States and organizations that are not yet UPOV members. This situation was highlighted in the World Intellectual Property Organization (WIPO) Internal Oversight Division (IOD) "Evaluation of the International Union for the Protection of New Varieties of Plants (UPOV)", conducted in 2016. The IOD Evaluation Report's single recommendation was that UPOV "consider developing a Strategic Business Plan to diversify its revenue portfolio to maintain and enhance the sustainability of existing activities and services [...]".

Developments within UPOV

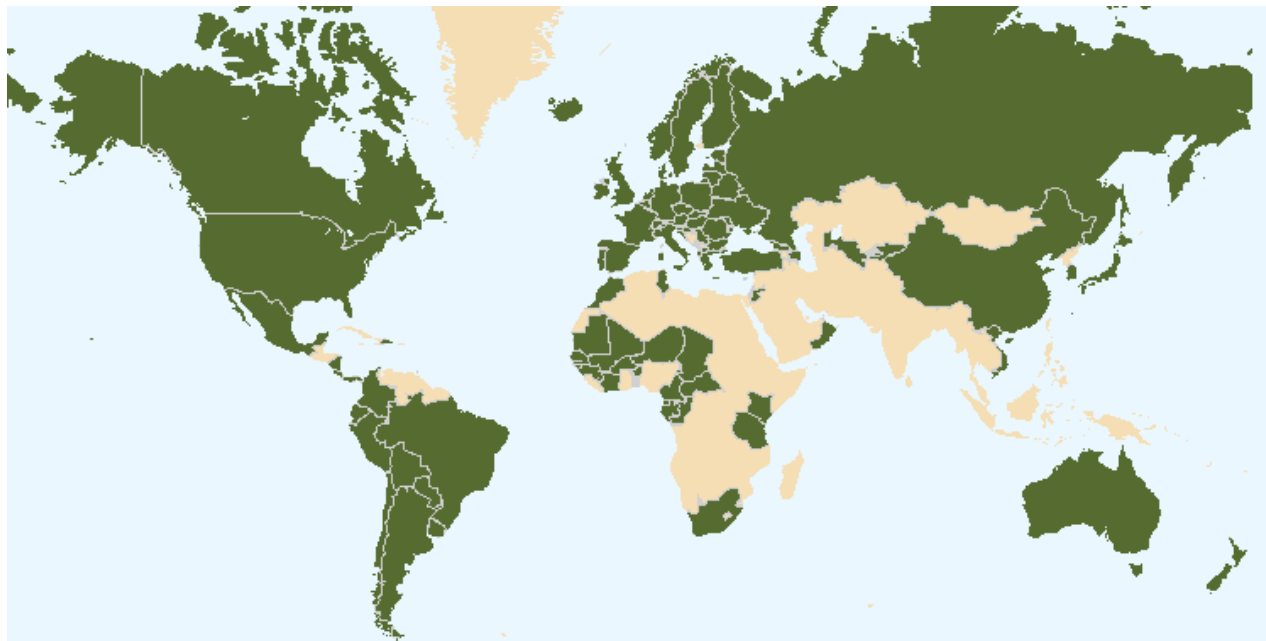
1.5 The following sections consider recent developments that are relevant for UPOV's mission.

UPOV membership

1.6 At the end of 2016, UPOV comprised 74 members covering 93 States (see Figure 1 "UPOV membership at December 31, 2016").

¹ http://www.upov.int/edocs/pubdocs/en/upov_pub_353.pdf

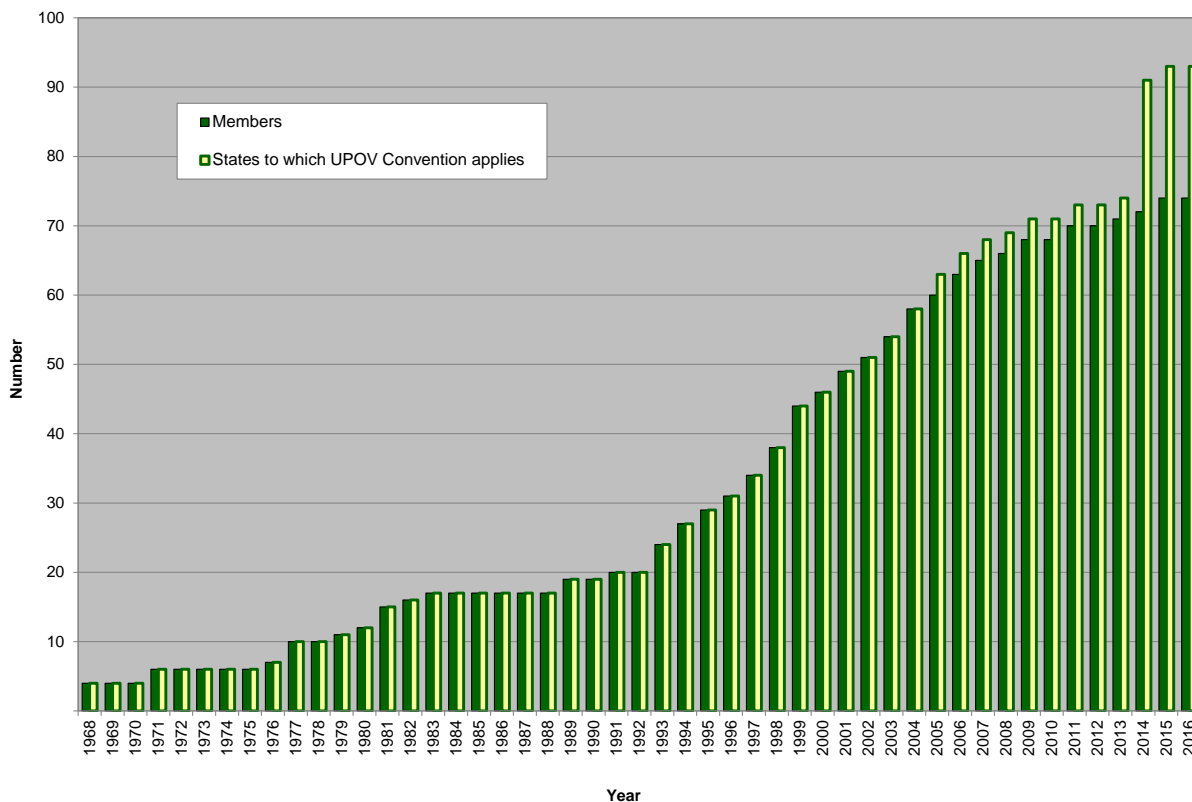
Figure 1: UPOV membership at December 31, 2016 [territories of UPOV members shown in green]



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

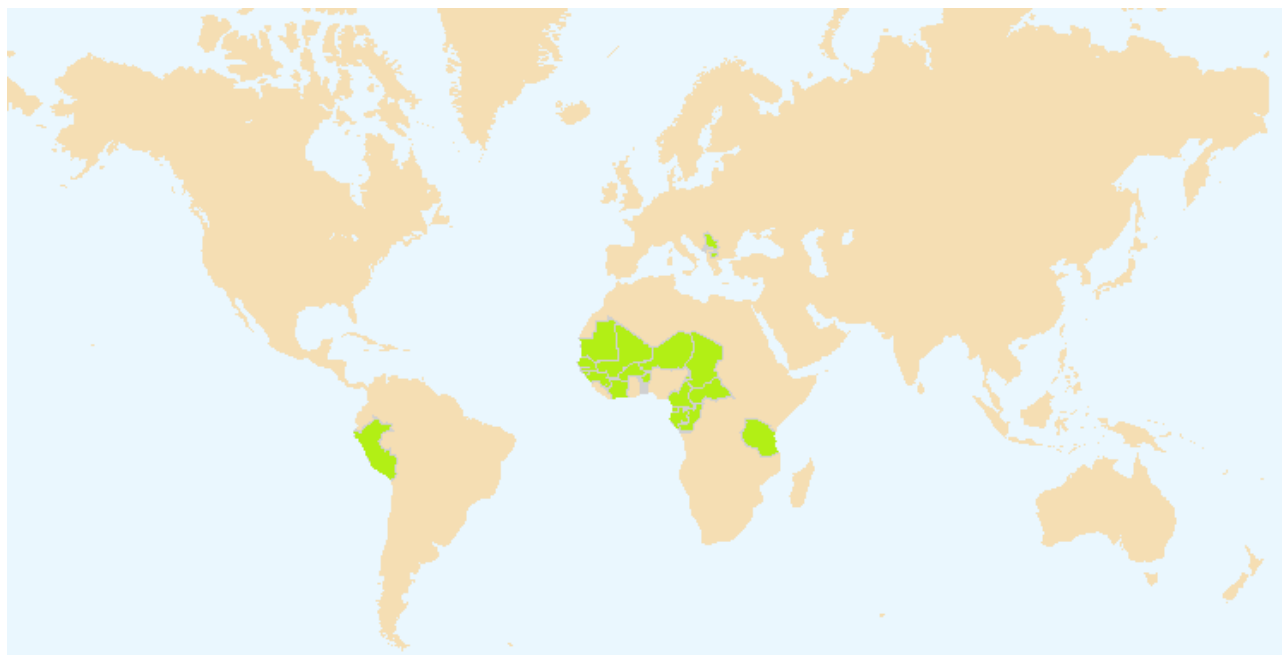
1.7 Figure 2 illustrates the development of UPOV. Figure 3 illustrates the territories of the members that joined UPOV in the period 2011-2016², demonstrating the substantial geographic expansion of UPOV within Africa. In the period concerned, 18 States (17 member States of OAPI and the United Republic of Tanzania) in Africa became covered by the UPOV system and UPOV will need to provide training and assistance for the implementation of the UPOV system in those territories.

Figure 2: Development of UPOV membership



² (i.e. the territories of the relevant States (the former Yugoslav Republic of Macedonia, Peru, Serbia, Montenegro and the United Republic of Tanzania) and the territory in which the constituting treaty of OAPI applies)

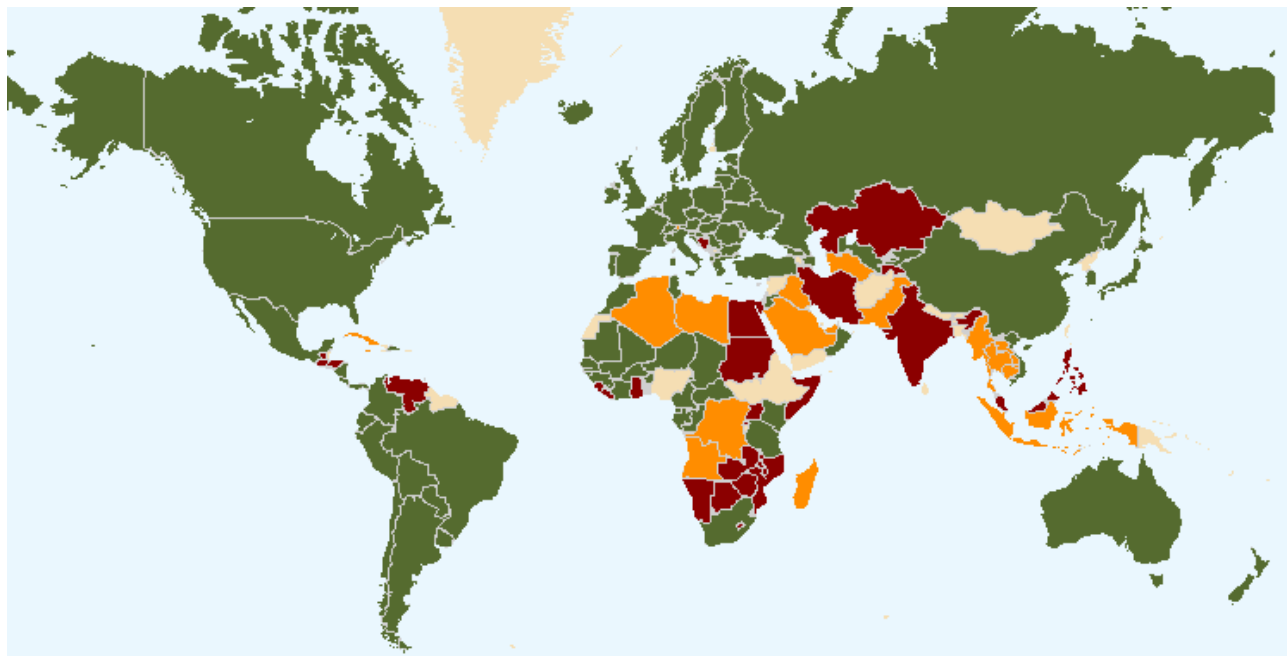
Figure 3: New UPOV members in the period 2011-2016



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

1.8 A graphic overview of the status in relation to UPOV as of December 31, 2016, is provided in Figure 4, in terms of UPOV members, States and intergovernmental organizations which have initiated the procedure for acceding to the UPOV Convention 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. Detailed information is provided in Appendix I.

Figure 4: Status in relation to UPOV



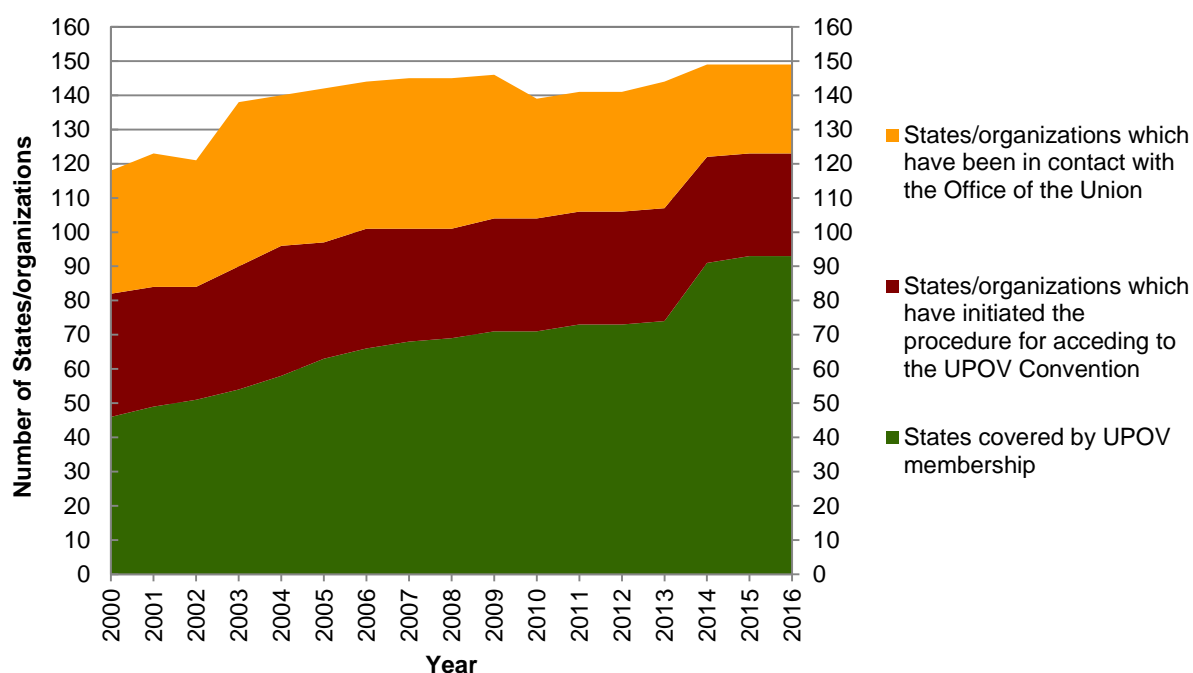
The boundaries shown on this map do not imply the expression of any opinion whatsoever on the part of UPOV concerning the legal status of any country or territory

Map showing

- UPOV members (green);
- States (15) and intergovernmental organization (1) which have initiated the procedure for becoming UPOV members (brown); and
- States (25) and intergovernmental organization (1) which have been in contact with the Office of the Union for assistance in the development of laws based on the UPOV Convention (orange).

1.9 Figure 5 provides information on the evolution of the status in relation to UPOV since 2000. The increase in the number of States covered by the UPOV Convention was particularly substantial in the period 2000 to 2016, more than doubling from 46 to 93. However, there was also significant growth in overall interest in UPOV. The number of States in their own right, or as a member of an organization, that are covered by the UPOV Convention, have initiated the procedure for acceding to the UPOV Convention, or have been in contact with the Office of the Union for assistance in the development of laws based on the UPOV Convention, rose from 118 in 2000 to 149 in 2016 (increase of 26%). Figure 4 further demonstrates that the territory covered by those categories covers a substantial majority of agricultural land.

Figure 5: Evolution of UPOV membership, States and intergovernmental organizations which have initiated the procedure for acceding to the UPOV Convention 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



Use of the UPOV system

1.10 The UPOV system continues to expand in terms of the number of:

- applications, titles granted and titles in force (see Figure 6),
- genera and species for which protection is offered by members of the Union (see Figure 7) and
- genera, species/sub-species for which protection has been sought within the members of the Union (see Figure 8).

These figures demonstrate one of the reasons why cooperation between members of the Union is a key benefit of UPOV membership.

1.11 As indicated in Figure 8, the number of genera/species for which members of the Union have agreements for cooperation in DUS examination has only significantly increased once since 2007. Such agreements are of a bi-lateral and voluntary nature. Discussions have started within UPOV on whether there may be opportunities to enable members of the Union to enhance such cooperation in the future.

1.12 In order to facilitate the examination of variety denominations by members of the Union, work has started on a revision of the “Explanatory notes on variety denominations under the UPOV Convention” and, in parallel, 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, which may require additional mechanisms and resources to assist members of the Union to contribute data on a regular basis.

Figure 6: Number of applications, titles granted and titles in force in members of the Union

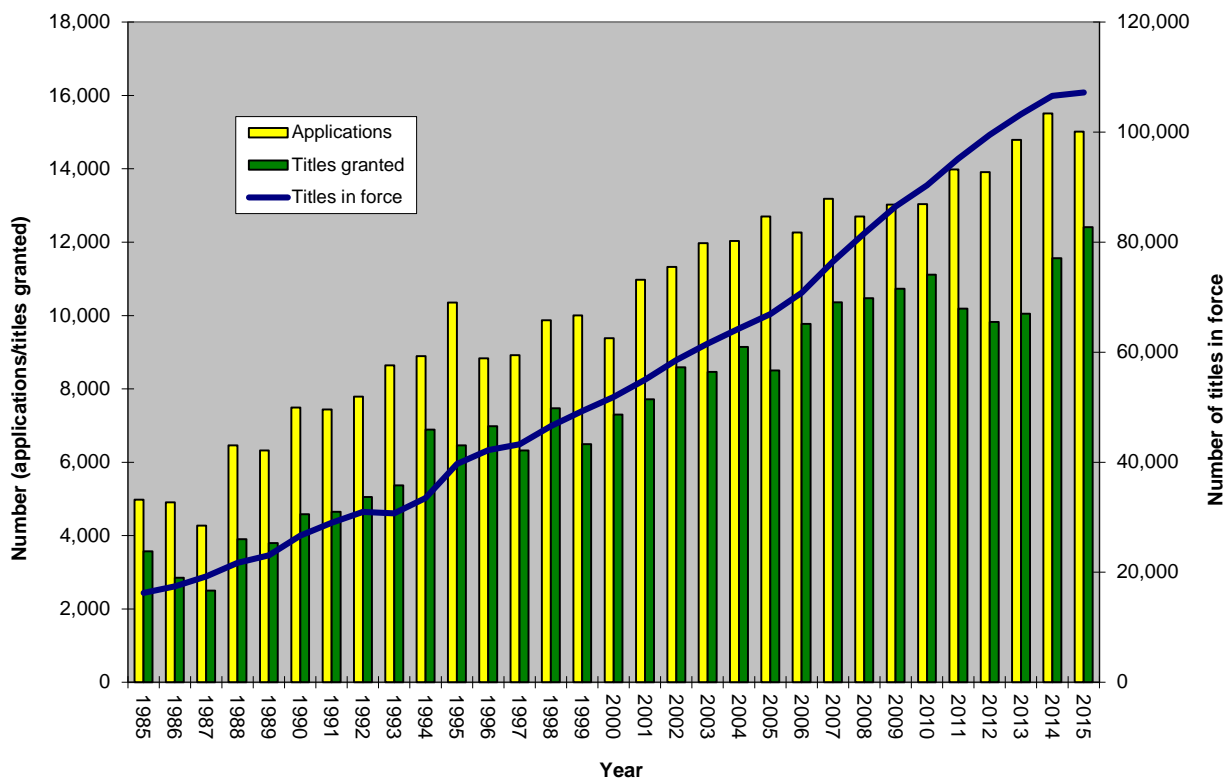


Figure 7: Evolution of offering protection to plant genera and species

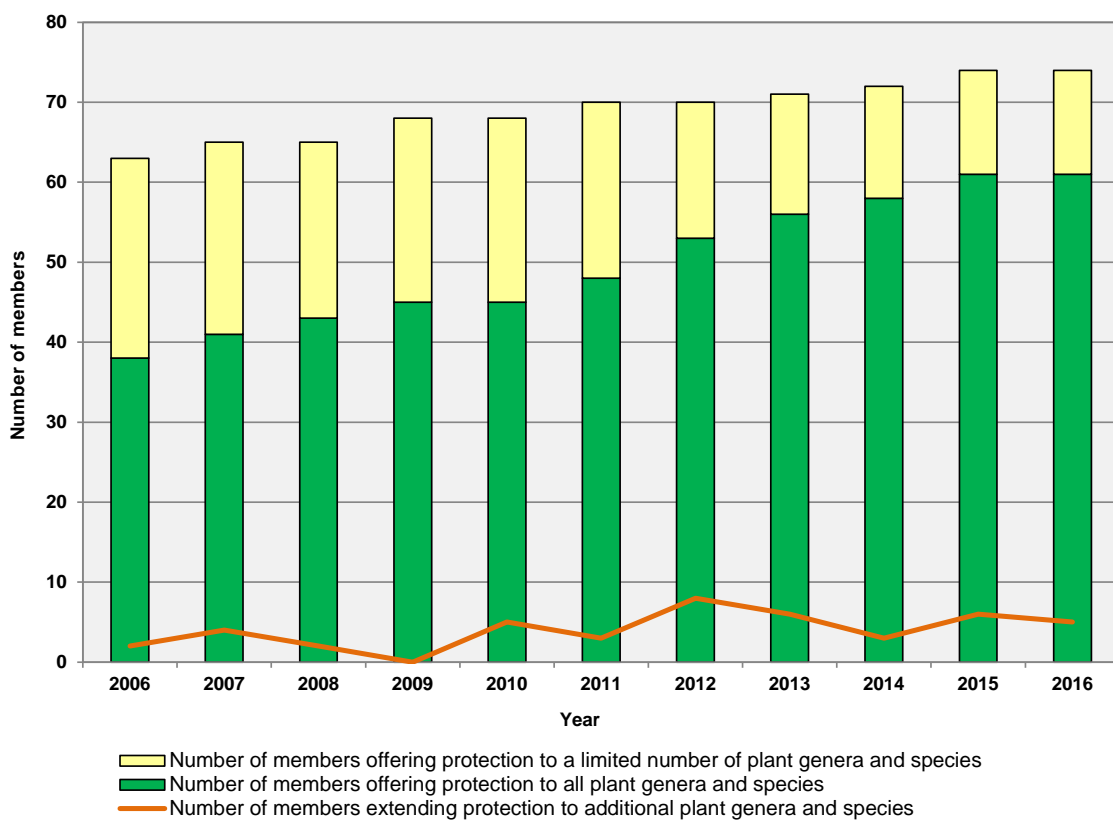
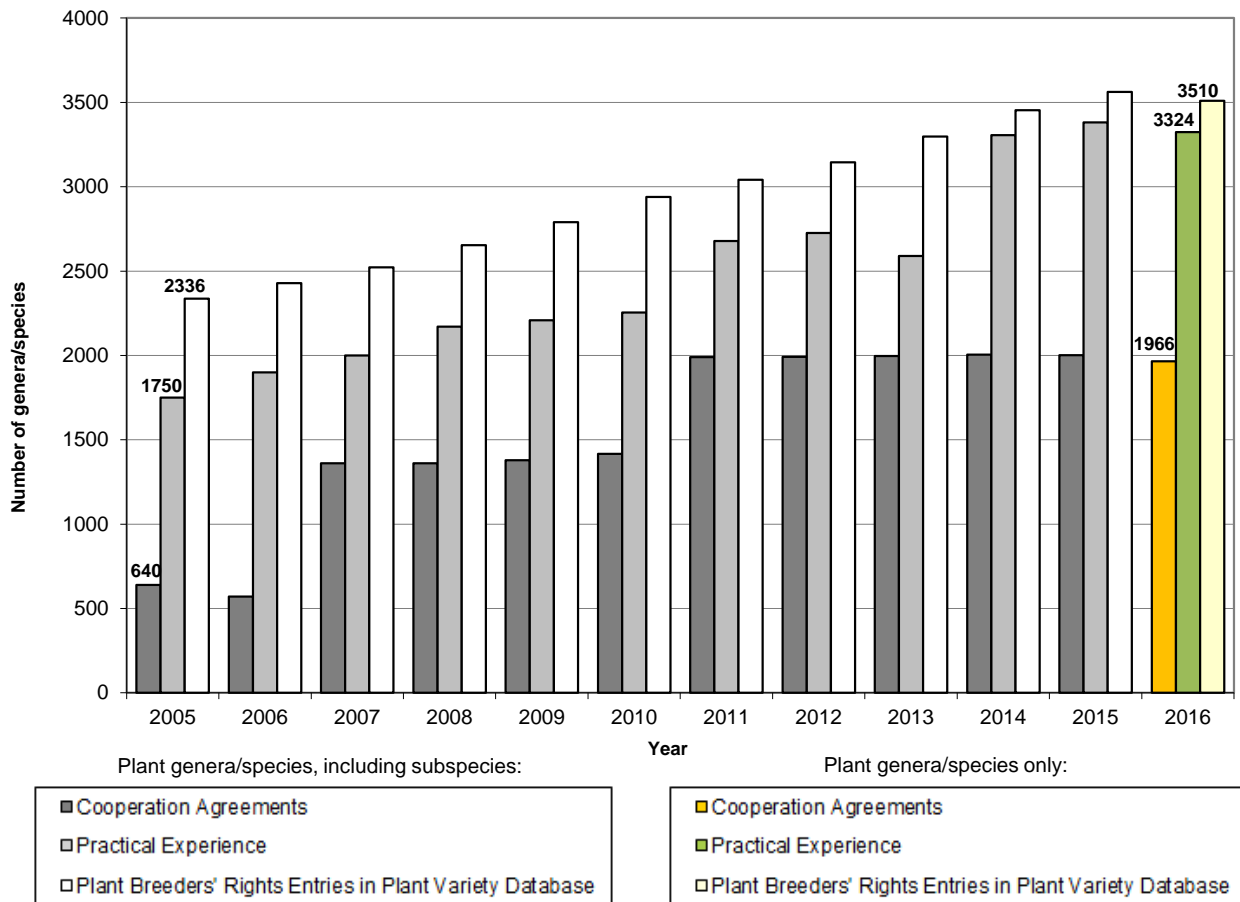


Figure 8: Plant Genera/Species with Cooperation Agreements, Practical Experience and Plant Breeders' Rights Entries in Plant Variety Database



1.13 In January 2017, UPOV launched the Electronic Application Form, an online multi-lingual PBR application tool that can be used to provide application data to all participating PVP Offices in the required format. At the launch, the EAF covered 11 members of the Union and five crops/species. The goal in the future will be to expand the coverage to all members of the Union that wish to participate and to cover all crops/species.

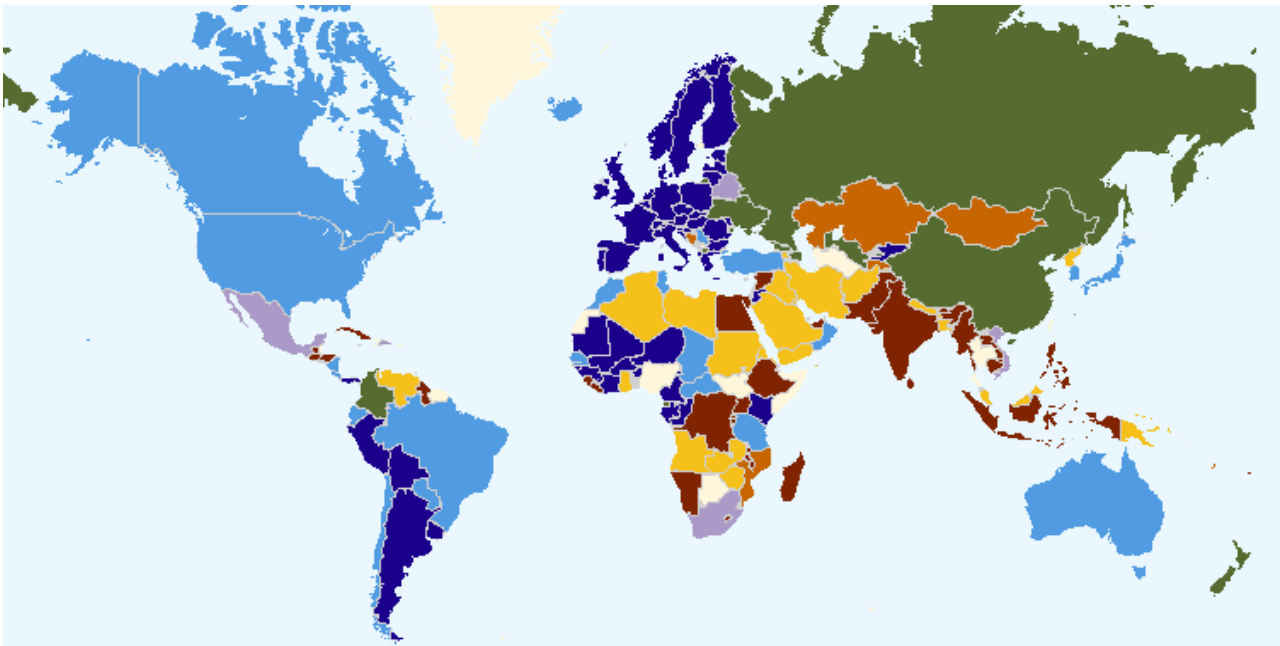
External Developments

1.14 UPOV's focus in relation to external relations is to broaden and enhance the understanding of the UPOV system of plant variety protection and to provide information on the UPOV Convention to other intergovernmental organizations, with the aim of achieving mutual supportiveness with other international treaties.

1.15 The landscape of international instruments affecting plant varieties has become more complex in recent years. Prior to 2000, relevant international instruments included the Organisation for Economic Co-operation and Development (OECD) Schemes for the Varietal Certification or the Control of Seed Moving in International Trade (OECD Seed Schemes) and the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). Since 2000, there has been the adoption of the Cartagena Protocol on Biosafety to the Convention on Biological Diversity (CBD) (2000), the International Treaty on Plant Genetic Resources for Food and Agriculture of the Food and Agriculture Organization of the United Nations (FAO) (ITPGRFA) (2001) and 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 (CBD) (Nagoya Protocol) (2010). Developments in plant breeding technology have also increased the relevance of TRIPs, with increasing interest in patents by plant breeders. Combined with the need for governments to implement the ITPGRFA and Nagoya Protocol, these developments have accentuated the need for UPOV to provide information on the UPOV Convention to other intergovernmental organizations, with the aim of achieving mutual supportiveness with other international treaties.

1.16 The need for mutual supportiveness was echoed at the “Symposium on possible interrelations between the ITPGRFA and the UPOV Convention”, held at UPOV Headquarters in Geneva, on October 26, 2016, where, in their closing remarks, the Co-Moderators: Mr. Muhamad Sabran, Chairperson of the Seventh Session of the Governing Body, ITPGRFA and Mr. Raimundo Lavignolle, Vice-President of the Council of UPOV, concluded that “[...] It is important to interpret and implement the two treaties in a mutually supportive way in the context of each Contracting Party”. Figure 9 illustrates that many States and organizations have adhered to the UPOV Convention, the ITPGRFA and/or the Nagoya Protocol. These developments reinforce the need to provide information on the UPOV Convention to other intergovernmental organizations, with the aim of achieving mutual supportiveness with other international treaties.

Figure 9: States and organizations bound by the UPOV Convention, ITPGRFA and/or the Nagoya Protocol as of March 14, 2017



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.

	UPOV/ITPGRFA/Nagoya Protocol
	UPOV/ITPGRFA
	UPOV/Nagoya Protocol
	UPOV only

	ITPGRFA/Nagoya Protocol
	ITPGRFA only
	Nagoya Protocol only

1.17 Communications between UPOV and other relevant intergovernmental organizations will be important in order for mutual supportiveness to be achieved. In May 2017, OECD, UPOV, the International Seed Testing Association (ISTA) and the International Seed Federation (ISF) launched the World Seed Partnership as a means of providing a single point of reference for information on different systems and schemes, in a coherent manner.

1.18 As the landscape of international instruments affecting plant varieties has become more complex, the need to explain the role of plant breeding, plant variety protection and UPOV to a wider audience has become increasingly important. The development of stakeholder features on the UPOV website for breeders, farmers and growers, policy makers and the general public was one of the initiatives in 2016 designed to address that need. In addition, the development of general information suitable for a wide range of stakeholders will continue to be important. Examples include answers to frequently-asked questions about the UPOV system and the development of illustrative explanations and examples of the benefits of the UPOV system.

Resource considerations

1.19 Currently, UPOV is almost exclusively financed by income from contributions (98 per cent of the total income in the 2014-2015 Biennium), with the value of a contribution unit not having increased since 1995. Furthermore, UPOV's income has been significantly affected by the loss of all income from interest and publications in recent years. Thus, the income for the 2014-2015 Biennium (6,794,000 Swiss francs) was not substantially higher than the income in the 2006-2007 Biennium (6,761,000 Swiss francs), with additional income from contributions of new UPOV members being offset by the loss of income from interest and publications. UPOV having reduced its number of staff from 14 in 2003, has since maintained the number of staff at 11.

1.20 Against this background, in recent Biennia, UPOV has managed to maintain and improve its services to members through the development of guidance and information materials, distance learning courses and IT-based initiatives (e.g. upgraded website, GENIE, PLUTO and UPOV Lex databases, the web-based Test Guidelines template and, most recently, the UPOV Electronic Application Form tool). The IT development and maintenance of the databases and TG Template were undertaken or managed by IT experts from WIPO as a part of the common expenses under the "Agreement between the World Intellectual Property Organization and the International Union for the Protection of New Varieties of Plants" (see document UPOV/INF/8). Those services are no longer provided as common services. Although that development has enabled UPOV to contain operating expenses charged by WIPO to UPOV, it means that UPOV has to make its own arrangements for IT expertise to maintain and develop such IT systems in the future. On that basis, provision is proposed to create an additional staff post for an IT expert in the 2018-2019 Biennium.

1.21 Despite the static income, sufficient financial resources were available for the above-mentioned initiatives over recent Biennia largely because staff changes resulted in the cost of the 11 staff posts being contained: for example, staff post costs were lower in the 2014-2015 Biennium (4,159,000 Swiss francs) than in the 2004-2005 Biennium (4,001,000 Swiss francs). However, for the forthcoming Biennium and beyond, additional resources will be needed to maintain and, as appropriate, enhance the current level of activities and services. With regard to staff costs, UPOV will need to make provision for IT expertise to maintain and develop its IT-based initiatives.

1.22 The launch of the EAF in 2017 was an important step in terms of facilitating applications with members of the Union and was only possible on the basis that fees from applicants would ultimately cover the costs of its development and maintenance. The income from the EAF will depend on use by breeders, which in turn will depend on participation in the EAF by members of the Union.

1.23 UPOV has greatly benefited from additional financial resources provided by members of the Union, for example in the form of Funds-in-Trust, and the support in kind provided by many members of the Union in the form of expert contributions to UPOV's activities. Such resources will be equally important for the future. At the same time, UPOV will explore opportunities to supplement human resources in the form of suitably qualified officials, fully funded by members of the Union through the Junior Professional Officer (JPO) program and fellowships, and other arrangements, such as internships.

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 covers 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 establishment and monitoring of a Strategic Business Plan, as recommended by WIPO Internal Oversight Division (IOD) "Evaluation of the International Union for the Protection of New Varieties of Plants (UPOV)", will provide a framework for the objectives under this sub-program. In particular, the Strategic Business Plan will:

- (a) serve as a roadmap to implement the strategic goals and objectives of the Union;
- (b) identify financial resources needed to achieve the strategic goals and objectives of the Union;
- (c) outline the human resource needs in line with the strategic priorities of the organization; and
- (d) define long-term steps and key milestones of outreach activities with a view to improving organizational visibility and enhancing revenue generation efforts.

2.1.2.3 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 for plant breeders' rights (PBRs); 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).

2.1.2.4 In 2017, a first version of the UPOV Electronic Application Form tool (EAF) was introduced for selected crops/species and languages, enabling breeders to provide information for PBR applications for participating members of the Union, via the UPOV website. The Consultative Committee and Council will be responsible for the policy on the further development of the EAF, including expansion of coverage and financial aspects.

2.1.2.5 In 2016, the Consultative Committee agreed the draft mandate and terms of reference for a Working Group on a Possible International System of Cooperation (WG-ISC), the purpose of which was to prepare proposals for consideration by the Consultative Committee concerning a possible ISC, according to certain requirements³. The Consultative Committee and Council will be responsible for considering the proposals developed by the WG-ISC.

2.1.2.6 There will be a need to monitor the training and assistance strategy agreed by the Consultative Committee in relation to evolving requests for assistance by members of the Union and States and organizations wishing to become members of the Union, and in relation to the availability of resources.

2.1.2.7 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 2018-2019 Biennium (see Sub program UV.4).

³ See document C/50/17 "Report by the Vice-President on the work of the ninety-second session of the Consultative Committee; adoption of recommendations, if any, prepared by that committee", paragraph 48.

2.1.3 Activities

- (i) Two sessions of the Council and two sessions of the Consultative Committee.
- (ii) Coordination, monitoring and performance assessment of the Program and Budget for the 2018-2019 Biennium.
- (iii) Preparation and adoption of the Program and Budget for the 2020-2021 Biennium.

2.1.4 Expected Results and Performance Indicators

Expected Results	Performance Indicators
1. Identify and implement the strategic goals and objectives of UPOV	(a) establishment of Strategic Business Plan.
2. Organization of Council and Consultative Committee sessions	(a) participation in the sessions of the Council and the Consultative Committee.
3. 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.
4. Coordination, monitoring and performance assessment of Program and Budget for the 2018-2019 Biennium	(a) delivery of program within budget for the 2018-2019 Biennium; (b) approve the financial statements; and (c) approve the financial management report.
5. Preparation and adoption of the Program and Budget for the 2020-2021 Biennium	(a) preparation and adoption of the Program and Budget for the 2020-2021 Biennium.
6. 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.
7. 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.
8. Facilitating applications through the UPOV Electronic Application Form (EAF) tool	(a) recommendations by the Consultative Committee; (b) decisions by the Council; (c) number of UPOV members participating in the EAF; (d) number of crops/species covered by the EAF (e) number of applications made via the EAF (see UV. 2).
9. Enhancing voluntary cooperation between members of the Union in the implementation of the UPOV Convention	(a) recommendations by the Consultative Committee; (b) decisions by the Council; and (c) cooperation arrangements between members of the Union.

10. Monitoring the implementation of the training and assistance strategy	(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.
11. 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.
12. Policy direction on inter-relations with other organizations	(a) recommendations by the Consultative Committee; and (b) decisions by the Council
13. Policy on other matters	(a) recommendations by the Consultative Committee; (b) decisions by the Council; and (c) adoption of documents presenting UPOV policy 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 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.

2.2.2.4 An extensive set of guidance and information materials has been established. However, work will continue on the maintenance and further development of guidance and information in the 2018-2019 Biennium, as appropriate.

2.2.2.5 In relation to variety denominations, the revision of document UPOV/INF/12 "Explanatory notes on variety denominations under the UPOV Convention" will be important for enhancing cooperation between UPOV members in the examination of variety denominations and for assisting breeders in their selection of variety denominations.

2.2.2.6 The role of molecular techniques in the examination of DUS is becoming increasingly relevant and developments may lead to a revision of TGP/15 "Guidance on the Use of Biochemical and Molecular Markers in the Examination of Distinctness, Uniformity and Stability (DUS)" in the 2018-2019 Biennium.

UPOV resources for cooperation between members of the Union

2.2.2.7 Cooperation between members of the Union is a key feature of the UPOV system and is the basis for an efficient system. Such efficiency is an important means of ensuring that the UPOV system is accessible and affordable for all types of breeders. The following sections cover the resources that UPOV provides for such cooperation.

DUS Examination

2.2.2.8 Cooperation in the examination of DUS within UPOV is based on the input of members of the Union. In particular, experts from members of the Union develop Test Guidelines through the work of the TWPs and TC 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. Arrangements for cooperation between members of the Union in the examination of DUS are included in the GENIE database.

2.2.2.9 The following measures to support and enhance cooperation between members of the Union will continue to be pursued in the 2018-2019 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.

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 OECD and by the cooperation agreements between UPOV and WIPO and between UPOV and the Community Plant Variety Office of the European Union (CPVO).

2.2.2.11 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.

2.2.2.12 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, according to the guidance adopted in document UPOV/INF/12.

Administration related to PBR applications

2.2.2.13 In 2017, a first version of the UPOV Electronic Application Form tool (EAF) was introduced for selected crops/species and languages, enabling breeders to provide information for PBR applications for participating members of the Union, via the UPOV website. In the 2018-2019 Biennium, the scope of the EAF will be expanded to cover further crops/species, languages and members of the Union, as appropriate.

2.2.3 Activities

- (i) Two 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) Information and guidance on the use of molecular techniques in DUS testing and providing a forum for consideration of their use in variety identification and in essential derivation.
- (vi) Updating and further development of the PLUTO Database.
- (vii) Updating and further development of the of the GENIE database.
- (viii) Maintenance of the UPOV Lex database of legislation and relevant notifications.
- (ix) Updating of the UPOV Collection.
- (x) Further development of the UPOV EAF.

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) proportion of PBR applications covered by adopted Test Guidelines; (d) number of Test Guidelines under development in the TWP (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) number of PLUTO users and frequency of use; (c) development and approval by the Council of a UPOV similarity search tool for variety denominations for inclusion in PLUTO database.
6. Development of EAF	(a) number of UPOV members participating in the EAF; (b) number of crops/species covered by the EAF; (c) number of applications made via the EAF.

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.

Examples⁴:

- 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 the Junior Professional Officer (JPO) program and/or fellowships, 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 “*Taller sobre los beneficios del Acta de 1991 del Convenio de la UPOV para las políticas públicas de agricultura y de seguridad alimentaria*”, organized with the *Oficina Española de Variedades Vegetales* (OEVV) (Spain), the *Agencia Española de Cooperación Internacional para el Desarrollo* (AECID) (Spain), the United States Patent and Trademark Office (USPTO) and WIPO; and the “Plant Variety Protection Under UPOV Convention” course, organized with the USPTO).

Cooperation with other organizations and bodies

2.3.2.7 UPOV’s cooperation with 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 key elements of the training and assistance 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 assistance strategy. The incorporation of UPOV distance learning courses into UPOV activities and activities

⁴ These examples of the situation in 2016 should not be construed as constituting any specific financial commitment or approval beyond 2016.

organized by others (see below) will also be an important part of the strategy. In recognition of the limitation of UPOV staff resources, external administration and tutoring services will be used 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 and training institutions 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. and the Office of the Union will use external services as appropriate.

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 made 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;
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) courses featuring the UPOV system of plant variety protection; (h) 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 development in the rural sector.

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 features were introduced on the UPOV website in 2016. In the 2018-2019 Biennium, these stakeholder features for breeders, farmers, policy-makers and the general public will be monitored and updated.

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 (CIOPORA), 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: 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).
- Civil society: Association for Plant Breeding for the Benefit of Society (APBEBES)

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 OECD, in respect of the OECD's Seed Schemes, and with 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. The World Seed Partnership (www.worldseedpartnership.org), a joint initiative by OECD, UPOV, ISTA and ISF, was launched in 2017 as a focal point for information on the role of internationally harmonized seed systems in supporting sustainable agriculture.

2.4.2.7 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

Expected Results	Performance Indicators
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 on UPOV website and through other media of suitable information and materials, particularly for breeders, farmers and policy-makers; (b) stakeholder features on the UPOV website; (c) participation by stakeholders in seminars and symposia; (d) participation at meetings of, and with, relevant stakeholders; (e) articles in relevant publications to which UPOV has contributed.
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 2018-2019 Biennium anticipates an income of 6,940,000 Swiss francs compared to the 2016-2017 budget of 6,823,000 Swiss francs (see **Tables 1 and 2**).

Table 1: Income and Expenditure 2014-2015, 2016-2017 and 2018-2019
(in thousands of Swiss francs)

	2014-2015	2016-2017	Variation		2018-2019
	Actual A	Budget B	C	C/B	Proposed D=B+C
1. Income	6,793	6,823	117	1.7%	6,940
2. Expenditure	6,792	6,823	117	1.7%	6,940
Difference (1-2)	1	-	-	-	-
3. Working Capital Fund	540	546	3	0.6%	550

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/4/4 "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.

Table 2: Structure of proposed budget 2018-2019 as compared to 2014-2015 and 2016-2017
(in thousands of Swiss francs)

	2014-2015	2016-2017	Variation		2018-2019
	Actual A	Budget B	C	C/B	Proposed D=B+C
1. Personnel Resources	4,364	4,353	419	9.6%	4,772
<i>Posts</i>	4,001	4,054	179	4.4%	4,233
<i>Temporary Staff</i>	363	299	240	80.4%	539
2. Non-Personnel Resources	2,428	2,470	-302	-12.2%	2,168
<i>Interns</i>	12	38	2	-	40
<i>Travel and fellowships</i>	482	450	-30	-6.7%	420
<i>Contractual Services</i>	681	692	-257	-37.1%	435
<i>Operating expenses</i>	1,243	1,270	-17	-1.3%	1,253
<i>Equipment and supplies</i>	10	20	-	0.0%	20
3. Grand Total	6,792	6,823	117	1.7%	6,940

3.4 **Table 3** provides a resource plan for the 2016-2017 and the 2018-2019 biennia. The total resources for the program of activities to be conducted by UPOV in the 2018-2019 Biennium amounts to 7,476,000 Swiss francs. This amount includes 6,940,000 Swiss francs within the regular budget (see Table 1), and an estimated 536,000 Swiss francs, financed under Funds-in-Trust arrangements.

3.5 For the 2018-2019 Biennium, income and expenditure are expected to be balanced.

3.6 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 2018-2019 Biennium will be at a level of 536,000 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 2016-2017 and 2018-2019
(in thousands of Swiss francs)

	Regular Budget	Funds in Trust	Total resources
Budget and resource availability			
	A	B	C = A+B
Resource availability 2016-2017			
1 Income (Budget)	6,823	442	7,265
2 +/- Transfer from/ to reserves	-	-	-
3 Total, resources	6,823	442	7,265
Resource availability 2018-2019			
4 Income	6,940	536	7,476
5 +/- Transfer from/ to reserves	-	-	-
6 Total, resources	6,940	536	7,476
7 Variation 6/3(%)	1.7%		2.9%

3.7 **Table 4** presents the budget variations by object of expenditure between the 2016-2017 and the 2018-2019 biennia. The proposed budget for 2018-2019 is 6,940,000 Swiss francs, an increase of 117,000 Swiss francs, or 1.7% compared to the 2016-2017 budget.

Table 4: Proposed Budget 2018-2019: Budget Variation by Object of Expenditure
(in thousands of Swiss francs)

Object of Expenditure	2014-2015	2016-2017	Resource Variation		2018-2019
	Actual	Budget	Amount	%	Proposed
	A	B	C	C/B	D=B+C
A. Personnel Resources					
Posts	4,001	4,054	179	4.4%	4,233
Temporary Staff	363	299	240	80.4%	539
Total, A	4,364	4,353	419	9.6%	4,772
B. Non-Personnel Resources					
<i>Interns</i>	12	38	2	0.0%	40
Sub-total	12	38	2	0.0%	40
Travel and Fellowships					
Staff missions	384	400	-20	-5.0%	380
Third Party Travel	99	50	-10	-20.0%	40
Sub-total	482	450	-30	-6.7%	420
Contractual Services					
Conferences	173	200	-60	-30.0%	140
Publishing	-	10	-	0%	10
Individual Contractual Services	41	70	-50	-71.4%	20
Other Contractual Services	467	412	-147	-36%	265
Sub-total	681	692	-257	-37.1%	435
Operating Expenses					
Sub-total	1,243	1,270	-17	-1.3%	1,253
Equipment and Supplies					
Furniture and Equipment	-	10	-	0%	10
Supplies and Materials	10	10	-	0%	10
Sub-total	10	20	-	0.0%	20
Total, B	2,428	2,470	-302	-12.2%	2,168
GRAND TOTAL	6,792	6,823	117	1.7%	6,940

3.8 **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.

3.9 The Program and Budget for the 2018-2019 Biennium anticipates an increase of one post. The additional post will be for an IT Officer in the professional category. In previous biennia, the IT development and maintenance of UPOV's databases and other IT tools, such as the TG Template, were undertaken or managed by IT experts from WIPO as a part of the common expenses under the "Agreement between the World Intellectual Property Organization and the International Union for the Protection of New Varieties of Plants" (see document UPOV/INF/8). Those services are no longer provided as common services. Although that development has enabled UPOV to contain operating expenses charged by WIPO to UPOV, it means that UPOV now has to make its own arrangements for IT expertise to maintain and develop such IT tools in the future. The Electronic Application Form, which was launched in 2017, is an important new IT tool that facilitates applications with members of the Union and was only possible on the basis that fees from users would ultimately cover the costs of its development and maintenance. The income from the EAF, which will depend on participation in the EAF by members of the Union for maximum use by breeders is anticipated to make a significant financial contribution.

3.10 One of the professional posts will be occupied by means of a temporary contract for a part of the 2018-2019 Biennium. In addition, in accordance with the approach in previous biennia, short-term support in the general service category will be used as necessary and within the budget. For the 2018-2019 Biennium, provision has been made for one administrative person under a temporary contract, whose work will include administrative support for the EAF. Additional administrative support will be provided by agency staff (non-personnel resources), as required.

Table 5: Budget 2018-2019: Posts by Category

	2014-2015	2016-2017	Variation	2018-2019 Proposed
Post Category	A	B	C-B	C
Directors	3	3	-	3
Professionals	4	4	1	5
General Service	4	4	-	4
Total	11	11	1	12

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

3.12 The proposed Program and Budget for the 2018-2019 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 2018-2019: Allocation by Object of Expenditure
(in thousands of Swiss francs)

Object of Expenditure	Sub-program				Total
	UV.1	UV.2	UV.3	UV.4	
A. Personnel Resources	716	2,386	1,193	477	4,772
Posts	635	2,116	1,058	423	4,233
Temporary Staff	81	270	135	54	539
B. Non-Personnel Resources					
Interns					
Interns	-	40	-	-	40
Travel and Fellowships					
Staff Missions	-	120	160	100	380
Third Party Travel	-	-	40	-	40
Contractual Services					
Conferences	30	110	-	-	140
Publishing	-	10	-	-	10
Individual Contractual Services	-	-	20	-	20
Other Contractual Services	10	130	74	51	265
Operating Expenses	-	1,253	-	-	1,253
Equipment and Supplies					
Furniture and Equipment	-	10	-	-	10
Supplies and Materials	-	10	-	-	10
GRAND TOTAL	756	4,069	1,487	628	6,940

3.14 **Table 7** provides the budget variations by sub-program between the budget 2016-2017 and the proposed budget 2018-2019.

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

Sub-program	2016-2017 Budget A	Variation		2018-2019 Proposed C=A+B
		Amount B	% B/A	
UV.1	687	69	10.0%	756
UV.2	4223	-154	-3.6%	4,069
UV.3	1477	10	0.7%	1,487
UV.4	436	192	44.0%	628
TOTAL	6,823	117	1.7%	6,940

3.15 **Table 8** presents the income by source for the 2016-2017 and 2018-2019 biennia.

3.16 Total income under the regular budget in the 2018-2019 Biennium is expected to be 6,940,000 Swiss francs. This income figure is 117,000 Swiss francs or 1.7% higher than the income for the 2016-2017 Biennium of 6,823,000 Swiss francs. In particular, this projection assumes 62.95 contribution units in 2018 and 63.15 contribution units in 2019 with no change to the value of the contribution unit, which is proposed to remain at 53,641 Swiss francs during the 2018-2019 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 I 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 2018-2019 Biennium.

3.18 In addition to contributions from members of the Union, UPOV income is anticipated from other miscellaneous income (176,000 Swiss francs), including:

- Fees from distance learning program: 16,000 Swiss francs
- Administrative support costs under Funds in Trust: 70,000 Swiss francs
- Fees from EAF: 90,000 Swiss francs

The sources of income, other than from contributions, are anticipated to constitute 2.5% of the total income in 2018-2019.

Table 8: Income 2016-2017 and 2018-2019: Variation by Source
(in thousands of Swiss francs)

Source	2014-2015	2016-2017	Variation		2018-2019
	Actual A	Approved B	C	C/B(%)	Proposed D=B+C
Contributions	6,678	6,710	54	0.8%	6,764
Publications	-	-	-	-	-
Interest	15	-	-	-	-
Other	99	113	63	56.2%	176
Total	6,793	6,823	117	1.7%	6,940

4. FINANCIAL INDICATORS 2012-2021

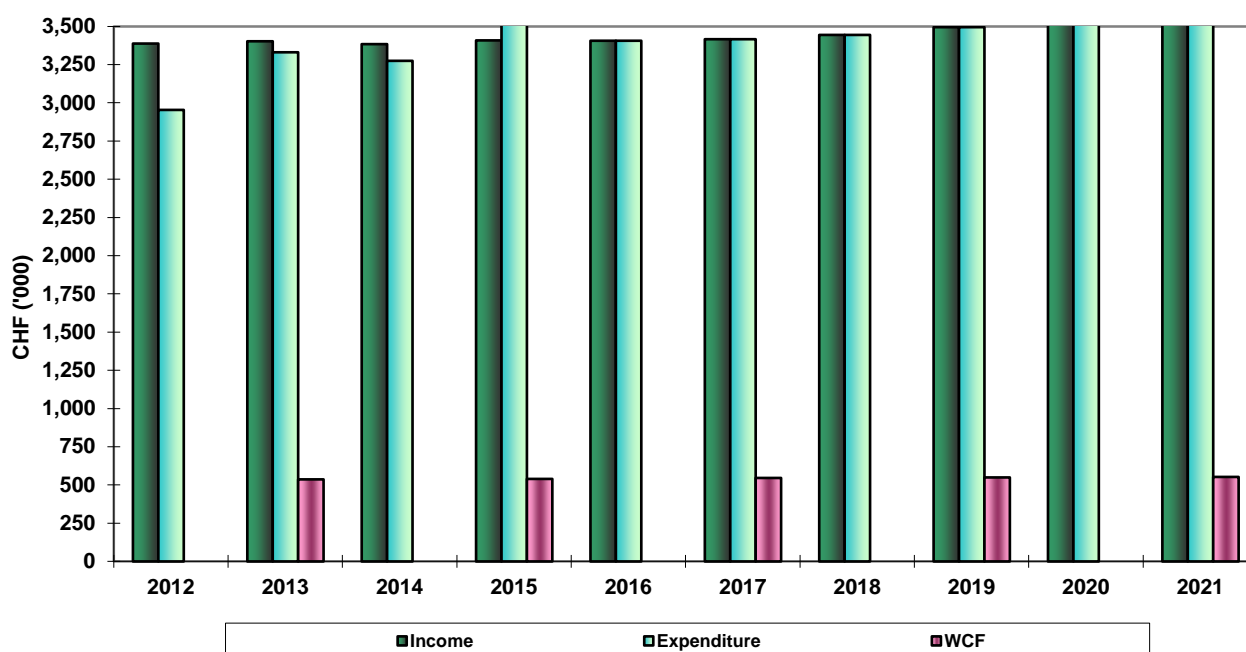
4.1 The Program and Budget for the 2018-2019 Biennium includes a presentation of financial indicators covering a 10-year period, including two years beyond the new biennium and information from the recent past. The presentation of the financial indicators is intended to put the proposed budget for the 2018-2019 Biennium into context by 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 2019.

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 2012-2021
(in thousands of Swiss francs)

Budgetary Basis	Actual				Budget		Proposed		Estimated	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Income	3,388	3,403	3,384	3,409	3,406	3,416	3,445	3,495	3,541	3,602
Expenditure	2,954	3,331	3,275	3,517	3,406	3,416	3,445	3,495	3,541	3,602
Difference	434	72	109	-109	-	-	-	-	-	-

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. Income of 250,000 Swiss francs is anticipated from the EAF in 2020-2021.

– Expenditure:

Personnel resources: One additional staff is planned for the Office of the Union during the period under consideration. Personnel resources are anticipated to account for 68.8% of the budget in 2018-2019 and 69.0% in 2020-2021, compared to 65.1% in the 2014-2015 Biennium and 63.7% in the 2016-2017 Budget.

Non-personnel resources: Operating expenses, furniture and supplies costs are projected to remain stable and to account for 31.3% of the budget in both the 2018-2019 and the 2020-2021 biennia, compared to 19.2% in the 2014-2015 Biennium and 18.6% in the 2016-2017 Budget. Travel and contractual services costs are projected to account for 5.6% of the budget in 2018-2019 and 5.5% in 2020-2021, respectively, compared to 15.7% in the 2014-2015 Biennium and 16.7% in the 2016-2017 Budget. Internships are projected to account for 0.6% of the budget in 2018-2019.

[Appendix I follows]

ANNEX – APPENDIX I

STATUS IN RELATION TO THE INTERNATIONAL UNION FOR THE PROTECTION
OF NEW VARIETIES OF PLANTS (UPOV)
as of December 31, 2016

I. Members of UPOV

African Intellectual Property Organization ^{3,5}	Costa Rica ³	Japan ³	Poland ³	Tunisia ³
Albania ³	Croatia ³	Jordan ³	Portugal ²	Turkey ³
Argentina ²	Czech Republic ³	Kenya ³	Republic of Korea ³	Ukraine ³
Australia ³	Denmark ³	Kyrgyzstan ³	Republic of Moldova ³	United Kingdom ³
Austria ³	Dominican Republic ³	Latvia ³	Romania ³	United Republic of Tanzania ³
Azerbaijan ³	Ecuador ²	Lithuania ³	Russian Federation ³	United States of America ³
Belarus ³	Estonia ³	Mexico ²	Serbia ³	Uruguay ²
Belgium ¹	European Union ^{3,4}	Montenegro ³	Singapore ³	Uzbekistan ³
Bolivia (Plurinational State of) ²	Finland ³	Morocco ³	Slovakia ³	Viet Nam ³
Brazil ²	France ³	Netherlands ³	Slovenia ³	
Bulgaria ³	Georgia ³	New Zealand ²	South Africa ²	
Canada ³	Germany ³	Nicaragua ²	Spain ³	
Chile ²	Hungary ³	Norway ²	Sweden ³	
China ²	Iceland ³	Oman ³	Switzerland ³	(Total 74)
Colombia ²	Ireland ³	Panama ³	The former Yugoslav Republic of Macedonia ³	
	Israel ³	Paraguay ²	Trinidad and Tobago ²	
	Italy ²	Peru ³		

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 17 States are bound.

³ 1991 Act is the latest Act by which 54 States and 2 organizations are bound.

⁴ Operates a plant breeders' 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 breeders' 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 (15):

Armenia, Bosnia and Herzegovina, Egypt, Ghana, Guatemala, Honduras, India, Iran (Islamic Republic of), Kazakhstan, Malaysia, Mauritius, Philippines, Tajikistan, 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 (25):

Algeria, Bahrain, Barbados, Brunei Darussalam, Cambodia, Cuba, Cyprus, El Salvador, Indonesia, Iraq, Jamaica, Lao People's Democratic Republic, Libya, Liechtenstein, 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)

[Appendix II follows]

ANNEX – APPENDIX II

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 2016-2017, and concludes with the proposed budget for the 2018-2019 Biennium by incorporating the resource variation between the budget for 2016-2017 and the proposed budget for the 2018-2019 Biennium. Table 4 summarizes the main indicators discussed in this Appendix II.
2. Budget 2016-2017: The starting point for the budget is presented in document C/49/4 Rev.
3. Proposed budget 2018-2019: The proposed budget is the result of adding the resource variation to the 2016-2017 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 III follows]

ANNEX – APPENDIX III

CONTRIBUTIONS OF MEMBERS
AS OF JULY 31, 2017
(in Swiss Francs)

2016 Actual	2017 Actual	Members	Number of Units	Payable in January 2018	Payable in January 2019
10,728	10,543	African Intellectual Property Organization (OAPI)	0.20	10,728	10,728
10,728	10,728	Albania	0.20	10,728	10,728
26,820	0	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	0	Belarus	0.20	10,728	10,728
80,462	80,462	Belgium	1.50	80,462	80,462
0	0	Bolivia (Plurinational State of)	0.20	10,728	10,728
13,410	0	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	0	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	10,566	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	0	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	Montenegro	0.20	10,728	10,728
10,728	10,728	Morocco	0.20	10,728	10,728
160,923	160,923	Netherlands	3.00	160,923	160,923

Annex – Appendix III – page 2

2016 Actual	2017 Actual	Members	Number of Units	Payable in January 2018	Payable in January 2019
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	53,461	Oman	1.00	53,641	53,641
10,728	9,277	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	0	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	0	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
0	0	Ukraine	0.20	10,728	10,728
107,282	107,282	United Kingdom	2.00	107,282	107,282
0	0	United Republic of Tanzania	0.20	10,728	10,728
268,205	0	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	0	Viet Nam	0.20	10,728	10,728
3,333,778	2,942,905		62.80	3,365,962	3,365,962

[Appendix IV follows]

DEFINITIONS OF BUDGET HEADINGS

Sources of Income

Contributions

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

Publications Income

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

Interest Income

Revenues from interest on capital deposits.

Other Income

All other income not described above, including accounting adjustments (credits) in respect of prior years, currency adjustments (credits) and income to cover “support costs” in respect of extra-budgetary activities executed by UPOV and financed by Funds-in-Trust; UPOV’s share in WIPO’s common income; nominal income from the Electronic Application Form (EAF).

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]