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INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS
GENEVA

COUNCIL

Thirty-First Ordinary Session
Geneva, October 29, 1997

DRAFT PROGRAM AND BUDGET FOR THE 1998-99 BIENNIUM

presented by the Secretary-General

The Present Document

1. The present document contains an introduction and two chapters followed by three annexes.

The Introduction contains, in particular, an enumeration of the principal aims of the program for the 1998-99 biennium, a summary of the staff posts and a comparison, by budget headings, of the expenditure and income proposed for 1998-99 with the 1996-97 budget.

Chapter I (Summary of Budget and Comparisons) contains a summary of the income and expenditure proposed for the 1998-99 biennium as compared with the 1996-97 budget, and also gives the corresponding actual figures for the 1994-95 biennium.

Chapter II (Program and Expenses) describes each proposed activity and gives the cost of the activity.

Annex A contains the definitions of the budget headings (sources of income and objects of expenditure).

Annex B shows the amount of the contribution payable by each member State, for the years 1998 and 1999, respectively; the calculations are based on the assumption that the contributions for the 1998-99 biennium would be payable in two equal instalments (one in January 1998, the other in January 1999), that UPOV would have 34 member States, and that the total number of the contribution units will be 51.75. However, as in previous years, it is expected that there will be further accessions of States to the UPOV Convention and thus the amount of contributions will, in actual fact, be higher than budgeted.

Annex C contains the cost increase forecasts by the United Nations organizations in Geneva (hereinafter referred to as the "UN/CCAQ standards").

INTRODUCTION

Aims of the Program

2. The principal aims of the program for 1998-99 are the following:

(i) to coordinate and facilitate the protection of plant varieties by the member States under the UPOV Convention by providing fora for discussion and decisions;

(ii) to promote harmony between the domestic legislation and administrative practices of member States;

(iii) to further develop legal and technical cooperation among member States, particularly by supporting proposals for cooperation between States in examining applications for protection;

(iv) to take all necessary steps to facilitate the work of the breeders and the tasks of the plant variety protection authorities of member States;

(v) to propagate the concept of plant variety protection, particularly in countries that do not yet afford such protection, by explaining, where appropriate, in cooperation with national governments, with intergovernmental and with non-governmental organizations the need for and the modalities of the protection of plant breeders' rights; to publish information for this purpose;

(vi) to promote the accession of States to the UPOV Convention and to assist them in taking measures which will enable them to accede to the Convention;

(vii) to provide or promote the provision of programs for education and training in the field of plant variety protection, seeking when possible sources of extra-budgetary funding for such programs;

(viii) to observe developments outside UPOV concerning the conservation and making available of genetic resources, and to examine the possible impact of such developments on plant variety protection in general and on UPOV in particular;

(ix) to examine various possibilities for the legal protection of innovations in the field of genetic engineering and biotechnology, and to observe developments relating to the legal protection of innovations relating to animals.

Staff Posts

3. It is proposed that the number of posts for staff working exclusively for UPOV be increased by one in the General Service category, leading to:

one Vice Secretary-General,
one post in the Special (Director) category,
two posts in the Professional category, and
five posts in the General Service category.*

Comparison of the Draft Budget for the 1998-99 Biennium with the Budget Adopted for the 1996-97 Biennium

4. Total Expenditure

	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs**	5,516	6,203
Percentage increase for the biennium		12.5%

The reasons for the increase are explained in detail in paragraphs 5 to 9, below.

Comparison of Expenditure, Distinguishing Between Program Variation and Cost Variation***

5. The following table shows this comparison (in thousands of francs):

	<u>1996-97</u> <u>Budget</u>	<u>Program Variation</u>		<u>Cost Variation</u>		<u>1998-99</u> <u>Budget</u>
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
Expenses proper to UPOV	4,098	530	12.9	78	1.9	4,706
Common Expenses	<u>1,418</u>	<u>59</u>	<u>4.2</u>	<u>20</u>	<u>1.4</u>	<u>1,497</u>
Total Expenses	5,516	589	10.7	98	1.8	6,203

* It is expected that there will be a Junior Professional Officer funded by the Japanese Government under a trust fund. The associated expenses and the trust fund income to cover these are extrabudgetary, so are not reflected herein.

** In this document "francs" means Swiss francs.

*** The Consultative Committee for Administrative Questions (CCAQ), a subsidiary body of the Administrative Committee on Coordination (ACC) within the United Nations system, defines these variations as follows:

Program variation: Any change in resources resulting from an increase or decrease in the volume of activities carried out under a program.

Cost variation: Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

6. As far as the expenses proper to UPOV are concerned, the program increase of 530,000 francs is essentially due to one additional General Service staff member to cope with increased activity levels (248,000 francs), the remuneration (162,000 francs) and travel (30,000 francs) of a proposed consultant with Russian language skills whose main task will be to improve communication with, and promote the accession to the UPOV Convention by, some fifteen States which use the Russian language wholly or partially and which have plant variety protection laws or are developing such laws (former republics of the Soviet Union), the need for more missions of staff for providing advice to member States and non-member States and for the promotion of UPOV activities (65,000 francs), additional third party travel costs (11,000 francs), the initiation of a fellowship program for training (60,000 francs), the cost of additional premises (32,000 francs), further increases in supplies, equipment and other expenses (20,000 francs) and higher costs for external translation of UPOV documents (11,000 francs), partly offset by decreases in other contractual services because of lower UPOV-ROM development and production costs (54,000 francs), and less printing activities, resulting in lower printing costs (55,000 francs).

7. As far as the expenses proper to UPOV are concerned, the cost increase results from the combined effect of the application of the UN/CCAQ standards as set forth in Annex C, and the application, in respect of staff costs, of statutory and other cost increases as explained in paragraph 9, below.

8. As far as common expenses are concerned, the program increase reflects the larger support provided by WIPO because of higher UPOV activity, particularly on data processing and maintenance of premises. The cost increase results from the application of UN/CCAQ standards.

9. Expenses According to Objects of Expenditure

These are taken in the order in which they appear in the table in Chapter I.

A. Staff Expenses

	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	3,066	3,338
Percentage increase for the biennium		8.9%

The net increase of 272,000 francs for the biennium is due to the following factors:

- a) a program increase of 248,000 francs (+8.1%) for one additional General Service staff member who will assume responsibility for data checking, induction and training of member States and others who become providers of data for UPOV-ROM and for providing a help-desk for users and subscribers to UPOV-ROM and will provide support in relation to the establishment of an electronic database containing a collection of laws which will resemble the collection established by WIPO pursuant to its agreement with the WTO.

- b) a net cost increase of 24,000 francs (0.8%) resulting from:
- i) statutory cost increases for the cost of living and pensionable remuneration increased provisions (9,000 francs (+0.3%)) calculated on the basis of the UN/CCAQ standards (see Annex C, paragraphs (iv), (v) and (vi)), for advancements to a higher step (yearly salary increment) within the same grade (52,000 francs (+1.7%)), for changes in grade (80,000 francs (+2.6%)), and for increases in medical insurance premiums (8,000 francs (+0.3%)), resulting in a cost increase totalling 149,000 francs (+4.9%).
 - ii) an increase of 20,000 francs (+0.7%) in social charges for the biennium corresponding to the increase in staff expenses. It is proposed that, as for previous budgetary periods, any part of this amount not spent in the 1998-99 biennium be put into a special reserve for expenses (namely, repatriation grants, accumulated annual leave and household removal expenses) which would have to be paid by UPOV if any staff member of UPOV were to leave (see documents C/XVIII/4, paragraph 8(v); C/XIX/4, paragraph 12; C/XXI/4, paragraph 8(ii)); C/XXIII/4, paragraph 8(ii); C/25/4, paragraph 9(iii); C/27/4, paragraph 9(iii), and C/29/4, paragraph 9(iv)).
 - iii) a decrease of 145,000 francs (-4.7%) as an adjustment of the staff cost amount budgeted in document C/29/4 for 1996 and 1997 because the remuneration and pensionable remuneration for staff members in the Professional and higher categories had budgeted increases in post adjustment of 3% for each of July 1995, July 1996 and July 1997, along with an increase in base salary of 5% in January 1997 (see document C/29/4, Annex C, paragraph (ii)), whereas no increases in post adjustment occurred on the first two of those dates, and no increase is expected for July 1997, while the actual salary increase in January 1997 was only 0.4% (instead of the 4.1% that was recommended by the International Civil Service Commission (ICSC), compensated in part by higher than budgeted increases in pensionable remuneration. Furthermore, as concerns the salary and pensionable remuneration of staff in the General Service category, whereas annual increases of 3% of salaries and pensionable remuneration were budgeted for each of January 1995, January 1996 and January 1997 (see document C/29/4, Annex C, paragraph (iii)), the salary scale and pensionable remuneration for General Service staff recruited prior to October 1, 1995, was frozen effective January 1995 and the salary scale and pensionable remuneration for General Service staff recruited on or after October 1, 1995 was reduced by 7.4%.

B. Travel on Official Business

a) <u>Missions</u>	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	210	290
Percentage increase for the biennium		38.1%

The increase of 80,000 francs for the biennium is due to a cost increase of 15,000 francs, and a program increase of 65,000 francs due to the higher number of missions for advising new member States implementing national plant variety protection systems, to respond to the increased demand of advice from countries seeking accession to the UPOV Convention, and to promote accession of States to the UPOV Convention.

b) <u>Third Party Travel</u>	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	16	28
Percentage increase for the biennium		75%

The increase of 12,000 francs for the biennium is due to a cost increase of 1,000 francs and a program increase of 11,000 francs due to increased activity to promote accession to the UPOV Convention.

C. Contractual Services

a) <u>Conferences</u>	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	157	162
Percentage increase for the biennium		3.2%

The increase of 5,000 francs for the biennium is due to a cost increase of 5,000 francs.

b) <u>Consultants</u>	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	0	192
Percentage increase for the biennium		-

The increase of 192,000 francs for the biennium is due to the remuneration (162,000 francs) and travel (30,000 francs) of a proposed consultant with Russian language skills whose main task will be to improve communication with, and promote the accession to the UPOV Convention by, some fifteen States which use the Russian language wholly or partially and which have plant variety protection laws or are developing such laws (former republics of the Soviet Union).

c) <u>Printing</u>	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	148	100
Percentage decrease for the biennium		-32.4%

The decrease of 48,000 francs for the biennium is due to lower than budgeted printing activity (55,000 francs), partly offset by a cost increase of 7,000 francs.

d) <u>Other</u>	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	296	270
Percentage decrease for the biennium		-8.8%

The decrease of 26,000 francs for the biennium is due to lower UPOV-ROM development and production costs (54,000 francs), partly offset by higher costs for external translation of UPOV documents (11,000 francs), and to a cost increase of 17,000 francs.

D. General Operating Expenses

	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	140	178
Percentage increase for the biennium		27.1%

The increase of 38,000 francs for the biennium is due to a cost increase of 6,000 francs, and higher rental expenses for two additional offices (32,000 francs).

E. Supplies and Materials

	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	9	16
Percentage increase for the biennium		77.8%

The increase of 7,000 francs for the biennium is due to a provision of 1,000 francs for cost increases and to higher program activity and new staff (6,000 francs).

F. Acquisition of Furniture and Equipment

	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	15	25
Percentage increase for the biennium		66.7%

The increase of 10,000 francs for the biennium is due to a provision of 1,000 francs for cost increases and 9,000 francs for higher program activity including increased demand for furniture and computer equipment to be provided to new staff offices.

G. Fellowships

	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	0	60
Percentage increase for the biennium		-

The increase of 60,000 francs for the biennium is to initiate a fellowship program addressed to government officials from developing countries with responsibilities for implementing national plant variety protection systems, to attend training courses in member States.

H. Other Expenses

a) <u>Unforeseen</u>	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	41	47
Percentage increase for the biennium		14.6%

As in previous years, this provision is calculated on the basis of one percent of the expenses proper to UPOV.

b) <u>Common Expenses</u>	<u>1996-97</u>	<u>1998-99</u>
In thousands of francs	1,418	1,497
Percentage increase for the biennium		5.6%

The increase of 79,000 francs for the biennium is due to cost increases resulting from the application of UN/CCAQ standards in the amount of 20,000 francs, and to program increases reflecting a higher support received from WIPO, in the amount of 59,000 francs (see paragraph 8, above).

10. Financing of the Expenses for the 1998-99 Biennium

It is proposed that the expenses of 6,203,000 francs for the 1998-99 biennium be financed by the contributions of member States to the extent of 5,552,000 francs, by publications income and miscellaneous income to the extent of 217,000 francs, and by the transfer and utilization of 434,000 francs from the Reserve Fund. As in previous years, it is expected that there will be further accessions of States to the UPOV Convention, resulting in income higher than budgeted from contributions of new member States, thus reducing the utilization of resources from the Reserve Fund.

11. Comparison of Income (in thousands of francs)

	<u>1996-97</u>	<u>1998-99</u>	<u>Percentage Variation</u>
Contributions	5,353	5,552	3.7%
Publications Income and Miscellaneous Income	130	217	66.9%
Reserve Fund*	<u>33</u>	<u>434</u>	-
Total	<u>5,516</u>	<u>6,203</u>	<u>12.5%</u>

12. The amount of 5,552,000 francs shown in the preceding paragraph for contributions relates to the biennium. Half of that amount, i.e., 2,776,000 francs, would be payable in the month of January of each of the years 1998 and 1999. On the basis of the membership of UPOV for the 1998-99 biennium (34 States totalling 51.75 units), the amount payable each year for one contribution unit would be 53,641 francs, which is the same amount as the contribution unit for 1997. The increased income derived from contributions (i. e., 199,000 francs) is due to the accessions of new member States, and the increase in the number of contribution units of one member State.

13. The increased miscellaneous income is expected to result mainly from increased bank interest.

14. As in the preceding budgets, it is proposed that, even if any member State increases its number of contribution units, or if any State not yet a member joins UPOV, the contribution unit should remain at 53,641 francs for the years 1998 and 1999.

* It is to be noted that UPOV's Reserve Fund stood at 897,000 francs on December 31, 1995, and is expected to increase to about 1,100,000 francs on December 31, 1997.

UPOV
CHAPTER I - SUMMARY OF BUDGET AND COMPARISONS
(expressed in thousands of francs)

1994-95	1996-97			Draft 1998-99
<u>Actual</u>	<u>Budget</u>			<u>Budget</u>
		INCOME		
4,957	5,353	<u>Contributions</u>		5,552
		<u>Other Income</u>		
19	12	- Publications		12
<u>200</u>	<u>118</u>	- Miscellaneous		<u>205</u>
<u>5,176</u>	<u>5,483</u>	TOTAL INCOME		<u>5,769</u>
		EXPENDITURE		
2,645	3,066	UV.09 <u>Staff Expenses</u>		3,338
		<u>Travel on Official Business</u>		
		- Missions [staff]		
		UV.04 - Technical Working Parties	70	
		UV.08 - Contacts with Governments & Organizations	220	
189	210	Sub-total		290
		- Third Party Travel [non-staff]		
		UV.01 - Council: Symposium speakers	16	
		UV.10 - Other Third Party Travel	12	
4	16	Sub-total		28
		<u>Contractual Services</u>		
		<u>- Conferences</u>		
		UV.01 - Council	30	
		UV.02 - Consultative Committee	40	
		UV.03 - Technical Committee	40	
		UV.05 - Administrative and Legal Committee	45	
		UV.06 - Meeting with International Organizations	7	
96	157	Sub-total		162
-	-	UV.08 - <u>Consultants</u>		192
90	148	UV.07 - <u>Printing: Information and Documentation</u>		100
		<u>- Other</u>		
		UV.01 - Council	5	
		UV.02 - Consultative Committee	10	
		UV.03 - Technical Committee	20	
		UV.05 - Administrative and Legal Committee	20	
		UV.07 - UPOV-ROM	155	
		UV.07 - Other Information and Documentation	55	
		UV.10 - Program Support Expenses	5	
42	296	Sub-total		270
124	140	UV.10 <u>General Operating Expenses</u>		178
9	9	UV.10 <u>Supplies and Materials</u>		16
52	15	UV.10 <u>Acquisition of Furniture and Equipment</u>		25
-	-	UV.08 <u>Fellowships</u>		60
<u>9</u>	<u>41</u>	UV.10 <u>Other Expenses</u>		<u>47</u>
3,260	4,098	Sub-total: Expenses proper to UPOV		4,706
<u>1,306</u>	<u>1,418</u>	UV.11 <u>Common Expenses</u>		<u>1,497</u>
<u>4,566</u>	<u>5,516</u>	TOTAL EXPENSES		<u>6,203</u>
610	(33)	<u>Transferred to (from) Reserve Fund</u>		(434)

CHAPTER II - PROGRAM AND EXPENSES
(amounts expressed in thousands of francs)

UV.01 COUNCIL
[Ex UV.01]*

The Council will meet in ordinary session for one day in 1998 and for two days in 1999 in Geneva. One day of the session in 1999 will be devoted to a symposium.

Simultaneous interpretation will be provided for in four languages.

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.01	51			16	30			5						

UV.02 CONSULTATIVE COMMITTEE
[Ex UV.02]

In 1998 and 1999, the Consultative Committee will meet twice in each year for one day, i.e., four days in total in Geneva. The meetings will be held in conjunction with other UPOV meetings.

Simultaneous interpretation will be provided for in four languages.

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.02	50				40			10						

UV.03 TECHNICAL COMMITTEE
[Ex UV.03]

The Technical Committee will meet in the years 1998 and 1999 in Geneva for a total of six days. It will adopt uniform methods, procedures and standards for the examination of varieties, discuss the application of new technologies in such examination, supervise under the guidance of the Council the work of the Technical Working Parties and of the Working Group on Biochemical and Molecular Techniques and DNA-Profiling in Particular, approve the Test Guidelines elaborated by those Working Parties, coordinate possible further workshops on the examination of new varieties, as well as give advice to the Council on all questions of a technical nature within UPOV.

Simultaneous interpretation will be provided for in four languages.

* "Ex" numbers refer to the numbers of the corresponding program items in the document that contained the draft program and budget for the 1996-97 biennium (C/29/4, Chapter II).

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.03	60				40			20						

UV.04 TECHNICAL WORKING PARTIES
[Ex UV.04]

The Technical Working Parties for

- Agricultural Crops
- Fruit Crops
- Vegetables
- Ornamental Plants and Forest Trees
- Automation and Computer Programs

will each meet once in each of the years 1998 and 1999, normally for four to five days, generally outside Geneva but from time to time in Geneva. Subgroups, set up for special subjects or individual species, will meet for one or exceptionally two days before several sessions or for two to four days at dates not connected with sessions of the respective Technical Working Party. All Technical Working Parties will discuss technical questions of a general nature and prepare standard forms for technical information requested from breeders applying for protection. In addition, the first four of the above-mentioned Working Parties will work on the drawing up or revision of guidelines for the conduct of tests on new varieties and on the impact of the application of new technologies to the testing of varieties. The Working Party on Automation and Computer Programs will discuss the possibilities of harmonizing computer programs used by national authorities of member States for the administrative handling of applications for plant variety protection, for the preparation of growing tests, for the statistical evaluation of the test results, for the description of varieties and for the exchange of data between those authorities. It will study the further development and use, if necessary in joint session with the Administrative and Legal Committee, of UPOV-ROM database and also the possible making available of Text Guidelines and other information on CD-ROM or Internet.

The Working Group on Biochemical and Molecular Techniques and DNA-Profiling in Particular will meet once or twice (for three to four days) in each of the years 1998 and 1999 to discuss the possibilities of biochemical and molecular techniques in the testing of varieties and their possible harmonization for use for the testing for distinctness and uniformity. The meetings will generally be held at a national Office applying or studying those methods in order to see the methods in practice.

Depending on developments in the technical field, one or two workshops may be organized.

No interpretation will be provided for these meetings.

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.04	70		70											

UV.05 ADMINISTRATIVE AND LEGAL COMMITTEE
[Ex UV.05]

The Administrative and Legal Committee will meet in the years 1998 and 1999 on four occasions, for a total of eight days, in Geneva. It will provide a forum for discussion of and deal with all questions of an administrative and legal nature, including, in particular, matters arising from the revision of the UPOV Convention and from discussions in other fora, and will give advice on these questions to the Council.

Simultaneous interpretation will be provided for in four languages.

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.05	65				45			20						

UV.06 MEETING WITH INTERNATIONAL ORGANIZATIONS
[Ex UV.06]

There will be a meeting in 1999 with international organizations on questions of mutual interest to UPOV and those organizations. The meeting, which will immediately precede or follow a session of another body of UPOV, will last for one day, and simultaneous interpretation will be provided for in four languages.

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.06	7				7									

UV.07 INFORMATION AND DOCUMENTATION
[Ex UV.07]

The Office of the Union will:

- i) continue the publication of "Plant Variety Protection" (the UPOV Gazette and Newsletter);
- ii) continue to collect legislative texts of member States and non-member States, treaties and information on the interpretation, in practice, of plant breeders' rights systems in the various countries; continue the updating of the "Collection of Plant Variety Protection Laws and Treaties;" study the making available of such legislative texts in electronic form;
- iii) reprint the brochures containing the texts of the UPOV Convention when necessary;

iv) publish as necessary new editions of the UPOV General Information Brochure in four languages;

v) print or reprint flyers containing summary information on UPOV in seven languages; publish in additional languages when necessary;

vi) continue the updating of the "Collection of the Texts of the UPOV Convention and Other Important Documents Established by UPOV" in four languages;

vii) develop and make available, on a bi-monthly basis in 1998 and, if feasible, monthly thereafter, the CD-ROM database on plant variety protection and related matters;

viii) establish and maintain a UPOV "home page" and selected information on the Internet and in other electronic media.

Outside translators will be necessary for preparing some of the translations.

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.07	310						100	210						

UV.08 CONTACTS WITH GOVERNMENTS, INTERGOVERNMENTAL AND NON-GOVERNMENTAL ORGANIZATIONS [Ex UV.08]

The Office of the Union will continue to maintain contacts with governments of both member States and non-member States, and with interested intergovernmental and non-governmental organizations, in order to:

- i) inform them on, and discuss with them, the objectives and activities of UPOV;
- ii) learn about their activities and their position regarding plant variety protection and related questions;
- iii) institute, where appropriate, exchanges of publications, mutual attendance at certain meetings, and other means of cooperation;
- iv) hear the views of organizations as to the priorities that ought to be fixed in the field of international cooperation concerning plant breeders' rights and on other questions of mutual interest;
- v) establish and maintain contact with non-member States envisaging accession to the UPOV Convention, including the rendering of assistance in the preparation and the discussion of the necessary legislation, providing comments on the compatibility of such legislation with the UPOV Convention and organizing seminars;

vi) further the promotion of the concept of plant variety protection and the provision of relevant training and education, including a fellowship program offering training courses in member States.

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.08	472		220			192							60	

UV.09 STAFF EXPENSES

[Ex UV.09]

The Office of the Union will consist of the Secretary-General, the Vice Secretary-General, one post in the Special (Director) category, two posts in the Professional category and five posts in the General Service category.

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.09	3,338	3,338												

UV.10 OTHER ADMINISTRATIVE AND PROGRAM SUPPORT EXPENSES

[Ex UV.10]

Third party travel:

To provide for third party travel expenses of the Union, not allocated to specific programs.

Contractual Services - Other:

Maintenance of the computer equipment installed for the exclusive use of the Office of the Union and translation of UPOV documents.

General Operating Expenses:

The Office of the Union will continue to occupy space in the WIPO Building (rental of premises), and other general operating expenses will continue to be charged to the Union.

Supplies and Materials:

Stationary and office supplies, subscriptions to periodicals, purchase of technical literature, etc., for the exclusive use of the Office of the Union.

Acquisition of Furniture and Equipment:

Cost of office furniture and equipment purchased for the exclusive use of the Office of the Union.

Other Expenses:

As in previous years, approximately one percent of the total expenses proper to UPOV is budgeted for expenses not specifically provided for in this Chapter and for unforeseen expenses.

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.10	283			12				5	178	16	25			47

UV.11 COMMON EXPENSES

[Ex UV.11]

UPOV's share in the common expenses is, where statistical data are available, based on a calculation of the services actually rendered by WIPO; otherwise, it is based on an estimation of the value of such services. Summary details of these expenses are as follows:

1994-95 <u>Actual</u>	1996-97 <u>Budget</u>		1998-99 <u>Budget</u>
983	993	Staff Expenses	1,035
16	21	Data Processing	31
113	164	Maintenance of Premises	184
53	83	Equipment and Supplies	84
115	142	Communications	148
<u>16</u>	<u>15</u>	Other Expenses	<u>15</u>
<u>1,296</u>	<u>1,418</u>		<u>1,497</u>

It is to be noted that the share of UPOV in the "common income" of WIPO is included in UPOV's budget under the heading "Other Income; Miscellaneous."

	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equipment	Premises	Fellowships	Other Expenses
	Total	Staff	Missions	3rdParty	Conf.	Consult.	Print.	Other						
UV.11	1,497													1,497

14. The Council is invited to adopt the program and budget as proposed in this document and to approve the proposals concerning contributions contained in paragraphs 12 and 14 (see page 10), above.

[The Annexes follow]

ANNEX A

DEFINITIONS OF BUDGET HEADINGS

SOURCES OF INCOME

"Contributions"

Contributions of member States under Article 26 of the UPOV Convention.

"Publications"

Revenue from the sale of publications and from subscriptions to periodicals published by the Office of the Union.

"Miscellaneous 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 extrabudgetary activities executed by UPOV and financed by trust funds; UPOV's share in WIPO common income.

OBJECTS OF EXPENDITURE

"Staff Expenses"

All items connected with the staff members' monthly payroll, in particular: salaries, post adjustments, rental subsidy, non-resident allowances, assignment grants and representation allowances; dependency allowances; language allowances; employer's contribution towards Pension Fund; participation in sickness insurance scheme; also all staff related costs not connected with staff members' monthly payroll, in particular: 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 premiums; recruitment costs; cost of medical examinations; short-term appointments; overtime; termination costs and repatriation grants; staff training; refund of national income taxes on salaries, allowances, indemnities or grants paid by the Office of the Union.

"Travel on Official Business"

Missions: travel expenses and daily subsistence allowances for the staff of the Office of the Union on official missions.

Third Party Travel: travel expenses and daily subsistence allowances (DSA) for persons other than the staff of the Office of the Union (except trainees whose travel and DSA are included under "Fellowships," below; except also travel of consultants, interpreters, etc.: see below).

"Contractual Services"

Conferences: remuneration, travel expenses and daily subsistence allowances for interpreters and translators; renting of premises, offices and simultaneous interpretation equipment; cost of engaging supernumeraries (telephonists, secretaries, ushers and others); refreshments and receptions.

Consultants: all expenses connected with the employment of consultants, in particular: remuneration, travel expenses and daily subsistence allowances; honoraria paid to lecturers.

Printing: outside printing and binding, in particular: 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.

Other: all other contractual services, in particular: fees of translators of documents; rental of computer time and fees for producing and purchasing computer software.

"General Operating Expenses"

Rental of premises: rental value of premises which are used exclusively by the Office of the Union. (This item does not include the contribution of UPOV to the WIPO common expenses for the space occupied by the Common Services.)

Maintenance of premises: cleaning; repairs; building insurance; upkeep of park; supervision of installations; heating; lighting; water.

Rental and Maintenance of Equipment and Furniture: rental and maintenance of all equipment and furniture, in particular: office furniture and machines; reproduction equipment; text-processing and data processing equipment; transportation equipment including petrol and lubricants.

Communications: cost of telephone, telegrams, telexes, facsimile and mail, including postage and carriage of documents.

Other: all general operating expenses not described above, in particular: hospitality; bank charges; interest on bank and other loans (except building loans); currency adjustments (debits); audit expenses.

"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 (magnetic tapes, etc.)

"Acquisition of Furniture and Equipment"

Purchases of furniture and equipment, in particular: office furniture and office machines; text-processing and data processing equipment; conference servicing equipment; reproduction equipment; transportation equipment.

"Acquisition and Improvement of Premises"

New Buildings: expenses directly connected with the acquisition or construction of buildings but not covered by building loans. Includes, in particular: additions to existing premises and purchase of land.

Improvements to Premises: expenses connected with the alterations, improvements or major maintenance of existing buildings not covered by building loans.

"Fellowships"

Includes, in particular: travel expenses, daily subsistence allowances and other expenses in connection with trainees.

"Other Expenses"

Expenses not specifically provided for above, unforeseen expenses and accounting adjustments (debits) in respect of prior years; expenses payable to WIPO for services rendered to UPOV.

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Note

This Annex is the same as the corresponding annex in the program and budget document for the 1996-97 biennium (C/29/4, Annex A), except that the definition of "miscellaneous income" now includes reference to income to cover "support costs" in respect of extrabudgetary activities.

[Annex B follows]

ANNEX B

CONTRIBUTIONS OF MEMBER STATES

(expressed in Swiss francs)

1996 <u>Actual</u>	1997 <u>Actual</u>	<u>Member States</u>	Number of Units	<u>Draft 1998-99 Budget</u>	
				<u>Payable in January 1998</u>	<u>Payable in January 1999</u>
10,728	10,728	Argentina*	0.5	26,820	26,820
53,641	53,641	Australia	1.0	53,641	53,641
80,462	80,462	Austria	1.5	80,462	80,462
80,462	80,462	Belgium	1.5	80,462	80,462
53,641	53,641	Canada	1.0	53,641	53,641
-	10,728	Chile	0.2	10,728	10,728
-	10,728	Colombia	0.2	10,728	10,728
26,820	26,820	Czech Republic	0.5	26,820	26,820
80,462	80,462	Denmark	1.5	80,462	80,462
-	-	Ecuador	0.2	10,728	10,728
53,641	53,641	Finland	1.0	53,641	53,641
268,205	268,205	France	5.0	268,205	268,205
268,205	268,205	Germany	5.0	268,205	268,205
26,820	26,820	Hungary	0.5	26,820	26,820
53,641	53,641	Ireland	1.0	53,641	53,641
26,820	26,820	Israel	0.5	26,820	26,820
107,282	107,282	Italy	2.0	107,282	107,282
268,205	268,205	Japan	5.0	268,205	268,205
-	-	Mexico	0.75	40,231	40,231
160,923	160,923	Netherlands	3.0	160,923	160,923
53,641	53,641	New Zealand	1.0	53,641	53,641
53,641	53,641	Norway	1.0	53,641	53,641
-	-	Paraguay	0.2	10,728	10,728
26,820	26,820	Poland	0.5	26,820	26,820
26,820	26,820	Portugal	0.5	26,820	26,820
26,820	26,820	Slovakia	0.5	26,820	26,820
53,641	53,641	South Africa	1.0	53,641	53,641
80,462	80,462	Spain	1.5	80,462	80,462
80,462	80,462	Sweden	1.5	80,462	80,462
80,462	80,462	Switzerland	1.5	80,462	80,462
26,820	26,820	Ukraine	0.5	26,820	26,820
268,205	268,205	United Kingdom	5.0	268,205	268,205
268,205	268,205	United States of America	5.0	268,205	268,205
10,728	10,728	Uruguay	0.2	10,728	10,728
2,676,685	2,698,141		51.75	2,775,920	2,775,920

* Increase of contribution units from 0.2 to 0.5, effective January 1, 1998.

[Annex C follows]

ANNEX C

COST INCREASE FORECASTS BY THE UNITED NATIONS
ORGANIZATIONS IN GENEVA

The rates of cost increase estimated by the United Nations Organizations in Geneva, for the years 1998 and 1999, are summarized in a document of the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) (CCAQ(FB)) of the Administrative Committee on Coordination (ACC) of the United Nations system (document ACC/1996/FB/R.29, dated October 25, 1996), which provides estimates of the cost increases that might be expected in 1997, 1998 and 1999 in Switzerland. Those estimates take account of available official statistics, statements of competent authorities, the views of reputable economic analysts and information gathered from professional associations and other appropriate sources. That document (document ACC/1996/FB/R.29, Annex I, paragraphs 5 and 6) states the following:

(i) overall rate of inflation: “a 2 per cent inflation rate should be used for 1997, 1998 and 1999.”

(ii) staff costs for the Professional and higher categories in Geneva (hereinafter referred to as the “Professional staff”): “ICSC has decided to recommend to the General Assembly, effective March 1997, a 3.1 per cent increase in remuneration at each grade and step together with a restructuring of the salary scale which would give an average increase of 1 per cent, for an overall increase of some 4.1 per cent¹. ICSC is also recommending a change in the methodology by which out-of-area weights are determined. The effect of this change on Geneva would be a minus 4.6 point change to the Geneva post adjustment index. This, when added to the existing 10 point gap between the post adjustment index and the multiplier, means that it is very unlikely that there will be any change to the Geneva post adjustment multiplier in the next few years.”

(iii) staff costs for the General Service category in Geneva: “a comprehensive salary survey was carried out in 1995. This indicated that existing pay scales were some 7.1 per cent higher than in the local market. The new salary scale is adjusted every year for inflation but it is still lower than the old salary scale and it would be several years before inflation closed the gap. It is therefore unlikely that there will be any significant increase in general service staff costs in the forthcoming budget period.”

(iv) contributions of the Professional staff to the United Nations Joint Staff Pension Fund: “if the proposed 4.1 per cent increase in remuneration is accepted, there would be a similar increase in the level of pensionable remuneration” and thus in the cost of organizations’ pension contributions². This would affect the pension costs for Geneva-based staff notwithstanding the absence of any increase in post adjustment.”

¹ The United Nations General Assembly decided, by resolution 51/216 dated December 18, 1996, to increase the net remuneration by only 0.4%, effective January 1997.

² The United Nations General Assembly decided, by resolution 51/216 dated December 18, 1996, to increase the pensionable remuneration by an average of only 1.0%, effective January 1997.

(v) contributions of the General Service staff to the United Nations Joint Staff Pension Fund: “pensionable remuneration was the dollar equivalent of the sum of the local gross salary, any language allowance and any non-resident’s allowance payable. Although the local gross salary may in practice be frozen for the next few years, any changes in the dollar-Swiss franc rates of exchange would impact the dollar costs of the organizations’ contributions. ICSC is recommending a common scale of staff assessment which, if approved by the General Assembly, would be introduced with effect from March 1997 ... and might produce a reduction of 2-3 per cent with respect to general service staff assessments.”

(vi) other common staff costs: for the Professional staff, “ICSC is recommending an increase of 10 per cent in the maximum admissible education grant for Switzerland. There may be some changes in the mobility and hardship allowances but with minimal impact on Geneva staff costs.”

(vii) air fares and air freight: as concerns air fares, “for 1998 and 1999, it was expected that the annual increase would be slightly less than 3 per cent, since, for some destinations, in particular European ones, the market trends should normally result in a decrease in costs. This would be due, especially, to tight competition between airlines and increased use of discounted fares by organizations.” For freight, “according to the information obtained, the increase should be in the order of 3 per cent for 1998 and 1999.”

(viii) contractual printing and binding: “it is expected that increases for printing and binding services will be at the general rate of inflation. In cases where the orders are placed in other countries than Switzerland, different annual rates of increase need to be foreseen.”

(ix) other contractual services (including contractual maintenance of premises and equipment): “costs of other contractual services including contractual maintenance of premises and equipment are expected to increase in the order of 1.0 per cent per year in 1997, 2.5 per cent in 1998, and 3 per cent in 1999.”

(x) fuel oil: “it was agreed that organizations should take into account the latest price levels in effect at the time of the completion of their proposed budgets.”

(xi) other utilities: “it was estimated that water will increase by 8 per cent per year in 1998 and 1999. For electricity, it was anticipated that prices will increase by 5 per cent in 1998 and 1999.”

(xii) communications (telephone, facsimile and telex services, pouch services, postage): “communications costs in Switzerland are currently stable and increases beyond the general rate of inflation are not expected.”

(xiii) paper and printing supplies: “for 1997 onwards, it was anticipated that annual increases for paper will not be higher than the expected general rate of inflation. As far as printing supplies are concerned, the increases were estimated at 2 per cent higher than the general rate of inflation.”

(xiv) other supplies and materials: “similarly to printing supplies, the cost of other supplies was also expected to increase by some 2 per cent higher than the general rate of inflation.”

(xv) acquisition of furniture and equipment: “the steady price decreases for office automation equipment (hardware and software) during 1995 and 1996 was expected to continue. However, the necessity to replace the old equipment by more sophisticated equipment, which is more expensive, the purchase of new software packages, were expected to completely offset the anticipated savings. For furniture and other equipment, average increases were forecast to be at the same level as the general rate of inflation.”

[End of Annex C and of document]