

## CONSOLIDATED ANNUAL ACTIVITY REPORT 2019

## Table of contents

|  |           |
|--|-----------|
| <b>Administrative Council analysis and assessment.....</b>                               | <b>4</b>  |
| <b>1. Executive Summary - Achievements of the year .....</b>                             | <b>5</b>  |
| 1.1. Introduction.....   | 5         |
| 1.2. Achievement of CPVO Work Programme Objectives .....                                 | 6         |
| 1.2.1. Efficiency of the application process .....                                       | 6         |
| 1.2.2. Reliable decisions.....   | 8         |
| 1.2.3. Public access to documents .....  | 8         |
| 1.2.4. Quality Audit System .....  | 9         |
| 1.2.5. Maintain good cooperation with the Examination Offices .....                      | 10        |
| 1.2.6. Implement the R&D Strategy .....  | 11        |
| 1.2.7. Implement IT tools to guarantee the quality and efficiency of the activities..... | 11        |
| 1.2.8. Promotion of the PVR system in the EU and internationally.....                    | 12        |
| 1.2.9. Enforcement of Community Rights .....   | 13        |
| 1.2.10. Process efficiency .....   | 14        |
| 1.2.11. Recruit and develop staff – Empower and motivate staff.....                      | 15        |
| 1.2.12. Internal Control, Audits and Evaluations .....                                   | 16        |
| 1.2.13. Internal Communication .....   | 17        |
| 1.2.14. External communication .....   | 17        |
| 1.2.15. Cost of activities .....   | 18        |
| <b>2. Management Report .....</b>  | <b>20</b> |
| 2.1. Administrative Council .....  | 20        |
| 2.1.1. Spring meeting .....  | 20        |
| 2.1.2. Autumn meeting .....  | 21        |
| 2.2. Major Events.....   | 23        |
| 2.2.1. The state of the system.....  | 23        |
| 2.2.2. Universities.....   | 24        |
| 2.2.3. The EUIPO and EPO.....  | 24        |
| 2.2.4. Activities outside the' EU.....   | 25        |
| 2.2.5. Key statistics (see <b>Annex I</b> for more details) .....                        | 27        |
| 2.3. Budgetary and Financial Management.....   | 28        |
| 2.3.1. Overview of the budget and financial year .....                                   | 28        |
| 2.3.2. Budgetary Accounts .....  | 28        |
| 2.3.3. Revenue.....  | 29        |
| 2.3.4. Expenditure.....  | 29        |
| 2.3.5. Budget transfers and revisions .....  | 31        |
| 2.3.6. Free Reserve .....  | 31        |
| 2.3.7. Financial Accounts .....  | 32        |
| 2.4. Human Resources .....   | 32        |



|            |   |           |
|------------|---|-----------|
| 2.5.       | Assessment by Management .....  | 33        |
| 2.6.       | Budget Implementation tasks entrusted to other services and entities .....              | 33        |
| 2.7.       | Assessment of audit results during the year.....  | 33        |
| 2.7.1.     | Internal audit.....   | 33        |
| 2.7.2.     | European Court of Auditors (See full report with CPVO answer in <b>Annex IV</b> ) ..... | 33        |
| 2.8.       | Follow-up of audits and recommendations.....  | 34        |
| 2.9.       | External Evaluations .....  | 36        |
| <b>3.</b>  | <b>Assessment of the effectiveness of internal control systems .....</b>                | <b>37</b> |
| 3.1.       | Risk Management.....  | 37        |
| 3.2.       | Compliance and effectiveness of internal control systems .....                          | 37        |
| 3.3.       | Declaration of assurance.....   | 37        |
| <b>4.</b>  | <b>Management Assurance .....</b>   | <b>38</b> |
| <b>5.</b>  | <b>Declaration of assurance .....</b>   | <b>38</b> |
| Annex I.   | 2019 Core Business Statistics .....   | 39        |
| Annex II.  | Provisional accounts .....  | 42        |
| Annex III. | Social Report of the CPVO 2019.....   | 43        |
| Annex IV.  | Report of the Court of Auditors.....  | 52        |
| Annex V.   | Declaration of Assurance.....   | 56        |
| Annex VI.  | Mission Summary .....   | 57        |
| Annex VII. | Board of Appeal Statistics.....   | 58        |



## Administrative Council analysis and assessment

The President of the Community Plant Variety Office presented the Annual Activity Report for the year 2019 to the Administrative Council (AC) by written procedure launched mid-March 2020.

It was noted that CPVO applications remained strong in 2019, with 3525 applications in total. The processing of more than 68000 applications since 1995 underlining the stability and sustainability of the system.

The number of applications continues to be at a very high level and the finances of the CPVO are robust. This shows that the creation of a self-financed agency to implement a well-defined EU policy area is a winning concept.

In 2019, the CPVO successfully increased its free reserve from a record low level in 2017 after having had a negative outturn for some years for the purpose of reducing the reserve. The CPVO appears on course to attain its long term goal of maintaining stable application and annual fees, whilst the fees for technical examinations must be adjusted to the costs of performing the DUS tests. This development further underlines the CPVO's commitment to providing plant variety rights at as low a cost as possible.

In 2019 the CPVO participated in a call SFS-29-2018 "Innovations in plant variety testing" which is part of the Horizon 2020 program and fits in the Societal Challenge 2 on 'Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy'. The bid was successful and the consortium formed by the CPVO with others will be granted around 8 million euros. The project will be implemented during a period of five years.

The CPVO has also supported OAPI in a successful request for funds from the EU Commission to implement its Roadmap on Plant Variety Rights. In 2019 the CPVO participated in the successful implementation of IPKey projects in China, South-East Asia and Latin America in close cooperation with EUIPO and UPOV.

The indicators, provided in this report, show that the objectives set in the 2019 Work Programme were satisfactorily achieved.

The AC takes note of the Management Report, and especially the part related to Budget and Financial Management. It also takes note of the Assessment by the Management and the Declaration of Assurance.

The AC is satisfied with the declaration of the authorising officer that his report gives a true reflection of the situation on the ground and that he has reasonable assurance that the resources assigned to the activities described in his report have been used for their intended purpose. The AC also accepts that such activities were carried out in accordance with the principles of sound financial management. The AC is satisfied that the control procedures in place, provide an adequate guarantee as to the legality and regularity of the affairs of the CPVO.

The AC is satisfied that the President of the CPVO is unaware of any matter not reported which could harm the interests of the CPVO.

Chair of the CPVO Administrative Council



# 1. Executive Summary - Achievements of the year

## 1.1. Introduction

I am pleased to introduce this report by underlying that, for the first time in CPVO's history, we have granted more than 3,000 titles in one calendar year. The CPVO granted 3,188 titles in 2019. It is an increase of 431 titles compared to 2018. The number of applications was also very high. The CPVO received 3,525 applications in 2019, reaching more than 3,500 applications in a calendar year for the third time in CPVO's history. CPVO's budget out-turn remains stable in 2019 with a slight increase of revenues generated by annual fees and a decrease in administrative expenditure. The net out-turn for the year was approximately EUR 1.42 million positive.

In March 2019, CPVO's Administrative Council invited the European Commission to update the fees regulation to ensure cost recovery for technical examinations and to keep the annual fees unchanged. Examinations fees were adjusted to match the costs of the technical examinations per group category and new fees will be applicable as of 1st April 2020.

In the research and development area, the CPVO has been taking an active role in the INVITE project which started in July 2019 and is funded by the EU Horizon 2020 R&D programme. The CPVO remains strongly committed to the INVITE project and I am confident that it will deliver on its promises to improve both efficiency of variety testing and the information available to stakeholders on variety performance under different production conditions and biotic and abiotic stresses.

Looking beyond the plant breeding community, 2019 was a year of transition for the European Union. On the one hand, a new European Commission and a new European Parliament have been elected. Both institutions have already set out an ambitious vision for a European Green Deal, reiterating their strong commitment to the United Nation's Sustainable Development Goals. The CPVO has initiated a reflection on how to best contribute to the implementation of these policies.

Looking at global market trends, we continue CPVO's digital transformation moving towards more inclusive and user-friendly digital processes and services. The CPVO application system is now connected to the new born UPOV PRISMA system which should facilitate the life of breeders that are active in the EU as well as in other jurisdictions. In addition, the CPVO launched a project in cooperation with the EUIPO to revamp the Variety Finder database and related tools and we are considering using more cloud-based services in the future. In 2019 the CPVO became the first EU Agency to successfully migrate to production for the Sysper (HR) tool, and will continue with integration with institutional support when possible.

The co-operation with the European Patent Office (EPO) and the European Union Intellectual Property Office (EUIPO) continued in 2019. The Administrative Arrangement with EPO was prolonged for a period of 3 years starting in February 2019. In 2019 the CPVO contributed with data from the Register of CPVRs to the joint EUIPO-EPO's Third edition of the Industry-Level Analysis Report on "IPR-intensive industries and economic performance in the European Union"<sup>1</sup>. The Report highlights that horticulture, comprising flowers and ornamental plants, vegetables and nurseries are the main users of the CPVO regional system. The breeding sector in the EU is considered to be one of the IPR-intensive industries that contributed to generate 1.2% of employment in the EU during the period 2014-2016.

In 2019 the CPVO continued to be an active member of the European Union Agencies Network ("EUAN"), taking part to different sub-networks such as for example the legal IALN, the Inter Agencies Appeal

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<sup>1</sup> [https://euiipo.europa.eu/tunnel-web/secure/webdav/guest/document\\_library/observatory/documents/IPContributionStudy/IPR-intensive industries and economic EU/WEB IPR intensive Report 2019.pdf](https://euiipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/observatory/documents/IPContributionStudy/IPR-intensive%20industries%20and%20economic%20performance%20in%20the%20European%20Union%202019.pdf)

proceedings IAAPN, and the procurement NAPO. With a view to strengthen cooperation with other Agencies, the CPVO signed the first Service Level Agreement with the European Railway Agency ("ERA") on sharing legal services in the field of procurement.

In 2019 the CPVO participated in the implementation of the three current IPKey projects funded by DG Trade and implemented in cooperation with the EUIPO. Activities in China, South-East Asia and Latin America<sup>2</sup> were organised and the co-operation between EUIPO, UPOV, CPVO and EU Examination Offices was very successful. These projects face the challenge of improving the protection and enforcement of IPRs in the above regions, while raising public awareness of the economic and other impacts of IPR-infringing goods and their detriment to innovation and also on health and safety, and safeguarding the common interest of promoting a sustainable and healthy development of trade relationships.

On a wider level, in 2019 the CPVO continued its cooperation with DG Trade supporting the development of actions in the field of PVRs such as the update of the Report on the protection and enforcement of IPRs in third countries. The CPVO has also supported OAPI in a successful request for funds from the EU Commission to implement its Roadmap on Plant Variety Rights. The Commission has signed an agreement with OAPI in 2019 and the activities have started to be implemented during a period of two years. Other partners to this project are GNIS, GEVES, Naktuinbouw and UPOV.

A procedure to recruit a communication officer in line with the recommendations of an external evaluation was initiated by the end of 2018. The selection procedure was finalized and the successful candidate started working at the CPVO on 16 May 2019.

The details of the projects described above and other activities are elaborated in this report which should give an overview of the activities carried out in 2019. The report demonstrates that most objectives set out were achieved.

## **1.2. Achievement of CPVO Work Programme Objectives**

The CPVO Work programme for 2019 outlined a number of objectives and indicators for each major activity defined for the year. What follows is an analysis of the state of play for the achievement of each of these objectives. As the indicators have been up-dated since the work program was adopted, there are some differences between the documents. Some targets have been redefined as well since the adoption of the work program.

### **1.2.1. Efficiency of the application process**

Managing the CPVO system entails amongst others, work as regards processing applications, managing appeals to any decisions taken, and providing access to documents to the public when requested. Below are the detailed results for each of these activities in 2019.

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<sup>2</sup> <https://ipkey.eu/en>

Figure 1 Achievement of objectives – Efficiency of the application process:

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Objectives 2019:</b> <ul style="list-style-type: none"> <li>• Rapid processing of applications</li> <li>• High level of online application processing</li> <li>• Paperless Processing</li> </ul> |                    |                    |
| <b>Key Indicators</b>   | <b>2019 Target</b> | <b>Result 2019</b> |
| Number of applications received in relation to the number of staff indicated in the establishment plan  | 3200/45<br>>70     | 3554/45<br>77      |
| <b>Operational indicators</b>   |                    |                    |
| % of acknowledgements of receipt of an application within 5 working days  | ≥ 95%              | 81%                |
| % of online applications  | ≥ 95%              | 94%                |
| Average number of processing days between receipt of final report and grant <sup>3</sup>  | 110                | 85                 |

Acknowledgment of receipt of applications is below the target due to absences of staff during a period with a peak of applications. The value has increase by 4 percent in comparison to 2018. The on-line application ratio is on the same level as last year.

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<sup>3</sup> This KPI cannot be found in the Annual WP 2019 but it has been added since we believe it is of added value

### 1.2.2. Reliable decisions

Figure 2 Achievement of objectives – Reliable decisions

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Objectives 2019:</b> <ul style="list-style-type: none"> <li>Present clearly and convincingly the position of the CPVO before the Board of Appeal, the Court of Justice of the European Union and ensure the deadlines are met.</li> </ul> |                    |                    |
| <b>Key Indicators</b>  | <b>2019 Target</b> | <b>Result 2019</b> |
| % of legal decisions maintained  | 100%               | 60%                |
| <b>Operational indicators</b>  |                    |                    |
| % of appeals won by the CPVO in all instances  | ≥90%               | 66%                |
| Number of appeals lodged   | 10                 | 12                 |
| Number of appeals upheld   | 6                  | 1                  |
| Number of appeals dismissed  | 2                  | 1                  |
| Number of appeals abandoned  | 2                  | 3                  |
| % of deadlines met   | 100%               | 100%               |

The Board of Appeal took two decisions in 2019. One appeal has been dismissed as unfounded and the other one has been upheld. Three new judgments have been rendered by the General Court. One new Order of inadmissibility has been rendered by the Court of Justice of the EU in 2019. Two actions have been dismissed and one has been upheld (See Board of Appeal statistics in [Annex VII](#)).

### 1.2.3. Public access to documents

In 2019 the Office has received 137 requests for public access to documents and 4 confirmatory requests.

Figure 3 Achievement of objectives – Public access to documents

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Objectives 2019:</b> <p>Ensure the deadlines for response to initial applications and confirmatory requests are duly respected. Ensure that the provisions of Regulation 1049/2001, and in particular Article 4 thereof, are fully complied with. Make available to the public the largest number of documents on the website of the CPVO.</p> |                    |                    |
| <b>Operational Indicator</b>  | <b>2019 Target</b> | <b>Result 2019</b> |
| % of public access requests dealt within the deadlines  | 100%               | 100%               |



#### 1.2.4. Quality Audit System

Figure 4 Achievement of objectives – Quality Audit System

|  |   |                                  |
|--|---|----------------------------------|
| <b>Objective 2019:</b> <ul style="list-style-type: none"> <li>Carry out the foreseen number of audit visits, while applying the risk based audit strategy</li> <li>Ensure availability of technical experts</li> </ul> |   |                                  |
| <b>Key Indicators</b>  | <b>2019 Target</b>                                    | <b>Result 2019</b>               |
| Number of surveillance procedures initiated  | None  | One                              |
| Number of Audit Advisory Board consultations/objections  | None  | None                             |
| <b>Operational Indicators</b>  |   |                                  |
| Number of unsolved issues in the cooperation reports   | None  | None                             |
| Number of Technical experts for next assessment  | At least 25 experts appointed for 2019-21 and trained | 39 experts appointed and trained |

### 1.2.5. Maintain good cooperation with the Examination Offices

Figure 5 Achievement of objectives – Maintain good cooperation with the Examination Offices

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Objective 2019:</b> <ul style="list-style-type: none"> <li>• Organisation of the annual EO meeting</li> <li>• Organisation of one crop sector expert meeting per crop sector</li> <li>• Elaboration of new and/or revised Technical Protocols</li> </ul> |                    |                    |
| <b>Key Indicators</b>   | <b>2019 Target</b> | <b>Result 2019</b> |
| Coverage of applications by CPVO Technical Protocols  | >90%               | 85%                |
| <b>Operational Indicators</b>   |                    |                    |
| % of satisfaction of examination offices present to meetings  | ≥85%               | 100%               |
| % of examination offices present at CPVO meetings   | 95%                | 82%                |
| Number of new and revised Technical Protocols <sup>4</sup>  | 10                 | 9                  |
| Number of bilateral meetings <sup>5</sup>   | 4                  | 4                  |
| % of late reports   | <5%                | 7%                 |

Participation rate of examination offices in meetings was inter alia hampered by a strike affecting public transport for a meeting organised in Angers and a below average attendance of the ornamental expert meeting.

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<sup>4</sup> This KPI cannot be found in the Annual WP 2019 but it has been added since we believe it is of added value

<sup>5</sup> This KPI cannot be found in the Annual WP 2019 but it has been added since we believe it is of added value

### 1.2.6. Implement the R&D Strategy

Figure 6 Achievement of objectives – Implement the R&D Strategy

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Objectives 2019:</b> <ul style="list-style-type: none"> <li>Continue the monitoring and the potential implementation of the results of the following projects: "Construction of a European potato database as centralized collection of varieties of common knowledge"</li> <li>"Harmonization of resistance tests to diseases for DUS testing – 3"</li> <li>"Ring tests for strawberry" (this list might increase depending on the candidatures received and approved)</li> <li>Continue the follow up of the following finalised projects: "Test of the potential use of SNP markers in oilseed rape varieties"</li> <li>Organize meetings of the ad hoc WG IMODDUS</li> </ul> |                    |                    |
| <b>Key Indicator</b>  | <b>2019 Target</b> | <b>Result 2019</b> |
| % of R&D projects that lead to implementation   | 75%                | 66%                |
| % of finalised R&D projects leading to operational means or substantial information allowing improvement of variety testing procedures <sup>6</sup>   | 100%               | 100%               |
| <b>Operational Indicators</b>   |                    |                    |
| % of projects delivered on time (final reports)   | 100%               | 100%               |
| % of R&D budget consumption   | Close to 100%      | 99%                |

### 1.2.7. Implement IT tools to guarantee the quality and efficiency of the activities

During 2019, almost all projects planned in the two "Masterplan" meetings were implemented. These were: upgrade of all databases and legacy applications to Unicode, upgrade of document management system, plant material request submission in all languages and an upgrade to the MyPVR application.

Furthermore, in line with the key objective for 2019, the CPVO became the first EU Agency to migrate from legacy systems to the European Commission HR system (Sysper). This integration will continue in the future.

Work has started, as planned on the re-write of the Variety Finder system. With a view to ensuring good cooperation, this project is being done with the support of the EUIPO who are also users of the tool.

The IT service also prepared a Cloud Strategy which will serve as a roadmap for a move to the cloud over the coming 3-5 years.

<sup>6</sup> This KPI cannot be found in the Annual WP 2019 but it has been added since we believe it is of added value

Figure 7 Achievement of objectives – Implement IT tools to guarantee the quality and efficiency of the activities

|   |                    |                      |
|---|--------------------|----------------------|
| <b>Objective 2019:</b> <ul style="list-style-type: none"> <li>• Integration of support tools with inter-institutional solutions</li> <li>• Electronic communications with clients from Application to Title and for post decision legal interaction</li> <li>• Cloud based backup infrastructure</li> </ul> |                    |                      |
| <b>Key Indicator</b>  | <b>2019 Target</b> | <b>Result 2019</b>   |
| % of implementation of the annual IT master plan  | 100%               | 100% done as planned |
| <b>Operational Indicators</b>   | <b>2019 Target</b> | <b>Result 2019</b>   |
| MyPVR Phase 3   | Implemented        | Implemented          |
| Integration with EU Commission HR system (SYSPER) <sup>7</sup>  | 100%               | 100%                 |

#### 1.2.8. Promotion of the PVR system in the EU and internationally

In 2019 the CPVO has continued its activities to strengthen its international cooperation with various international partners on technical and administrative level. In particular it has participated to the implementation of the IP Key projects in China, Latin America and South-East Asia as well as the implementation of the OAPI Roadmap.

Figure 8 Achievement of objectives – Promotion of the PVR system in the EU and internationally

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Objective 2019:</b> <ul style="list-style-type: none"> <li>• Reinforce and maintain a strong Intellectual Property Network, in the EU and internationally</li> <li>• Implement the adopted strategy on cooperation with third countries on PVR matters</li> <li>• Develop new cooperation by seizing opportunities with new partners</li> </ul> |                    |                    |
| <b>Key Indicators</b>  | <b>2019 Target</b> | <b>Result 2019</b> |
| Number of participation to meetings and trainings / collaboration with other strong IP actors (UPOV, EPO, EUIPO...)  | 12                 | 26                 |
| Number of projects with IP actors in third countries, especially in Asia and Africa  | 4                  | 11                 |
| Number of Open Office days, public seminars, contribution to events with the "Maison de l'Europe", etc...  | 6                  | 10                 |

<sup>7</sup> This KPI cannot be found in the Annual WP 2019 but it has been added since we believe it is of added value

| Operational Indicators  |     |   |
|---|-----|---|
| Number of meetings with OAPI during the year contributing to the implementation of the OAPI roadmap   | 2   | 5 meetings, including activities in Africa and at the CPVO, and several telephone conferences |
| Number of collaboration over projects that are funded by the EU   | 1   | 3   |
| Number of exhibitions/symposium/seminars <sup>8</sup>   | 6   |   |
| Number of lectures hold in collaboration with universities (ex. participation in specialized Master programs, conferences, etc.)  | 6   | 9   |
| Number of projects elaborated in partnership with universities (symposium, research project, PhD, etc.)   | 2   | 3   |
| Number of visits <b>to</b> key stakeholders (Breeders, breeders' organisations, entrusted EOs, CPVO AC members, EU institutions, Farmers and plant producers, National authorities outside EU, International organisations,...)   | 12  | 42  |
| Number of visits <b>from</b> key stakeholders (Breeders, breeders' organisations, entrusted EOs, CPVO AC members, EU institutions, Farmers and plant producers, National authorities outside EU, International organisations,...) | 8   | 18  |
| Reputation barometer regarding stakeholders satisfaction and expectations   | 75% | N/A this year   |
| Number of presentations made in events we will be invited to <sup>9</sup>   | 12  |   |

#### 1.2.9. Enforcement of Community Rights

In 2019 the CPVO has continued its cooperation with the Observatory on the infringement of Intellectual Property Rights. The CPVO has contributed to the up-date of the Observatory national case-law database. The CPVO has also continued the update of its own case-law database.

As regards the interface between patents and PVRs on 25 October 2018 the CPVO signed the renewal of the Administrative Arrangement with the EPO for a further period of three years. The exchange of CPVO data to patent examiners, namely technical questionnaires and variety descriptions in a searchable format for the purpose of prior art's searches, has continued in 2019. The said data have been made available to EPO's

<sup>8</sup> This KPI was considered inappropriate since it overlaps with other activities

<sup>9</sup> This KPI was considered inappropriate since it overlaps with other activities

contracting states. A training of a CPVO technical expert has been organized at the EPO from 18 to 22 November 2019 on examination practises. During the same week a webinar was co-organized with the EPO on CPVO data for the contracting states of the EPO.

Figure 9 Achievement of objectives – Enforcement of Community Rights

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Objectives 2019:</b> <ul style="list-style-type: none"> <li>• Support breeders with actions related to the enforcement of CPVRs in cooperation with the Observatory and other Institutions active in the field of enforcement of Intellectual Property Rights.</li> <li>• Continue cooperating with the EPO</li> </ul> |                    |                    |
| <b>Key Indicator</b>  | <b>2019 Target</b> | <b>Result 2019</b> |
| Total number of initiatives carried out   | At least 5         | 6                  |
| <b>Operational indicators</b>   |                    |                    |
| % of participation to the meeting with the observatory, WG Enforcement  | 100%               | 100%               |
| Number of seminars / presentations of issues on enforcement   | 3                  | 3                  |

#### 1.2.10. Process efficiency

The year 2019 was one of extremely high workload in the CPVO for horizontal support activities. This ranged from a record number of recruitments, to very high levels of receipts and payments managed in the accounting sector.

The CPVO is committed to keeping a low level of Free Reserve and to do so requires adjustments to the budget in the medium term, through setting fees at an appropriate level. This year saw the return to a positive budget outturn, as forecast, in order to stabilise the free reserve, which is now at an historical low.

Figure 10 Achievement of objectives – Budget, accounting treasury, procurement & logistic

|  |                     |  |
|--|---------------------|--|
| <b>Objectives 2019:</b> <ul style="list-style-type: none"> <li>• <b>Balanced budget</b></li> <li>• <b>Stable Free Reserve</b></li> <li>• <b>No comments from Court of Auditors</b></li> <li>• <b>Fast payment of Invoices</b></li> </ul> |                     |  |
| <b>Key Indicators</b>  | <b>2019 Target</b>  | <b>Result 2019</b>                                   |
| Ratio of invoices received, processed and paid per staff member (accounts payable)   | $(6\ 100/45=) 135$  | $(5\ 685/45)=126$                                    |
| Ratio of debit and credit notes issued, processed, sent and recognized in the accounts receivable per staff indicated in the establishment plan  | $(37\ 000/45=) 820$ | $(43\ 523/45)=967$                                   |
| <b>Operational Indicators</b>  |                     |  |
| Number of budget revisions and/or transfers  | 2 or less           | No budget revisions in 2019. Small transfer amounts. |

|   |   |                                       |
|---|---|---------------------------------------|
| % of cancellations of carry forward commitments   | ≤15% of total carry forward commitments | 17% cancelled compared to 23% in 2018 |
| Level of free reserve vs. total budget for payment appropriations                           | 50%                                     | 7%                                    |
| Number of remarks of the Court of Auditors on financial accounts (RAS, published in the OJ) | None                                    | None                                  |
| % payment of invoices under 30 days   | >90%                                    | 86,20%                                |
| % of procurement procedures launched from Work plan of relevant year                        | 85%                                     | 85%                                   |
| Average length of procurement procedures processing   | 3 months                                | 4 months                              |

### 1.2.11. Recruit and develop staff – Empower and motivate staff

Figure 11 Achievement of objectives -Recruit and develop staff – Empower and motivate staff

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Objectives 2019:</b> <ul style="list-style-type: none"> <li>Recruit, train, assess, (motivate and retain) high quality staff so that effective and efficient operation of the CPVO is ensured.</li> <li>Assist the Management in the implementation of the traineeship programme.</li> <li>Give an expertise in the domain of HR to the Management and the Staff.</li> <li>Draft and implement clear rules for all HR aspects.</li> <li>Prepare salaries on due time. Processing missions reimbursements in due time.</li> <li>Give access to a wide choice of trainings in line with the needs expressed.</li> </ul> |                    |                    |
| <b>Key Indicators</b>  | <b>2019 Target</b> | <b>Result 2019</b> |
| % of satisfactory probationary period reports  | 100%               | 100%               |
| % of completion of the mandatory training program (or % of staff who attended a mandatory training during the year)  | 100%               | 100%               |
| % of positive feedbacks on training  | 80%                | 80%                |
| % of staff satisfaction regarding job description quality and work responsibilities (based on questions included into the Staff Engagement Survey) <sup>10</sup>   | >80%               | 94%                |
| Number of internal mobility experiences  | >2                 | 0                  |

<sup>10</sup> We have used the figures from the Staff Satisfaction Survey and not the Career Development Reports, since we consider the Survey a more accurate indicator

|  |     |     |
|--|-----|-----|
| Engagement rate (composite indicator: I would recommend CPVO as employer, I am proud to work at CPVO, I am satisfied with my work environment...) measured through surveys | 80% | 90% |
|--|-----|-----|

#### 1.2.12. Internal Control, Audits and Evaluations

Figure 12 Achievement of objectives – Internal Control, Audits and Evaluations

|   |                    |  |
|---|--------------------|--|
| <b>Objectives 2019:</b> <ul style="list-style-type: none"> <li>Design and organise, together with the Internal Auditor, internal audit programmes based on the CPVO list of risks and regularly reviews on the implementation of the audit recommendations made in the past.</li> <li>Assist the CPVO management in the implementation of internal control activities by writing ex-post control reports, organising regular assessments of the internal control and coordinate all reports linked to the internal control, the programming documents and the annual activity reports.</li> </ul> |                    |  |
| <b>Key Indicators</b>   | <b>2019 Target</b> | <b>Result 2019</b>   |
| n/a   | n/a                |  |
| <b>Operational indicators</b>   | <b>2019 Target</b> | <b>Result 2019</b>   |
| % of BPR action plans implemented   | 85%                | Some points of the BPR still need to be implemented: working procedures in the Register; a new procedure to streamline the Procurement processes. The latter will need an IT development before being implemented. |
| Number of exceptions recorded into the exception register   | Max. 10/year       | 16   |
| % of recommendations of the Internal Auditor closed   | >75%               | 78%  |



### 1.2.13. Internal Communication

Figure 16 Achievement of objectives – Internal Communication

|  |   |                    |
|--|---|--------------------|
| <b>Objectives 2019:</b><br>Measure the satisfaction of the staff regarding the internal communication and take corrective actions                |   |                    |
| <b>Key Indicators</b>  | <b>2019 Target</b>                            | <b>Result 2019</b> |
| % of satisfaction of the staff regarding the internal communication (based on 7 questions of the staff survey related to internal communication) | 80% of staff satisfied                        | 86%                |
| <b>Operational indicators</b>  |   |                    |
| Meetings on ongoing projects and the CPVO's activity organised by management <sup>11</sup>   | 2 GA/year                                     | 2 GAs & 1 workshop |
| Number of internal communication issues / problems raised by the staff to the staff committee  | Less than 5/year                              | 0                  |
| % of documents kept secret through SharePoint <sup>12</sup>  | Less than 10%                                 | Less than 10%      |
| Number of reviews and updates of the internal communication policy   | At least 1, according to staff survey outcome | 1                  |
| % of staff members who attended an internal communication training over the last 3 years   | 50%   | 96%                |

### 1.2.14. External communication

The Office engaged a Communication Officer in May 2019, and a new External Communication and Outreach Strategy was adopted in October. A seminar for all staff was also organised in November. The KPIs were not mentioned in the Annual Work Program 2019 but we considered it appropriate to introduce some KPIs which reflects some of the external communication activities in 2019. The targets may need to be revised for the AWP 2020.

<sup>11</sup> This KPI cannot be found in the Annual WP 2019 but it has been added since we believe it is of added value

<sup>12</sup> This KPI cannot be found in the Annual WP 2019 but it has been added since we believe it is of added value

Figure 17 Achievement of objectives – External Communication

|  |                                 |                    |
|--|---------------------------------|--------------------|
| <b>Objectives 2019:</b><br>Develop external communication through various channels                         |                                 |                    |
| <b>Key Indicators</b>  | <b>2019 Target</b>              | <b>Result 2019</b> |
| Increase activity of social media  | +100 posts on social media/year | 271 posts          |
| <b>Operational indicators</b>  |                                 |                    |
| Produce CPVO webinars  | 3 webinars/year                 | 5                  |
| Newsletters  | 2/year                          | 2                  |
| Numbers of articles published by the Office  | 6                               | 3                  |
| Numbers of articles published about the Office   | 10                              | 6                  |
| Number of followers and evolution compared to last year  | +20%                            | +20%               |
| Number of website views/visits/unique visitors/returning visitors/EU visitors or other countries' visitors | 1500                            | Over 10 000        |
| Number of invitations to speak to events   | 12                              | 16                 |

#### 1.2.15. Cost of activities

The table below shows the breakdown of real costs (actual commitments 2019) for the activities defined above. This is based on a total of EUR 18.6 million commitments. Staff allocations are based on staff in service at year-end.

Table 1 - Breakdown of cost of activities

| Activity  | Operational budget | Staff and overhead | Total             | % of total  |
|---|--------------------|--------------------|-------------------|-------------|
| <b>Managing the system: Processing applications</b> | 9,151,249          | 3,077,467          | 12,228,715        | 66%         |
| <b>QAS</b>  | 30,000             | 168,168            | 198,168           | 1%          |
| <b>Development of the system</b>                    | -                  | 554,953            | 554,953           | 3%          |
| <b>R&amp;D Projects</b>                             | 493,643            | 84,084             | 577,727           | 3%          |
| <b>Information Technology</b>                       | 472,881            | 1,614,409          | 2,087,290         | 11%         |
| <b>External Relations</b>                           | -                  | 588,587            | 588,587           | 3%          |
| <b>Enforcement and interface PVR/Patents</b>        | -                  | 16,817             | 16,817            | 0%          |
| <b>Total Core Activities</b>                        | <b>10,147,773</b>  | <b>6,104,483</b>   | <b>16,252,256</b> | <b>87%</b>  |
|   |                    |                    |                   |             |
| <b>Budget</b>                                       | -                  | 50,450             | 50,450            | 0%          |
| <b>Accounts</b>                                     | -                  | 622,220            | 622,220           | 3%          |
| <b>Total Neutral Activities</b>                     | -                  | <b>672,670</b>     | <b>672,670</b>    | <b>4%</b>   |
|   | -                  |                    |                   |             |
| <b>HR</b>   | -                  | 269,068            | 269,068           | 1%          |
| <b>General Services</b>                             | -                  | 1,193,990          | 1,193,990         | 6%          |
| <b>Internal Control, Audit, other</b>               | 60,000             | 168,168            | 228,168           | 1%          |
| <b>Total Horizontal support</b>                     | <b>60,000</b>      | <b>1,631,226</b>   | <b>1,691,226</b>  | <b>9%</b>   |
|   |                    |                    |                   |             |
| <b>Grand total</b>                                  | <b>10,207,773</b>  | <b>8,408,379</b>   | <b>18,616,152</b> | <b>100%</b> |

## 2. Management Report

### 2.1. Administrative Council

#### 2.1.1. Spring meeting

At the **19-20 March** meeting, the AC members appointed Mr van Goethem, as Reporting Officer for the appraisal of the President of the CPVO. Mr M. Valstar (Vice Chairperson) remains the second reporting officer and Mrs B. Pavlovska (Chairperson), the appeal officer. They also unanimously appointed Mr Dennis Eriksson as member of the R&D Advisory Group.

The members of the AC adopted the following:

- The consolidated annual activity report for 2018 providing a complete overview of the CPVO's activities for 2018 and including the AC Analysis and Assessment to be signed by the Chairperson of the AC adopted and the discharge of the President of the CPVO for implementation of the 2017 budget.
- The amendment of five articles and annex of the Fees Regulation, the chosen option for application's fee changes for the period 2020-2023, and the move to 100% of recovery of the real examination costs with no change in the annual fee.
- Two new and six revised TPs presented for the following:
  - (new) — CPVO-TP/008/1 — *Vicia faba* L. var. *equina* St.-Amans; *Vicia faba* L. var. *minuta* (hort. ex Alef.) Mansf. Entry into force on 1/6/2019.
  - (new) — CPVO-TP/122/1 — *Sorghum bicolor* (L.) Moench; *Sorghum xdrummondii* (Steud.) Millsp. & Chase. Entry into force on 1/8/2019.
  - (revised) — CPVO-TP/003/5 — *Triticum aestivum* L.
  - (revised) — CPVO-TP/004/2 — *Lolium perenne* L.; *Lolium multiflorum* Lam. spp. *italicum* (A. Br.) Vokart; *Lolium multiflorum* Lam. ssp. *non alternativum*; *Lolium multiflorum* Lam. var. *westerwoldicum* Wittmt; *Lolium multiflorum* Lam. ssp. *Alternativum*; *Lolium boucheanum* Kunth; *Lolium x hybridum* Hausskn; *Lolium rigidum* Gaudin.
  - (revised) — CPVO-TP/019/5 — *Hordeum vulgare* L.
  - (revised) — CPVO-TP/084/3 — *Prunus salicina* Lindl.
  - (revised) — CPVO-TP/154/1 Rev — *Cichorium intybus* L. var. *foliosum* Hegi.
  - (revised) — CPVO-TP/061/2 Rev.2 — *Cucumis sativus* L.
- A decision process to be applied by the CPVO when attributing candidate varieties to Examination Offices with the highlight proposed for small species. The decision came into force on 20 March 2019.
- Five entrustment recommendations for Ireland (Department of Agriculture Food and the Marine), Austria (Bundesamt für Ernährungssicherheit (AGES)), Greece (Hellenic Ministry of Rural Development and Food) and Italy (CREA-OFA-Roma and CREA-VE).
- The inclusion of three new QAS technical Experts to the list of qualified members for the 2019-2021 cycle.
- The Quality Audit Service review report for 2018.
- The amendment of the CPVO policy on the status of plant material used for DUS Testing Purposes.

The members of the AC also took note of the following:

- The Preliminary Draft Budget for 2020.
- The single programming document for 2020-2022 (multi annual programme on main activities and ressources for coming years) to be adopted in September 2019.
- The update on ongoing and new R&D projects.
- The update of the project 'INnovation in plant VarIety TEsting' (INVITE) to improve efficiency of testing and availability of information, as well as the potential collaboration with INNOVAR.



- The state of affairs as regards Brexit.
- The state of affairs of the cooperation between the CPVO and the EPO.
- The update on the CPVO International Relations Strategy (ARIPO, OAPI, IPKey projects).
- The update of the joint CPVO-Commission IT project.
- The recommendation of the European Ombudsman for access to documents regarding two selection procedures and follow-up given by the CPVO.
- The CPVO call for expression of interest from national authorities for Seconded National Experts.
- The report of the annual meeting with EOs 2019.
- The state of play as regards the implementation of the judgment on new breeding technics.

*They furthermore did the following:*

- Welcomed the recruitment of new staff at the CPVO with view of transfer of knowledge and acknowledged the overall heavy workload of the CPVO.
- Endorsed the revision of the CPVO **I**ntegration of **M**olecular **D**ata into **D**US testing (IMODDUS) Strategy paper.

#### 2.1.2. Autumn meeting

*At the **19 September** meeting, the members of the AC adopted the following:*

- The draft budget for 2020 as proposed by the CPVO.
- The CPVO Anti-Fraud strategy.
- The CPVO Internal Control Principles.
- The Single Programming Document (SPD) 2020-2022 (by written procedure)
- The amendment to Public Access procedure.
- The amendment to the decision on the remuneration of the members of the Board of Appeal.
- The establishment of a Working Group on Cost Calculation to establish new remunerations to EO(s) and agreed on the Terms of Reference.
- The amended R&D rules with changes proposed to Article 4. as regards the criteria to be taken into account for the level co-funding, Article 5. as regards an assessment on admissibility to be made by the CPVO and Article 6 as regards a declaration of absence of Conflicts of Interest to be signed by the members of the Advisory group.
- The proposal as presented that DUS examinations would be organised at the Mexican Office – SNICS – for ongoing CPVO application as well as for future applications for the species *Psidium guajava*. They also agreed that the CPVO would be entering into an arrangement for 5 years with SNICS under which the CPVO could both take-over DUS reports and initiate DUS tests for the species in question.
- The proposal as presented to enter into an agreement with the Costa Rican Office – ONS – to take over the DUS report for the genetically modified *Ananas comosus* (L.) Merr variety 'Rose'.
- The entrustment of the following EOs:
  - (a) Extension of entrustment for GEVES (FR);
  - (b) Croatian Agency for Agriculture and Food – HAPIH (HR);
  - (c) COBORU (PL);



- The Commission model decisions on Middle Management, on Contract Agents and on the Function of Adviser; and, by analogy, the Commission decision on Outside activities.

*The members of the AC also took note of the following:*

- The president's report and the statistics for 2019.
- The Financial situation of the CPVO.
- The IT review processes' report from PriceWaterHouseCoopers. They acknowledged that funds and (human) resources would be necessary to implement the IT Strategy for CPVO digital transformation over the next 3 to 5 years.
- The CPVO external communication and outreach strategy.
- The CPVO Final Accounts for 2018.
- The report on QAS activities.
- The two new R&D projects co-funded by the CPVO to start as from 1st January 2020. One on the development of a SNP marker set in Cannabis to support DUS testing coordinated by Naktuinbouw and planned for a duration of 24 months. And one on Harmorescoll, aiming at facilitating access to reference material for performing disease resistance tests within DUS examinations coordinated by both GEVES and Naktuinbouw and scheduled for 3 years.
- The update on the INVITE project.
- The report on the meeting with the industry on EDV.
- The stay of the implementation activities planned in the framework of the bilateral cooperation between EPO and CPVO until autumn 2019 following EPO's Technical Board of Appeal decision on biotechnology and plants in case T-1063/18.
- The CPVO proposal to amend the policy on public access to documents in relation to the breeding scheme. In essence, the CPVO would need to assess each access request to the breeding scheme for non-hybrid varieties. The change of practise does not affect hybrids for which Article 88.3 of the Basic Regulation establishes confidentiality of the breeding scheme if so requested by the applicant at the time of filing the application.
- In the EU-MERCOSUR Free Trade Agreement in Principle announced on 28 June 2019 the provisions on PVP are also based on the UPOV78 Act and not only on the UPOV91 Act.
- The information on possible future developments on the amendment of the seed legislation.

*The members of the AC furthermore addressed the following:*

- Welcomed that the upfront payment of examination fees to Examination Offices would become available to all Examination Offices as of 1st January 2020. In 2019, only the Netherlands have moved to upfront payments.
- Appointed the six experienced technical experts proposed as substitute QAS Team Leaders for the period until the end of 2021.
- Appointed a new QAS Technical Expert for the 2019-2021 assessment cycle.
- Consented to the conclusion of a written agreement between the CPVO and the Servicio Nacional de Inspeccion y certificacion de Semillas in Mexico for *Carica papaya*.



## 2.2. Major Events

### 2.2.1. The state of the system

In 2019 the CPVO received 3 525 applications for Community PVP, which represents a decrease of 0.8 % compared to the previous year. This is the third highest number in the history of the Office. During the first 10 years, the CPVO observed a growing number of applications each year. Since then, the application numbers seem to have stabilised; the annual changes are probably not to be understood as a trend but rather as chance fluctuations. The proportion of the different crop sectors is shifting. Ornamentals are representing 54% in the long term average whereas they account for less than 50% in the recent years. The opposite trend can be observed in agricultural crops, representing a quarter of all applications received, while in recent years annual application figures around 1000 shift this proportion to close to 29%.

The number of grants was the highest ever (3188) and the titles in force by the end of 2019 totalled 28 228. The number of surrenders decreased for the second year in a row (- 4% compared to 2018), to a level of less than half of the number of titles granted in 2019.

In 2019, the Administrative Council of the CPVO approved a revised financial regulations of the office, in line with the new general financial regulations of the EU Institutions. This was done with the agreement of the European Commission (DG Budget) and the Court of Auditors. Key elements were maintained, particularly as regards the financial independence of the Agency, the use of the free reserve, and recognition of the special role of examination offices.

The fees regulations were also updated ensuring viability of the CPVO finances for the coming years while also implementing for the first time the principle that there be 100% recovery of costs for examinations and clarifying rules related to applications.

The CPVO continues to make IT a priority. In 2019 the process of reinforcing the capacity of the IT team started in 2017 continued. During the year the Office undertook an ambitious project of digital transformation, which will modernize the Office IT tools, digitalize all processes, tools and working methods with a full move to Cloud computing services as an enabler to drive efficiency and with the aim of delivering high quality users services.

A challenge to the EU PVP system in the coming years will be to ensure that technical examinations can be done in an efficient manner taking into account the ever increasing number of reference varieties of common knowledge. Investments need to be done to ensure that new technologies are developed to meet this challenge. IT tools and data bases will continue to be key to handle the ever increase of relevant data. To develop new technologies and IT tools is expensive. For this reason the CPVO joined in 2017 a consortium INVITE (INnovations in plant VarIety Testing in Europe) that has made a bid to acquire funds from EU H2020 Framework Programme with the aim to improve plant variety testing in the EU. On 11 December 2018 the European Commission granted funds in relation to the call SFS-29-2018 to the consortium. The amount awarded is about 8 million euros to be spent in a period of 5 years. The kick-off meeting of the project took place on 8-10 July 2019 in Angers.

Moreover, the CPVO joined as observer a COST Action PlantEd (CA18111), which will bring together expertise from a range of disciplines to evaluate plant genome editing techniques and their resulting products from various perspectives. The findings will serve to design a roadmap for directing and facilitating applications of genome editing in plant research and breeding, which in turn will help setting R&D priorities and stimulating further cross-national and cross-disciplinary collaborations. To keep up with new techniques in a very specialised business the technical unit was also reinforced through the employment of an expert in the field of biomolecular techniques.

The new external Communication & Outreach Strategy has been adopted by the Administrative Council in September 2019 with the aim of supporting the Office Strategic Plan objectives.

The details of the projects described above and other activities are elaborated in this report to provide an overview of the activities carried out in 2019. The report demonstrates that almost all objectives set out were achieved.



### 2.2.2. Universities

In 2019, the CPVO continued to cooperate with a network of universities with the aim of spreading awareness of PVRs among students and academics. In this respect, the CPVO continued being one of the partner institutions of the European Intellectual Property Institutes Network (EIPIN) Innovation Society joint doctorate to foster research in the field of intellectual property. This has led to the awarding of several doctoral degrees, one of which is in the domain of plant varieties. The project is entirely funded under the Marie Skłodowska-Curie actions of the European Commission. Moreover, for the sixth year, the CPVO is continuing its collaboration with the Universities of Alicante (Magister Lvcentinvs) and Strasbourg (CEIPI). Several successful internships have been granted to former students of both universities' master in IP Law. In particular, the CPVO supports the Magister Lvcentinvs, the master in intellectual property of the University of Alicante that continues implementing a special intensive course dedicated to plant variety rights. The CPVO continues to collaborate with the ESSCA School of management based in Angers in the framework of the European Sustainability Policies course and with the Wageningen University participating in the Plant Breeders' rights for food security and economic development course. Moreover, in 2019 the CPVO has contributed to the Plant Variety Protection and Biotechnology course organized by the University of Maastricht, under the Intellectual Property and Knowledge Management Master (IPKM). The CPVO has also made lectures and presentations at the University of Balearic Islands (Spain), The Technical University of Munich (Germany), the University of Angers (France), the Ecole Supérieure d'Agricultures (ESA) of Angers (France) and the University La Salle (France).

### 2.2.3. The EUIPO and EPO

In 2019, the CPVO and EUIPO continued the cooperation by way of services reciprocally provided. In particular, one staff of the CPVO dealing with the assessment of variety denominations has attended a training at EUIPO dealing with the assessment of the new absolute ground for refusal of EUTM applications under Article 7(1)(m) of Regulation (EU) 2017/1001 (EUTMR) as well as opposition and revocation proceedings in respect of variety denominations and trademarks. The training also focused on the use of the Variety Finder database and the assessment of variety denominations in particular in relation to the interpretation of the notion of closely related species. A trademark examiner of EUIPO has attended a training at CPVO on variety denominations and the use of Variety Finder. As regards the human resources' field the CPVO has continued offering internship opportunities to a trainee within the joined internship program with the EPO and the EUIPO 'Pan-European Seal'. Additionally, the EUIPO supports the CPVO in the conduct of a recruitment procedure in the IT sector. Moreover, in 2019, the CPVO continued to participate in the enforcement working group of the European Observatory on Infringements of Intellectual Property Rights, as well as in the plenary session. In this area the CPVO contributed to the update of the Observatory national case-law database in the domain of enforcement of plant variety rights by national courts. The CPVO has also provided data from the Register of CPVRs to the joint EUIPO-EPO's Third edition of the Industry-Level Analysis Report on "IPR-intensive industries and economic performance in the European Union". The CPVO has further cooperated with the Observatory to support the Virtual Training Center ("VTC") with material in the domain of plant variety rights and supported the development of a webinar for law enforcement officials in cooperation with CEPOL. As regards the EUIPO Academy, the CPVO has jointly organized a webinar on legal and Board of Appeal proceedings. In the area of international cooperation, the CPVO has jointly implemented the IPKey China, Latin America and South-East Asia projects. In the IT area, the two Offices has agreed to intensify their cooperation with a view to strengthen synergies in the development of IT projects. In this respect the EUIPO is cooperating with the CPVO in the re-writing of the VarietyFinder database. The DPO and the Internal audit functions of EUIPO continues to be shared with the CPVO. The European Patent Office

On 25 October 2018 the Administrative Arrangement, signed on 11 February 2016 by the CPVO with the EPO, has been renewed for a further period of three years.. In 2019 the CPVO has continued sharing data from the CPVR Registry. Those data have been made available to EPO contracting states. Moreover, in 2019 the CPVO and the EPO have organized two activities, namely a training to a CPVO expert on EPO's practises and a webinar on the CPVO data for IP Offices of the EPO's contracting states.





#### 2.2.4. Activities outside the EU

On 4 October 2017, the CPVO Administrative Council adopted a revised international relations strategy. The CPVO, together with the Commission services, the Member States and other international organisations, are working outside the EU to strengthen plant variety systems. The key elements of this cooperation are an exchange of knowledge and support for EU users on registration and enforcement overseas. For EU breeders doing business outside the borders of the Union, being able to access and secure their IP rights is a key strategic advantage, particularly for SMEs.

##### *African Regional Organisations*

Following the adoption of the Arusha Protocol for the Protection of New Varieties of Plants, the CPVO collaborated with the ARIPO Secretariat, which is tasked with the drafting of the regulations for implementing the Arusha Protocol.

On 7 June 2019, the ARIPO Office received the Instrument of Accession of the Republic of Rwanda to the Arusha Protocol. This makes Rwanda the first ARIPO Member State to become party to the Protocol that was adopted by a Diplomatic Conference of ARIPO Member States held to that end in Arusha, Tanzania on July 6, 2015.

##### *Asian countries*

##### *East Asia Plant Variety Protection Forum - China*

On 25 April 2019 the CPVO participated in the 12th East Asia Plant Variety Protection Forum Meeting held in Beijing, the People's Republic of China organised by the Ministry of Agriculture and Rural Affairs of the People's Republic of China where the ASEAN countries, plus China, Korea and Japan presented the updated individual Implementing strategies and the proposal of the national specific cooperation activities in 2019-2020.

##### *IPKey China*

On the occasion of the 20<sup>th</sup> anniversary of China becoming a UPOV member, IP Key China together with the CPVO, the Ministry of Agriculture and Rural Affairs of the People's Republic of China (MARA), the State Forestry and Grassland Administration of China (SGFA) and the International Union for the Protection of New Varieties of Plants (UPOV) organised a seminar on Farm saved seeds and essentially derived varieties and a seminar on international co-operation and take-over of DUS reports in Beijing from 22 to 25 April 2019.

Furthermore, CPVO, MARA and NFGA organized a training of a total of 11 Chinese experts on the examination of applications for PVRs in the EU. A series of five specialized hands-on trainings of 1 to 2 weeks took place throughout the summer of 2019 on the following topics:

- aspects of formal and substantial evaluation of plant variety rights applications, at CPVO and UPOV.
- technical examination for example species based on DUS trialling and observation work on specific crops, addressed to examiners at Chinese local DUS test centres, at the national examination offices in France (GEVES), Germany (BSA) and The Netherlands (Naktuinbouw).
- minimum quality level of technical work across all examination offices/test centres, at CPVO and Naktuinbouw.

The first training brought three Chinese Officers to CPVO and UPOV from 10 to 14 June. And the second training on DUS trialling and observation work for different crops (*Lagerstroemia*, woody ornamentals *Rhododendron* L.; *Hibiscus* L., *Malus* Mill) at BSA Hannover and Wurzen Test Stations (Germany) was finished on 16 August.

The next trainings has taken place as follows:

- 23- 27 September: Training on Quality Assurance System in CPVO (France) and Naktuinbouw Examination Office (The Netherlands)
- 16 -27 September on DUS trialling and observation work for Maize in GEVES Magneraud, Surgeres Test Station (France);



- 28 October – 8 November on DUS trialling and observation work for vegetables at Naktuinbouw Examination Office (The Netherlands).

Finally from 21 until 25 October a training took place on the implementation of the Quality Audit System in Examination Offices of the EU. Hosted by the MARA - DCST and the NFGA, two experts of the CPVO's QAS have visited Nanjing and Kunming DUS Test Stations to deliver, first a theoretical course to relevant experts from Chinese plant variety protection authorities in defining evaluation criteria for cooperating examination facilities; followed by a practical session, which consisted of the carry out of audits at the DUS test centres while Chinese participants were trained on formulating, addressing and following-up on audit findings.

#### *IPKey South-East Asia*

IP Key SEA organised a High Level Study Visit on plant variety protection and UPOV 1991 in France, Netherlands and Belgium from 23-27 September 2019 for high-level officials from Indonesia, Malaysia, Viet Nam and Thailand. The High-Level Study Visit consisted of a half day seminar focusing on the benefits of membership in the International Convention for the Protection of New Varieties of Plants (UPOV 1991), the advantages of the EU Community Plant Variety Rights (CPVR) system under the UPOV 1991 Act, and the experience of Viet Nam as a UPOV 1991 member, and visits to various sites. The activity has included visits to GEVES, and Limagrain, a cooperative group of French farmers and plant breeders; to vegetables and ornamentals breeding companies in the Netherlands, and the Dutch Plant Variety Protection Office; and finally, meetings in Brussels with representatives of DG Trade, CPVO, Copa-Cogeca, Euroseeds, Ciopora, Plantum and UPOV. The interaction and discussions between the high-level officials and farmers and plant breeders are expected to improve the understanding of the national authorities from the participating countries of the benefits UPOV 1991 and strong plant variety protection systems to agricultural and rural development and food security.

#### *IPKey Latin America*

From 13 until 15 November 2019 IPKey LA organized a regional seminar in Lima for Latin American countries with the collaboration of CPVO, UPOV, and INDECOPI.

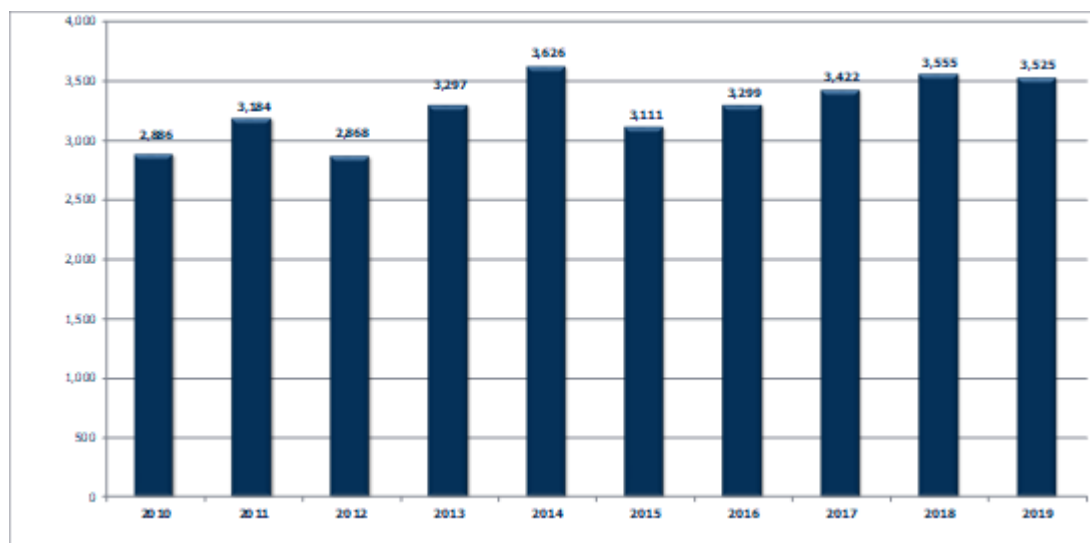
The aim of the Regional Workshop on Cooperation in Examination of Plant Variety Protection (PVP) Applications has been to enhance cooperation among examination offices. To this end, technical examiners from Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay have been invited to participate in the activity, that encourage PVP offices to discuss the use of molecular market techniques in DUS examination and to consider the mutual recognition of DUS test reports produced by other authorities to compare technical questionnaires used for the main crops in the region, as well as to discuss the best approaches for analysis of novelty and denominations, among others.

Moreover, in 2019 the CPVO supported the creation of an online course on licensing practices addressed to public research institutes and universities to foster public-private partnership.

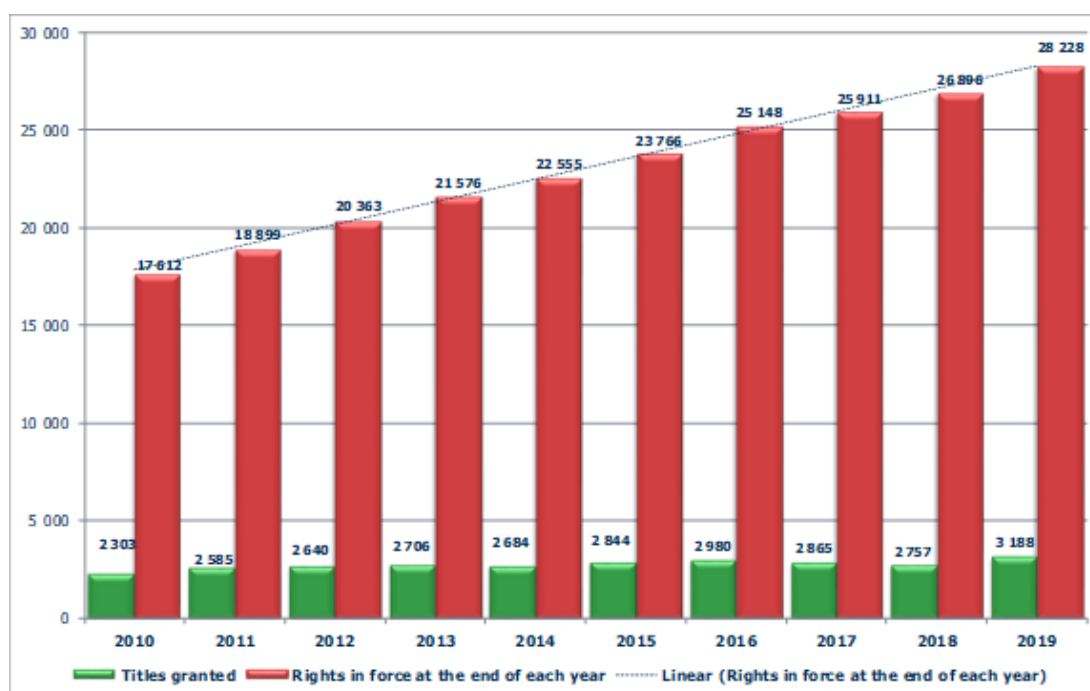


## 2.2.5. Key statistics (see **Annex I** for more details)

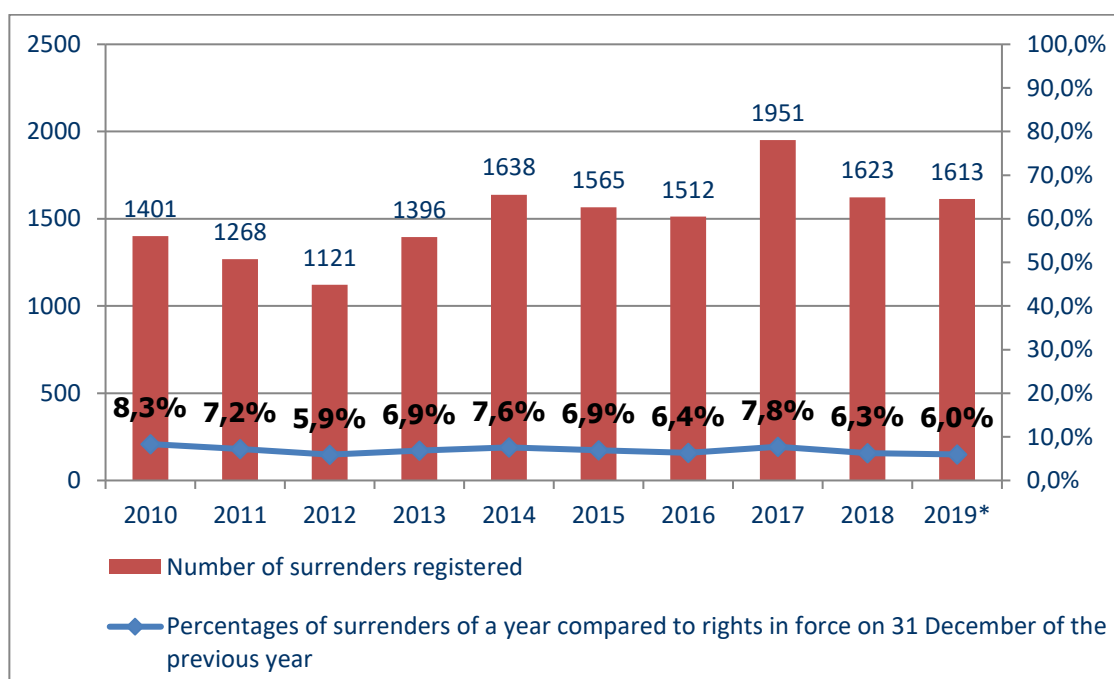
*Evolution of number of applications received over the last 10 years*



*Evolution of CPVR granted rights and rights in force at the end of each year*



### Evolution of number of surrenders of CPVR over the last 10 years



## 2.3. Budgetary and Financial Management

### 2.3.1. Overview of the budget and financial year

In accordance with the financial regulations of the Community Plant Variety Office, the Provisional Budgetary and Financial Accounts for the year 2019 are provided in **Annex II**. These reports shall be subject to audit by the European Court of Auditors. The key figures related to these accounts are explained hereafter.

### 2.3.2. Budgetary Accounts

Table 2 - Budget Outturn

|                                 |                                    | 2019                  | 2018                  | % variation 2019 |
|---------------------------------|------------------------------------|-----------------------|-----------------------|------------------|
| Income                          | Fees revenue                       | 17 671 918,00         | 17 499 839,00         | 0,98%            |
|                                 | Other revenue                      | 52 792,24             | 133 915,89            | -60,58%          |
|                                 | <b>Total</b>                       | <b>17 724 710,24</b>  | <b>17 633 754,89</b>  | <b>0,52%</b>     |
| Expenditure                     | Title 1 Staff expenditure          | -7 519 234,82         | -7 062 334,39         | 6,47%            |
|                                 | Title 2 Administrative expenditure | -1 288 466,29         | -1 304 132,68         | -1,20%           |
|                                 | Title 3 Operational expenditure    | -7 568 108,24         | -8 062 122,89         | -6,13%           |
|                                 | <b>Total</b>                       | <b>-16 375 809,35</b> | <b>-16 428 589,96</b> | <b>-0,32%</b>    |
| <b>Grand Total</b>              |                                    | <b>1 348 900,89</b>   | <b>1 205 164,93</b>   | <b>11,93%</b>    |
| Non budgetary income            |                                    | 70 832,21             | 97 038,38             | -27,01%          |
| <b>Net outturn for the year</b> |                                    | <b>1 419 733,10</b>   | <b>1 302 203,31</b>   | <b>9,03%</b>     |

Both receipts and expenditure remained relatively stable in 2019. The slight increase in receipts and the slight decrease in expenditure lead to a moderate increase in the budget outturn.

### 2.3.3. Revenue

Table 3 - Fees 2019/2018

|                    | 2019                 | 2018                 | % variation 2019 |
|--------------------|----------------------|----------------------|------------------|
| Annual fees        | 9,699,770.00         | 9,120,600.00         | 6.35%            |
| Application fees   | 1,599,250.00         | 1,632,350.00         | -2.03%           |
| Examination fees   | 5,706,110.00         | 6,061,000.00         | -5.86%           |
| Other fees         | 666,788.00           | 685,889.00           | -2.78%           |
| <b>Grand Total</b> | <b>17,671,918.00</b> | <b>17,499,839.00</b> | <b>0.98%</b>     |

The increase in annual fees is due to an increase in the number of titles in force. Application fees reflect the actual number of applications per year. Other fees include *inter alia* report fees from applicants as well as report fees for non-applicants.

### 2.3.4. Expenditure

Table 4 - Budget Execution Levels

|                                 | Final appropriation  | Executed             | Paid %       | Cancelled appropriations | Cancelled %  |
|---------------------------------|----------------------|----------------------|--------------|--------------------------|--------------|
| Title 1 Staff expenditure       | 7 785 000,00         | 7 519 234,82         | 96,6%        | 265 765,18               | 3,4%         |
| Title 2 Admin. expenditure      | 1 780 500,00         | 1 288 466,29         | 72,4%        | 492 033,71               | 27,6%        |
| Title 3 Operational expenditure | 8 909 500,00         | 7 568 108,24         | 84,9%        | 1 341 391,76             | 15,1%        |
| <b>Grand Total</b>              | <b>18 475 000,00</b> | <b>16 375 809,35</b> | <b>88,6%</b> | <b>2 099 190,65</b>      | <b>11,4%</b> |

Execution levels at 88.6% are reasonable.

Table 5 Budget execution comparison

|                                 | Budget execution 2019 | Budget execution 2018 | % Change     |
|---------------------------------|-----------------------|-----------------------|--------------|
| Title 1 Staff expenditure       | 7 519 234,82          | 7 062 334,39          | 6,5%         |
| Title 2 Admin. expenditure      | 1 288 466,29          | 1 304 132,68          | -1,2%        |
| Title 3 Operational expenditure | 7 568 108,24          | 8 062 122,89          | -6,1%        |
| <b>Grand Total</b>              | <b>16 375 809,35</b>  | <b>16 428 589,96</b>  | <b>-0,3%</b> |

The overall increase of stability in expenditure is due to operational expenditure decreases (examinations) offsetting the normal increases in staff costs (inflation, career advancement).

Table 6 - Staff expenditure comparison

| Budget article     | Description.   | Budget execution 2019 | Budget execution 2018 | % Change    |
|--------------------|----------------|-----------------------|-----------------------|-------------|
| E1100              | Staff          | 7 052 270,89          | 6 653 443,25          | 6,0%        |
| E1200              | Training       | 112 908,48            | 71 122,06             | 58,8%       |
| E1300              | Travel         | 225 531,82            | 257 390,57            | -12,4%      |
| E1400              | Interim staff  | 97 388,46             | 52 208,18             | 86,5%       |
| E1500              | Assistance     | 27 176,08             | 23 574,65             | 15,3%       |
| E1700              | Representation | 3 959,09              | 4 595,68              | -13,9%      |
| <b>Grand Total</b> |                | <b>7 519 234,82</b>   | <b>7 062 334,39</b>   | <b>6,5%</b> |

The increase in staffing costs is due to a number of issues. Statutory increases (for inflation and country correction coefficients) have a direct impact and account for over 4% of the increase. Additional staff were in place as the CPVO closed all but one vacant post, and finally the CPVO applied promotion and career advancement in line with institutional guidelines

Table 7 - Administrative expenditure comparison

| Budget article     | Description.         | Budget execution 2019 | Budget execution 2018 | % Change     |
|--------------------|----------------------|-----------------------|-----------------------|--------------|
| E2000              | Property             | 293 469,46            | 261 525,57            | 12,2%        |
| E2100              | IT expenses          | 472 881,15            | 574 044,77            | -17,6%       |
| E2200              | Other equipment      | 19 541,40             | 29 971,29             | -34,8%       |
| E2300              | General admin.       | 16 971,43             | 37 414,78             | -54,6%       |
| E2400              | Postage and telecom  | 69 835,21             | 77 394,89             | -9,8%        |
| E2500              | Meetings and notices | 251 923,28            | 219 450,38            | 14,8%        |
| E2600              | Audit and evaluation | 163 844,36            | 104 331,00            | 57,0%        |
| <b>Grand Total</b> |                      | <b>1 288 466,29</b>   | <b>1 304 132,68</b>   | <b>-1,2%</b> |

Overall, 2019 saw a decrease in administrative expenses as compared to 2018. Expenditure in IT was lower than expected due to delays in implementing the new framework contract. Furthermore, expenditure for property can vary from year-to-year depending on repairs and renovation needs.

Table 8 - Operational expenditure comparison

| Budget article     | Description.            | Budget execution 2019 | Budget execution 2018 | % Change     |
|--------------------|-------------------------|-----------------------|-----------------------|--------------|
| E3000              | Examination office fees | 6 881 065,25          | 7 251 535,74          | 15,2%        |
| E3200              | Examination reports     | 441 936,00            | 409 040,00            | 19,9%        |
| E3400              | Publications            | 35 659,27             | 48 051,60             | -32,9%       |
| E3500              | Studies                 | 167 252,48            | 206 294,05            | 6,1%         |
| E3600              | Special advisors        | 42 195,24             | 147 201,50            | 46,6%        |
| <b>Grand Total</b> |                         | <b>7 568 108,24</b>   | <b>8 062 122,89</b>   | <b>15,1%</b> |

The table above show the payments for title 3 (operational expenditure). The decrease in payments, particularly for examination office fees is related to timing issues. Payments in a given year are a reflection of commitments made in earlier years and also dependent on receipt of invoices at year-end.



### 2.3.5. Budget transfers and revisions

There were no revisions to the budget through the Administrative Council in 2019. A small number of transfers between budget lines were made, particularly at year-end.

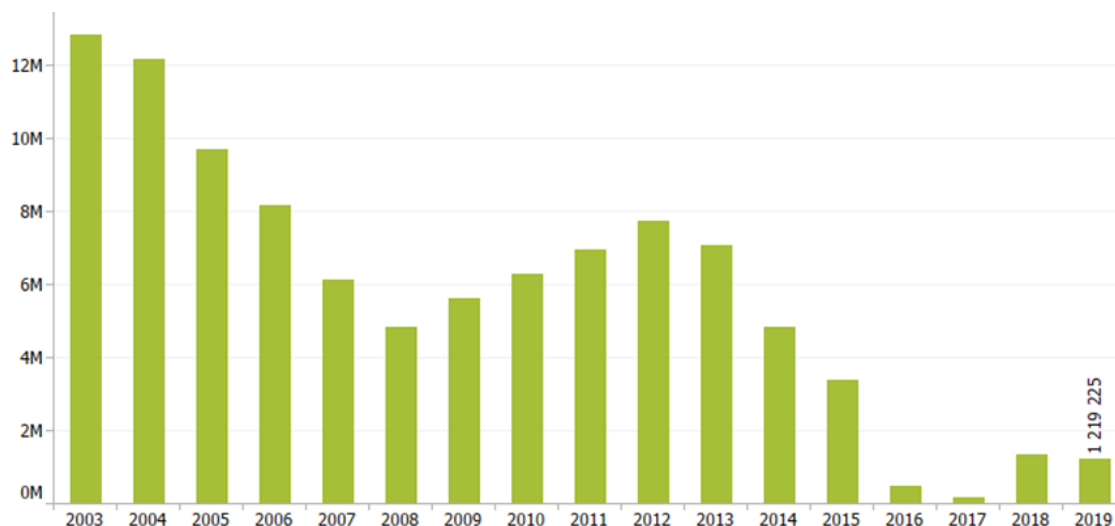
The following table shows the revisions and transfers for the payment budget:

| Budget article     | Description.         | Initial payment budget | Payment budget transfers | Final appropriation |
|--------------------|----------------------|------------------------|--------------------------|---------------------|
| E1100              | Staff                | 7 290 000              | -47 000                  | 7 243 000,00        |
| E1400              | Interim staff        | 80 000                 | 21 000                   | 101 000,00          |
| E1200              | Training             | 90 000                 | 26 000                   | 116 000,00          |
| E2100              | IT expenses          | 800 000                | -80 000                  | 720 000,00          |
| E2300              | General admin.       | 65 000                 | -6 500                   | 58 500,00           |
| E2200              | Other equipment      | 70 000                 | -7 000                   | 63 000,00           |
| E2500              | Meetings and notices | 360 000                | -36 000                  | 324 000,00          |
| E2600              | Audit and evaluation | 150 000                | 40 000                   | 190 000,00          |
| E3200              | Examination reports  | 400 000                | 89 500                   | 489 500,00          |
| <b>Grand Total</b> |                      | <b>9 305 000</b>       | <b>-</b>                 | <b>9 305 000,00</b> |

### 2.3.6. Free Reserve

The so-called free reserve is the difference between total treasury in the CPVO and the outstanding commitments open. The graph below shows the evolution of the free reserve since its high point in 2003.

Graph 1 - Free reserve



### 2.3.7. Financial Accounts

#### Economic Outturn Account 2019 (comparison with 2018)

|                                      |                                       | 2019                   | 2018                   |
|--------------------------------------|---------------------------------------|------------------------|------------------------|
| Income                               | Income from fees                      | 17 318 007,75          | 16 938 125,96          |
|                                      | Income from administrative operations | 17 007,10              | 105 994,89             |
|                                      | <b>Total</b>                          | <b>17 335 014,85</b>   | <b>17 044 120,85</b>   |
| Expenditure                          | Operational expenses                  | (7 929 237,77)         | (8 424 493,94)         |
|                                      | Salaries and social taxes             | (7 233 295,23)         | (6 818 284,88)         |
|                                      | Overheads                             | (1 458 064,29)         | (1 498 953,98)         |
|                                      | Depreciation                          | (269 939,21)           | (270 110,18)           |
|                                      | <b>Total</b>                          | <b>(16 890 536,50)</b> | <b>(17 011 842,98)</b> |
| <b>Result</b>                        |                                       | <b>444 478,35</b>      | <b>32 277,87</b>       |
| Financial revenue                    | Interest income                       | 52 415,13              | 66 533,88              |
|                                      | <b>Total</b>                          | <b>52 415,13</b>       | <b>66 533,88</b>       |
| Financial expenditure                | Bank charges & exchange differences   | (1 852,70)             | (3 579,91)             |
|                                      | <b>Total</b>                          | <b>(1 852,70)</b>      | <b>(3 579,91)</b>      |
| <b>Result</b>                        |                                       | <b>50 562,43</b>       | <b>62 953,97</b>       |
| <b>Economic outturn for the year</b> |                                       | <b>495 040,78</b>      | <b>95 231,84</b>       |

The financial accounts differ from the budgetary accounts in that it takes non-cash transactions into consideration. For example, in the budgetary accounts, asset purchases are shown as expenses for the full amount of the purchase in the year, whereas in the financial accounts, only the yearly depreciation is shown as an expense. In this sense, the financial accounts are a better reflection of the real underlying situation. Here, the outturn has increased from EUR 95 231 in 2018 to EUR 495 040 in 2019.

### 2.4. Human Resources

The main challenge for the Human Resources sector in 2019 was the implementation of SYSPER, staff management system of the European Commission. This required a lot of involvement of the HR Team but also for the staff. Quality checks and trainings were organised throughout the year to allow a smooth transition to this new IT tool. Two new colleagues started their activities in 2019, respectively in January and in May. Two colleagues left the CPVO on 31 December 2019, one for retirement, the second for resignation. Furthermore, 2 recruitments have been launched for posts to be filled in 2020. These developments are particularly welcome given that there has been a very high workload in certain sectors of the Office for a number of years.

2019 has also seen the highest level of internship agreements: 17 internships were organised in 2019, for various durations going from 1 month to 1 year.

The staff of the CPVO have also been identified in the Strategic Plan as being of central importance to the achievement of the mission of the Office, and in this regard, efforts on training and efficiency gains have been re-doubled while a number of campaigns to improve work-life balance and health have been implemented.

Challenges remain in the years to come as an ageing workforce will progressively be renewed in the coming 5 to 10 years and the Human Resource sector will play a pivotal part in ensuring a smooth transition, retention of knowledge and development of staff.

A complete report on the state of play for human resources can be found in **Annex III** (Social Report)



## 2.5. Assessment by Management

The CPVO checks regularly the efficiency of its internal control system through regular ex post controls and through immediate mitigating actions when needed.

Significant improvements were made on the level of “late commitments” and “saisine a posteriori”, although some cases were still reported in the exception report. A constant vigilance should be kept to prevent this type of problem. Training and information/reminder to the staff could also be an efficient prevention tool.

The system is globally working well. The Court of Auditors’ final report on 2018 accounts and financial management is positive with no remarks of a serious nature.

Based on the above, the Management assesses that the internal control system is working well, that all measures were taken to prevent irregularities and fraud and that the underlying transactions were legal and regular and complied with sound financial management

## 2.6. Budget Implementation tasks entrusted to other services and entities

There were no tasks implementing budget funds with other services and entities in 2019.

## 2.7. Assessment of audit results during the year

### 2.7.1. Internal audit

Internal Audit assists management by providing independent, objective assurance and consulting services designed to add value and improve the organisation’s operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

#### *Approved audit plan*

Audit activities were based on the Audit Plan 2019, which was approved by the President of the Office in December 2018.

The selection of audits for 2019 was based on the annual risk assessment exercise, the audit universe coverage as well as on Internal Audit’s professional judgment.

The Audit Plan 2019 included 1 audit:

- Fees Management

The audit was launched in July 2019, and was carried out on site in the CPVO. It was finalised in October and an action plan has been adopted.

Finally, the audit plan 2020 setting the course of IA work for 2020, was established and approved in December 2019.

### 2.7.2. European Court of Auditors (See full report with CPVO answer in **Annex IV**)

The main conclusions to be found in paragraphs 3.33.1 to 3.33.11 of the report of the Court of Auditors adopted in Luxembourg at the Court meeting on 24 September 2019 reads:

#### ***Opinion on the reliability of the accounts***

In our opinion, the accounts of the Office for the year ended 31 December 2018 present fairly, in all material respects, the financial position of the Office at 31 December 2018, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission’s accounting officer. These are based on internationally accepted accounting standards for the public sector.

## ***Opinion on the legality and the regularity of the transactions underlying the accounts***

### ***Revenue***

In our opinion, revenue underlying the accounts for the year ended 31 December 2018 is legal and regular in all material respects.

### ***Payments***

In our opinion, payments underlying the accounts for the year ended 31 December 2018 are legal and regular in all material respects.

## **2.8. Follow-up of audits and recommendations**

The 2018 Audit work programme has been finalised in 2019. This programme included two main topics: Missions and Procurement. For some of the points raised by the Internal Auditor, the CPVO could agree on the substance but the actual implementation is sometimes put into question because of the small size of the agency and a lack of resources.

### ***Missions***

The audit fieldwork involved carrying out the following tasks: a general documentary review (of the reference framework and of evidence of practical implementation), interviews with the staff responsible and specific tests and analyses on a sample of missions carried out in the period 1 January 2017 to 31 March 2018.

Recommendations were proposed for the following elements:

- *Implementation of the regulatory framework -*  
Review the current process, practices and controls in the light of the applicable regulatory framework. The recent entering into force of a new Mission Guide reinforces the usefulness of such exercise in order to ensure full compliance with it.  
Ensure that travel orders submitted for approval include all information necessary for the authorising officer to be able to confirm that the mission itinerary serves its purpose in the most cost-effective manner before any booking takes place.  
Make certain that derogations are requested at the travel order approval stage and that the requests for and the decision on derogations are properly documented.  
The accounting system should provide adequate tracking of any amount to be regularised.
- *Supporting Documentation –*  
Assure that reimbursement requests are completed accurately and that all required supporting documents, related to the actual mission carried out, are clearly identified and attached.
- *IT systems –*  
Analyse the current system integration and usage and evaluate if quick fixes can be implemented to avoid further data errors and ensure full reliability of the current systems. In case the Office decides on migrating data to MIPS, mapping of DB fields between the current systems and MIPS will be very important. Data cleansing should take place and test data extractions should be carried out several times to assure that data is correct and complete.

### ***Procurement***

The audit fieldwork involved carrying out the following tasks: a general documentary review (of the reference framework and evidence of practical implementation) and specific tests and analyses on a sample of procurements carried out during the period covered by the audit.

Recommendations were proposed for the following elements:

- *Ex-ante – ex-post publicity:*

Establish and update the required lists for ex-ante publication as soon as information is available and publish them on the space dedicated for procurement on the CPVO Website. Ensure that each specific procedure is given adequate ex ante publicity.

Publish contract award information timely and accurately.

- *Procurement procedures:*

Always consider the total amount of the activity for choosing the appropriate procurement procedure.

Properly document any modification to existing contracts.

Establish a proper procurement planning to avoid the need of contract extensions.

Revise periodically the appropriateness of the services provided, the established rates and the provider periodically in a formal way and consider consulting the market again for these services (through the corresponding procedure).

In case of procedures close to their threshold, consider using the procedure foreseen for the upper threshold.

- *ECM:*

Finalize the implementation of ECM.

- *Documentation:*

Implement the TO-BE processes.

Apply document management rules systematically. Make sure that documentation is consistent in all cases by storing the complete set of documents, with adequate cross-references where needed, in a clear structure in Docman.

The following tables show some statistics on IA recommendations for the last three years. The column "Not applicable" show the recommendations which the President of the CPVO decided not to follow.

*Statistics on audit recommendations status – Years 2016 to 2018*

| Year        | In progress |         | Completed |         | Not applicable |         | Grand Total |         |
|-------------|-------------|---------|-----------|---------|----------------|---------|-------------|---------|
|             | Rec.s       | % Total | Rec.s     | % Total | Rec.s          | % Total | Rec.s       | % Total |
| 2016        |             |         | 12        | 92.3%   | 1              | 7.7%    | 13          | 100.0%  |
| 2017        | 3           | 17.6%   | 14        | 82.4%   |                |         | 17          | 100.0%  |
| 2018        | 4           | 57.1%   | 3         | 42.9%   |                |         | 7           | 100.0%  |
| Grand Total | 7           | 18.9%   | 29        | 78.4%   | 1              | 2.7%    | 37          | 100.0%  |

When broken down by unit, the view is as follows:

*Audit recommendations status per unit – Years 2016 to 2018*

| Unit           | In progress |         | Completed |         | Not applicable |         | Grand Total |         |
|----------------|-------------|---------|-----------|---------|----------------|---------|-------------|---------|
|                | Rec.s       | % Total | Rec.s     | % Total | Rec.s          | % Total | Rec.s       | % Total |
| President      |             |         | 5         | 83.3%   | 1              | 16.7%   | 6           | 100.0%  |
| Technical      |             |         | 4         | 100.0%  |                |         | 4           | 100.0%  |
| Legal          | 3           | 33.3%   | 6         | 66.7%   |                |         | 9           | 100.0%  |
| Administration | 2           | 14.3%   | 12        | 85.7%   |                |         | 14          | 100.0%  |
| QAS            | 2           | 50.0%   | 2         | 50.0%   |                |         | 4           | 100.0%  |
| Grand Total    | 7           | 18.9%   | 29        | 78.4%   | 1              | 2.7%    | 37          | 100.0%  |



## **2.9. External Evaluations**

No external evaluation was carried out in 2019.



### **3. Assessment of the effectiveness of internal control systems**

#### **3.1. Risk Management**

Risk assessment and risk management, as mentioned under 2.7.1 Internal Audit, is an integral part of the internal audit process.

The list of risks was reviewed in September 2019. 9 risks were removed from the list and 2 were added. For the remaining risks, only the likelihood and the impact values were slightly changed.

Risks, and especially their ratings, are updated on a regular basis, when needed, through regular meetings with top and middle management but also according to the conclusions of internal audit reports.

#### **3.2. Compliance and effectiveness of internal control systems**

The compliance and effectiveness of internal control systems are regularly assessed: the Court of Auditors systematically includes these aspects in its mission in the CPVO.

The CPVO makes regular controls on these aspects through ex-post controls on budgetary operations or through business process reviews.

In 2019, no Business Process Review (BPR) has been done, to avoid adding a supplementary workload to the CPVO staff on top of normal activities. The CPVO will now take some time to finalise the implementation of the conclusions of the previous BPR activities. The action plans requires the creation of new IT tools and the re-organisation of work within the teams and sectors concerned.

Training was organised in 2019 to raise awareness about the new Internal Control principles, the CPVO Anti-Fraud policy and the practical implementation of the CPVO Financial Regulation.

#### **3.3. Declaration of assurance**

During 2019, the Head of Administration, on the basis of a number of supporting audits and evaluations has made the following declaration:

On the basis of:

- the self-assessment of internal controls
- follow-up of internal audit recommendations
- results of ex-post controls

I declare that in accordance with the CPVO's internal control framework, I have reported my advice and recommendations on the overall state of internal control in the CPVO to the President.

I hereby certify that the information provided in the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.



Signed :

**James Moran**



#### **4. Management Assurance**

On the basis of the facts in his possession, the President of the CPVO declares that the information contained in this report gives a true view. He has reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. He is unaware of any matter not reported which could harm the interests of the CPVO. (see **Annex V** for signed document)

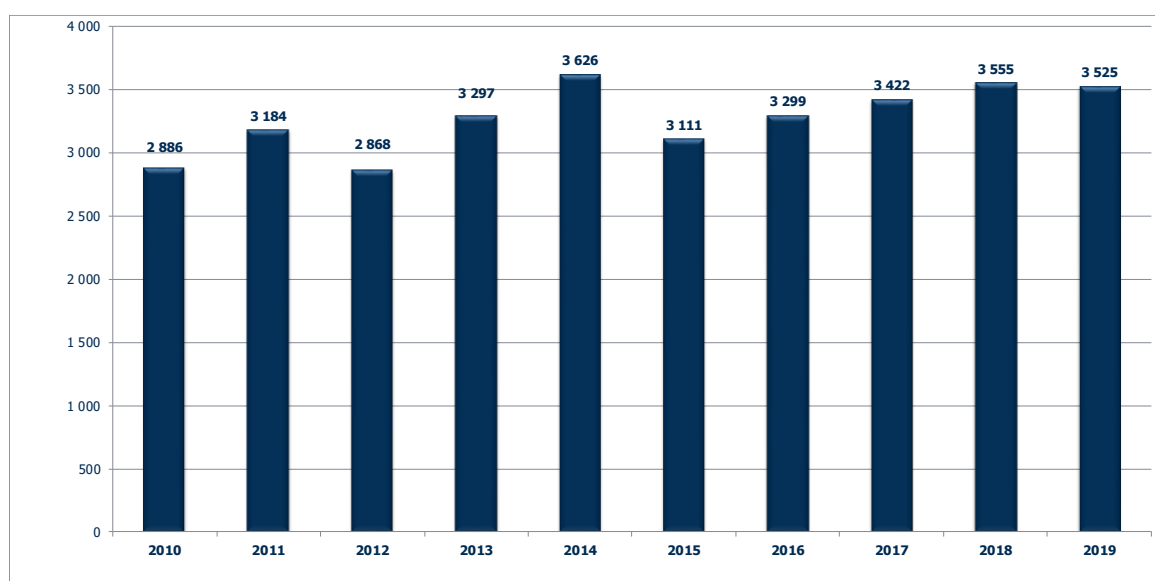
#### **5. Declaration of assurance**

This document is a declaration signed by the President, as Authorising Officer and representing the CPVO, together with the Accountant giving their assurance on the accounts of the Office, according to the provisions of the Financial Regulations of the CPVO. The original document was sent to the President of the Court of Auditors (**Annex V**).

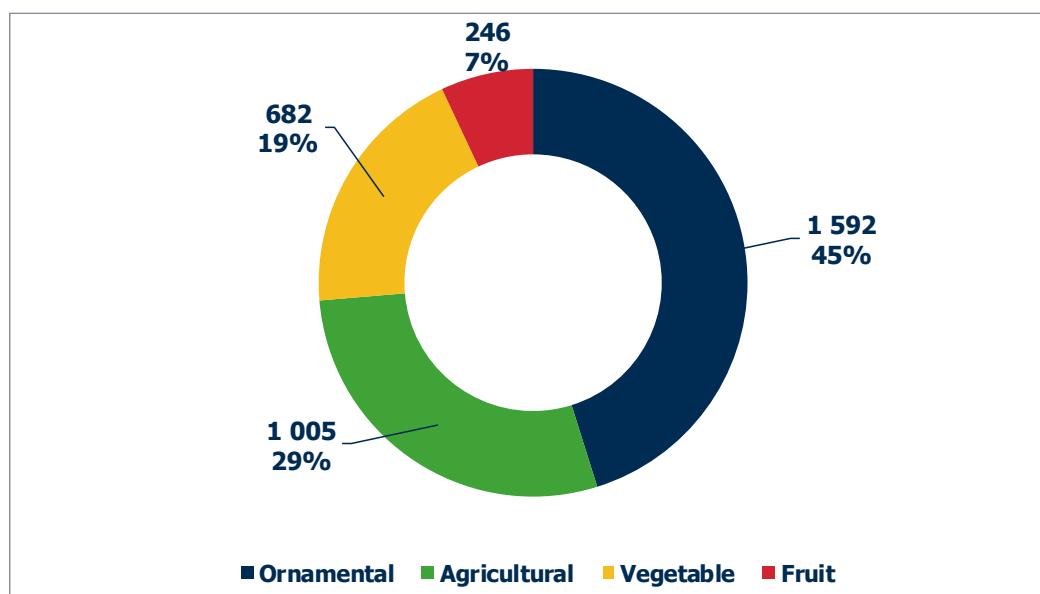
## Annex I. 2019 Core Business Statistics

In 2019 the CPVO received 3 525 applications for Community PVP, which represents a decrease of 0.8 % compared to the previous year. Graph 1 shows the evolution of the number of applications received by the CPVO (all figures are based on the date of arrival of the application documents at the CPVO). This is the third highest number in the history of the Office. During the first 10 years, the CPVO observed a growing number of applications each year (figures not shown). Since then, the application numbers seem to have stabilised; the annual changes are probably not to be understood as a trend but rather as chance fluctuations. The proportion of the different crop sectors is shifting. Ornamentals are representing 54% in the long term average whereas they account for less than 50% in the recent years. The opposite trend can be observed in agricultural crops, representing a quarter of all applications received, while in recent years annual application figures around 1000 shift this proportion to close to 29%.

**Graph 1: Evolution of the annual number of applications for Community plant variety protection (2010-2019)**



**Graph 2: Shares of application numbers per crop sector in 2019**



**Table 1: Member States from which CPVR applications were filed in 2019**

| Member State of main applicant | Number of applications received in 2019 |
|--------------------------------|---|
| Netherlands                    | 1216                                    |
| Germany                        | 504                                     |
| France                         | 473                                     |
| Spain                          | 128                                     |
| Denmark                        | 120                                     |
| Belgium                        | 111                                     |
| Italy                          | 110                                     |
| United Kingdom                 | 92                                      |
| Austria                        | 31                                      |
| Poland                         | 24                                      |
| Czech Republic                 | 16                                      |
| Sweden                         | 7                                       |
| Finland                        | 5                                       |
| Hungary                        | 4                                       |
| Ireland                        | 4                                       |
| Latvia                         | 2                                       |
| Romania                        | 2                                       |
| Slovenia                       | 2                                       |
| Greece                         | 1                                       |
| Slovak Republic                | 1                                       |
| <b>Total</b>                   | <b>2853</b>                             |

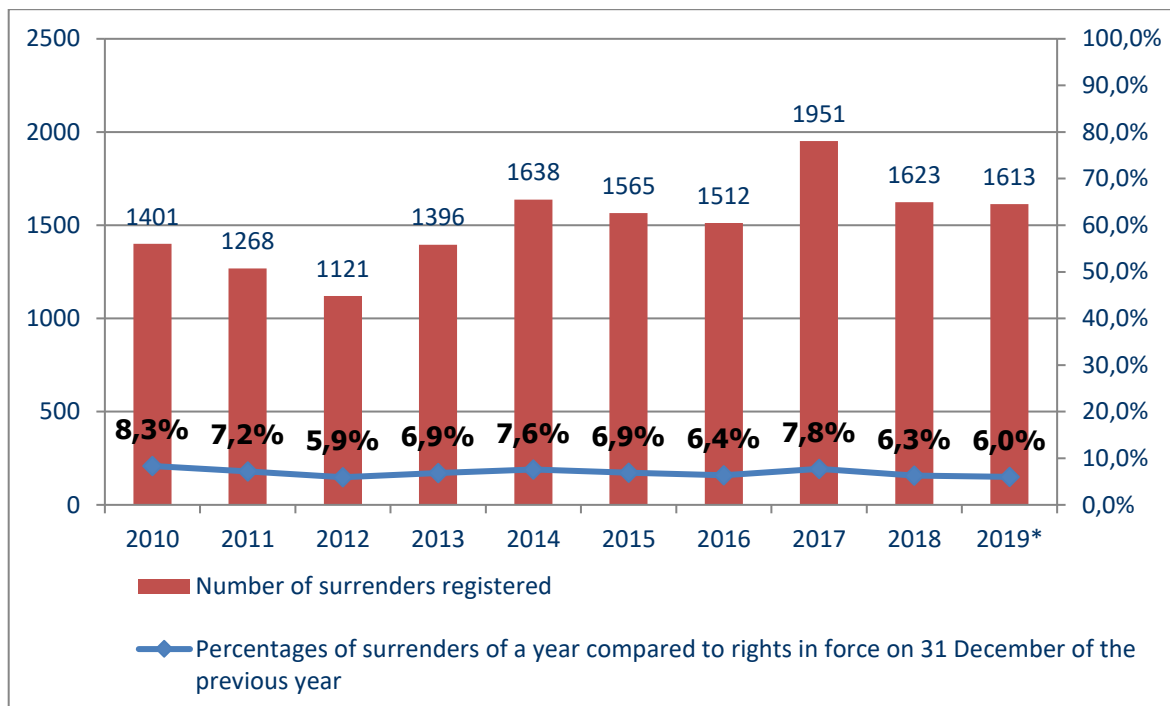
**Table 2: Non-EU countries from which CPVR applications were filed in 2019**

| Country of main applicant | Number of applications received in 2019 |
|---------------------------|---|
| United States             | 343                                     |
| Switzerland               | 160                                     |
| Japan                     | 36                                      |
| Israel                    | 29                                      |
| Australia                 | 23                                      |
| New Zealand               | 14                                      |
| South Korea               | 12                                      |
| Colombia                  | 11                                      |
| China                     | 10                                      |
| South Africa              | 10                                      |
| Argentina                 | 6                                       |
| Brazil                    | 5                                       |
| India                     | 5                                       |
| Canada                    | 2                                       |
| Costa Rica                | 2                                       |
| Belarus                   | 1                                       |
| Chile                     | 1                                       |

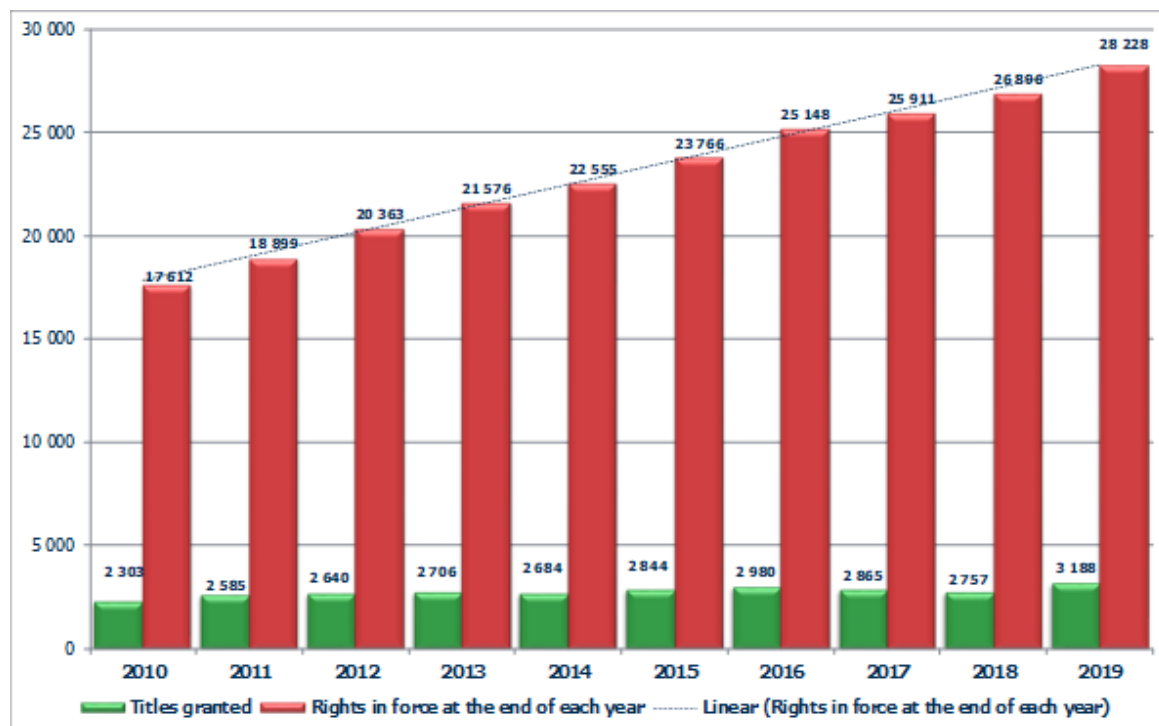


|              |            |
|--------------|------------|
| Sri Lanka    | 1          |
| Ukraine      | 1          |
| <b>Total</b> | <b>672</b> |

**Graph 3: Number of surrenders of CPVRs (2010-2019)**



**Graph 4: Number of rights granted each year from 1996 to 2019 and those remaining in force on 31 December 2019 from those granted per year (every other year shown)**



At the end of 2019, of the 53 900 rights granted in total, 28 228 (52 %) were still in force.

## **Annex II. Provisional accounts**

Document provided separately

### **Annex III. Social Report of the CPVO 2019**

## Social Report - table of contents

|           |  |           |
|-----------|--|-----------|
| <b>1.</b> | <b>Employment .....</b>                              | <b>45</b> |
| 1.1.      | Staff members .....                                  | 45        |
| 1.2.      | Recruitment procedures organized in 2019.....        | 46        |
| 1.3.      | Career development .....                             | 46        |
| 1.4.      | Promotions and reclassifications .....               | 46        |
| 1.5.      | Absenteeism .....                                    | 46        |
| 1.6.      | Trainees .....                                       | 47        |
| <b>2.</b> | <b>Working Conditions .....</b>                      | <b>48</b> |
| 2.1.      | Staff Engagement Survey.....                         | 48        |
| 2.2.      | Hours worked .....                                   | 48        |
| 2.3.      | Security and prevention of occupational hazards..... | 48        |
| 2.4.      | Flexi-time and teleworking .....                     | 48        |
| 2.5.      | Part time .....                                      | 49        |
| 2.6.      | Parental leave .....                                 | 49        |
| <b>3.</b> | <b>Training .....</b>                                | <b>49</b> |
| 3.1.      | Language courses .....                               | 50        |
| 3.2.      | IT Training.....                                     | 50        |
| 3.3.      | Finances and audit .....                             | 50        |
| 3.4.      | Communication and Management.....                    | 50        |
| 3.5.      | Human Resources .....                                | 50        |
| 3.6.      | Technical expertise.....                             | 50        |
| 3.7.      | Other training .....                                 | 50        |
| <b>4.</b> | <b>Professional relations .....</b>                  | <b>51</b> |
| 4.1.      | Staff Committee .....                                | 51        |
| <b>5.</b> | <b>Conclusions .....</b>                             | <b>51</b> |

## 1. Employment

The information provided below is limited as compared to 2018 due to the ongoing implementation of the reporting module of Sysper.

### 1.1. Staff members

By the end of 2019, the Establishment plan comprised 45 staff including 9 officials, 36 temporary agents (of which 4 were standard part-time employments of 80% or 90%). At the end of the year, all posts were filled. One colleague is still in long term personal leave. One colleague finished his service for the CPVO on 31 December 2019 to go on retirement. In addition to the establishment plan staff, the CPVO employed 6 contract agents at the end of the year among whom one resigned with effect on 31 December 2019. 7 Trainees and 1.5 FTE outsourced IT specialists were also present. The representation in function groups AD, AST and Contract Agents is illustrated below.

Figure 13 - Function Groups by gender

|                     |        | Official |         | Contract Agent |         | Temporary Agent |         | Grand Total |         |
|---------------------|--------|----------|---------|----------------|---------|-----------------|---------|-------------|---------|
|                     |        | Staff    | % Total | Staff          | % Total | Staff           | % Total | Staff       | % Total |
| Administrator Level | Female | 1        | 2.0%    |                |         | 6               | 12.0%   | 7           | 14.0%   |
|                     | Male   | 3        | 6.0%    | 4              | 8.0%    | 5               | 10.0%   | 12          | 24.0%   |
| Assistant Level     | Female | 3        | 6.0%    | 1              | 2.0%    | 18              | 36.0%   | 22          | 44.0%   |
|                     | Male   | 1        | 2.0%    | 1              | 2.0%    | 7               | 14.0%   | 9           | 18.0%   |
| Grand Total         |        | 8        | 16.0%   | 6              | 12.0%   | 36              | 72.0%   | 50          | 100.0%  |

At the end of the year, 12 nationalities were represented in the CPVO, with 52% being French Nationals. This includes all staff regardless of function group.

With a view of to ensuring the proportionality of the measures, and in the same way as the analysis is carried out by the European Commission, this table focuses on the AD-level (including contract agent group IV) only. This reflects that accepted practice in all institutions that nationality diversity is more relevant and stringent for AD staff than AST staff.

Figure 14 – Nationalities

|             | Official |         | Contract Agent |         | Temporary Agent |         | Grand Total |         |
|-------------|----------|---------|----------------|---------|-----------------|---------|-------------|---------|
|             | Staff    | % Total | Staff          | % Total | Staff           | % Total | Staff       | % Total |
| BE          |          |         | 1              | 5.3%    | 1               | 5.3%    | 2           | 10.5%   |
| DE          | 1        | 5.3%    |                |         | 1               | 5.3%    | 2           | 10.5%   |
| ES          | 1        | 5.3%    | 1              | 5.3%    | 1               | 5.3%    | 3           | 15.8%   |
| FR          | 1        | 5.3%    | 1              | 5.3%    | 4               | 21.1%   | 6           | 31.6%   |
| IE          | 1        | 5.3%    |                |         |                 |         | 1           | 5.3%    |
| IT          |          |         |                |         | 2               | 10.5%   | 2           | 10.5%   |
| PL          |          |         |                |         | 1               | 5.3%    | 1           | 5.3%    |
| RO          |          |         | 1              | 5.3%    |                 |         | 1           | 5.3%    |
| SE          |          |         |                |         | 1               | 5.3%    | 1           | 5.3%    |
| Grand Total | 4        | 21.1%   | 4              | 21.1%   | 11              | 57.9%   | 19          | 100.0%  |

## **1.2. Recruitment procedures organized in 2019**

In 2019, a new Communication Officer joined the CPVO.

## **1.3. Career development**

The ability of the CPVO to achieve its objectives depends on its staff members. Their skills and abilities in carrying out their responsibilities determine how successful the CPVO as a whole will be. Career development reports (CDR) are a means of formally recognizing, evaluating and providing feedback on each staff member's performance and contribution as a member of a team.

The CDR is also an important means of communication between management and staff, as well as to identify training needs, and a vital tool for career development. In this process, staff members have a continuing opportunity to inform management about how they feel about the work and identify professional goals and interests. Managers in turn convey their commitment to each staff member's career success by communicating information concerning the staff member's performance in relation to the CPVO's expectations and action needed to meet these expectations and to advance the staff member's career at the CPVO.

Career development reports provide a link between the CPVO's objectives and a staff member's performance and also enhance accountability for results. In 2017 an extensive effort was made in order to make it easier for staff members to identify their work objectives with the objectives of the CPVO, and trainings and workshops were organized in this respect. This approach was still applied in 2019.

Career development reports are drawn up once a year for all staff members, including the President and Vice President.

## **1.4. Promotions and reclassifications**

Seven staff members were awarded a promotion or reclassification to the next grade in their career with retroactive effect on 01/01/2019. This represents less than 14% of the staff.

The procedure for Senior Assistants and Senior Experts was launched in 2019 for the second time in the CPVO. The aim of this procedure is to open AST10 or AD13 to allow staff members with a high level of seniority to reach a higher grade and to fill a post with a higher level of responsibilities through a specific selection procedure.

Two colleagues on AST9 grades were subject to this procedure at the end of 2019. They were selected to fill 2 AST10 posts from 1 January 2020, one in the Administration Unit, the second in the Technical Unit.

## **1.5. Absenteeism**

The Staff Regulations of the European Communities, applicable to CPVO staff, stipulate that staff members do not have to present a medical certificate until the fourth day of absence. This absence of three consecutive days without a medical certificate can be repeated four times during a calendar year. All absences after that must be covered by a medical certificate. During 2019 no staff member of the CPVO was absent more than 12 days without a medical certificate.

| Description                     | Days   |
|---------------------------------|--------|
| Total Calendar Days             | 365    |
| Weekend Days                    | 104    |
| CPVO Official Holidays          | 18     |
| Average Annual Holidays         | 29     |
| Working Days                    | 214    |
| Staff Present in Office in 2019 | 50     |
| Total working days              | 10 700 |

#### ***Statistics about absenteeism***

| Years | Days off | % working days | Average per post |
|-------|----------|----------------|------------------|
| 2019  | 349.5    | 3.4%           | 6.85             |
| 2018  | 288      | 2.6%           | 5.76             |
| 2017  | 588.5    | 5.4%           | 12               |

## **1.6. Trainees**

The CPVO offers young persons that have a university degree an internship between 6-12 months (*in-service training*) as well as internship for younger students still under education for a period of 2-4 months (*internship*).

In January 2009 the President of the CPVO adopted rules governing *in-service training* at the CPVO. The purpose of the *in-service training* with the CPVO is to give external people an opportunity to learn about the CPVO and its role within the European Union, to provide them with practical knowledge of the work at the CPVO, to enable them to acquire personal experience by means of the contacts made in the course of their work and put into practice the knowledge they have acquired during their studies or professional careers, to the benefit of the CPVO.

In 2013, the CPVO adopted a procedure for the *in-service training* within the Office, governed by the decision mentioned above. Traineeships are advertised in April and September (advertisements posted on the CPVO web page and message sent to the AC members). The procedure was revised in 2019. The *in-service training* begin in September, and last for 12 months at a time. This procedure was followed in 2019 and advertisements were published.

Cooperation Agreements are also in place with the University of Alicante (Magister Lvcentinvs) and the University of Strasbourg (CEIPI) to offer the same *in-service training* possibilities of 6 months renewable. Another agreement to join the Pan-European Seal Project in partnership with the EUIPO and the EPO to offer *in-service training* to highly specialized young graduated in the field of Intellectual Property is also in place.

The CPVO also offers the possibility for younger students to do an *internship* of 2-4 months. These internships are not governed by the decision mentioned above but by a convention signed between the CPVO and the school.

In 2019 the CPVO had 17 *in-service training* and *internships* for a total of 60.7 months, a majority being internships.

## **2. Working Conditions**

### **2.1. Staff Engagement Survey**

Since 2018, the CPVO organises every year a Staff Engagement Survey. This survey, based on a model used by the European Commission and the EU Agencies, gives an assessment by the staff of the quality the work environment, of the internal communication between the Management and the staff and inter-units. It intends to show how strong the staff commitment is to fulfil the agency's objectives and the satisfaction gained by working for the CPVO and the European Union. An "Engagement rate" is calculated on the basis of 5 key questions. This engagement rate is one of the CPVO key indicators in this Annual Activity Report.

The survey was finalised in January 2019. The engagement rate calculated was 85%. A detailed report has been issued, showing the main strengths of the CPVO as well as the areas requesting actions for improvement. A working group – chaired by the President - commented the report and proposed an action plan. They also proposed some amendments to the survey questions.

The latest survey was achieved in February 2020, which showed **a higher staff engagement than for the past year with 90%** with a good participation rate (60%).

### **2.2. Hours worked**

The working week of the CPVO is 40 hours, spread out over the 5 working days (from Monday to Friday). The working hours were changed in 2019 (Decision of the AC on Working Time) to stick to the working time rules of the new staff management tool SYSPER. It allows more flexibility than in the past. The core hours are now the following: 9:30 to 12:00 and from 15:00 to 16:30 (16:00 on Wednesdays and Fridays). Although the working week still counts 40 hours, the flexible part is now wider. This gives a better balance work/private life for the staff.

### **2.3. Security and prevention of occupational hazards**

The CPVO did not experience any accidents, occupational hazards or risks to its security during 2019. However, training courses are organized in these fields in order for the staff members to have knowledge about the actions to take in case anything happens. In 2019, 20 staff members participated in a training course on how to use a fire extinguisher, and 28 staff members participated in a first aid course. Building security is outsourced to a local service company.

### **2.4. Flexi-time and teleworking**

The new implementing rules on working time gives staff members the possibility for flexi-time. This means that if staff works more than the regulatory hours during a month, they can work the corresponding time less in the following month. If the overtime worked exceeds 4 hours, staff can recuperate half a day in the following month, and if the overtime worked exceeds 8 hours they can recuperate a whole day, until a maximum of 2 days in a given month. No more than 20 hours can be carried over from one month to another.

In 2019, 38 staff members worked overtime and took 92 days in total under the flexi-time arrangements.

Several staff members have been teleworking during 2019, either on an ad hoc basis (27 staff members) or under a teleworking agreement (5 staff members) for a total of 86 days. The feedback is very positive, both from the staff and management.



## 2.5. Part time

The Staff Regulations of the European Communities give the right to staff members to work part-time. The CPVO adopted the Commission implementing rules on part-time work by analogy in December 2017, to give effect to these rules. These rules stipulate that staff members have the right to request to work part-time (50, 60, 62.5, 70, 75, 80, 90 or 95%) under certain conditions.

In 2019, four staff members were granted the right to work part-time at 80% or 90% in order to take care of their young children and to better balance private and professional life. They did not all work part-time throughout the entire year.

Eight colleagues used the benefit of time-credit for a total of 482.5 days, giving some flexibility for specific needs, also giving a better work-life-family balance.

## 2.6. Parental leave

Parental leave is also a right established in the Staff Regulations. In 2011, the CPVO adopted the new Commission implementing rules on parental leave by analogy. These rules stipulate that staff members have the right to request parental leave for up to six months per child until the child reaches the age of 12. The leave can be taken immediately after the maternity leave or at any other time. It can be taken all at once (six consecutive months) or be divided into a minimum period of one month at a time. Parental leave can be taken as full-time or half-time.

The New Staff Regulations has introduced a possibility to take an extra 6 months per child with an allowance reduced by 50%.

In 2019, 9 staff members took parental leave for a total period of 12 months.

## 3. Training

Training is an integral part of the human resources policy of the CPVO and it serves the interests of the individual as well as of the CPVO. Training should serve to improve individual competencies, professional effectiveness and commitment at the workplace so that each staff member can contribute optimally to the achievement of the CPVO's goals. By developing relevant knowledge, skills and attitudes, training should further help staff members to make desired career moves, both laterally (mobility) and vertically (promotion, including change of category). Learning is both a right and a duty for all persons working in the CPVO.

The CPVO staff has been given free access to the Learning Portal of the EUIPO Academy and can enrol in training courses as they please, under condition that there are places available.

In 2019, a budget of 116 000 € was allocated for training. A total of 114 050 € was committed, which represents an execution level of 98.3 % of the budget.

A total of 377.75 days were spent in training, which gives an average of 7.5 days per post.

Figure 15 - Evolution of training days over the past five years

| YEAR | TOTAL NUMBER OF DAYS | DAYS PER POST |
|------|----------------------|---------------|
| 2014 | 376.5                | 8.4           |
| 2015 | 317.25               | 7.1           |
| 2016 | 249                  | 5.7           |
| 2017 | 305                  | 6.1           |
| 2018 | 256                  | 5,1           |
| 2019 | 377.75               | 7.5           |

### **3.1. Language courses**

In 2019, 14 staff members followed face-to-face language courses and 5 staff members followed e-learning language courses. A total of 840 hours (=480/8=105 days) were spent in these courses, divided in Spanish (300 hours), Italian (60 hours), German (240 hours) and French (177 hours). 40 870 € was committed, which represents 35.23 % of the training budget. This include French courses for the trainees and e-learning language courses for staff members and trainees.

### **3.2. IT Training**

26 staff members followed IT training courses, which amounted to a total of 108 hours (=13.5 days). 9 354 € were committed, which represents 8.1% of the training budget. This include the purchase of 20 annual e-learning licences..

### **3.3. Finances and audit**

20 staff members participated in trainings on finance and audit (expenditure life cycle, public procurement, ISO 9001-2015, internal control and audit), which amounted in a total of 216 hours (=27 days). 4 453 € was committed which represents 3.8% of the training budget.

### **3.4. Communication and Management**

50 staff members participated in trainings on communication or management (presenting with impact, new head of unit, managing social media, team management, decision making strategies for leaders, professional efficiency, clear writing). A total of 900 hours (112.5 days) were spent on those trainings and 44 800 € was committed, which represent 38.62% of the training budget.

### **3.5. Human Resources**

38 staff members participated in trainings in relation to Human Resources (ethics and integrity how to prepare your pension, salaries and rights). A total of 248 hours (=31 days) were spent on these trainings and 4 618 € were committed, which represents 4 % of the training budget.

### **3.6. Technical expertise**

23staff members followed trainings in technical expertise (UPOV distance learning, EUIPO webinar, seminar on epi genetics). A total of 510 hours (=63.75 days) were spent and 8 876 € committed, which represents 7.65% of the total training budget. It should be noted that most technical e-learning courses are for free.

### **3.7. Other training**

24 staff members followed other training courses (utilization of fire extinguishers, fraud prevention and detection, EU4U) which amounted to a total of 200.5 hours (=25 days). 1 078 € was committed, which represents 0.9 % of the training budget.

## **4. Professional relations**

### **4.1. Staff Committee**

The role of the Staff Committee is to be a means of communication between the staff and the management team of the Office. Once every other month, the Staff Committee and the management team meet to discuss issues which have been brought forward by staff members, and which are deemed to be of concern for everybody. The Staff Committee seeks explanations and solutions to questions and problems experienced by staff members.

The Staff Committee also participates actively in the work of adopting internal staff related decisions of the CPVO. Its opinion and agreement is sought before adopting any such decision. The Staff Committee also plays a role in designating members of various internal committees of the Office.

Finally, the Staff Committee has a social role to play within the CPVO. It organizes a social day per year, which is the occasion for the staff members to meet outside the Office in an environment which changes from year to year (castles, museums, expeditions, etc.). The Staff Committee also organizes a Christmas party where the children and spouses of the staff members are invited. Apart from these main events, the staff committee also organizes a common coffee break once a month, which is a good occasion for staff to meet together. All these events help to create bonds between staff members and they are highly appreciated.

## **5. Conclusions**

The CPVO is close to filling all vacant posts, however, it is increasingly difficult to fill posts and retain staff. Part-time possibilities are well taken up and allow a more flexible work organization and better reconciliation of work and family life. The flexi-time arrangements and the teleworking possibilities, offering the possibility to work from home, improves the balance between work and family life of staff members.

The increase in the average age of staff is an aspect which will require the attention of management team and possible actions in the near future.

## Annex IV. Report of the Court of Auditors

### Annual report on EU agencies for the financial year 2018

(2019/C 417/01)

#### Self-financed Agencies

#### 3.33. COMMUNITY PLANT VARIETY OFFICE (CPVO)

##### INTRODUCTION

3.33.1. The Community Plant Variety Office (hereinafter ‘the Office’, or ‘CPVO’), which is located in Angers, was created by Council Regulation (EC) No 2100/94 <sup>(211)</sup>. Its main task is to register and examine applications for the grant of Union industrial property rights for plant varieties and to ensure that the necessary technical examinations are carried out by the competent offices in the Member States.

3.33.2. The *Table* presents key figures for the Office <sup>(212)</sup>.

##### *Table*

##### Key figures for the Office

|  | 2017 | 2018 |
|--|------|------|
| Budget (million euros)(1)  | 16   | 17   |
| Staff as at 31 December <sup>(2)</sup>   | 51   | 50   |
| <p>(1) Budget figures are based on payment appropriations.<br/>(2) Staff Includes EU officials, EU temporary agents, EU contract agents and seconded national experts, not interim workers and consultants.</p> <p><i>Source:</i> Data provided by the Office.</p> |      |      |

#### THE COURT’S STATEMENT OF ASSURANCE PROVIDED TO THE EUROPEAN PARLIAMENT AND THE COUNCIL — INDEPENDENT AUDITOR’S REPORT

##### OPINION

3.33.3. We have audited:

- (a) the accounts of the Office which comprise the financial statements <sup>(213)</sup> and the reports on the implementation of the budget <sup>(214)</sup> for the financial year ended 31 December 2018; and
- (b) the legality and regularity of the transactions underlying those accounts,

as required by Article 287 of the Treaty on the Functioning of the European Union (TFEU).

***Reliability of the accounts***

***Opinion on the reliability of the accounts***

3.33.4. In our opinion, the accounts of the Office for the year ended 31 December 2018 present fairly, in all material respects, the financial position of the Office at 31 December 2018, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer. These are based on internationally accepted accounting standards for the public sector.

***Legality and regularity of the transactions underlying the accounts***

**Revenue**

***Opinion on the legality and regularity of revenue underlying the accounts***

3.33.5. In our opinion, revenue underlying the accounts for the year ended 31 December 2018 is legal and regular in all material respects.

**Payments**

***Opinion on the legality and regularity of payments underlying the accounts***

3.33.6. In our opinion, payments underlying the accounts for the year ended 31 December 2018 are legal and regular in all material respects.

3.33.7. The observations which follow do not call the Court's opinion into question.

**OBSERVATIONS ON INTERNAL CONTROLS**

3.33.8. The Office uses service contracts with IT companies in a way that in practice amounts to the assignment ('mise à disposition') of temporary agency workers (two IT consultants), instead of the provision of clearly defined IT services or products. The related payments made in 2018 amounted to 176 568 euros. The assignment of temporary agency workers (interim workers) to perform precise tasks for a temporary duration in a user undertaking is subject to Directive 2008/104/EC on temporary agency work and to specific rules adopted by the Member States in the transposition of that Directive. According to the French labour code, only registered temporary work agencies are authorised to provide interim workers to user undertakings (here CPVO). The use of IT service contracts for the provision of labour is not compliant with the EU Staff Regulations and of EU social and employment rules and exposes the Office to legal and reputational risks. The Office should make sure that staff needs are covered in a regular manner either by addressing the need for statutory staff to the budgetary authorities, or by a legal and regular use of interim workers.

3.33.9. Under the Financial Regulation, a (simplified) negotiated procurement procedure without publication of a contract notice is possible when properly justified and when the estimated contract value is below 144 000 euros. For one audited procurement procedure on cleaning services we found that the procurement file did not allow verifying that this ceiling is respected and that the simplified procurement procedure could be used. Total payments made in 2018 under the contracts signed for a period of four years amounted to 13 394 euros. The Office should use procurement procedures according to the provisions laid down in the Financial Regulation.

3.33.10. For one recruitment procedure, the eligibility checks were incomplete as they did not detect that an essential certificate in the application of a candidate who was recruited was not of the requested legal authority. The Office should apply rigour in checking eligibility criteria and running recruitment procedures.

## **FOLLOW-UP OF PREVIOUS YEARS' OBSERVATIONS**

3.33.11. An overview of the corrective action taken in response to the Court's observations from previous years is provided in the *Annex*.

## **THE OFFICE'S REPLY**

3.33.8. The CPVO takes note of the comments of the Court, and reminds that all decisions taken in the CPVO reflected legal implications and resource constraints. In the case mentioned, any potential risk has been mitigated as the majority of work is done extra muros.

3.33.9. The CPVO takes note of the comments of the Court and shall ensure that documentation is comprehensive for all future procurement procedures.

3.33.10. The CPVO takes note of the comments of the Court of Auditors and shall reinforce procedures accordingly. For the recruitment in question, the necessary documentation in the required format has been received in the meantime.

This Report was adopted by Chamber IV, headed by Mr Alex Brenninkmeijer, Member of the Court of Auditors, in Luxembourg at its meeting on 24 September 2019.

*For the Court of Auditors*  
Klaus-Heiner LEHNE  
*President*

<sup>(211)</sup> [OJ L 227, 1.9.1994, p. 1.](#)

<sup>(212)</sup> More information on the Office's competences and activities is available on its website: [www.cpvo.europa.eu](http://www.cpvo.europa.eu)

<sup>(213)</sup> The financial statements comprise the balance sheet, the statement of financial performance, the cash flow statement, the statement of changes in net assets and a summary of significant accounting policies and other explanatory notes.

<sup>(214)</sup> The reports on implementation of the budget comprise the reports which aggregate all budgetary operations and the explanatory notes.

## **ANNEX**

### Follow-up of previous years' comments

| Year | Court's comments  | Status of corrective action<br>(Completed/Ongoing/Outstanding/N/A) |
|------|---|--|
| 2014 | No signature of a second person is required, which represents a financial risk for the Office.                      | Outstanding  |
| 2014 | Although the Office became operational in 1995, there is still no seat agreement signed with its host Member State. | Ongoing (Not under the Office's control)                           |
| 2015 | There was a too high a level of unpaid fees   | Ongoing  |
| 2016 | The Office's founding Regulation does not require periodic external performance evaluations.                        | Ongoing (Not under the Office's control)                           |
| 2017 | In 2017, the documentation of procurement and grant award procedures was inadequate.                                | Ongoing  |
| 2017 | E-procurement: by the end of 2017, the Office had not introduced any of the IT tools developed by the Commission.   | Ongoing  |

## Annex V. Declaration of Assurance



### 2019 Declaration of Assurance the President of the CPVO

In, the undersigned, Martin Ekvad, President of the CPVO, in my capacity as authorizing officer,

Declare that the information contained in **the provisional Financial Accounts 2019** give a true and fair view of the financial position of the CPVO.

State that I have reasonable assurance that the resources assigned to the activities describe in the reports have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transaction. This reasonable assurance is based on my own judgment and on the information at my disposal.

Confirm that I am not aware of anything not reported in the annual report which could harm the interests of Community Plant Variety Office.

Angers, 25/02/2020

**Martin Ekvad**

**President of the CPVO**

### 2019 Declaration of Assurance the Accounting Officer of the CPVO

The **provisional annual accounts** of the Community Plant Variety Office for the year 2019 have been prepared in accordance with the Financial Regulation of the European Union and the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the **provisional annual accounts** of the Community Plant Variety Office in accordance with the Title IX of the Financial Regulation.

I have obtained from the authorizing officer, who certified its reliability, all the information necessary for the production of the accounts that show the Community Plant Variety Office's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Community Plant Variety Office.

Angers, 25/02/2020

**Anne-Marie Fernandez**

**Accounting Officer**

3, Bd. Maréchal Foch - BP 10121 - 49101 Angers Cedex 02 - France - Tel. +33 (0)2 41 25 64 00 - Fax +33 (0)2 41 25 64 10 - cpvo@cpvo.europa.eu - www.cpvo.europa.eu

Служба за Общиотворна за сопственост на сортови • Oficina Comunitaria de Variedades Vegetales • Odbudový úřad Společnosti • EF-Sortmyndigheden • Gemeinschaftliches Sortenamt • Ühenduse Sordiamet • Κοινωτικό Γραφείο Ποικιλιών • Community Plant Variety Office • Office communautaire des variétés végétales • Ufficio comunitario delle varietà vegetali • Kapienai: Augs Širou biros • Bendrijos augalų veislių tarnyba • Käsikõõlgi Nõuerefotajalinnat • L'Ufficio Comunitario dvar il-Varietajiet tal-Plant • Communautair Bureau voor plantensoorten • Wspólnotowy Urząd Ochrony Odmian • Instituto Comunitário das Variedades Vegetais • Oficiul Comunitar pentru Soiuri de Plante • Úřad Společnosti pro odrody rostlin • Úřad Skupnosti za rastlinske sorte • Yhteisön kasvatilajikevosto • Gemenskapens växsortmyndighet



## Annex VI. Mission Summary

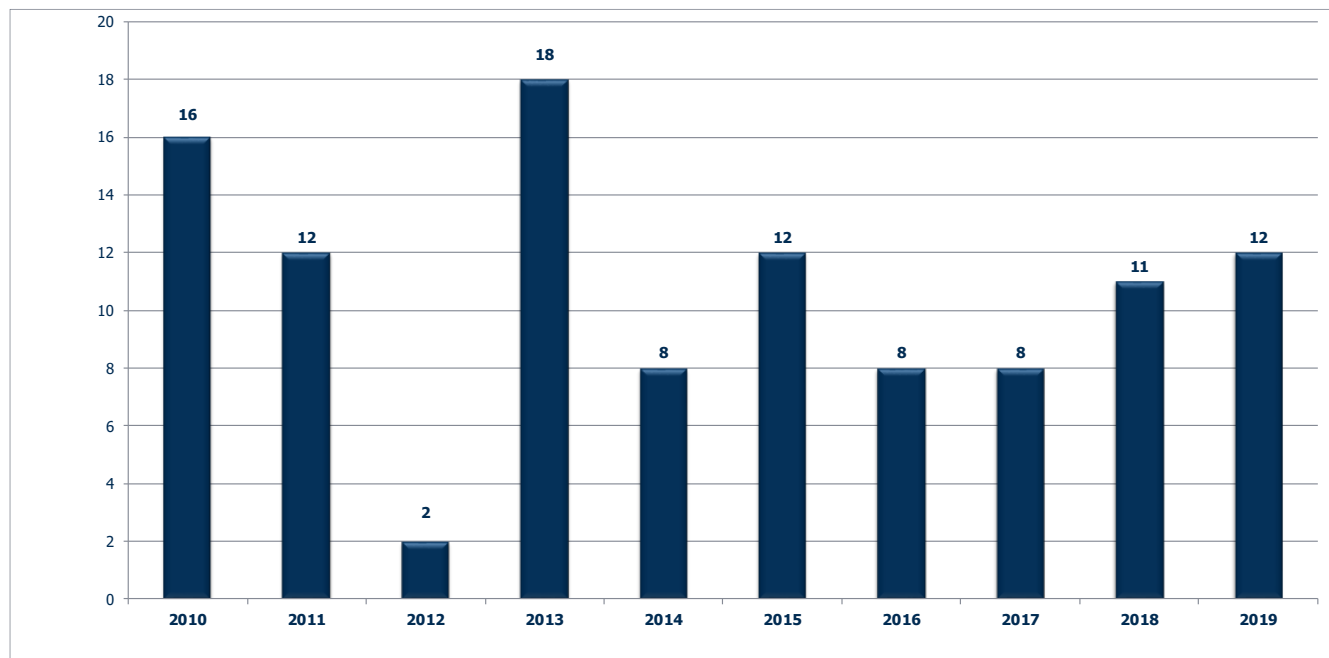
| Mission category                | 2019 |
|---------------------------------|------|
| External - Other seminars       | 32   |
| Technical - Monitoring DUS      | 22   |
| Administrative - Training       | 19   |
| EU Network meetings             | 17   |
| Technical - R&D                 | 16   |
| IPKEY                           | 14   |
| UPOV                            | 14   |
| EO Visits                       | 12   |
| EUIPO                           | 11   |
| QAS - Other                     | 10   |
| Technical - Expert Groups       | 10   |
| Administrative Council Meetings | 9    |
| EU Commission                   | 9    |
| Technical - Breeders            | 9    |
| Administration / HR             | 8    |
| QAS Audit                       | 8    |
| Legal - Other                   | 6    |
| Legal - DPO                     | 2    |
| OECD                            | 2    |
| EU Agency                       | 1    |
| European Parliament             | 1    |
| IT Meetings                     | 1    |
| Representation                  | 1    |
| Technical - Other               | 1    |
| University Visits               | 1    |
| Total                           | 236  |
|                                 |      |

This total of 236 missions is a slight fall from 2018. The CPVO makes extensive use of video-conferencing to avoid unnecessary time spent travelling.

## Annex VII. Board of Appeal Statistics

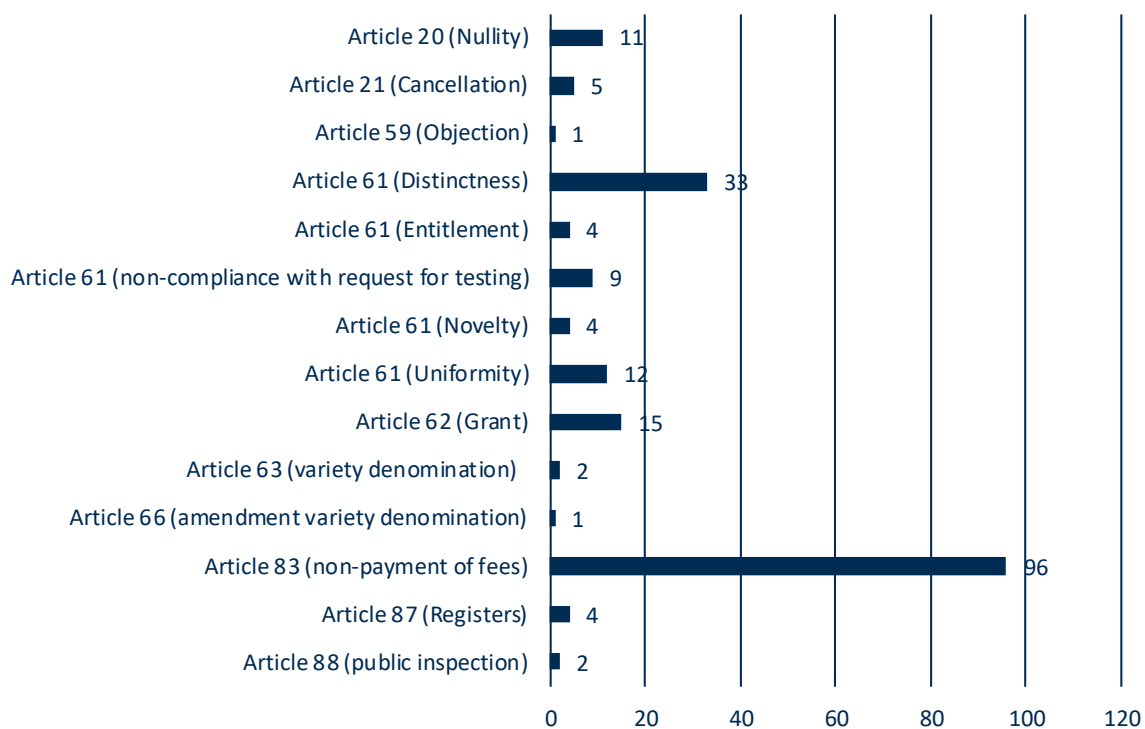
Some 196 appeals have been lodged with the CPVO since the opening of the Office. These are distributed from 2010 to 2019, as shown in BoA Graph 1.

**BoA Graph 1: Number of appeal cases lodged per year with the CPVO between 2010 and 2019**



Legal basis of the appeals lodged since 1996 (with reference to Council Regulation (EC) No 2100/94)

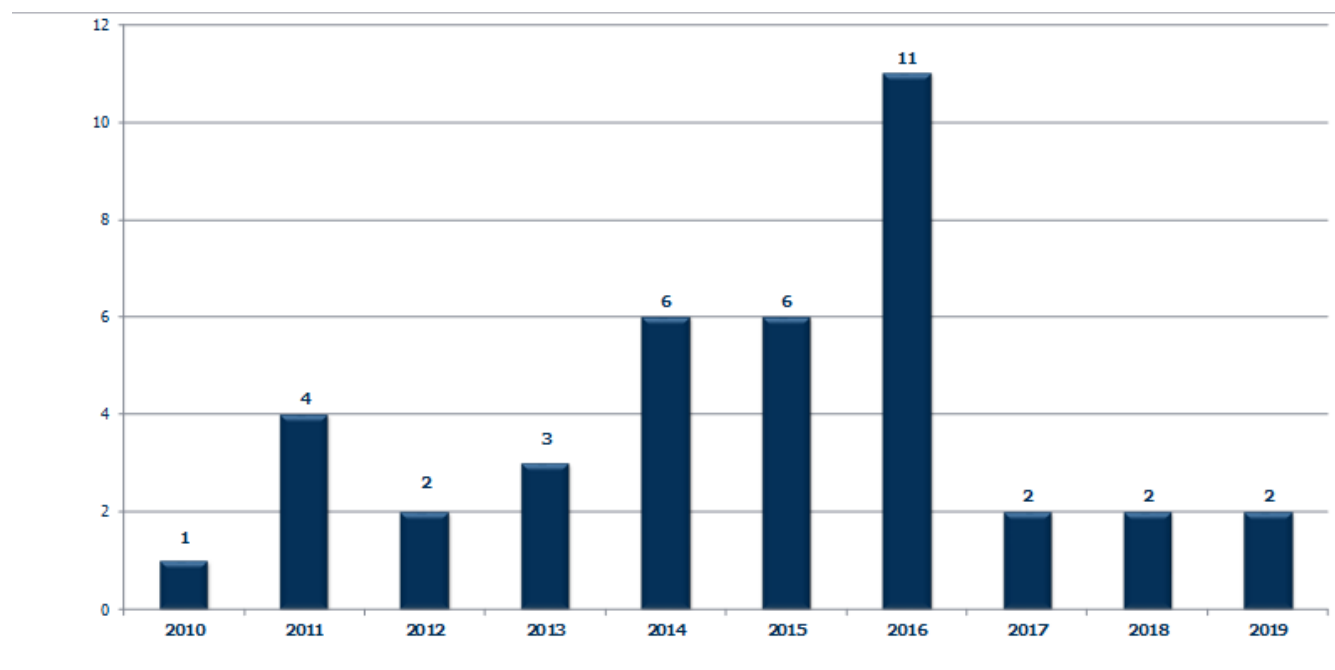
**BoA Graph 2: Legal basis of the appeal cases lodged with the CPVO since 1996**



### Decisions of the Board of Appeal per year

A total of 87 decisions were taken by the Board of Appeal of the CPVO between 1996 and 2019. Decisions taken from 2010 to 2019 were distributed as detailed in Graph 18.

**BoA Graph 3: Number of decisions reached by the Board of Appeal per year since 2010**



Outcome of the 85 decisions of the Board of Appeal 1997-2019

