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INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

GENEVA

COUNCIL

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Geneva, October 17 and 18, 1985

DRAFT PROGRAM AND BUDGET FOR THE 1986-87 BIENNIUM
AND PLAN FOR THE MEDIUM TERM 1988-91

presented by the Secretary-General

The Present Document

1. The present document contains two Parts: Part I consists of the draft program and budget for the 1986-87 biennium and Part II of the plan for the medium term 1988-91.
2. Part I consists of an introduction and two chapters:

The Introduction contains, in particular, an enumeration of the principal aims of the program for the 1986-87 biennium, highlights of the program and a comparison by budget headings of the expenditure and income proposed for 1986-87 with the total of the two budgets adopted for the years 1984 and 1985--hereinafter referred to as "the 1984-85 budgets."

Chapter I (Summary of Budget and Comparisons) contains a summary of income and expenditure proposed for the biennium 1986-87 as compared with the 1984-85 budgets, and also gives the actual figures for 1984.

Chapter II (Program and Expenses) describes each activity proposed and gives its cost wherever applicable.

3. Part I is followed by three annexes:

Annex A contains a description of the budget headings.

Annex B shows the contribution payable by each member State, on January 1, 1986, and on January 1, 1987, assuming that one half of the contribution proposed for the 1986-87 biennium would be payable on each of those dates and that UPOV would continue to have 17 member States, contributing a total of 41 units in respect of each of those years.

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

4. Part II, the Plan for the Medium Term 1988-91 consists of an introduction and two chapters:

Chapter I outlines the main objectives that UPOV is expected to pursue during the four years from 1988 to 1991.

Chapter II enumerates the activities that UPOV and particularly the Council, the Committees and the Office are likely to be called upon to perform during the said four years.

PART I: DRAFT PROGRAM AND BUDGET FOR THE 1986-87 BIENNIUM

INTRODUCTION

Program

5. The program for 1986-87 is basically a continuation of the programs of the previous years. The principal aims are:

(i) to propagate, where appropriate, the idea of plant variety protection, particularly in countries that do not yet afford such protection, and to advise them (if they so desire) on the introduction of such protection;

(ii) to promote accession of States to the 1978 Revised Act of the UPOV Convention;

(iii) to assist States in taking all measures, in particular legislative measures, enabling them to accede to the 1978 Revised Act of the UPOV Convention;

(iv) to intensify and further develop the legal and technical cooperation among member States, in particular in the examination of varieties and in the approval of variety denominations for registration; to observe plans outside UPOV to establish a cooperation of that kind between States on a regional basis and to assess their possible impact on plant variety protection and on UPOV;

(v) to assist member States in establishing a greater harmony between their domestic legislations and administrative practices;

(vi) to explain, where appropriate in cooperation with national governments, with intergovernmental and with international non-governmental organizations, the protection of plant breeders' rights; to continue to publish information for that purpose;

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

(viii) to observe measures undertaken or planned outside of UPOV for conserving or making available genetic resources and to examine the possible impact of such measures on plant variety protection and on UPOV;

(ix) to follow closely new developments susceptible to affect plant breeders' rights, in particular in the field of genetic engineering and biotechnological inventions.

Highlights of the Program

6. There are several factors which will influence the development and workload of UPOV in the forthcoming years, beginning with the biennium 1986-87.

(i) First, there will certainly be an intensified discussion on questions connected with the protection of inventions being the result of biotechnological research and development, in particular genetic engineering, as far as this protection might have some bearing on plant breeders' rights. A good part of that discussion will be held within UPOV. Other organizations, in particular the World Intellectual Property Organization (WIPO), but also the Food and Agriculture Organization of the United Nations (FAO), the United Nations Industrial Development Organization (UNIDO), the United Nations Conference on Trade and Development (UNCTAD), the Organisation for Economic Co-operation and Development (OECD), the European Communities (EC), the Pan-american Seeds Seminars, the Junta of the Cartagena Agreement and national institutions are also expected to convene meetings on that subject. UPOV will probably be invited to these meetings to be represented by observers. The questions are of vital importance for UPOV, and they should thus be followed with great attention. This means that UPOV should organize, whenever necessary, meetings on this subject and should participate in all major discussions on the legal protection of the results of biotechnological inventions.

(ii) Secondly, there will be an ongoing interest in the conservation of genetic resources. Discussions on this subject will be connected to the related question of the accessibility and the exchange of genetic resources for breeding purposes. There is no incompatibility between those fields and plant breeders' rights, but experience has shown that in the public discussion certain conflicts are artificially created. UPOV has therefore to be prepared to clarify matters by explaining the plant breeders' rights system and its possible impact on genetic resources and their international exchange for breeding purposes. In particular, it is to be mentioned that the FAO Commission on Plant Genetic Resources plans to devote its second session to be held in 1987 mainly to this subject.

(iii) Thirdly, there will be an increase in interest in the plant breeders' rights system in a number of States which are not yet members of UPOV. Such increase of interest is noted in a number of Latin American countries, in some Socialist countries and a certain--though not intense--interest exists in some African and Asian developing countries. Such interest will grow as a result of the discussions on biotechnological inventions and genetic resources. This means that UPOV, i.e., the Council and the Committees as well as the Office of the Union, will in the coming years, beginning with the biennium 1986-87, have to be at the disposal of countries in the discussion of the desirability of introducing a plant breeders' rights system and, in the case of a positive outcome of such discussions, in preparing the necessary legislative, administrative and technical measures for introducing such a system at the national level, including the rendering of assistance for the training of specialized personnel.

(iv) Fourthly, in 1986, the 25th anniversary of the signing of the UPOV Convention will be celebrated by special events, and the Records of the Symposium held at that occasion will take the form of a "Festschrift" to be published in 1987. In view of the development described in the preceding subparagraph, this occasion should be used for giving a convincing testimony of the past achievements of plant breeders' rights protection and of UPOV as well as of the value of both for agriculture and society in the future.

Staff

7. Though the workload will certainly increase, measures of rationalisation, the use of modern equipment and the growing experience of staff will allow the number of posts for staff working exclusively for UPOV to remain, also in 1986-87, at its former level, that is:

one Vice Secretary-General,
three "P" posts, and
four "G" posts.

8. It is to be noted that, under its Junior Professional Officers Program, the Japanese Government has provided an associate officer who works with the staff of UPOV, at no expense to UPOV for 1985 and 1986, and it is expected, that this arrangement would continue in 1987.

Budget Headings

9. The budget headings are described in Annex A.

Comparison of the Draft Budget for the 1986-87 Biennium with the Adopted Yearly Budgets for the Years 1984 and 1985

10. <u>Expenses in General</u>	<u>1984-85</u>	<u>1986-1987</u>
In thousands of francs*	3419	3792
Percentage increase for the biennium . .		+10.9%

The reasons for the increase are explained in detail in paragraphs 11 and 12 below.

* In this document "francs" means Swiss francs.

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

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

	1984-85 Budgets	Program Variation		Cost Variation		1986-87 Budget
		Amount	%	Amount	%	
Expenses proper to UPOV	2,494	10	0.4%	262	10.5%	2,766
Common Expenses	925	4	0.4%	97	10.5%	1,026
Total Expenses	3,419	14	0.4%	359	10.5%	3,792
	=====	==		===		=====

a) As far as the expenses proper to UPOV are concerned, the program increase is very low and is essentially due to the fact that, in the 1986-87 biennium, missions will be required for attendance to the commemoration of the 25th anniversary of the signing of the UPOV Convention in Paris, whereas in the 1984-85 period no such missions were budgeted for. The cost increase results (i) from the application of the UN/CCAQ standards as set forth in Annex C, and (ii) from the application, in respect of staff costs, of statutory and other increases not linked to inflation as explained in the next paragraph.

b) As far as common expenses are concerned, the overall percentage increase is similar to that relating to expenses proper to UPOV and the distribution of that percentage between program and cost variation has been estimated accordingly.

* 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.

Expenses According to Objects of Expenditure

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

A. Salaries and Common Staff Costs

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	2077	2307
Percentage increase for the biennium . .		+11.1%

The net increases of 230,000 francs for the biennium is due to the following factors:

(i) provision for within-grade increases (due to seniority) for staff continuing in service (except the Secretary-General and Vice Secretary-General, who do not receive such an increase): 58,000 francs (or 2.9%);

(ii) provision for cost of living increases due to inflation: 144,000 francs (or 6.9%). It is to be noted that, for the Professional staff, while the application of UN/CCAQ standards (see Annex C, subparagraph (i)) would have increased costs by 8.2%, a downward adjustment has been made to reflect the decision of the International Civil Service Commission (ICSC), following a request by the United Nations General Assembly (Resolution 39/27 of November 30, 1984), to freeze the post adjustment for New York and to take related measures in respect of the post adjustment levels at other duty stations, which will have the effect of freezing the post adjustment for Geneva for about one year. Consequently, the cost of living for Professional staff increases by only 6.3%. For the General Services staff, the increase in the cost of living is calculated on the basis of the UN/CCAQ standards (see Annex C, subparagraph (ii));

(iii) provision for contribution to the United Nations Joint Staff Pension Fund (UNJSPF): 50,000 francs (or 2.4%); the cost of paying the contributions to the UNJSPF for Professional staff* increases because these payments must be made in US dollars which UPOV must buy with Swiss francs: the 1984-85 budgets were calculated at an average exchange rate of 2.14 francs for one U.S. dollar, whereas the budget for the 1986-87 biennium is calculated on an average exchange rate of 2.65 francs for one U.S. dollar;

(iv) Provision for increase in medical insurance premiums: 7,000 francs (or 0.3%).

The amount of the above provisions, totalling 259,000 francs (or 12.5%) is partly offset by a reduction of 29,000 francs (or -1.4%) due to the fact that the standard costs used in the 1984-85 budgets were higher than is now foreseen as required for that period.

* The "pensionable salary" which is taken as a basis for the calculation of amounts due to UNJSPF is, for Professional staff, expressed in U.S. dollars, i.e. an amount in U.S. dollars is payable by UPOV as its share of contribution to the UNJSPF (in respect of the said Professional staff) regardless of the exchange rate between the Swiss franc and the U.S. dollar.

It is to be noted that the amount budgeted for social charges and other miscellaneous staff costs have been kept, as in the previous budget, at 5% of the budgeted standard costs for the biennium, i.e., 110,000 francs. It is proposed that, as is the case in the budget adopted for 1985, any part of this amount not spent in the 1986-87 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 document C/XVIII/4, paragraph 8 (v)).

B. Travel on Official Business

(a) Missions

(i) General Missions:

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	76	84
Percentage increase for the biennium		+ 10.5%

The increase of 8,000 francs for the biennium is due to provision for cost increases.

(ii) Delegation of UPOV staff to Paris (25th anniversary)

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	--	13

This item is shown in a separate subparagraph since it is of an extraordinary nature. The expense will arise only once, in 1986.

(b) Third Party Travel

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	9	10
Percentage increase for the biennium . .		+ 11.1%

The increase of 1,000 francs for the biennium is due to provision for cost increases.

C. Contractual Services

(a) Conferences

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	93	97
Percentage increase for the biennium . .		+ 4.3%

The increase of 4,000 francs for the biennium is due to a provision for cost increases of 7,000 francs (or 7.5%), partly offset by a reduction of 3,000 francs (or -3.2 %) due to the Council meeting for an expected four days in the 1986-87 biennium instead of five days budgeted for in the 1984-85 budgets.

(b) Printing

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	78	85
Percentage increase for the biennium		+ 9.0%

The increase of 7,000 francs for the biennium is due to provision for cost increases. In spite of the fact that, for the celebration of the 25th Anniversary of the signing of the UPOV Convention, some special documents and, after the event, a "Festschrift" will have to be printed, no program increase is being proposed since it is hoped that the resulting additional costs would be counterbalanced from economies on other publications.

(c) Other

	<u>1984-85</u>	<u>1986-87</u>
In thousand of francs	21	23
Percentage increase for the biennium		+ 9.5%

The increase of 2,000 francs for the biennium is due to provision for cost increases.

D. General Operation Expenses

This heading includes only one subheading:

	<u>1984-85</u>	<u>1986-87</u>
Rental of premises (in thousands of francs)	84	88
Percentage increase for the biennium		+ 4.8%

The increase of 4,000 francs for the biennium is due to a modest increase in the rent payable by UPOV for the offices occupied in the WIPO building.

E. Supplies and Materials

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	6	6
Percentage increase for the biennium		0%

F. Furniture and Equipment

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	10	11
Percentage increase for the biennium		+10.0%

The increase of 1,000 francs for the biennium is due to provision for cost increases.

G. Other expenses(a) Unforeseen

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	25	27
Percentage increase for the biennium		+ 8.0%

As in previous years, this provision is calculated on the basis of 1 percent of the expenses proper to UPOV.

(b) Provision for Celebration of the 25th Anniversary of the Signing of the UPOV Convention

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	15	15

The arrangements for the celebration, in 1986, of the 25th Anniversary of the signing of the UPOV Convention in Paris envisage a participation of UPOV of about 30,000 francs in the expenses to be paid under two UPOV budgets, while the main part of the expenses, about 75% to 80%, will be borne by the French seed industry. As is the case in the budget adopted for 1985 (Annex to document C/VIII/4 Add.), an additional provision of 15,000 francs is made for that purpose in the budget for the 1986-87 biennium.

(c) Common Expenses

	<u>1984-85</u>	<u>1986-87</u>
In thousands of francs	925	1 026
Percentage increase for the biennium		+10.9%

The increase of 101,000 francs for the biennium corresponds to a percentage increase that is similar to the overall percentage increase for expenses proper to UPOV. It is recalled that, in the WIPO budget for the 1986-87 biennium, the UN/CCAQ standards (see Annex C) were also used.

Financing of the Expenses for the Biennium 1986-87

13. It is proposed that the expenses of 3,792,000 francs for the biennium 1986-87 be financed by the contributions of member States to the extent of 3,608,000 francs, by miscellaneous income to the extent of 104,000 francs and by the utilization of 80,000 francs from the Reserve Fund *. Recourse to the Reserve Fund in the 1986-87 biennium is partly justified by the fact that, in 1986, extraordinary expenses will arise in connection with the 25th anniversary of the signing of the UPOV Convention.

14. Comparison of Income (in thousands of francs)

	<u>1984-85</u>	<u>1986-87</u>	<u>Percentage Variation</u>
Contributions	3,248	3,608	+11.1%
Miscellaneous Income	93	104	+11.8%
Reserve Fund	78	80	+ 2.6%
Total	<u>3,419</u>	<u>3,792</u>	+10.9%
	=====	=====	

* It is to be noted that UPOV's Reserve Fund stood at 184,306 francs on December 31, 1984, and that it was agreed that 78,000 francs of the 1985 budgeted expenditure would be covered by that Fund. Should this be the case, the Reserve Fund would stand at approximately (184,000 - 78,000 =) 106,000 francs on December 31, 1985.

15. The amount of 3,608,000 francs shown in the preceding paragraph for contributions relates to the biennium. It is proposed that half of that amount, i.e., 1,804,000 francs, be payable on January 1 of each of the years 1986 and 1987. On the basis of the present membership of UPOV (17 States totalling 41 units), the amount payable each year for one contribution unit would be 44,000 francs. Since, for 1985, the amount of one contribution unit was 40,195 francs, the apparent increase for 1986 would be 3,805 francs (or 9.5%), and there would, of course, be no further increase in 1987 over 1986.

16. The Council is invited to adopt the program and budget of the Union for the biennium 1986-87 and fix the annual contributions for each of the two years.

CHAPTER I - SUMMARY OF BUDGET AND COMPARISONS

(expressed in thousands of francs)

1984 <u>Actual</u>	1984-85 <u>Budgets</u>		1986-87 <u>Proposed</u> <u>Biennial Budget</u>
		INCOME	
1600	3248	Contributions	3608
		Other Income	
12	17	- Publications	27
36	76	- Miscellaneous	77
<u>1648</u>	<u>3341</u>		<u>3712</u>
====	====		=====
		EXPENDITURE	
972	2077	UV.10 <u>Staff: Salaries and Common Staff Costs</u>	2307
		<u>Travel on Official Business:</u>	
		- <u>Missions [Staff]</u>	
		UV.01 - Delegation of Staff (25th Anniversary)	14
		UV.04 - Technical Working Parties	21
		UV.09 - Contacts with Governments and Organizations	62
27	76	- Sub-total	97
		- <u>Third Party Travel [non-staff]</u>	
13	9	UV.01 - Council : Symposium speakers	10
		<u>Contractual Services:</u>	
		- <u>Conferences</u>	
		UV.01 - Council	18
		UV.02 - Consultative Committee	15
		UV.03 - Technical Committee	18
		UV.05 - Administrative and Legal Committee	37
		UV.06 - Meeting with Int. Organizations	9
44	93	- Sub-total	97
51	78	UV.07 - <u>Printing: Information and Documentation</u>	85
		- <u>Other:</u>	
		UV.07 - Information and Documentation	9
		UV.11 - Program Support Expenses	14
5	21	- Sub-total	23
40	84	UV.11 <u>General Operating Expenses: Rental of Premises</u>	88
3	6	UV.11 <u>Supplies and Materials</u>	6
13	10	UV.11 <u>Furniture and Equipment</u>	11
6	40	UV.11 <u>Other Expenses</u>	42
<u>1174</u>	<u>2494</u>	Sub-total: EXPENSES PROPER TO UPOV	<u>2766</u>
442	925	*UV.12 Common Expenses	1026
<u>1616</u>	<u>3419</u>	TOTAL EXPENSES	<u>3792</u>
====	====		=====
32	-	SURPLUS - transferred to Reserve Fund	-
-	(78)	(DEFICIT) - transferred from Reserve Fund	(80)

* Exclusive of UPOV's share in the WIPO common income which is included under "Other Income - Miscellaneous," above.

UV.06 MEETING WITH INTERNATIONAL ORGANIZATIONS

There will be a meeting in 1987 with international organizations on questions of mutual interest to UPOV and those organizations. The meeting, which will immediately follow or precede a session of another body of UPOV, will last for two days, and simultaneous interpretation will be provided for in three languages.

UV.06	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equip.	Premises	Fellowships	Other Expenses
			Missions	3rd. Party	Conferences	Consult.	Printing	Other						
86/87	9				9									

UV.07 INFORMATION AND DOCUMENTATION

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";
- (iii) publish the brochure containing the texts of the UPOV Convention in one more language; reprint the existing brochures in other languages when necessary;
- (iv) publish as necessary new editions of the UPOV General Information Brochure in four languages;
- (v) continue to print or reprint folders containing summary information on UPOV in four languages;
- (vi) continue the updating of the Collection "Texts of the UPOV Convention and Other Important Documents Established by UPOV";
- (vii) publish, in four languages, a "Festschrift" on the occasion of the celebration of the 25th anniversary of UPOV in 1986;
- (viii) continue preparatory work for means to assess plant colors.

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

UV.07	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equip.	Premises	Fellowships	Other Expenses
			Missions	3rd. Party	Conferences	Consult.	Printing	Other						
86/87	94						85	9						

UV.08 ADVICE TO GOVERNMENTS

The Office of the Union will be available--if so requested--to give advice and information on the application of the UPOV Convention to governments of, and interested groups in, member States and States not yet members of UPOV which are contemplating the possibility of adhering to the UPOV Convention. The Office will especially give advice to States preparing national laws for the protection of plant varieties and comment on the compatibility of such laws with the UPOV Convention. It will advise the Council on the compatibility, with the UPOV Convention, of the national law of any non-member State having expressed the intention to accede to the UPOV Convention. Where requested, it will be prepared to testify before legislative bodies of States on bills for plant breeders' rights legislation.

Provision for any necessary mission is made under Item UV.09.

UV.08	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equip.	Premises	Fellowships	Other Expenses
			Missions	Jrd. Party	Conferences	Consult.	Printing	Other						
86/87	-													

UV.09 CONTACTS WITH GOVERNMENTS, INTERGOVERNMENTAL AND NON-GOVERNMENTAL ORGANIZATIONS

The Office of the Union will continue to maintain contacts with governments of both member States and non-member States, with interested intergovernmental organizations, particularly the World Intellectual Property Organization (WIPO), the Food and Agriculture Organization of the United Nations (FAO), the Organization for Economic Cooperation and Development (OECD), the European Communities (EC), the European Free Trade Association (EFTA), the Junta of the Acuerdo de Cartagena (JUNAC), the International Seed Testing Association (ISTA), the International Vine and Wine Office, the international centers supported by the Consultative Group on International Agricultural Research (CGIAR) and the Panamerican Seed Seminars, as well as with the main international non-governmental organizations working in the field of plant breeding and the seed trade or in related fields, namely, AIPH, ASSINSEL, CIOPORA, COMASSO, EUCARPIA, FIS and the International Commission for Nomenclature of Cultivated Plants of the International Union of the Biological Sciences and, finally, with international organizations having a general competence in the field of intellectual property rights, such as AIPPI and ICC, in order to

UV.11 OTHER ADMINISTRATIVE AND PROGRAM SUPPORT EXPENSES

Operating Expenses (Rental of Premises):

The Office of the Union will continue to occupy space in the WIPO Building.
[88,000]

Supplies and Materials:

Stationery and office supplies, subscriptions to periodicals, purchase of technical literature, etc., for the exclusive use of the Office of the Union.
[6,000]

Furniture and Equipment:

Cost of office furniture and equipment purchased or rented for the exclusive use of the Office of the Union.
[11,000]

Contractual Services - Other:

Maintenance of the text-processing equipment installed for the exclusive use of the Office of the Union.
[14,000]

Provision for Celebration of 25th Anniversary

Provision of 15,000 francs towards the extraordinary expenses--to be incurred in 1986-- associated with the celebration of the 25th anniversary of the signing of the UPOV Convention in Paris.
[15,000]

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.
[27,000]

UV.11	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equip.	Premises	Fellowships	Other Expenses
			Missions	3rd. Party	Conferences	Consult.	Printing	Other						
86/87	161							14	88	6	11			42

UV.12 COMMON EXPENSES

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. Reference is made to WIPO document AB/XVI/2 (available in English, French, Spanish and Russian). Annex D, in particular, gives for each WIPO program item the share attributable to UPOV. Summary details of these expenses are as follows:

1984 <u>Actual</u>	1984-85 <u>Budgets</u>		1986-87 <u>Budget</u>
329	641*	Salaries and Common Staff Costs	775*
1	6	Printing	5
2	11	Other Contractual Services	13
45	88	Maintenance of Premises	95
30	82	Communications	67
34	87	Supplies and Materials; Furniture and Equipment	61
1	10	Other Expenses	10
<u>442</u>	<u>925</u>		<u>1,026</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."

UV.12	TOTAL	Staff	Travel		Contractual Services				Operating Expenses	Supplies & Materials	Furniture & Equip.	Premises	Fellowships	Other Expenses
			Missions	3rd. Party	Conferences	Consult.	Printing	Other						
86/87	1026													1026

* The normal increase in salaries and common staff costs for the 1986-87 biennium over the 1984-85 budgets should have been of the order of 70,000 francs or some 11% as explained in paragraph 9, above. The increase is, however, 64,000 francs more (and thus totals 134,000 francs); it is mainly due to the fact that UPOV's share in the staff costs and WIPO's Mail and Documents services has been increased from 7% in the 1984-85 budget to 10% in order to take into account the increased use by UPOV of those services (see document CC/XXIX/4, paragraph 40: ad DMS.19). This higher increase in staff costs is compensated by smaller increases or decreases in other headings so that the total percentage of the increase in common expense is commensurate with inflation.

[Annex A follows]

BUDGET HEADINGS, OBJECTS OF EXPENDITURE AND DEFINITIONS

A. INCOME

"Ordinary Contributions"

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

"Publications"

Subscription dues paid for periodicals published by the Office of the Union; revenue from the sale of publications of the Office of the Union.

"Miscellaneous Income"

All other income not described above; accounting adjustments (credits) in respect of prior years; exchange gains; UPOV's share in WIPO common income.

B. OBJECTS OF EXPENDITURE

"Salaries & Common Staff Costs"

Standard Staff Costs: this subdivision includes all items which are connected with the staff members' monthly payroll, in particular: salaries, post adjustments, non-resident allowances and representation allowances; dependency allowances; language allowances; adjustments due to currency fluctuations; employer's contribution towards Pension Fund; participation in sickness insurance scheme.

Social Charges and Other Miscellaneous Staff Costs: this subdivision includes all staff related costs not included under the above subdivision, in particular: education grants; removal expenses; travel expenses of dependent children attending educational institutions; home leave; grants to cover costs of installation in Geneva; professional insurance premiums; recruitment costs; cost of medical examinations; short-term appointments; overtime; termination costs and repatriation grants; staff training.

"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: Travel, honoraria 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: honorarium, travel and daily subsistence allowance.

Printing: outside printing and binding, in particular: (i) reviews: paper and printing; (ii) 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 authors and translators of articles appearing in UPOV publications, fees of translators of documents; rental of computer time and fees for producing 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; data processing equipment; transportation equipment including petrol and lubricants.

Communications: cost of telephone, telegrams, telexes 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); exchange losses; audit fees and expenses connected therewith.

"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, cards, etc.)

"Acquisition of Furniture and Equipment"

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

"Acquisition and Improvement of Premises"

New Buildings: expenses directly connected with the acquisition or construction of buildings 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, daily subsistence allowance 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.

[Annex B follows]

CONTRIBUTIONS OF MEMBER STATES

(expressed in Swiss francs)

1984 <u>Actual</u>	1985 <u>Actual</u>	<u>Member States</u>	Number of Units	<u>Draft Biennial Budget</u> <u>1986-87</u>	
				Payable in <u>1986</u>	Payable in <u>1987</u>
58,537	60,294	Belgium	1.5	66,000	66,000
58,537	60,294	Denmark	1.5	66,000	66,000
195,122	200,975	France	5.0	220,000	220,000
195,122	200,975	Germany, Fed. Rep. of	5.0	220,000	220,000
19,512	20,097	Hungary	0.5	22,000	22,000
39,024	40,195	Ireland	1.0	44,000	44,000
19,512	20,097	Israel	0.5	22,000	22,000
78,048	80,390	Italy	2.0	88,000	88,000
195,122	200,975	Japan	5.0	220,000	220,000
117,074	120,585	Netherlands	3.0	132,000	132,000
39,024	40,195	New Zealand	1.0	44,000	44,000
39,024	40,195	South Africa	1.0	44,000	44,000
39,024	40,195	Spain	1.0	44,000	44,000
58,537	60,294	Sweden	1.5	66,000	66,000
58,537	60,294	Switzerland	1.5	66,000	66,000
195,122	200,975	United Kingdom	5.0	220,000	220,000
195,122	200,975	United States of America	5.0	220,000	220,000
<u>1,600,000</u> =====	<u>1,648,000</u> =====		<u>41.0</u> =====	<u>1,804,000</u> =====	<u>1,804,000</u> =====

[Annex C follows]

ANNEX C

COST INCREASE FORECASTS FOR THE UNITED NATIONS ORGANIZATIONS IN GENEVA

The rates of cost increase estimated by the United Nations Organizations in Geneva, for the years 1986 and 1987, 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 (ACC/1984/FB/36, dated August 30, 1984). That document provides estimates of the cost increases that might be expected in 1986 and 1987 in Switzerland, the said estimates taking 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. According to that document:

(i) as far as staff costs for the Professional and higher categories (hereinafter referred to as the "Professional staff") in Geneva are concerned, "it would be prudent to budget, in respect of the cost-of-living increases provided for through the post adjustments of staff in the Professional category and above, for a rate of inflation of some 4 per cent per annum in both 1986 and 1987. The post-adjustment multiplier for Switzerland would accordingly be assumed to increase by approximately 8 points in each of these two years for cost-of-living purposes";

(ii) as far as staff costs for the General Service category in Geneva are concerned, "on the basis of the rate of inflation which was being assumed, [that] net increases in General Service salaries in Geneva could reasonably be envisaged at the rate of 4 per cent per annum in each of the years 1985, 1986 and 1987";

(iii) as far as air travel is concerned, "it would be prudent to budget for increases in IATA air fares of 5 per cent per annum in terms of US dollars in both of 1986 and 1987";

(iv) as far as contractual printing and binding, and printing supplies, are concerned, "for paper purchased in Switzerland, the available information suggested that increases of 8 per cent per annum should be assumed for 1986 and 1987. For printing and binding in Switzerland, it seemed appropriate to assume increases of 4 per cent in each of those years";

(v) as far as communications (cables and telex charges, telephone services, pouch services, postage) is concerned, "increases should be foreseen at the rate of 5 per cent per annum in 1986 and 1987. However, for communications involving air freight, such as pouch services, an increase of 8 per cent per annum would be more appropriate";

(vi) as far as other types of contractual services, including contractual maintenance of premises and equipment, are concerned, "given the incidence of increases in real wages and in the cost of raw materials, it had been found that these costs increased slightly faster than consumer prices in general. Five per cent per annum was regarded as an appropriate assumption";

(vii) as far as fuel oil is concerned, there is "no reason at the moment to assume any changes in current costs";

Annex C

(viii) as far as other utilities (electricity, heating gas and water) are concerned, "a 4 per cent increase per annum should be foreseen in relation to the cost base at the end of 1985. This was in accordance with the over-all assumption for inflation in the biennium";

(ix) as far as equipment and other supplies and materials are concerned, "increases of 4 per cent per annum should also be assumed for these items" (document cited above, Annex I, paragraph 5).

[Part II follows]

PART II: PLAN FOR THE MEDIUM TERM OF 1988-91

INTRODUCTION

17. At its eighteenth ordinary session, the Council of UPOV adopted the proposal of the Secretary-General to introduce medium term plans for the program and budget of UPOV (see paragraph 86 of document C/XVIII/14). It has been decided that such medium term plans should be drawn up, beginning with the period 1988-91, for four years each; they should be drawn up for the first time in 1985 and thereafter every fourth year (in 1989, for the period 1992-95, in 1993, for the period 1996-99; etc.). The present part contains the medium plan for the years 1988-91.

18. Hereinafter, the two-year period of 1986 and 1987 is called "the next biennium," whereas the four-year period (1988, 1989, 1990 and 1991) following the next biennium is called "the medium term."

19. In the following, the plan for the medium term 1988-91 is presented under the two chapter headings: "objectives" and "activities."

CHAPTER I - OBJECTIVES

20. The great objectives of UPOV for the medium term will remain more or less the same as for the next biennium and as described in paragraph 2 of this document. They can be grouped into the following five main categories:

(i) the propagation, where appropriate, of the concept of plant breeders' rights--particularly in countries that do not yet afford such protection--and of accession to the UPOV Convention;

(ii) the support of the system in countries which have already introduced plant breeder's rights, and its explanation wherever it is challenged;

(iii) the development of the respect for the protection granted;

(iv) the development of international cooperation between UPOV member States for the simplification of procedural aspects of the protection and for the improvement and the reduction of costs of the technical examination of new varieties;

(v) observation of any new developments which are susceptible to affect plant breeders' rights.

21. Certain developments which are foreseen in this document for the next biennium (see paragraph 6, above) will also mark the activities and the workload of UPOV in the medium term. Those developments are therefore summarized hereunder, and it is indicated how the Office of the Union assesses their influence on the medium term.

(i) The first development is the request of industrial and research circles in many countries that biotechnological inventions receive an appropriate protection, either by an extension of the patent legislation or by improving the plant variety protection system or by both. It is believed that this question will not be finally settled in the next biennium but that the discussion will go on and will receive even greater attention by governments, organizations and by the general public during the whole medium term. It will therefore continue to affect UPOV in the most serious manner and will have a major impact on its work.

(ii) The second area where special emphasis is foreseen for the next biennium, namely the field of genetic resources, will also occupy UPOV in the medium term. It is mainly in that period that practical measures will be taken by the other intergovernmental organizations (in particular by FAO and the IBPGR) and by national governments for maintaining the genetic variation in the plant kingdom and for making genetic resources available for breeding purposes. It is believed that not even the theoretical discussion of this complex of questions, as far as UPOV is concerned, can be finally concluded in the next biennium, in view of the fact that the second meeting of the FAO Commission for Genetic Resources which will be mainly devoted to the impact of plant breeders' rights and seed legislations will not meet before 1987. From these discussions, a necessity will arise for a certain coordination or cooperation between the authorities involved in plant breeders' rights and those involved in improving the situation of genetic resources and for practical measures to be undertaken during the medium term.

(iii) Finally, the need to improve the relationship between UPOV and the States which are not yet members of UPOV and to assist certain countries in introducing plant breeders' rights will call for intensified measures in the medium term and even more than during the next biennium.

CHAPTER II - ACTIVITIES

22. Although in view of the developments just described a certain shift of activities can be envisaged, there will be no drastic change of the nature of UPOV activities nor of the working methods employed by UPOV at present. It is believed that with the existing general organization of work, the anticipated new challenges as well as the traditional activities can be adequately coped with.

(i) The Council and its Consultative Committee will continue to fulfill their statutory tasks, such as discussing the program of work and the management of UPOV, adopting the program and budget for coming years and giving guidance to the subordinate Committees and to the Office for their future work. Any decisions to be taken in respect of the above-mentioned new developments will form part of those activities.

(ii) The Council will convene symposia every year or every second year. It is recommended by the Office of the Union to return to a yearly cycle.

(iii) Meetings with International Organizations will be held when the necessity arises. The rule should be one meeting each year.

(iv) All questions that will need to be discussed in detail during the medium term before a decision of the Council is taken can, as at present, be usefully divided in those of a legal and administrative nature and in those of a technical nature; this will be considered by the two Committees established for those areas (Administrative and Legal Committee and Technical Committee) and their subordinate organs, in particular the five Technical Working Parties and their subgroups responsible to the Technical Committee and the Subgroup Biotechnology responsible to the Administrative and Legal Committee. The increased importance and growing complexity of legal questions might call for the establishment of further Subcommittees, Subgroups, or Working Parties of the Administrative and Legal Committee and there might be need for some reorganization in the field entrusted by the Council to the Technical Committee. Subject to some increase of Subcommittee, Subgroup or Working Party activity (for which no interpretation is needed), it is hoped (although it is not certain) that there will be no significant change in the number of sessions and that the volume of preparatory documentation for those sessions and the need for interpretation will remain the same.

(v) As far as staff requirements, the need for translation, for printing of documents and for support services (rental of premises, general up-keep of the office repair of machines and furniture) are concerned, it can be anticipated that they will in the first years of the medium term remain constant. However, it should not be overlooked that plant breeders' rights will obtain progressively more importance in the member States; the States will for instance extend the application of the Convention to more genera and species. The number of applications and of granted rights, and thereby also the number of applicants and of owners of rights, will consequently increase. This will have certain repercussions on the work of the Committee and the Office of the Union. The Office will receive more requests for information, and there will be an increased need for documentation, for translation, etc. In addition, also the above-mentioned major new developments (see paragraph 21, above) will slowly but steadily increase the workload of the Office. It is therefore expected that in the second half of the medium term i.e. in 1989 or 1990, additional staff (1 professional, 1 secretary) will be needed and that the need for translation, printing of documents and support services -- and thus budget requirements -- will grow accordingly.

(vi) As to the kind of publications, no change is anticipated. There will be the two Collections which need continual updating ("Collections of the Important Texts and Documents" in English, French and German; "Collection of Plant Variety Protection Laws and Treaties," at present only in English), the UPOV Gazette and Newsletter ("Plant Variety Protection"), the Records on the Symposia available to the public in four languages (English, French, German, Spanish) and the records on the Meetings with International Organizations in English, French and German which are distributed to only a limited circle, the Brochures containing the text of the UPOV Convention in a dozen or more languages which might need to be reprinted or reproduced in additional languages and there will be brochures and leaflets, regularly updated, containing general information on UPOV in four languages. The Collection of Plant Variety Protection Laws and Treaties might also need to be issued in French and in German.

23. Certain fluctuations and exceptional events can, of course, not be excluded. An example in the forthcoming biennium is the celebration of the twenty-fifth anniversary of the UPOV Convention which will cause additional expenses. There were, in the past, no events of great financial implications which had not been foreseen in the annual draft programs and budgets. However, with a biennial budget and even more so for a medium term plan, the likelihood of the need for exceptional and unforeseen expenditure must not be overlooked. At present, extraordinary unexpected expenditure, especially if arising only for one or two years, can be covered by having recourse to the Reserve Fund. It is for this reason that a small organization like UPOV, mainly depending on contributions of member States which often have themselves severe budgetary constraints, should as far as possible keep its Reserve Fund at a reasonable level.

24. It should be mentioned that the suggestion was made that UPOV should undertake new initiatives in the field of technical assistance to States planning to accede to the UPOV Convention and to establish, for that purpose, the necessary technical services. If these suggestions need to be discussed during the medium term by the UPOV committees and the Council, they can be discussed within the normal work program of those bodies. If any practical measures are to be taken, the question of their financing (totally or partly within the UPOV budget, or with the assistance of other international organizations or national authorities) will arise. At present, it is premature to make any prediction for the medium term. Any decision and any medium term predictions must be postponed until the discussion of the biennial program and budget for 1988-89 during the twenty-first ordinary Council session in 1987.

25. As far as cost increases are concerned, assumptions can only be tentative since they are mainly influenced by inflation and statutory staff increases not linked to inflation (for instance, within grade increases due to seniority, medical insurance premiums which tend to increase faster than inflation, incidence of the U.S. dollar to Swiss franc exchange rate).

26. The Council is invited to note the above medium term plan for the years 1988-91.

[End of document]