



Disclaimer: unless otherwise agreed by the Council of UPOV, only documents that have been adopted by the Council of UPOV and that have not been superseded can represent UPOV policies or guidance.

This document has been scanned from a paper copy and may have some discrepancies from the original document.

Avertissement: sauf si le Conseil de l'UPOV en décide autrement, seuls les documents adoptés par le Conseil de l'UPOV n'ayant pas été remplacés peuvent représenter les principes ou les orientations de l'UPOV.

Ce document a été numérisé à partir d'une copie papier et peut contenir des différences avec le document original.

Allgemeiner Haftungsausschluß: Sofern nicht anders vom Rat der UPOV vereinbart, geben nur Dokumente, die vom Rat der UPOV angenommen und nicht ersetzt wurden, Grundsätze oder eine Anleitung der UPOV wieder.

Dieses Dokument wurde von einer Papierkopie gescannt und könnte Abweichungen vom Originaldokument aufweisen.

Descargo de responsabilidad: salvo que el Consejo de la UPOV decida de otro modo, solo se considerarán documentos de políticas u orientaciones de la UPOV los que hayan sido aprobados por el Consejo de la UPOV y no hayan sido reemplazados.

Este documento ha sido escaneado a partir de una copia en papel y puede que existan divergencias en relación con el documento original.

UPOV

C/XVIII/11

ORIGINAL: English

DATE: June 30, 1984

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

GENEVA

COUNCIL

**Eighteenth Ordinary Session
Geneva, October 17 to 19, 1984**BIENNIAL PROGRAMS AND BUDGETS;
MEDIUM TERM PLANSMemorandum of the Secretary-GeneralBackground

1. At the present time, UPOV has annual budgets and programs, that is, the Council adopts (usually in a session held in October) the program and budget for the following one year. UPOV has no "medium term" planning, that is, planning for a period of four to six years.
2. In its 29th session, held on April 6, 1984, the Consultative Committee considered a memorandum prepared by the Office of the Union (document CC/XXIX/4) in which the Consultative Committee was invited "to consider the opportunity of establishing biennial budgets, associated to medium-term plans" (cited document, paragraph 41).
3. On the said date, the Consultative Committee decided that such possible changes in the present system should be studied further; it welcomed the undertaking given by the Secretary-General to provide a document recommending the adoption of a two-year budget period (starting with 1986-1987) and a six year medium term planning period (starting with 1986-1991); finally, it noted that the document would "analyze the disadvantages (if any), the advantages (among them, harmony with WIPO's budget reflecting the share of UPOV in common expenses), the precedents and the legal questions" (document CC/XXIX/6, paragraph 28).
4. The present document is the document promised.

Disadvantages and Advantages

5. Biennial Program and Budget. One of the disadvantages that a biennial program and budget has if compared with an annual program and budget is that it requires a foresight for a period twice as long as is the present program and budget period. In a period in which the rate of inflation and the fluctuations in the exchange rates of currencies are difficult to forecast, a longer budgetary period risks more miscalculations than a shorter budgetary period. However, if the miscalculation proves to be very substantial, the Council may, in an ordinary or extraordinary session, adjust the budget already adopted.

6. Another disadvantage of the biennial budgeting is that, during the first year of the biennium, changes may occur in the membership of the Union, or in the contribution class chosen by any member State (see Article 26(3)(c) of the UPOV Convention), and if such changes occur, the share of any member State in the contributions may be smaller or greater in the second year than in the first year. In other words, it is not possible to establish with certainty the amount of the contributions that each country will have to pay for the second year of the biennium.

7. On the other hand--and this is a distinct advantage of the biennial budget system--the approximate, likely amount of the contribution for the said second year can be forecast because the total amount of contributions for the second year (as well as for the first year) of the biennium will be definitely established. In other words, whereas today member States know the total amount of contributions and their share only for the next (one) year, under the biennial budget system they would know with certainty the total amount of the contributions for the next two years and their share for the first year, and would know the approximate amount of their share in the contributions for the second year more than a year before such share will be payable. Such a longer period helps, naturally, planning of what amounts should be provided for in the national budgets for UPOV contributions.

8. Further advantages of the biennial system of budgeting are that a draft budget would have to be prepared by the Office of the Union only once every two years, the members of the Council would have to study such drafts with their financial authorities only once every two years, and the Council would have to discuss the draft and make decisions only once every two years. The new system would thus mean economy of time and work (less documents!) for the governments of the member States and for the secretariat.

9. Finally, coordination with WIPO's budgetary forecasts would become easier and more accurate. As it is known, some 25% to 33% of the expenses of UPOV consists of payments for services rendered to UPOV by WIPO. The value of such services is estimated by WIPO for a two-year period. If UPOV would do the same, and approximately at the same time as WIPO, the chances of having the same estimates for the cost of the said services would increase. This would be an obvious advantage.

10. Medium Term Plans. Preparing and adopting medium term plans has the only disadvantage that it would require effort and time that are not required today. On the other hand, that effort and time would not be excessive and it would allow the Council to have a clearer policy as to the objectives of the Union since such policy would be decided four to six years in advance and such medium term decisions require, by their nature, more profound thinking and planning of what is desirable and feasible.

Precedents

11. There is now a general trend, that started a few years ago, in the United Nations system of organizations to switch from annual budgeting to biennial budgeting. The United Nations (UN), the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (Unesco) and the World Health Organization (WHO) already have biennial budgeting. So does WIPO. In all those organizations, the biennium starts with years of even number (the next with 1986, for 1986 and 1987, the budget to be fixed in 1985). Naturally, it is realized that UPOV is not an organization of the United Nations system of organizations. But it is an intergovernmental organization, financed according to the same general principles as those prevailing in the said system, and it has close administrative and financial links with WIPO, one of the 15 Specialized Agencies of that system. Consequently, adopting their methods would be logical and practical.

Legal Questions

12. The UPOV Convention provides that it is the task of the Council "to examine and approve the budget of the Union" (Article 21(e)). It does not specify the period (one, two or more years) for which the budget has to be established. Consequently, the period may be two years. That it will be two years can be decided by the Council by a simple decision, based on Article 21(h) of the UPOV Convention which provides that the Council shall "take all necessary decisions to ensure the efficient functioning of the Union."

13. It is to be noted that, whereas the UPOV Convention is silent on the periodicity of the budgets and programs, it does provide that the contributions of the member States are "annual" (see Article 26(1)) and that the share of each member State in the contributions must be determined with reference to "the total amount of the annual contributions" (Article 26(2)(a)). However, a biennial budget system is completely compatible with a yearly fixation of the share of each member State (this is the situation also in WIPO): whereas the total amount of contributions for each of the two years of the biennium is fixed at the same time--and should be one half of the total for the biennium--the share of each member State in that total will be calculated separately for each year on the basis of the number of member States belonging to each class of contributions on January 1 of that year.

Decisions

14. The Council is invited to decide that, beginning with the biennium 1986-1987, UPOV's programs and budgets will be biennial (rather than yearly) and that medium term plans will be drawn up, beginning with the period 1986-1991, for six years each, and that such plans will be drawn up for the first time in 1985 and thereafter every fourth year (1989, 1993, 1997 and so on.)

[End of document]

0684