

CONSOLIDATED ANNUAL ACTIVITY REPORT 2022

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Administrative Council analysis and assessment

The President of the Community Plant Variety Office presented the Annual Activity Report for the year 2022 to the Administrative Council (AC) on 31 March 2023.

CPVO applications decreased slightly but remained strong in 2022, with 3193 applications in total. The processing of more than 78000 applications since 1995 underlines the stability of the system. The number of applications continues to be at a stable level and the finances of the CPVO are robust.

The CPVO-EUIPO joint study published in April 2022 on the “Impact of the Community plant variety rights system on the EU economy and the environment”¹ has provided quantitative data on the benefits of the CPVR system for the EU economy, and the environment. This shows the importance of the CPVO’s mission to support innovation in plant breeding with a robust IP rights system.

In October 2022 the AC adopted the new Strategic Plan 2022-2026, which lays down the strategic objectives of the CPVO for the next five years. In this framework, the Office has undergone an internal reorganisation that has led to the adoption of a new HR strategy and a competency framework at the same time leveraging our technology and information management capabilities.

The indicators provided in this report show that the objectives set in the 2022 Work Programme were satisfactorily achieved.

The AC takes note of the Management Report, 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 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.

Marien Valstar

Chair of the CPVO Administrative Council

¹ [CONTRIBUTION OF THE COMMUNITY PLANT VARIETY RIGHTS SYSTEM TO THE EU ECONOMY AND THE ENVIRONMENT \(europa.eu\)](https://euiopa.europa.eu/contribution-of-the-community-plant-variety-rights-system-to-the-eu-economy-and-the-environment)

1. Executive Summary - Achievements of the year

1.1. Introduction by the CPVO President

2022 marked a year of transformation and watershed between the present and the past for the CPVO. The seed has been sown to give life to multiple projects. Let's start by mentioning the massive work of preparation of the Strategic Plan 2022-2026 which saw the active participation of all the staff of the CPVO and of our most important stakeholders. The Strategic Plan marks the vision of the whole Office for the achievement of the strategic objectives mentioned in it. It would not have been possible to reach this degree of maturity, firstly, without the active engagement of the staff, and secondly, without the involvement of our stakeholders. The culmination of the work done was sealed by the adoption of the Strategic Plan by the Administrative Council in October 2022. Of course, the Strategic Plan is a starting point. Its practical implementation passes through a cultural transformation of the Office which is only at the beginning of a long and complex process of cultural change. In order to pave the way towards achieving its ambitions, in 2022 the Office has adopted an HR strategy to enable it to perform at the highest level by offering a modern and dynamic workplace while rewarding attractive careers. The HR strategy has been the result of a collective efforts accompanied by HR ateliers where more than 500 feedbacks have been collected from the staff. The outcome of the work done has led to the completion of the first competency map which will provide a solid basis for staff development in the coming years.

The adoption by the Administrative Council of the new decision on working time and hybrid working responds to the dual need to grant a work environment based on flexibility and modernization of work processes, in parallel with the commitment to contribute to the reduction of CO₂ emissions through the adoption of a greening policy. In this regard, in 2022 the Office has proposed to the Administrative Council to sell the current premises and reposition its headquarters in a site that guarantees both cost savings and an efficient working environment where all the staff can be grouped together avoiding the effect of segregation caused by the cohabitation in three different buildings, as it has been up to now. In October 2022 the Administrative Council has authorized the sale of one of the buildings currently owned by the Office and I am confident that the project to relocate the Office premises will produce the desired results in the years to come.

The Office has also launched an assessment of the risks associated with cybersecurity and document management and has begun the reorganization of its internal structure in progressive phases and improve the preparedness of the Office to face crises and safeguard business continuity. In this same spirit, among the strategic objectives of the Strategic Plan 2022-2026, internal control will play a more prominent role together with HR, under the newly created People and Resources Unit, as a business partner in support of other services of the Office.

A new Digital Transformation Unit was created with the aim of guiding the transformation of the Office in adherence to the principles of lean management.

2022 was also the year in which a lot more was invested in external communication and in strengthening advocacy vis-à-vis our stakeholders and institutions in support of European policy priorities. In 2022 the CPVO-EUIPO joint study on the impact of the CPVR system in the European economy and environment has been publicly released and will continue being promoted in the years to come.

In 2022 the CPVO has confirmed our commitment to support the European Commission in achieving their policy priorities in different areas, such as trade, and better regulation initiatives regarding the reform of the plant reproductive material legislation and the new genomic techniques proposal.

I believe that the work carried out in 2022 and the variety of discussions we have been able to conduct with our main partners and stakeholders will help us in the implementation of the new Strategic Plan 2022-2026 and in transforming the organisation to be ready for future challenges.

Francesco Mattina, CPVO President

7 March 2023



1.2. Achievement of CPVO Work Programme Objectives

The CPVO Work programme for 2022 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. Some of the objectives and indicators have been modified since the work program was adopted, therefore there are some differences between the two documents.

1.2.1. Efficiency of the application process

Managing the CPVO system entails, amongst others, processing CPVR applications, granting certificates of protection, managing appeals and other legal proceedings against decisions of the Office, and providing access to documents to the public when requested. Below are the detailed results for each of these activities in 2022.

Figure 1 Achievement of objectives – Efficiency of the application process

Objectives 2022:		
<ul style="list-style-type: none">• Rapid processing of applications• High level of online application processing• Paperless Processing		
Key Indicators	2022 Target	Result 2022
Number of applications received about the number of staff indicated in the establishment plan ²	>70	3193/48 = 67
% of acknowledgements of receipt of an application within 5 working days	≥ 85%	89%
% of online applications	≥ 95%	3181/3193 = 99%
Average number of processing days between receipt of final report and grant	105 for technical examinations 107 for take-overs	95 for technical examinations 84 for take overs

² This provides a global workload indication even though not all staff are dealing directly with applications

1.2.2. Reliable decisions

Figure 2 Achievement of objectives – Reliable decisions

Objectives 2022: <ul style="list-style-type: none"> Present clearly and convincingly the position of the CPVO before the Board of Appeal, and the Court of Justice of the European Union and ensure the deadlines are met. 		
Key Indicators	2022 Target	Result 2022
% of legal decisions maintained	95%	83,3%
% of legal deadlines met	100%	100%
Operational indicators		
% of appeals won by the CPVO in all instances	≥90%	75%
Number of appeals lodged	10	30
Number of appeals rectified	2	0

The Board of Appeal took four decisions in 2022, three dismissing the appeal and one upholding it. There were no new judgments of the Court of Justice. The Office did not rectify any decision.

1.2.3. Public access to documents

In 2022 the CPVO has received 58 requests for public access to documents and one confirmatory request.

Figure 3 Achievement of objectives – Public access to documents

Objectives 2022: <ul style="list-style-type: none"> 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. 		
Operational Indicator	2022 Target	Result 2022
% of public access requests dealt with within the deadlines	100%	98,3%

1.2.4. Quality Audit System

Figure 4 Achievement of objectives – Quality Audit System

Objectives 2022:		
<ul style="list-style-type: none"> Carry out the foreseen number of audit visits, while applying the risk-based audit strategy Ensure the availability of technical experts 		
Key Indicators	2022 Target	Result 2022
Number of foreseen audit visits ³	10	9
Number of surveillance procedures initiated	One	None
Number of Audit Advisory Board consultations/objections	None	None
Number of unsolved issues in the cooperation reports	None	None
Number of Technical experts for the next assessment	At least 30 experts appointed for 2022-24 and trained	32 technical experts appointed for 2023-2025 cycle, all of which will be trained in March 2023

QAS completed the 2019-2022 assessment cycle at the end of the year having undertaken a total of 9 on-site assessment exercises in 2022. Throughout the cycle a total of 31 technical experts were utilised by QAS, including those involved in outreach activities outside the EU. The rigorous work ethic applied by QAS meant that neither in 2022 nor during the rest of the assessment cycle, there were any complaints which had to be referred to the Audit Advisory Board.

In the beginning of 2022 the Administrative Council adopted the Revised Entrustment Requirements which will come into force on 1 January 2023, thereby allowing entrusted examination offices at least 12 months to adjust their working processes before the first assessment exercises on the new cycle commence in spring 2023. At the end of the year, QAS launched the call for tender to renew the list of technical experts for the 2023-2025 assessment exercise, and a total of 32 technical experts were subsequently approved by the Administrative Council. All these experts will undergo specialised training in auditing principles and practices in mid-March 2023. The course will be held at the premises of EBA (European Banking Authority) in Paris, thereby creating synergies between the CPVO and another EU decentralised agency.

³ This KPI cannot be found in the 2022 WP

1.2.5. Maintain good cooperation with the Examination Offices

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

Objectives 2022: <ul style="list-style-type: none"> • Organisation of the annual EO meeting • Organisation of one crop sector expert meeting per crop sector • Elaboration of new and/or revised Technical Protocols 		
Key Indicators	2022 Target	Result 2022
Coverage of applications by CPVO Technical Protocols	>90%	86%
% of late reports	<5%	470/7150 = 6.5% for final, interim and preliminary reports, 8.8% for final reports.
Operational Indicators		
% of satisfaction of examination offices present to meetings	≥85%	N/A ⁴
% of examination offices present at CPVO meetings	95%	94%
Number of new and revised Technical Protocols	10	17
Number of bilateral meetings	4	3 with EOs & 4 with third parties

Efforts were dedicated in 2022 to the development of a new procedure making it compulsory to have a national or UPOV test guideline approved by the President in case of absence of CPVO technical protocol. The coverage of applications by CPVO technical protocols is linked to the UPOV work, currently mostly dedicated to the update of existing test guidelines. Late reporting requires monitoring and is brought to the attention of examination offices in bilateral meetings.

Implement the R&D Strategy

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

Objectives 2022: <ul style="list-style-type: none"> • Continue the monitoring and the potential implementation of the results of ongoing and finalised projects • Process applications for co-funding projects • Organize meetings of the ad hoc WG IMODDUS 		
Key Indicator	2022 Target	Result 2022

⁴ No satisfaction survey was launched this year but the oral feedback is 100% positive.

% of co-funded projects aiming at introducing BMT in variety testing and/or identification	80%	No valid project proposal has reached the CPVO in 2022
% of finalised R&D projects leading to operational means or substantial information allowing improvement of variety testing procedures	90%	No projects finalized in 2022
Operational Indicators		
% of projects delivered on time (final reports)	100%	50%, 2 final reports delivered, Apple and Cannabis, 1 delayed, Cannabis

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

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

Objectives 2022:		
<ul style="list-style-type: none"> • Delivery of the IT roadmap 		
Key Indicator	2022 Target	Result 2022
% of implementation of the annual IT master plan	100%	>100%
Approved projects in the pipeline	< 10	86
Major projects to be finalised each year	2	10

The Digital Transformation Unit (DTU)'s 2022 master plan (roadmap) contains 164 identified initiatives spanning 2022 through 2024 (not all fitting within a calendar year) of which 86 were specifically approved to be initiated in 2022. This figure is much higher than the initially imposed limit of 10 as stated in the table above. The combination of increased internal and external resources, budget and improved methodology/practice all allowed the CPVO to explore just how many more initiative it could sustain.

Out of these 86 approved initiatives, 10 were considered major and high priority new projects*, 30 were considered vital for the proper functioning of the CPVO and the saldo (46) were opportunistic initiatives offering a range of improvements across CPVO's operating practice.

A total of 58 initiatives were successfully delivered in 2022 (including all major new projects and vital initiatives stated above), the saldo, comprised of less important initiatives, being carried over to 2023.

* The major projects delivered in 2022 were : CPVO's Content Management Strategy; CyberSecurity maturity assessment; Communication centre; Legal Proceedings; Certified Copies, Transition to the Cloud of customer facing platforms (MyPVR, Online, TLO, ACarea, ...) which required refactoring and improved capabilities.

1.2.7. Promotion of the PVR system in the EU and internationally

In 2022 the CPVO contributed to the implementation of activities under 5 out of the 6 EU-funded projects managed by the EUIPO, namely the 3 IPKey (China, South East Asia and Latin America), CarIPI and the newly launched AL-INVEST project in the Mercosur region. Moreover the CPVO implemented 3 TAIEX projects with the Dominican Republic, Chile and Saint Vincent and the Grenadines.

In 2022 the cooperation with OAPI for the implementation of the PPOV project continued (Projet de renforcement et promotion du system de protection des obtencions végétales). The PPOV project was



completed at the end of 2022 with a last on-site mission to OAPI in Yaoundé in December 2022 to provide guidance on PVR administrative procedures.

The CPVO also continued its cooperation with different universities, the IP European Helpdesk, and various educational establishments in Angers. The CPVO also carried out some trainings to different DGs in the Commission on PVR matters and provided support on several consultations.

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

Objectives 2022:		
<ul style="list-style-type: none"> • Reinforce and maintain a strong Intellectual Property Network, in the EU and internationally • Implement the adopted strategy on cooperation with third countries on PVR matters • Develop new cooperation by seizing opportunities with new partners 		
Key Indicators	2022 Target	Result 2022
Number of participations in meetings and trainings/collaboration with other strong IP actors (UPOV, EPO, EUIPO...)	10	18
Number of projects with IP actors in third countries	6	10
Number of organisation of, or participation to Open Office days, public seminars, contribution to events	6	10
Operational Indicators		
Number of meetings with OAPI during the year contributing to the implementation of the OAPI roadmap	2	6
Number of collaborations over projects that are funded by the EU	1	19
Number of lectures hold in collaboration with universities (ex. participation in specialized Master programs, conferences, etc.)	6	6
Number of projects elaborated in partnership with universities (symposium, research project, PhD, etc.)	2	1
Number of visits to key stakeholders (Breeders, breeders' organisations, entrusted EOs, CPVO AC members, EU institutions, Farmers and plant producers, National authorities outside the EU, International organisations...)	12	27
Number of visits from key stakeholders (Breeders, breeders' organisations, entrusted EOs, CPVO AC members, EU institutions, Farmers and plant producers, National authorities outside the EU, International organisations...)	12	17
Number of collaborative projects/activities with the EUIPO	12	14

Objectives 2022: <ul style="list-style-type: none"> Reinforce and maintain a strong Intellectual Property Network, in the EU and internationally Implement the adopted strategy on cooperation with third countries on PVR matters Develop new cooperation by seizing opportunities with new partners 		
Number of new cooperations (active development and seizing opportunities with new partners)	2	7

1.2.8. Enforcement of Community Rights

The CPVO did not attend some of the meetings organised by the Observatory (namely the working groups) for budget constraints and interests of the service.

Figure 97 Achievement of objectives – Enforcement of EU PVRs

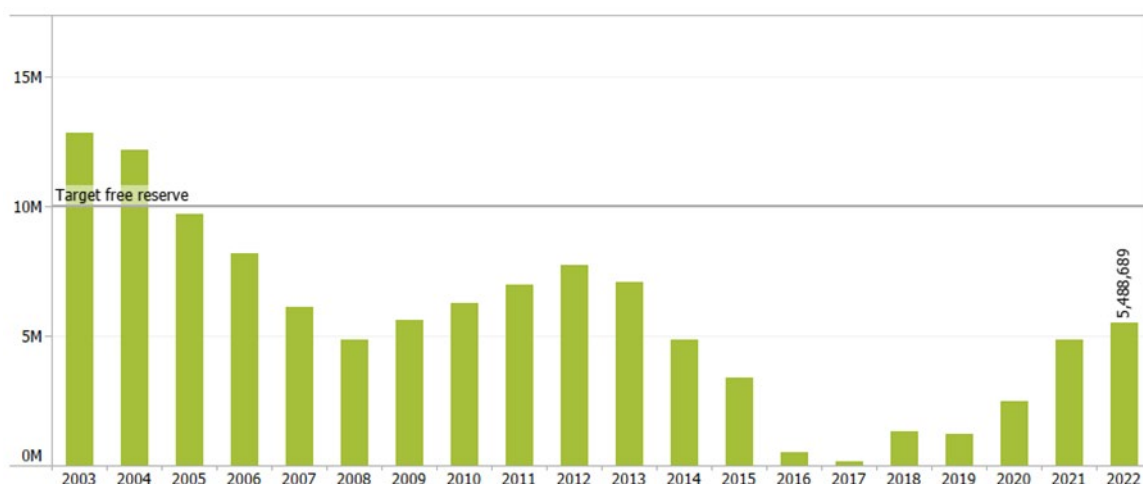
Objectives 2022: <ul style="list-style-type: none"> Support breeders with actions related to the enforcement of CPVRs in cooperation with the Observatory and other Institutions active in the field of enforcement of Intellectual Property Rights. Continue cooperating with the EPO 		
Key Indicator	2022 Target	Result 2022
Number of enforcement initiatives carried out	2	1
Operational indicators		
% of participation in the meetings with the observatory, Legal and Enforcement WG, Inter-Agency Coordination Group	100%	60%
Number of seminars/presentations on issues on enforcement	3	1

1.2.9. Process efficiency

The year 2022 had again (compared to 2021) an extremely high workload in the CPVO and this was mainly due to the significant process of reorganization the Office has undertaken.

As for the previous year (2021), the CPVO is committed to aligning the level of the Free Reserve to the amount agreed with the Administrative Council (50% of the payments budget in the long term) and to do so requires adjustments to the budget in the medium term, through setting fees at an appropriate level. This year saw the continued positive budget outcome, allowing an increase in the Free Reserve to EUR 5.4 million, corresponding to 12% increase since 2021.





The Free Reserve increase was in line with forecasts. The agreed target of 50% of the annual payment budget is still some way off but at least for 2021 as well as 2022 things moved in the right direction. It should be noted that with significant inflation (almost 5% from 2022 for examinations), the outturn fell significantly in 2022 and the new cost calculation exercise will further impact the outturn for 2023. In this respect, the CPVO has started the process to request an update to the Fees regulation in 2023 to continue with the agreement for “full cost recovery” for all cost groups and align the annual fee with future budgetary needs.

To conclude, inflation in examination costs and salaries for 2022 could significantly slow this trend, and new fee levels will need to be proposed to maintain a balanced budget from 2023 onwards.

Figure 108 Achievement of objectives – Budget, accounting treasury, procurement & logistic

Objectives 2022:		
<ul style="list-style-type: none"> Balanced budget Stable Free Reserve No comments from Court of Auditors Fast payment of Invoices 		
Key Indicators	2022 Target	Result 2022
Ratio of invoices received, processed and paid in relation to the number of staff indicated in the establishment plan	$(6\ 100/48=) 127$	$(5\ 484/48) = 114$
Ratio of debit and credit notes issued, processed, sent and recognized in the accounts receivable per staff indicated in the establishment plan	$(44\ 100/48=) 919$	$(43\ 118/48) = 898$
% of cancellations of carry forward commitments	$\leq 15\%$ of total carry forward commitments	8%
Level of free reserve vs. total budget for payment appropriations	50%	28% ⁵
Operational Indicators		

⁵ The Free Reserve will take a number of years of gradual increase to move to the 50% of payment appropriations

Number of budget revisions and/or transfers	2 or less	4 budgetary transfers & 1 rectifying budget
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%	83%
% of procurement procedures launched from Work plan of relevant year	85%	80%
Average length of procurement procedures processing	3 months	3,4 months



1.2.10. Recruit and develop staff – Empower and motivate staff

Figure 119 Achievement of objectives -Recruit and develop staff – Empower and motivate staff

Objectives 2022: <ul style="list-style-type: none"> Recruit, train, assess, (motivate and retain) high quality staff so that effective and efficient operation of the CPVO is ensured. Assist the Management in the implementation of the traineeship programme. Give an expertise in the domain of HR to the Management and the Staff. Draft and implement clear rules for all HR aspects. Prepare salaries on due time. Processing missions' reimbursements in due time. Give access to a wide choice of trainings in line with the needs expressed. Continue delegation of responsibilities for staff Promote internal mobility for staff 		
Key Indicators	2022 Target	Result 2022
Average length of the recruitment process (publication to accepting post)	8 months	4 months ⁶
% of non-recoverable extra hours vs. total hours spent during the year	<5%	2%
% of completion of the mandatory training program	100%	63%
% of feedbacks filled in by staff following a training	100%	48%
% of staff satisfaction regarding achievements of objectives (question included in annual staff survey)	>80%	94.6 %
Number of internal mobility experiences	1	1
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 staff surveys	80%	76 %

⁶ Such an important reduction was also possible thanks to the use of existing reserve lists shared with other EU Agencies.

1.2.11. Internal Control, Audits and Evaluations

Figure 1210 Achievement of objectives – Internal Control, Audits and Evaluations

Objectives 2022:		
<ul style="list-style-type: none">• 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.• 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.		
Key Indicators	2022 Target	Result 2022
Number of exceptions recorded into the exception register	Max. 10/year	27 ⁷
% of recommendations of the Internal Auditor closed from three preceding years	>75%	36% ⁸

1.2.12. Internal Communication

The year 2022 has seen an important change in the Office with the appointment of a new President. Under the guidance of a fresh leadership, the Office faced an important reorganisation, aiming to build a future-proof organisation. The human resources team cooperated intensively with the Presidency on several internal communication activities, also involving a participatory leadership approach to the new initiatives proposed in the Office. The three main objectives were:

- sharing new initiatives linked to change management
- ensure that all staff felt included in defining a new future-proof organisation
- breaking down existing silos.

In February 2022, a Strategic Planning Exercise was undertaken with all staff to share the staff survey outcomes and to have a constructive debate on the main concepts/ideas/improvements identified in the staff survey. This debate was followed by an Agency Away Day in May 2022, where colleagues from DG HR and belonging to the participatory leadership network of the European Commission came to Angers to animate this event. The latter was quite successful, having as pillars making the purpose of CPVO work together clear and sharper strategic thinking by revealing challenges that are not intuitively obvious.

A new internal newsletter was also introduced, i.e. the HR flash news, giving highlights of the main HR news as well as the ongoing initiatives linked to the reorganisation of the Office. The Presidency has produced several videos for CPVO staff, in which the President himself updated his staff on the main highlights of the Office and ongoing projects. Social events organised by CPVO Staff Committee (in June and December 2022) also demonstrated to be powerful tools to foster internal communication and strengthen team building during a period of change. To conclude, a full revision of the questions related to the annual staff survey was

⁷ Most exceptions were due to late budgetary commitments, with no financial impact. A new reporting tool was put in place which was presented to all staff, and this facilitated the reporting.

⁸ Certain recommendations from the audits relate to matters for which the CPVO is awaiting input from the European Commission for new IT modules. These concern major developments, which were not possible in 2022. Most recommendations are underway and should be cleared in 2023

performed, aiming at having a better vision on the outcomes of this survey, especially on its impact on internal communication activities.

Figure 13 Achievement of objectives – Internal Communication

Objectives 2022:		
<ul style="list-style-type: none"> Measure the satisfaction of the staff regarding the internal communication and take corrective actions 		
Key Indicators	2022 Target	Result 2022
% of satisfaction of the staff regarding the internal communication (through the staff survey)	80% of staff satisfied	71 % ⁹
Operational indicators		
Meetings on ongoing projects and the CPVO's activity organised by management	2 GA/year	2 GA/year
% of documents kept secret through SharePoint	< 10%	< 10%
% of staff members who attended an internal communication training over the last 3 years	50%	65 %

1.2.13. External communication

After two years of online interactions due to the COVID-19 outbreak and subsequent travel restrictions, the CPVO organised several in-person bilateral meetings in 2022. Plantum and Euroseeds jointly visited the CPVO in Angers in April, while the CPVO met with Ciopora in Hamburg in June. Regular interaction with breeders' organisations is a top priority for the CPVO, the latter ensuring to be in frequent contact with breeders' organisations, representing the majority of users of the CPVR system.

In April 2022, the CPVO hosted a policy seminar dedicated to the role and socio-environmental impact of the plant variety protection system in the European Union. The seminar coincided with the public release and presentation of the new European study¹⁰ which was jointly published by the European Union Intellectual Property Office (EUIPO) and the CPVO. The event was labeled as an official event of the French Presidency of the Council of the European Union, gathering representatives from the European Institutions, French authorities, Breeding industry, SMEs, academics and a broad range of other stakeholders. Moreover, the CPVO continued its engagement and collaboration with its local partners and participated in local events, festivals and fairs, such as: the "Salon du végétal" and "SIVAL" fairs, where the CPVO made presentations in the conference areas, or "Made in Angers" and "Angers fête l'Europe" festivals where the CPVO opened its doors to the general public.

The Office also contributed to the update of the Observatory national case-law database in the domain of enforcement of PVRs by national courts. In the area of international cooperation, the CPVO jointly implemented the IP Key projects, with a new phase starting in 2022 (China, Latin America, and South-East Asia) and also the cooperation projects in the Caribbean (CarIPI) and Africa (AfrIPI). Moreover, the Office strengthened its visibility with the European Parliament by inviting and welcoming an official delegation of the agriculture and rural development committee (AGRI) in Angers in April 2022. The EP delegation

⁹ The percentage is given by an average made taking into account 9 questions related to internal communication.

¹⁰ "Impact of the Community Plant Variety Rights system on the EU economy and the environment"

participated in the policy seminar organised on the occasion of the publication of the EUIPO-CPVO study assessing the impact of CPVRs on the EU economy and the environment, and to a field visit at the GEVES DUS testing station in L'Anjouère. The study was also presented during a committee meeting of the AGRI committee in Brussels, in November 2022.

Last but not the least, the CPVO strengthened its visibility vis-à-vis the Council of the EU and, in particular, the countries holding the rotating presidencies. Last February 2022, the French State Secretary for European Affairs, Clément Beaune, together with a group of elected officials visited the CPVO on the occasion of the French Presidency of the Council. In June, the CPVO met with the Head of Agricultural affairs at the Czech EU Permanent Representation in Brussels and was subsequently invited to speak at an EU Presidency event in Prague, Czechia.

To conclude, the President of the CPVO visited several EU Member States to meet with public authorities, government representatives, examination offices and industry representatives: Italy in March, The Netherlands in May, Germany in June, Spain in June, and Czech Republic in November.

Figure 14 Achievement of objectives – External Communication

Objectives 2022:		
<ul style="list-style-type: none"> Develop external communication through various channels 		
Key Indicators	2022 Target	Result 2022
Produce and publish relevant social media content	Average 250 posts on social media/year+Grow audience by ~10%	283 posts on LinkedIn 352 posts on Twitter
Produce CPVO webinars	3 webinars/year	6
Newsletters	10/year	4
CPVO-led event with over 100 guests	1/year	1
Operational indicators		
Numbers of articles published about or by the Office	10	34
Number of followers and evolution compared to last year	+20%	+65.22% on LinkedIn +10.62 % on Twitter
Number of website visits	1500	159.047 visits
Number of invitations ¹¹ to speak to events	12	24

¹¹ To be noted that we only report on invitations accepted

1.2.14. Contribute to the European Green Deal

The CPVO is determined to contribute to the European Green Deal in many different ways. One of them is by following and promoting good sustainability practice and by reducing the environmental impacts of its activities.

Figure 15 Achievement of objectives – Environmental strategy

Objectives 2022:		
<ul style="list-style-type: none"> To follow and to promote good sustainability practice and to reduce the environmental impacts of the Office's activities. 		
Key Indicators	2022 Target	Result 2022
Reduce paper consumption	10% reduction	30% increase of printed copies ¹²
Reduce electricity, heat and water consumption	10% reduction	33% increase ¹³
Making virtual meetings the default and physical missions the exception	Report on no of missions	158 physical missions ¹⁴ .

1.2.15. Cost of activities

The table below shows the breakdown of real costs (actual commitments 2022) for the activities defined above. This is based on a total of EUR 18.9 million in commitments. Staff allocations are based on staff in service at year-end (52) and detailed breakdowns based on the last screening exercise.

This table demonstrates that almost 84% of the budget of the CPVO is allocated to its core activities.

Table 1 - Breakdown of cost of activities

Activity	HR (fte)	% of total	Operational budget	Staff and overhead	Total	% of total
Managing the system: Processing applications	17,3	33,3%	8 064 423	3 065 733	11 130 156	59,0%
QAS	1,0	1,9%	30 000	177 210	207 210	1,1%
Development of the system	2,5	4,8%	-	443 025	443 025	2,3%
R&D Projects	0,5	1,0%	368 560	88 605	457 165	2,4%
Information Technology	10,4	20,0%	1 032 529	1 842 984	2 875 513	15,2%
External Relations	3,5	6,7%	-	620 235	620 235	3,3%
Enforcement and interface PVR/Patents	0,1	0,2%	-	17 721	17 721	0,1%
Total Core Activities	35,3	67,9%	9 495 512	6 255 513	15 751 025	83,5%
Budget	0,3	0,6%	-	53 163	53 163	0,3%
Accounts	3,7	7,1%	-	655 677	655 677	3,5%
Total Neutral Activities	4,0	7,7%	-	708 840	708 840	3,8%
HR	3,6	6,9%	-	637 956	637 956	3,4%
General Services	8,1	15,6%	-	1 435 401	1 435 401	7,6%
Internal Control, Audit, other	1,0	1,9%	158 966	177 210	336 176	1,8%
Total Horizontal support	12,7	24,4%	158 966	2 250 567	2 409 533	12,8%
Grand total	52	100,0%	9 654 478	9 214 920	18 869 398	100,0%

¹² Increase explained by the return of staff present in the Office after the Covid-19 pandemic

¹³ Increase in consumption explained by the return of staff present in the Office after the Covid-19 pandemic

¹⁴ 209 missions in 2019 (before Covid-19)

2. Management Report

2.1. Administrative Council

The spring Administrative Council (AC) meeting was organized allowing hybrid participation. It was organized in Angers on 27 April 2022 back-to-back with the policy seminar on the release of the joint EUIPO-CPVO study on the impact of the CPVR system in the European economy and environment. Below are the main decisions taken by the AC.

The consolidated annual activity report (CAAR) for 2021 provided a complete overview of the CPVO's activities for 2021 and included the AC Analysis and Assessment adopted and signed by the Chairperson of the AC. The AC adopted a decision to discharge the President of the CPVO for the implementation of the 2020 budget. The AC adopted the retrospective performance report of the Strategic Plan 2017-2021 and took note of the way forward to the new Strategic Plan 2022- 2026, of the Single Programming Document – SPD – 2023- 2025, and of the preliminary draft budget for 2023.

The members of the Administrative Council commonly agreed on the relevance to launch a local Angers market prospection in view to possibly relocate all the CPVO staff in one single building and asked the representative of France to provide an update of the signature of the Headquarters agreement.

The members of the Administrative Council took note of the state of play of CPVO's initiatives to consider all the existing tools made available under IP tools for SMEs in order to implement the IP Action Plan of the European Commission.

The autumn meeting was held in presence in The Netherlands on 13 and 14 October 2022 at the premises of the European Medical Agency (EMA) in Amsterdam. It was followed by visits of the AC members to several breeding companies. The members of the Administrative Council unanimously adopted the Strategic Plan 2022-2026, the SPD 2022-2024 and the draft budget for 2023.

The members of the Administrative Council took note of the state of play of the CPVO building project and invited the Office to begin the process of sale of one of their existing buildings.

The members of the Administrative Council took note of the information on the update of the fees' regulation and the cost calculation exercise.

The members of the Administrative Council unanimously extended the mandate of the R&D Advisory group in its new composition presented during the meeting.

During both meetings the AC took several other decisions and approved a number of proposals for entrustment of Examination Offices.

2.2. Major Events

2.2.1. The state of the system

Statistics

In 2022 the CPVO received 3193 applications, representing a decrease of 8.25% in comparison to the previous year. The shift in the proportion of the different crop sectors in the applications has continued and the ornamental sector accounted in 2022 for 40%, compared to over 52% in the long-term average since the beginning of the Office, the number of applications in that sector has never been as low as in 2022 in the past 20 years. The overall number of titles in force has increased by 4 percent compared to 2022 and exceeded 30000. There was also a decrease of -17% in surrenders, particularly in the agricultural and vegetable crops (-22% and -21% respectively compared to last year), the proportion of titles surrendered compared to the number of titles in force has never been as low as in 2022.



Finances

The cost calculation exercise and the resulting change in amounts paid to the Examination Offices is a legal obligation stemming from the Implementing Rules of CPVO Basic Regulation. During the exercise carried out in 2022, CPVO received the required detail of real costs from 22 examination offices representing all offices with which the CPVO had examinations carried out in the reference period 2019-2021.

Examination offices have experienced significant increases, largely due to the surge in energy costs as well as the indirect cost implications of fertilisers and other agricultural materials. Increases of the order of 98% were noted in some countries for fertiliser for example. The increases in electricity costs are well documented and have a deep impact on heating costs. This indeed has resulted in an overall increase in the so-called remuneration rates paid for examinations.

The CPVO as a self-financed agency must aim to have a balanced budget, and in practice this means that all costs are paid by applicants. The CPVO also has an instruction from the Administrative Council that for business continuity purposes, it should maintain a "free reserve" which is at least 50% of the annual budget. At the end of 2022, this reserve was closer to 20 %, and it will be further reduced in 2023 putting the CPVO in a precarious situation pending the increase in fees to be paid by the applicants.

The previous increase in the fees paid by applicants dates to the 2018 cost calculation exercise (enacted through an update to the fees regulation in 2019), and in the intervening period, though the amounts paid to the examination offices were updated annually to reflect inflation, no increase was passed on to applicants. It is for all these reasons, that to maintain the stability of the system itself, the CPVO must pass on the increases in examination costs to the applicants.

Internally, in the CPVO, and to ensure a prudent approach, badly needed recruitments were put on hold and the Office is reviewing all our discretionary spending over the coming months and years.

Pilot audit with one of the Examination Offices

In the framework of cost calculations, CPVO colleagues performed a pilot audit in one of the Examination Offices. The outcome was positive and provided the CPVO with reasonable assurance that figures provided are accurate and exhaustive. In the light of this audit, it has been decided that the CPVO considers extending the exercise to other Examinations Offices.

Development of the system

The revision of the Council Regulation 2100/94 has been postponed by the European Commission due to the ongoing work on the revision of the the PRM legislation. No timeline has been specified.

The sectorial study concerning the socio-economic benefits of the CPVR system in the EU has been finalised by the European Observatory on Infringements of Intellectual Property Rights in close cooperation with the CPVO. The publication of the study has been launched on the occasion of the policy seminar organised by the CPVO on 28 April 2022 in Angers with the intervention of a number of high level speakers as well as a delegation from the EP.

Communication

The year 2022 has seen an important change in the Office with the appointment of a new President. Under the guidance of a fresh leadership, the Office faced an important reorganisation, aiming to build a future-proof organisation.

In February 2022, a Strategic Planning Exercise was undertaken with all staff to share the staff survey outcomes and to have a constructive debate on the main concepts/ideas/improvements identified in the staff survey. This debate was followed by an Agency Away Day in May, where colleagues from DG HR and belonging to the participatory leadership network of the European Commission came to Angers to animate this event. The latter was quite successful, having as pillars making the purpose of CPVO work together clear and sharper strategic thinking by revealing challenges that are not intuitively obvious.

A new internal newsletter was also introduced, i.e. the HR flash news, giving highlights of the main HR news as well as the ongoing initiatives linked to the reorganisation of the Office. The Presidency has produced several videos for CPVO staff, in which the President himself updated his staff on the main highlights of the Office and ongoing projects. Social events organised by CPVO Staff Committee (in June and December) also



demonstrated to be powerful tools to foster internal communication and strengthen team building during a period of change.

After two years of online interactions due to the COVID outbreak and subsequent travel restrictions, the CPVO organised several in-person bilateral meetings in 2022. Plantum and Euroseeds jointly visited the CPVO in Angers in April, while the CPVO met with Ciopora in Hamburg in June.

In April 2022, the CPVO hosted a policy seminar dedicated to the role and impact of plant variety protection in the European Union. The seminar coincided with the public release and presentation of the new European study which was jointly published by the European Union Intellectual Property Office (EUIPO) and the CPVO. The event was labeled as an official event of the French Presidency of the Council of the European Union, gathering representatives from the European Institutions, French authorities, Breeding industry, SMEs, academics and a broad range of other stakeholders. Moreover, the CPVO continued its engagement and collaboration with its local partners and participated in local events, festival and fairs, such as: the "Salon du végétal" and "SIVAL" fairs, where the CPVO made presentations in the conference areas, or "Made in Angers" and "Angers fête l'Europe" festivals where the CPVO opened its doors to the public.

The Office also contributed to the update of the Observatory national case-law database in the domain of enforcement of PVRs by national courts. In the area of international cooperation, the CPVO jointly implemented the IP Key projects, with a new phase starting in 2022 (China, Latin America, and South-East Asia) and also the cooperation projects in the Caribbean (CarIPI) and Africa (AfrIPI). Moreover, the Office strengthened its visibility with the European Parliament by inviting and welcoming an official delegation of the agriculture and rural development committee (AGRI) in Angers in April.

The CPVO strengthened its visibility vis-à-vis the Council of the EU and, in particular, the countries holding the rotating presidencies. Last February 2022, the French State Secretary for European Affairs, Clément Beaune, together with a group of elected officials visited the CPVO on the occasion of the French Presidency of the Council. In June, the CPVO met with the Head of Agricultural affairs at the Czech EU Permanent Representation in Brussels and was subsequently invited to speak at an EU Presidency event in Prague, Czechia.

To conclude, the President of the CPVO visited several EU Member States to meet with public authorities, government representatives, examination offices and industry representatives: Italy in March, The Netherlands in May, Germany in June, Spain in June, and Czech Republic in November.

2.2.2. Universities

In 2022, the CPVO continued its collaboration with universities with the aim of spreading awareness on the PVP system in the academic community. The Office continued its collaboration with the Universities of Alicante (Magister Lvcentinvs), Maastricht University and LUISS University of Rome.

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 PVRs.

The CPVO has also provided lectures at local universities, including the Ecole Supérieure d'Agriculture (ESA) and the ESSCA School of management of Angers (France) and to the ICEA (Institut Catalan d'Estudis Agraris – Catalan Institute of Agrarian Studies).

2.2.3. The EUIPO and EPO

In 2022 the CPVO continues its good cooperation with the EUIPO in different areas, such as internal audit, international cooperation, data protection, IT and HR services, the Observatory and the development of a PVR Academy. Moreover, the CPVO in 2022 has started cooperation with EUIPO and DG GROW to launch the SME Fund for covering Community Plant Variety Rights.

A representative of EPO was invited to the Administrative Council of the CPVO in October 2022 to present on one hand the practice of EPO in relation to plant-related patents applications and to show the results of the incorporation of CPVO data in EPO internal databases.



2.2.4. Activities outside the EU

IPKey Latin America and AL INVEST PI

Under the 2022 AWP the results of the study on the PVR legislation of Ecuador carried out in 2021 was presented to Ministries in Ecuador during a seminar that took place on 25 May 2022.

In October 2022 together with the project AL INVEST PI, IPKey Latin America realised a webinar (with more than 400 participants) on licensing of plant variety rights, partially relying on the content developed for the learning course on licensing plant varieties ("Laboratorio de Contratos de Licencias de Variedades Vegetales").

In November 2022 the project organised an enforcement seminar, carried out in cooperation with UPOV and national authorities of the Region.

IPKey China

During 2022 the CPVO cooperated with IPKey China to the organisation of a seminar concerning the new seed law of China, where the main amendments were presented to EU representative of the public and private sector.

IPKey South-East Asia

In the framework of the IP Key SEA project, as part of the extension period of the 2021 project (phase 1), an awareness raising webinar was held on 17 January 2022. This activity is a follow-up to prior activities on plant variety protection aimed at promoting effective plant variety protection systems in SEA in order to support the UPOV 1991 Act accession of countries in the region. The activity highlighted the benefits that PVP brings to socio-economic development and its contribution to agricultural sustainability. The webinar also addressed the issues raised concerning PVP and UPOV 1991 accession.

The webinar was followed the day after by a closed workshop for target countries to support accession of SEA countries to the UPOV 1991 convention. The activity sought to promote UPOV 1991 accession of countries in SEA by supporting the creation of a regional platform that would reduce the administrative burden for EU breeders to apply for protection of their PVRs and improve the registration procedures in the participating countries.

OAPI

Under the PPOV project, the CPVO supported OAPI in the implementation of 9 activities, of which:

- 2 national seminars on PVR system
- 4 activities concerning Quality Audit System in 4 different OAPI countries
- 2 study visits of OAPI delegation to the CPVO
- 1 training on the application process for legal and officers and examiners of OAPI

AfriPI

In 2022, due to the project constraints, no activity was carried out.

CARIPI

In 2022 the CPVO participated to two events organised under the CarIPI project. In May 2022 CarIPI, together with the CPVO and UPOV, organised an in-person seminar on Regional Cooperation in PVR in the Dominican Republic. The other activity, carried out in September 2022, concerned the protection of plant genetic resources, traditional knowledge and folklore and the interfaces with the PVR System.

TAIEX (Dominican Republic, Chile, Saint Vincent and the Grenadines)

The CPVO in 2022 cooperated with 3 different countries in the implementation of TAIEX activities, together with experts from EU Member States. The activities were all targeting PVR authorities, to support them in

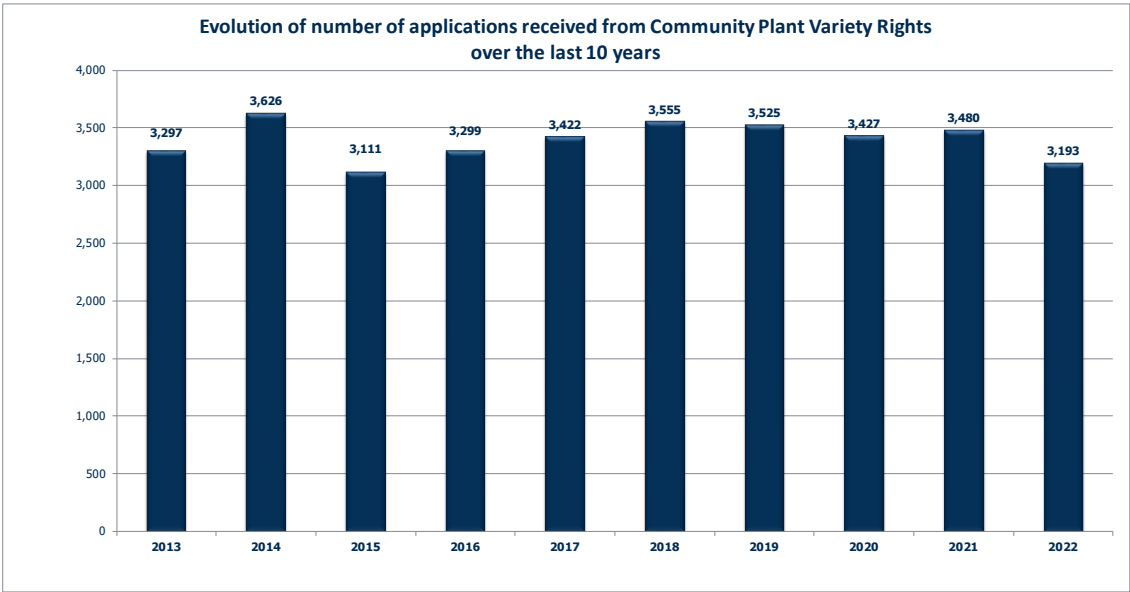


the implementation of the national PVR system, including administrative procedures for the management of the application process, technical examination and guidelines on administrative proceedings before PVR offices.

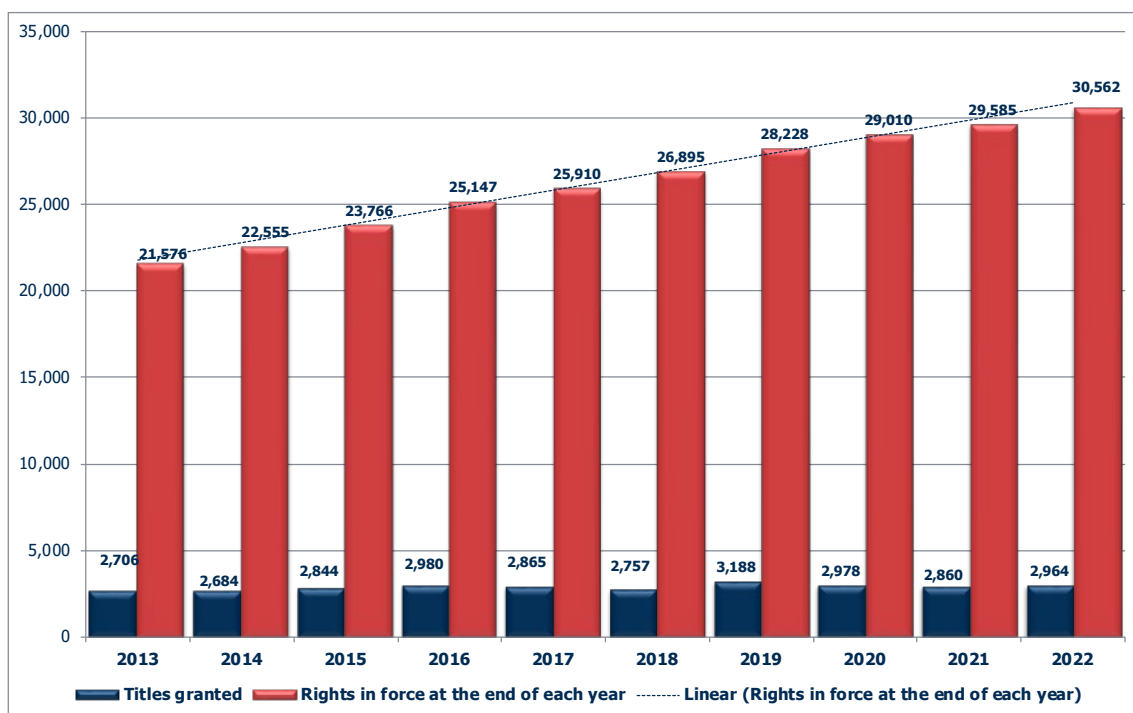
Officials of the Dominican Republic have also carried out a study visit to EU Member States, as a follow-up of the experts mission.

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

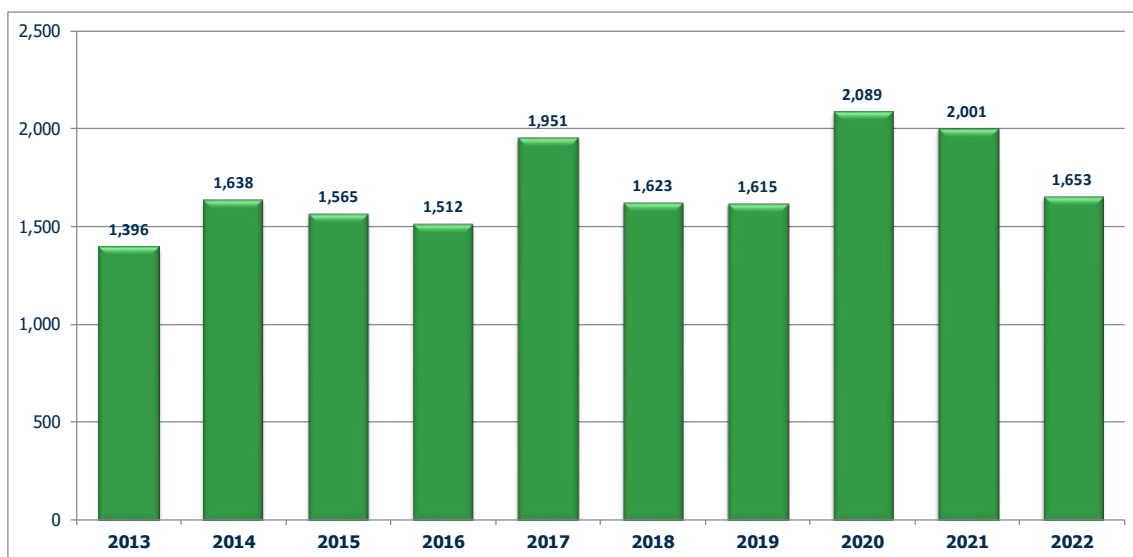
Evolution of number of applications received over the last 10 years



Evolution of CPVR granted rights and rights in force at the end of each year over the last 10 years



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 2022 are provided in **Annex VIII**. 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

As can be seen from the table below, overall revenue has fallen by 4.6 %, mainly due to the decrease of the examinations fees received. The administrative and staff expenditure increased mainly due the exceptional level of inflation seen in 2022, but also due to the requirements of the CPVO to improve its preparedness to cybersecurity attacks and align with the upcoming regulations.

The combined effect of these two elements led to a significant impact on the outturn.

		2022	2021	% variation 2022
Income	Fees revenue	18 318 353,00	19 204 210,00	-4,61%
	Other revenue	151 630,00	165 026,80	-8,12%
	Total	18 469 983,00	19 369 236,80	-4,64%
Expenditure	Title 1 Staff expenditure	-8 463 314,25	-7 758 195,39	9,09%
	Title 2 Administrative expenditure	-1 820 871,29	-1 483 277,29	22,76%
	Title 3 Operational expenditure	-8 560 569,58	-8 083 831,25	5,90%
	Total	-18 844 755,12	-17 325 303,93	8,77%
Grand Total		-374 772,12	2 043 932,87	-118,34%
Non budgetary income		86 174,47	78 858,79	9,28%
Net outturn for the year		-288 597,65	2 122 791,66	-113,60%

2.3.3. Revenue

Table 3 - Fees 2022/2021

In spite of the overall fall of applications and examinations fees, the CPVO had again an increase in the annual fees.

	2022	2021	% variation 2022
Annual fees	10 109 220,00	10 001 310,00	1,08%
Application fees	1 431 600,00	1 565 400,00	-8,55%
Examination fees	6 261 013,00	7 102 475,00	-11,85%
Other fees	516 520,00	535 025,00	-3,46%
Grand Total	18 318 353,00	19 204 210,00	-4,61%

2.3.4. Expenditure

Table 4 - Budget Execution Levels

The overall level of execution of 90.3% is indicative of good budget planning and execution.



	Final payment appropriation	Executed	Paid %	Cancelled appropriations	Cancelled %
Title 1 Staff expenditure	9 376 000,00	8 463 314,25	90,3%	912 685,75	9,7%
Title 2 Admin. expenditure	2 055 000,00	1 820 871,29	88,6%	234 128,71	11,4%
Title 3 Operational expenditure	9 435 000,00	8 560 569,58	90,7%	874 430,42	9,3%
Grand Total	20 866 000,00	18 844 755,12	90,3%	2 021 244,88	9,7%

Table 5 - Budget execution comparison

Staff expenditure has increase by statutory requirements under the Staff Regulations on normal career progression and high inflation, both of which were beyond the control of the CPVO.

The administrative expenditure has increased significantly mainly due to two factors: cybersecurity preparations and the slower turn to pre-COVID level to in-person meetings.

	Budget execution 2022	Budget execution 2021	% Change 2022
Title 1 Staff expenditure	8 463 314,25	7 758 195,39	9,1%
Title 2 Admin. expenditure	1 820 871,29	1 483 277,29	22,8%
Title 3 Operational expenditure	8 560 569,58	8 083 831,25	5,9%
Grand Total	18 844 755,12	17 325 303,93	8,8%

Table 6 - Staff expenditure comparison

It has to be noted that after 2 years of severe travel restrictions due to the COVID pandemic, missions in 2022 started again to take place. While the percentage increase is high, it should be borne in mind that pre-COVID levels in 2019 were over 220.000 EUR.

Budget article	Description.	Budget execution 2022	Budget execution 2021	% Change 2022
E1100	Staff	8 219 077,04	7 628 270,17	7,7%
E1200	Training	65 252,56	57 234,65	14,0%
E1300	Travel	128 207,86	12 963,33	889,0%
E1400	Interim staff	35 807,72	24 200,00	48,0%
E1500	Assistance	13 900,38	33 662,44	-58,7%
E1700	Representation	1 068,69	1 864,80	-42,7%
Grand Total		8 463 314,25	7 758 195,39	9,1%

Table 7 - Administrative expenditure comparison

Budget article	Description.	Budget execution 2022	Budget execution 2021	% Change 2022
E2000	Property	298 154,30	276 701,46	7,8%
E2100	IT expenses	1 032 529,33	781 992,64	32,0%
E2200	Other equipment	25 674,66	34 714,13	-26,0%
E2300	General admin.	51 325,46	21 327,12	140,7%
E2400	Postage and telecom	61 522,58	57 754,90	6,5%
E2500	Meetings and notices	192 698,71	45 571,68	322,8%
E2600	Audit and evaluation	158 966,25	265 215,36	-40,1%
Grand Total		1 820 871,29	1 483 277,29	22,8%

Table 8 - Operational expenditure comparison

Budget article	Description.	Budget execution 2022	Budget execution 2021	% Change 2022
E3000	Examination office fees	7 718 949,75	7 411 041,24	4,2%
E3200	Examination reports	410 640,00	478 700,00	-14,2%
E3400	Publications	13 981,02	35 593,76	-60,7%
E3500	Studies	306 839,80	122 546,95	150,4%
E3600	Special advisors	110 159,01	35 949,30	206,4%
Grand Total		8 560 569,58	8 083 831,25	5,9%

2.3.5. Budget transfers and revisions

A number of transfers between budget lines were made, particularly at year-end, while staying within the overall envelope provided at the beginning of the year.

The following table shows the revisions and transfers for the commitment and payment budgets:

Budget article	Description.	Payment appropriations				Commitment appropriations			
		Initial payment budget	Payment budget amendments	Payment budget transfers	Final payment appropriati..	Initial Commitment Budget	Commitment budget amendments	Commitment budget transfers	Final commitment budget
E1100	Staff	9 005 000	-	-20 000	8 985 000	9 005 000	-	-20 000	8 985 000
E1200	Training	115 000	-	-	115 000	115 000	-	-	115 000
E1300	Travel	100 000	100 000	-	200 000	100 000	100 000	-	200 000
E1400	Interim staff	50 000	-	-	50 000	50 000	-	-	50 000
E1500	Assistance	41 000	-	-	41 000	41 000	-	-	41 000
E1700	Representation	5 000	-	-	5 000	5 000	-	-	5 000
E2000	Property	354 000	-	-	354 000	354 000	-	-	354 000
E2100	IT expenses	800 000	250 000	-	1 050 000	800 000	250 000	-	1 050 000
E2200	Other equipment	34 000	-	2 000	36 000	34 000	-	2 000	36 000
E2300	General admin.	41 000	-	9 000	50 000	41 000	-	9 000	50 000
E2400	Postage and telecom	92 000	-	-	92 000	92 000	-	-	92 000
E2500	Meetings and notices	254 000	-	-	254 000	254 000	-	-	254 000
E2600	Audit and evaluation	150 000	-	49 000	199 000	150 000	-	49 000	199 000
E3000	Examination office fees	8 050 000	100 000	-40 000	8 110 000	8 950 000	-	-65 000	8 885 000
E3200	Examination reports	460 000	-	-	460 000	450 000	-	-	450 000
E3400	Publications	130 000	-	-	130 000	130 000	-	-	130 000
E3500	Studies	500 000	-	-	500 000	350 000	-	25 000	375 000
E3600	Special advisors	235 000	-	-	235 000	250 000	-	-	250 000
Grand Total		20 416 000	450 000	-	20 866 000	21 171 000	350 000	-	21 521 000

2.3.6. Financial Accounts

Economic Outturn Account 2022 (comparison with 2021)

The financial accounts which arguably provide a better reflection of the underlying financial situation of the office show the outturn has increased.

		2022	2021
Income	Income from fees	18 733 646,84	18 635 280,73
	Income from administrative operations	50 047,45	49 125,04
	Total	18 783 694,29	18 684 405,77
Expenditure	Operational expenses	(8 061 360,30)	(9 047 718,22)
	Salaries and social taxes	(8 203 464,49)	(7 729 053,39)
	Overheads	(1 760 271,61)	(1 272 877,20)
	Depreciation	(248 867,04)	(263 561,55)
	Total	(18 273 963,44)	(18 313 210,36)
Result		509 730,85	371 195,41
Financial revenue	Interest income	60 143,38	50 712,70
	Miscellaneous financial income	13 111,12	
	Total	73 254,50	50 712,70
Financial expenditure	Bank charges & exchange differences	(3 766,51)	(2 387,35)
	Total	(3 766,51)	(2 387,35)
Result		69 487,99	48 325,35
Economic outturn for the year		579 218,84	419 520,76



2.4. Delegation and sub-delegation

Delegation and sub-delegation of the powers of budget implementation to agency's staff

Assurance received from other Authorising Officers by Delegation (AODs): in line with the requirements, the Head of People & Resources Unit, in her capacity as Authorising Officer by Delegation provided an assurance to the President concerning budget implementation.

Delegating budgetary powers to staff members is part of the sub process "perform general accounting" of the CPVO. A detailed procedure was adopted in October 2018 and updated in 2022.

In general, the time limit of the delegation is set to the end date of the contract of the staff member.

It is the Head of Unit who defines if a delegation of budgetary powers is necessary for the tasks to be performed by a staff member. If it is the case, the Head of Unit shall take a decision on what powers should be delegated and what budgetary lines should be concerned. The information is transmitted to the Internal Control Coordinator, who prepares the decision on delegation. Once finalised, the decision is signed by the President of the CPVO (authorising officer) and the staff member.

The Accountant is informed of all granting of delegations, which have an impact on the accounting system. The Digital Transformation Unit is also informed in order to give the accurate access rights in the accounting system.

New delegations of budgetary powers are transferred to the Court of Auditors in preparation of their spring audit. A summary table of all delegations is also provided. At this occasion, all delegations are verified by the Internal Control Coordinator and the Accountant, and any necessary up-dates are carried out.

List of the Budget Lines covered by sub-delegations granted to another AOD:

Authorising Officer by Delegation	Budget Lines (Commitments and payments)
Vice-President	- All budget lines
Head of Plant Variety Expertise Unit	- Title 3 (Operational Expenses) - Missions
Head of People & Resources Unit	- Title 1 (Staff expenses) and Title 2 (Administrative Expenses, except Line 2100))
Head of Digital Transformation Unit	- Line 2100 (IT expenses) - Missions
Head of Legal & Governance Affairs Unit (f.f.)	- Title 1 (Staff expenses) and Title 2 (Administrative Expenses, except Line 2100) and Lines 3400 & 3600

2.5. Human Resources

In 2022, the Human Resources Sector continued its steady progress in becoming a real business partner for the CPVO. The Administrative Council approved the establishment counting a total of 51 staff members. This has been an important decision allowing the Office to have an adequate level of staff to face the high workload and at the same time, to address the future challenges ahead.

Core IT tools aligned with the European Commission practices were implemented, notably Sysper modules related to Career Files and Appraisal, which allowed the HR sector to become more agile and focused on providing value to its stakeholders.

During the year, the HR team was responsible for ensuring the recruitment of critical profiles:

- Legal Officer
- Paralegal assistant
- Deputy Accountant
- IT Project Manager



- HR talent expert
- Head of Unit People and Resources

It has to be noted that 2022 has seen the appointment of the first woman in the management board, and year 2023 aims to continuing this trend, ideally having 40% of women appointed in the management board.

The use of existing and shared reserve lists among EU Agencies allowed to drastically reduce the time-to-recruit. This had particular importance for the CPVO to ensure business continuity.

In addition, the arrival of an HR Talent Expert allowed the team to increase its expertise in the domain and support the change already in progress.

Finally, with respect to recruitment, the new President was appointed in February 2022 and the European Commission is finalising the process to appoint the new Vice-President before the end of 2023. Under the new presidency, and having as background the CPVO Strategic Plan 2022-2026, CPVO produced for the first time in the life of the Agency an HR Strategy covering the period 2023-2026. CPVO Competency Map has also been developed after thorough consultation with all staff members.

2.6. Strategy for efficiency gains

CPVO's strategy for efficiency gains is powered around :

- Optimisations to the business operating framework through the adoption and development of a Business Process and Lean management practices whose combined objectives are to continuously improve, monitor and control business processes ensuring they deliver cost effective value to CPVO's stakeholders.
- Adoption of digital best practices that will build upon previous digitization and automation efforts (paperless operations) and deliver cost effective value in areas such as content management, collaboration, user experience, data-driven decisions, interoperability and customer management.
- Introduction of step change technologies such as Artificial Intelligence for denomination recognition, plant variety testing, chat bots and other advanced process automation initiatives (such as building upon previous 'No-code' process automation proof of concepts successes to broaden efficiency gains throughout the Business).
- Optimising the New Way of Working through revised policies, modern tools, new offices, enabling hybrid working without loss to productivity.
- Continuing the transition towards the cloud in a 'pay only what you must use' principle that offers optimal scalable, compliant and secure performance with a reduced financial and energy/raw material impact.

The success of this effort will depend on continuing to develop our staff competencies and supporting a change of mindset and work culture that continuously seek to improve effectiveness, efficiency and adaptability across domains.

2.7. Assessment of audit and ex-post evaluation 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 2022, which was approved by the President of the Office in December 2021.



The selection of audits for 2022 was based on the bi-annual risk assessment exercise, the audit universe coverage as well as on Internal Audit's professional judgment. Due to a change of Internal Auditor in the course of the year, the two audits initially foreseen were reduced to one.

The Audit Plan 2022 included 1 audit:

- Software License Management

The audit was launched in September 2022 and was carried out on site. It was finalised in December 2022. No action plan is needed as the criticality of the recommendations were considered as "desirable".

Finally, the audit plan 2023 setting the course of Internal Audit work for 2023, was not established and approved in 2022 but in the beginning of 2023.

2.7.2. European Court of Auditors

The main conclusions to be found in the Report on the annual accounts of the Community Plant Variety Office (CPVO) for the financial year 2021 adopted in Luxembourg at the Court meeting on 20 September 2022 reads:

Opinion on the reliability of the accounts

In our opinion, the CPVO's accounts for the year ended 31 December 2021 present fairly, in all material respects, the CPVO's financial position at 31 December 2021, 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, the revenue underlying the accounts for the year ended 31 December 2021 is legal and regular in all material respects.

Payments

In our opinion, the payments underlying the accounts for the year ended 31 December 2021 are legal and regular in all material respects.

Report on the annual accounts of the Community Plant Variety Office (CPVO) for the financial year 2021

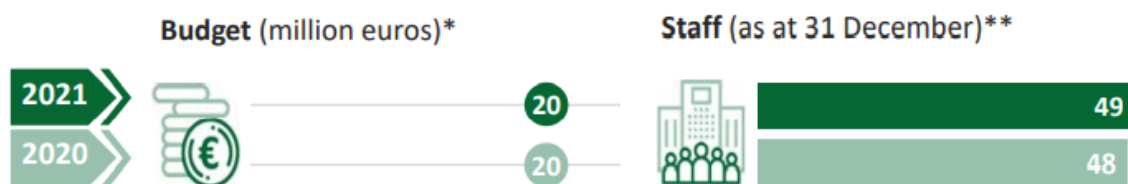
INTRODUCTION

01. The Community Plant Variety Office (hereinafter 'the Office', or 'CPVO'), which is located in Angers, was created by Council Regulation (EC) No 2100/94 [\(1\)](#). 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.



Figure 1 -Key figures for the CPVO⁽²⁾

Graph 1: Key figures for the Office



* Budget figures based on the total payment appropriations available during the financial year.

**"Staff" includes EU officials, EU temporary agents, EU contract staff and seconded national experts, but excludes interim workers and consultants.

Source: Annual accounts of the CPVO for the 2020 and 2021 financial years; staff figures provided by the CPVO

Information in support of the statement of assurance

02. The ECA's approach comprises analytical audit procedures, direct tests of transactions, and an assessment of key components of an agency's supervisory and control systems. This is supplemented by evidence provided by the work of other auditors, and by an analysis of information provided by the CPVO's management.
03. Please refer to points 11 to 18 hereunder for the description of the basis for the opinion, the responsibilities of the CPVO's management and of those charged with governance, and the auditor's responsibilities for the audit of the accounts and underlying transactions. The signature on page 344 (of the original report) forms an integral part of the opinion.

The ECA's statement of assurance provided to the European Parliament and the Council – Independent auditor's report

OPINION

04. We have audited:

- a. the accounts of the Community Plant Variety Office ("the CPVO"), which comprise the financial statements ⁽³⁾ and the reports on the implementation of the budget ⁽⁴⁾ for the financial year ended 31 December 2021; 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

05. In our opinion, the CPVO's accounts for the year ended 31 December 2021 present fairly, in all material respects, the CPVO's financial position at 31 December 2021, 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

06. In our opinion, the revenue underlying the accounts for the year ended 31 December 2021 is legal and regular in all material respects.

Payments

Opinion on the legality and regularity of payments underlying the accounts

07. In our opinion, the payments underlying the accounts for the year ended 31 December 2021 are legal and regular in all material respects
08. The observations which follow do not call the ECA's opinion into question.

Observations on the legality and regularity of transactions

09. In a procurement procedure for security services, we found the following shortcomings.
- a. The annual turnover threshold had been set too high in the tender specifications, at €240 000, or four times the estimated annual contract value. This goes against point 19 of Annex I of the Financial Regulation, which stipulates that the minimum yearly turnover must not exceed two times the estimated annual contract value. One tenderer had been incorrectly excluded for not reaching this threshold.
 - b. Another tenderer, a business created in April 2019, was unable to produce annual accounts for the last two years to show the required yearly turnover. The evaluation committee had not accepted the insurance (to cover a risk of €8 000 000) provided by the tenderer, or asked it to demonstrate its financial capacity in another way; for example, by producing a business plan for 2021, which contravenes Article 167 of the Financial Regulation. The evaluation committee excluded this tenderer.

Based on the above, we consider that the procurement procedure (which concluded with a contract to the value of €249 604 being awarded) and the associated payments (€37 441 in 2021) were irregular.

Follow-up of previous years'

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

Information in support of the statement of assurance

11. We conducted our audit in accordance with the IFAC International Standards on Auditing (ISAs) and Codes of Ethics and the INTOSAI International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the 'Auditor's responsibilities' section of our report. We have met independence requirements and fulfilled our ethical obligations under the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance

12. In accordance with Articles 310 to 325 of the TFEU and the agencies' Financial Regulations, the management of each agency is responsible for preparing and presenting the agencies's accounts on the basis of internationally accepted accounting standards for the public sector, and for the legality and regularity of the underlying transactions. This includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements satisfy the official requirements which govern those statements. The management of each agency bears the ultimate responsibility for the legality and regularity of the transactions underlying each agency's accounts.



13. In preparing the accounts, management is responsible for assessing the agency's ability to continue as a going concern. It must disclose, as applicable, any matters affecting the agency's status as a going concern, and use the going concern basis of accounting, unless the management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.
14. Those charged with governance are responsible for overseeing the agencies' financial reporting process.

The auditor's responsibilities for the audit of the accounts and underlying transactions

15. We have two objectives. One is to obtain reasonable assurance about whether the accounts of the agencies are free from material misstatement, and whether the transactions underlying them are legal and regular. The second is to provide the European Parliament and the Council or the other respective discharge authorities with statements of assurance, on the basis of our audit work, as to the reliability of the agencies' accounts and the legality and regularity of the transactions underlying them. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit will always detect all instances of material misstatement or non-compliance which may exist. These can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.
16. For revenue, we verify subsidies received from the European Commission or cooperating countries and assess the agencies' procedures for collecting fees and other income, if any.
17. For expenditure, we examine payment transactions once the expenditure has been incurred, recorded and accepted. This examination covers all categories of payments (including those made for the purchase of assets) other than advances at the point they are made. We examine advance payments when the recipient of funds provides justification for their proper use, and when an agency accepts the justification by clearing the advance payment, whether in the same year or later.
18. In accordance with the ISAs and ISSAIs, we exercise our professional judgement and maintain professional scepticism throughout the audit. We also take the following steps:
 - o We identify and assess the risks of material misstatement of the accounts and of material non-compliance of the underlying transactions with the requirements of the legal framework of the European Union, whether these are due to fraud or error. We design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of failing to detect a material misstatement or non-compliance resulting from fraud is higher than the risk of failing to detect one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls.
 - o We obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
 - o We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - o We draw conclusions on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on an agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to the related disclosures in the accounts in our auditor's report or, if these disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events may force an entity to cease to continue as a going concern.
 - o We evaluate the overall presentation, structure and content of the accounts, including the disclosures, and assess whether the accounts fairly represent the underlying transactions and events.



o We obtain sufficient appropriate audit evidence on the financial information of the agencies to express an opinion on the accounts and transactions underlying them. We are responsible for directing, supervising and performing the audit. We remain solely responsible for our audit opinion.

o We consider the audit work of the independent external auditors performed on the agencies' accounts, as stipulated in Article 70(6) of the EU Financial Regulation, where applicable.

We communicate with the management on matters such as the planned scope and timing of the audit and significant audit findings, including any significant weaknesses in internal controls that we identify during our audit. From our communications with the agencies, we determine those matters that were most significant in the audit of the accounts of the current period. We designate those as the key audit matters. We describe these matters in our auditor's report unless we are prohibited by legislation from doing so, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This Report was adopted by Chamber IV, headed by Mr. Mihails KOZLOVS, Member of the Court of Auditors, in Luxembourg at its meeting of 20 September 2022.

For the Court of Auditors

Klaus-Heiner LEHNE

President

⁽¹⁾ Regulation (EC) No 2100/94 on Community plant variety rights, [OJ L 227, 1.9.1994, p. 1](#).

⁽²⁾ More information on the Office's competences and activities is available on its website: www.cpvo.europa.eu

⁽³⁾ 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.

⁽⁴⁾ 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	ECA's comments	Action taken to respond to ECA's observations (Completed/Ongoing/Outstanding/N/A)
2014	Although the Office became operational in 1995, no headquarters agreement has yet been signed with the host Member State.	Ongoing (Not under the CPVO's control)
2016	The Office's founding Regulation does not require periodic external performance evaluations.	Outstanding (Not under the CPVO's control)



The CPVO's reply

The CPVO takes note of the observations of the Court on the legality and regularity of transactions¹⁵ and shall apply this in future procedures.

2.8. Follow-up Internal Control

3.8.1 Follow up of recommendations and action plans for audits and evaluations

The 2022 Internal Audit work programme was finalised in December 2022.

The following tables show some statistics on IA recommendations for the last three years.

Status by Unit and Sector for 2020, 2021, 2022 - Last update
10/02/2023 18:26:54

Unit	Status					
	In progress		Completed		Grand Total	
	Rec.	% Total	Rec.	% Total	Rec.	% Total
Presidency	3	3			3	3
People and Resources	3	3	4	4	7	7
Legal & Governance Affairs	1	1			1	1
Digital Transformation	2	2	1	1	3	3
Grand Total	9	9	5	5	14	14

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

Status by Audit - Last update 10/02/2023 18:26:54

Audit Value	In progress		Status Completed		Grand Total	
	Rec.	% of Total	Rec.	% of Total	Rec.	% of Total
Budget and Financial Accounts	1	100,0%			1	100,0%
Business Continuity Plan	1	33,3%	2	66,7%	3	100,0%
Communication	3	100,0%			3	100,0%
Internal Control	2	100,0%			2	100,0%
Inventory Management			3	100,0%	3	100,0%
Software License Management	2	100,0%			2	100,0%
Grand Total	9	64,3%	5	35,7%	14	100,0%

¹⁵ For detailed explanations, please refer to point 09 of the report above (pg.34)

2.8.2. Follow up of recommendations issued following investigations by the European Anti-Fraud Office (OLAF)¹⁶

The CPVO has not been subject to an investigation by OLAF in 2022.

2.9. Follow up of observations from the Discharge authority

The Discharge Authority (the Administrative Council), on the basis of the Audit by the Court of Auditors, Internal Audit results and reporting from the Agency gave a discharge to the President, without specifying corrective actions.

2.10. Environment management

Notwithstanding the resource constraints faced by the CPVO, an environmental management strategy was adopted in December 2020, which continued to be applied in 2022. The CPVO's vision is to be a cost-effective and environment-friendly working place. At present, the CPVO's aim is to follow and to promote good sustainability practice and to reduce the environmental impacts of its activities. In the future, the aim would be to help its stakeholders to do the same, if possible.

Baselines were identified for 9 environmental issues, and the results for 2022 are reported on in Annex VII. An up-date of the strategy is foreseen for 2023.

2.11. Assessment by Management

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

The number of non-compliance and exception reports increased, which is an indication that staff awareness has been raised on how and when to report these events. A new reporting tool was put in place which also facilitated reporting. "Late commitments" and "saisine a posteriori" are still recurrent and reminders of the rules were carried out to staff.

The system is globally working well. The Court of Auditors' final report on 2021 accounts and financial management is positive with no remarks.

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

2.12. External Evaluations

The CPVO-EUIPO joint study published in April 2022 on the "Impact of the Community plant variety rights system on the EU economy and the environment"¹⁷ has provided quantitative data on the benefits of the CPVR system for the EU economy, and the environment. This proves that supporting innovation in plant breeding with a robust IP right system is at the forefront of the CPVO's mission. Research and development and new technological developments in plant and seed breeding is going to play an even greater role if we want to succeed in fulfilling the objectives of the European Green Deal, including the Farm to Fork and the Biodiversity strategies. Research, innovation and technology are identified as key drivers of food security by the European staff working document "Drivers of food security" of 4 January 2023 (SWD (2023) 4 final).¹⁸

¹⁶ Article 11 Regulation (EU/Euratom) 883/2013 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF)

¹⁷ [CONTRIBUTION OF THE COMMUNITY PLANT VARIETY RIGHTS SYSTEM TO THE EU ECONOMY AND THE ENVIRONMENT](https://euiipo.europa.eu/CONTRIBUTION_OF_THE_COMMUNITY_PLANT_VARIETY_RIGHTS_SYSTEM_TO_THE_EU_ECONOMY_AND_THE_ENVIRONMENT) (europa.eu)

¹⁸ [SWD 2023 4 1 EN document travail service part1 v2.pdf](https://euiipo.europa.eu/SWD_2023_4_1_EN_document_travail_service_part1_v2.pdf) (europa.eu)



3. Assessment of the effectiveness of internal control systems

3.1. Effectiveness of internal control systems

Methodology:

In 2019 the CPVO put in place an annual assessment of the internal control system. It was carried out by the management (President, Vice-President and Heads of Unit) of the agency, in the form of a survey. Following the recommendations of the Internal Auditor in his audit of the Internal Control Framework in 2021, this self-assessment has been improved in 2022. Even though an Internal Control Strategy and Self-Assessment Methodology are under elaboration and will be adopted in 2023, the 2022 self-assessment followed the guidelines developed by the Performance Development Network of the Agencies (which is based on the Commission self-assessment) and which includes the result of the ex-post controls, the reports in the register of non-compliance and exceptions, the result of the staff engagement survey, and a self-assessment carried out by the management of each principle of the framework. The result of the self-assessment is consolidated in a report where the assessment of each principle is explained and where strengths and weaknesses are identified. A conclusion is drawn on the areas where improvements can be made and how to achieve this. The report is published to all staff on the internal web site of the CPVO.

Implementation and compliance:

The internal control principles are well implemented in the CPVO and they are all complied with. Trainings and awareness of staff are carried out regularly and has improved in 2022.

The compliance and effectiveness of internal control systems are regularly assessed by the Court of Auditors in its mission in the CPVO, as well as by the Internal Auditor.

An annual calendar is drawn up with the timing of the ex-post controls to be carried out during the year, which mainly concerns budgetary operations. In 2022 two additional ex-post controls were also carried out on a R&D project and specific IT costs using the imprest account.

Fraud prevention:

The CPVO up-dated its Anti-Fraud policy in 2019 (signature date 14 October 2019), and a revision is currently ongoing. An evaluation of the former strategy will be made, as well as a fraud risk assessment to identify any new potential fraud risks. This will be the basis for a new strategy which will be presented to the AC in 2023.

The revision and monitoring of the policy is done by the Internal Control Coordinator.

The CPVO adopted a policy on Prevention and Management of Conflict of Interest in 2018. After a follow-up control on the implementation of that policy in 2020, an up-dated version was adopted by the Administrative Council on 7 October 2021. A further up-date was made in 2022 and the new version will be presented to the AC in 2023. The CPVO has also adopted the Commission Decision C(2018) 4048 of 29 June 2018 on outside activities by analogy. These policies include the implementation of Article 16(3) of the Staff Regulations concerning senior officials leaving the service. The senior officials are asked to fill out a declaration on honour when leaving the service and a declaration of intention to engage in an occupational activity after leaving the service, if they do so.

Cost and Benefits:

No major weaknesses were identified in the CPVO Internal Control Framework in 2022. The CPVO considers the balance between effectiveness, efficiency and economy of controls to be fair taken into account the resources of the Office. The estimated cost for internal control in 2022 amounted to 23 000 €, which corresponds to 20% of the annual basic salary for an AD9 post. This includes the ex-ante controls by authorising officers and the ex-post controls of the Internal Control Coordinator.



3.2. Conclusions of assessment of internal control systems

The overall result of the assessment on the CPVO internal control system is effective. No reservations have been made during 2022.

3.3. Declaration of assurance

In 2023, the Head of People & Resources Unit, 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
- Result 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, reliable, and complete.

Date: 16 February 2023

Signed:

Annamaria Sideri

Annamaria SIDERI

4. Management Assurance

The assurance below is based on, *inter alia*, the declaration of the Head of People & Resources Unit, the results of the Internal Audits of the CPVO, the ex-Post controls put in place in 2022 and previous years, and the findings of the Court of Auditors.

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.

2022 Declaration of Assurance the President of the CPVO

I, the undersigned, Francesco Mattina, President of the CPVO, in my capacity as authorizing officer,

Declare that the information contained in this report gives a true and fair view.

State that I have 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 transaction. This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the Internal Auditor and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here, which could harm the interests of Community Plant Variety Office.

Angers, 11 February 2023

Francesco Mattina



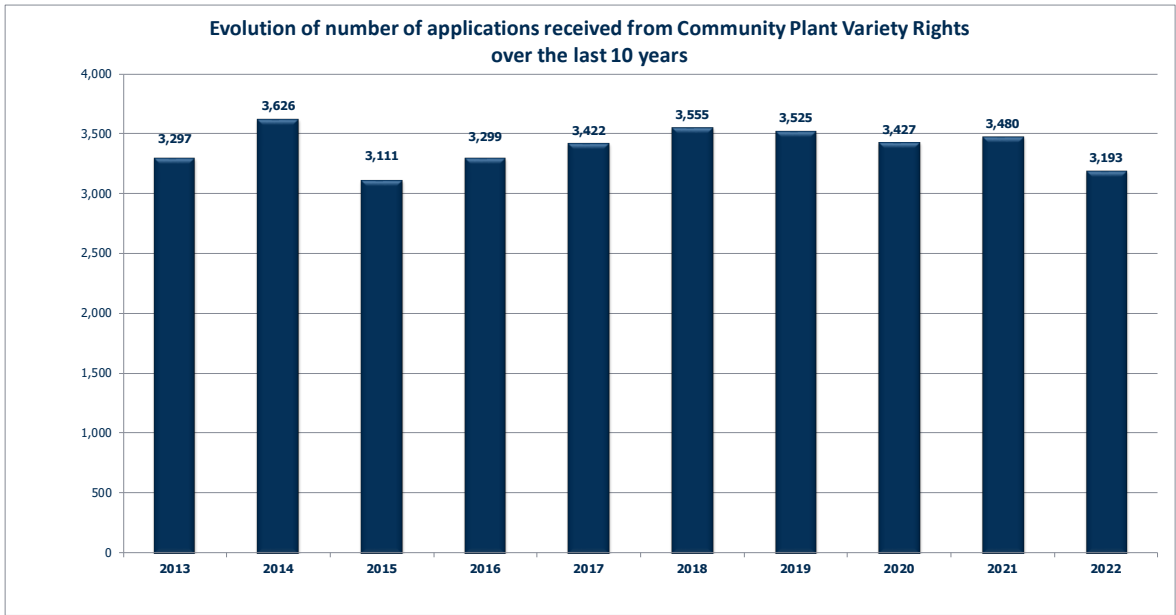
President of the CPVO

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 VIII**).

Annex I. 2022 Core Business Statistics

Graph 1: Evolution of the annual number of applications for Community plant variety protection (2013-2022)



Graph 2: Shares of application numbers per crop sector in 2022

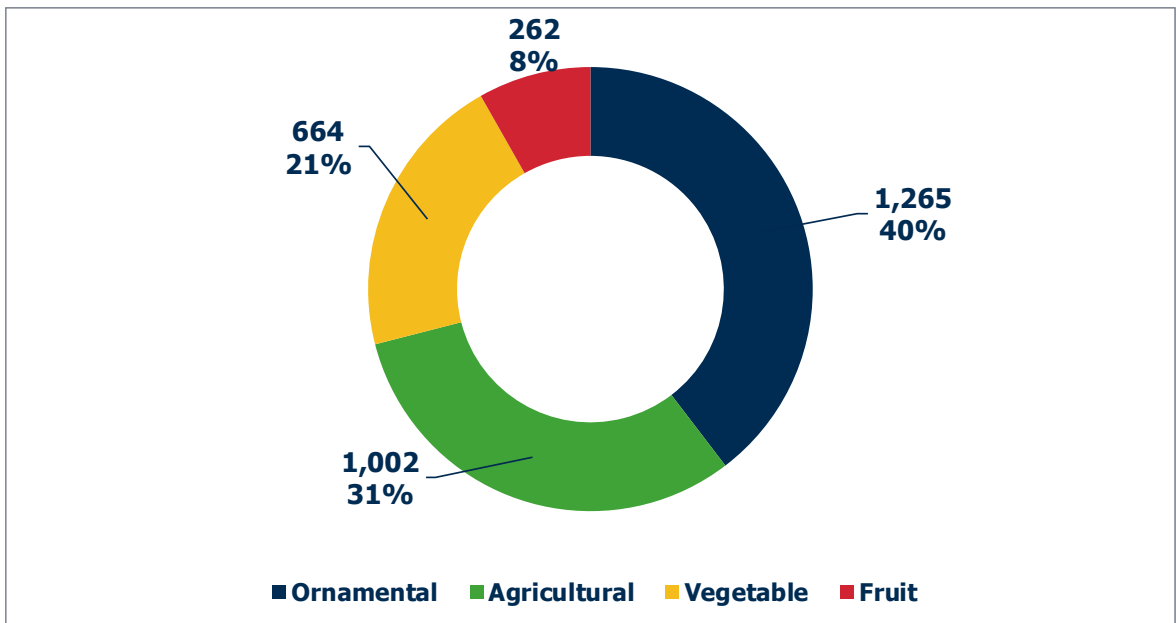


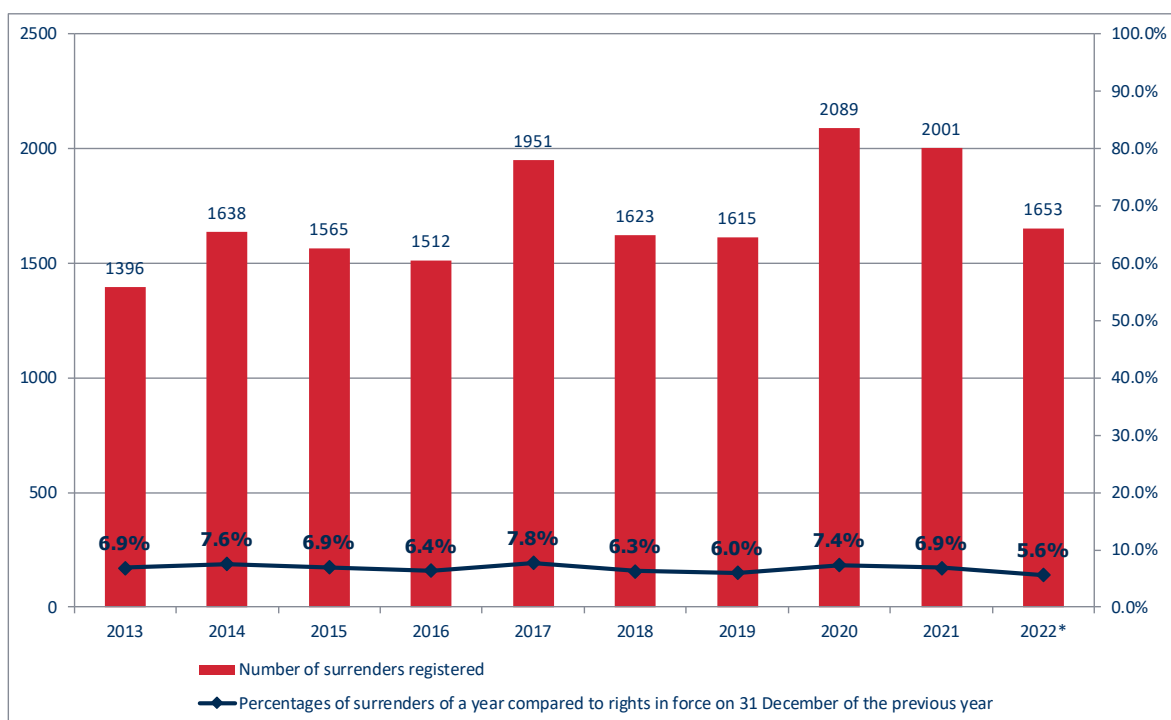
Table 1: Member States from which CPVR applications were filed in 2022

Member State of main applicant	Number of applications received in 2022
Netherlands	1093
France	535
Germany	414
Spain	116
Italy	98
Denmark	83
Belgium	81
Poland	36
Austria	24
Sweden	21
Czech Republic	11
Hungary	9
Ireland	7
Slovenia	6
Greece	3
Bulgaria	2
Portugal	2
Estonia	1
Latvia	1
Total	2543

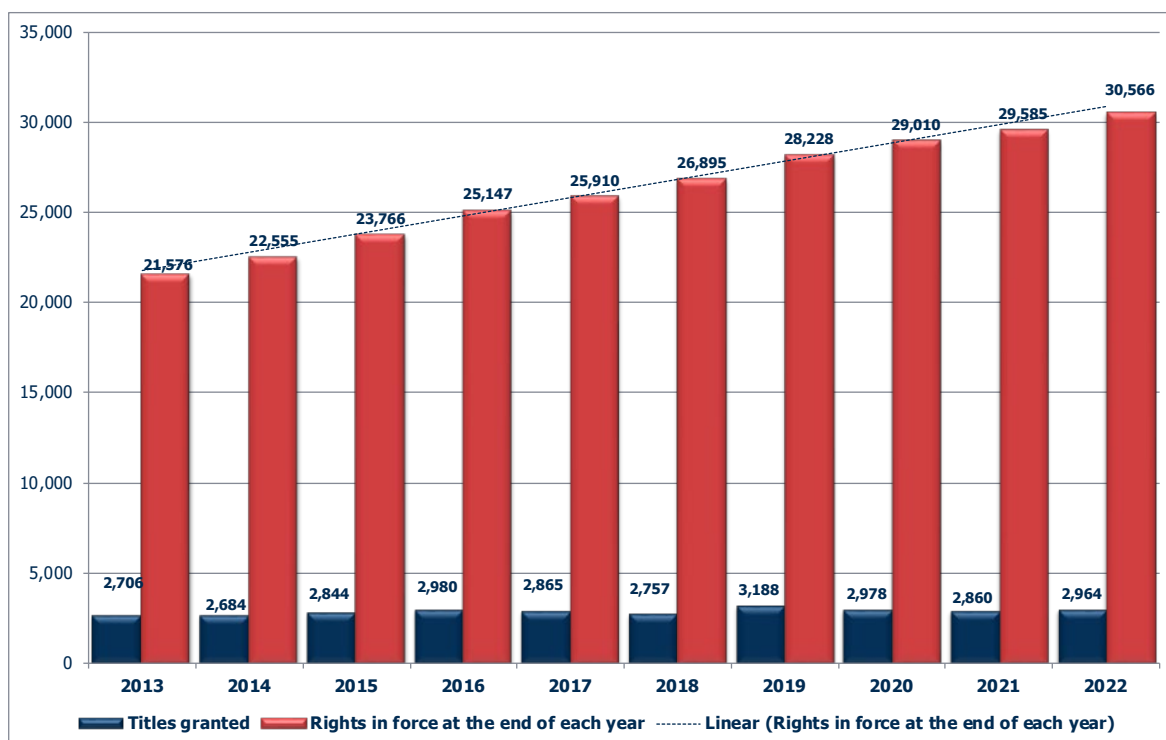
Table 2: Non-EU countries from which CPVR applications were filed in 2022

Country of main applicant	Number of applications received in 2022
United States of America	282
Switzerland	179
United Kingdom	57
Australia	33
Japan	31
Israel	16
New Zealand	8
South Africa	8
China	7
Thailand	7
Argentina	4
Canada	4
South Korea	3
Mexico	3
Taiwan	3
India	2
Uruguay	2
Brazil	1
Total	650

Graph 3: Number of surrenders of CPVRs (2013-2022)



Graph 4: Number of rights granted each year from 2013 to 2022 and those remaining in force on 31 December 2022 from those granted per year (every other year shown)

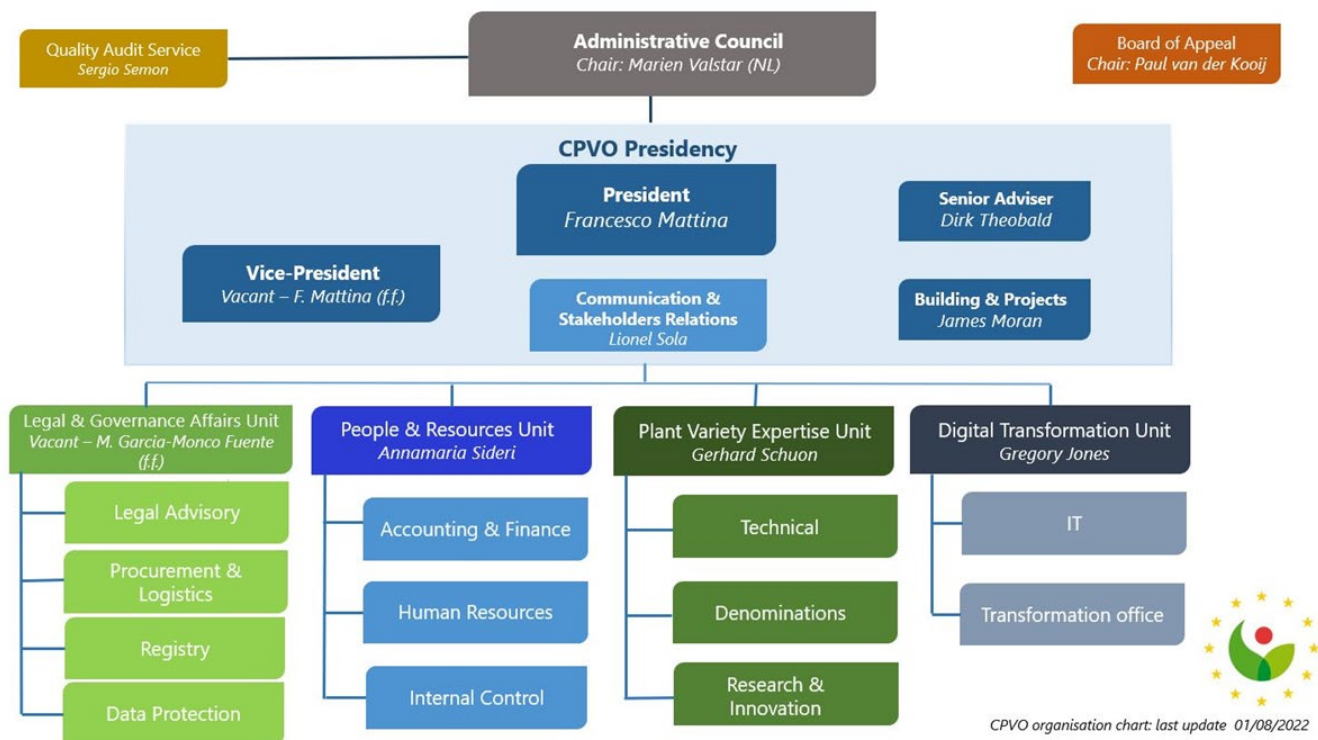


At the end of 2022, of the 62 385 rights granted in total, 30 566 (49 %) were still in force.

Annex II. Statistics on financial management

All information is provided above.

Annex III. Organisational chart



Annex IV. Establishment plan and additional information on Human Resources management

- Information on the entry level recruitment grade/function group for each type of post

Indicative table - Information on recruitment grade/function group for each type of post

<i>Key functions (examples – terminology should be adjusted to each agency's job titles)</i>	<i>Type of contract (official, TA or CA)</i>	<i>Function group, grade of recruitment*</i>	<i>Indication whether the function is dedicated to administrative support or operations [subject to definitions used in screening methodology]</i>
<i>President</i>	TA	AD 14 (external)	Operations
<i>Vice President</i>	TA	AD 12 (external)	Operations
<i>Adviser</i>	Official	AD 14 (internal)	Operations
<i>Head of Unit</i>	TA / Official	AD 9 (most recent recruitment was external)	Head of Administrative Unit support, others operational
<i>Administrator (Technical Experts / Legal Officers / IT Experts / Quality Audit / Team Leader)</i>	TA / Official	AD 6 (external)	Operations
<i>Accountant</i>	TA	AST 10 (internal)	Support
<i>Senior Assistant</i>	TA	AST 10 (internal)	Operation
<i>Administrative Assistants</i>	TA	AST 1 (no recent recruitments)	Mixed

- For TA, please specify if the recruitment was internal, inter-agency or external as well as the specific grade of recruitment (No brackets)

Table Job screening/benchmarking against previous year results¹⁹

Screening category	Screening sub category	Date of validity		
		31/12/2020	31/12/2021	31/12/2022
		%	%	%
Operational	Evaluation & impact assessment	2.08%	2.04%	1.92%
	General operational	4.17%	8.16%	9.62%
	Programme management and implementation	66.67%	65.31%	59.62%
	Top level operational coordination	2.08%	2.04%	1.92%
Neutral	Neutral - finance and procurement	6.25%	6.12%	7.69%
Administrative support and coordination	Administrative support	16.67%	16.33%	15.38%
	Coordination	2.08%	2.04%	3.85%
Grand Total		100.00%	100.00%	100.00%

- Information on the list of HR implementing rules adopted 2022

On 14 October 2022, CPVO Administrative Council adopted by analogy the following implementing rules:

- Commission decision C (2022) 1788 of 24 March 2022 and on working time and hybrid working
- Commission decision C (2021) 8179 on payment of the education allowance provided for in Article 15 of Annex X to the Staff Regulations to staff members for the duration of temporary assignments to the seat of the institution or any other place of employment in the Union
- Commission Decision C(2022) 1775 on home leave for officials, temporary staff and contract staff serving in a third country and repealing Commission Decision C(2013) 9035 final of 16 December 2013

¹⁹ Table as per Methodology for Agencies job screening (2014)

Annex V. Human and financial resources by activity

Actual consumption of the human and financial resources by the end of year split between activities.

Activity	HR (fte)	% of total	Operational budget	Staff and overhead	Total	% of total
Managing the system: Processing applications	17,3	33,3%	8 064 423	3 065 733	11 130 156	59,0%
QAS	1,0	1,9%	30 000	177 210	207 210	1,1%
Development of the system	2,5	4,8%	-	443 025	443 025	2,3%
R&D Projects	0,5	1,0%	368 560	88 605	457 165	2,4%
Information Technology	10,4	20,0%	1 032 529	1 842 984	2 875 513	15,2%
External Relations	3,5	6,7%	-	620 235	620 235	3,3%
Enforcement and interface PVR/Patents	0,1	0,2%	-	17 721	17 721	0,1%
Total Core Activities	35,3	67,9%	9 495 512	6 255 513	15 751 025	83,5%
				-		
Budget	0,3	0,6%	-	53 163	53 163	0,3%
Accounts	3,7	7,1%	-	655 677	655 677	3,5%
Total Neutral Activities	4,0	7,7%	-	708 840	708 840	3,8%
			-	-		
HR	3,6	6,9%	-	637 956	637 956	3,4%
General Services	8,1	15,6%	-	1 435 401	1 435 401	7,6%
Internal Control, Audit, other	1,0	1,9%	158 966	177 210	336 176	1,8%
Total Horizontal support	12,7	24,4%	158 966	2 250 567	2 409 533	12,8%
Grand total	52,0	100,0%	9 654 478	9 214 920	18 869 398	100,0%

Annex VI. Contribution, grant and service level agreements, Financial Framework Partnership Agreements

Actual state of play of implementation

General information ²⁰						Financial and HR impacts				
	Actual or expected date of signature	Total amount	Duration	Counterpart	Short description		N	N+1	N+2	N+3
Grant agreements										
1. 7515057 Tomato	16/07/2019	295 000	2.5 years extended to 31/08/2023	Naktuinbouw	International validation of a SNP set to determine genetic distances for the management of tomato reference collection	Amount				
						Number of CA	N/A			
						Number of SNEs	N/A			
2. 7515996 Harmorescoll	23/12/2019	262 000	01/06/2023 extended to 01/04/2024	GEVES	Setting up an EU system for harmonized collections of reference isolates, controls and differentials to facilitate disease resistance testing	Amount				
						Number of CA	N/A			
						Number of SNEs	N/A			
3. 7517891 Durum wheat DURDUS tools	14/12/2020	126 513	01.03.2023	AGES	Integration of molecular data into DUS testing in durum wheat: development of a common online molecular database and a genetic distance calculation tool	Amount				
						Number of CA	N/A			
						Number of SNEs	N/A			
4. 7519702 Updating DUS resistance tests	20/01/2022	206 646	31/04/2025	GEVES	"Updating DUS resistance tests according to pests' evolution: - Setting up resistance tests to ToBRFV for tomato and pepper - Improvement of resistance test melon/Aphis gossypii"	Amount Number of CA Number of SNEs				
5. 7519780 Molecular data for Hydrangea DUS	04/04/2022	141 277	31/01/2024	GEVES	"Harnessing molecular data to support DUS testing in ornamentals: a case-study on Hydrangea"	Amount Number of CA Number of SNEs				

²⁰ For on-going agreements, please provide the requested general information. For expected agreements, please provide the information available. When the information is not known, please put "not known"

Expected grant agreements	Not known	(max EUR 500.000/year)				Amount				
Total grant agreements: 5						Amount				
						Number of CA	N/A			
						Number of SNEs	N/A			
Service-level agreements										
1. SLA-Sysper	01/01/2018		1-year renewable		European Commission-HR	Amount				
						Number of CA	N/A			
						Number of SNEs	N/A			
2. DIGIT 009 Global Services Level Agreement	20/03/2019		1-year renewable		European Commission - DIGIT	Amount				
						Number of CA	N/A			
						Number of SNEs	N/A			
3. Recruitment	31/05/2007		1-year renewable		EPSO	Amount				
						Number of CA	N/A			
						Number of SNEs	N/A			
4. HR management	01/03/2020		1-year renewable		PMO	Amount				
						Number of CA	N/A			
						Number of SNEs	N/A			
5. Permanent Secretariat	01/01/2019		1-year renewable		EFSA	Amount				
						Number of CA	N/A			
						Number of SNEs	N/A			

6. CDT	2012		1 year renewable		CDT	Number of CA/ Number of SNEs	N/A			
7.Internal audits, renewed with Global SLA	First signed on 2/02/2015. Renewed on 27/07/2021		Last renewal for indefinite period		EUIPO	Number of CA/ Number of SNEs	N/A			
8.Board of Appeal activities	17/05/2021		For indefinite period		EUIPO	Number of CA/ Number of SNEs	N/A			
9.Administrative arrangement	21/07/2021		For indefinite period		EPO	Number of CA/ Number of SNEs	N/A			
10. CERT-EU-047 Security Support	06/09/2017		1 year renewable		European Commission - DIGIT					
Total service-level agreements: 10						Amount				
						Number of CA				
						Number of SNEs				
TOTAL						Amount				
						Number of CA	N/A			
						Number of SNEs	N/A			

Annex VII. Annex VII. Environment management

The table below provides concrete actions that has been taken by the CPVO in order to meet the environmental policy

Environmental issue	Source of impact	Action plan	Performance indicator per year	Results 2022
1.Electricity consumption	1. Central computing and data storage by servers.	Gradual move of IT infrastructure to the cloud. Less purchases of hardware servers.	Less hardware purchases.	0 servers bought
	2. Cooling in server room	Decrease of cooling temperature of the air conditioners to save energy.	Energy consumption decrease.	See point 3.6
	3. "Staff-related" use of electricity in offices and meeting rooms (PCs, printers, copy machines, lights, etc.	Consider the IT-set-up per working station to have laptop and docking station. Change HDD to SSD and add RAM of the current desktops to enhance performance and keep them as long as possible.	Less hardware purchases. Less waste.	11 Laptops 8 Docking stations Hardware recycling ²¹
2.Paper consumption	4. Printing documents and emails	Raising awareness to move towards paperless office, e.g. further digitalisation of administrative workflow.	10% reduction in absolute and per FTE figures	+30% of printed paper ²²
	5. Printing publications externally	Continue to reduce the number of paper publications through close management of publication plan as well as through more print on demand and web publishing.	Reduction of paper publications.	Digital Newsletters and greeting cards Digital new Strategic Plan Only 200 printed copies of the Annual Report

²¹ Old IT items were given to staff and to associations. No waste created.

²² Increase explained by the return of staff present in the Office after the Covid-19 pandemic.

3.Sustainable resource use	6. Electricity, heat and water consumption	<p>Install light sensors in all public areas.</p> <p>Optimising existing LED system and electrical equipment (e.g. sleep mode) throughout the year aimed at achieving measurable reductions.</p> <p>Install water sensors for the restroom taps and low water consuming WCs</p>	<p>Reporting on the results.</p> <p>10% reduction in absolute and per FTE figures²³</p>	<p>Implemented in one of the three buildings, with reduction of the time the light stays on.</p> <p>183 720 kWh in total/3 828per FTE (electricity) (-11%)</p> <p>134 204 kWh in total/4 879 per FTE (gas) (+35%)</p> <p>456 m3 in total/9,5 m3 per FTE (water) (+ 9%)</p> <p>Water aerators installed on all taps and hot water turned off in the rest rooms.</p>
4.Waste sorting and reduction	7. Waste sorting and reduction	<p>Provide proper information and training to staff and cleaning staff. Follow-up on the handling by the garbage company.</p>	<p>5% reduction of total waste for 2022 per FTE</p>	<p>Recycling of paper in force with VEOLIA representing 3 to 5 tons per year.</p> <p>Recycling of batteries 5 kg per year.</p>

²³ Increase in certain consumptions explained by the return of staff present in the Office after the Covid-19 pandemic.

5.Greenhouse gas emissions	8. Business travel of staff	Making virtual meetings the default and physical missions the exception. Encourage travel by train instead of plane when the distance is less than 1000 km.	Reporting on number of missions. Report on the results.*	158 physical missions
	9. External participants coming to CPVO-organised meetings by plane	Using videoconferencing when applicable.	Reporting on number of virtual and physical meetings.	7 virtual meetings 14 physical meetings
6.Various negative environmental impacts of the CPVO	10. All procurement	Calls for tender or relevant services must include environmental criteria according to the type of goods purchased. All purchases are carried out against best available environmental criteria.	All procurement aligned to EU directives.	Joint call for tender for green electricity.
7. Various positive environmental impacts of CPVO awareness raising	11. Green communication/awareness-raising activities	Develop and implement an integrated approach to awareness raising.	Reporting on the results	Participation in the Greening Network.
8.Environmental economic and social impacts	12.All CPVO activities	Using synergies between CPVO and staff health and well-being aspects. Encourage the use of public transport and bicycles. Weekly vegetable baskets proposed to staff.	Reporting on the results*	Not proposed in 2022.
9.Internal environment	13.Environment in buildings/health and safety aspects	Involve the CPVO and staff well-being coordinator in office space optimisation projects.	Reporting on the results*	Real Estate Committee including staff committee representative.
	14. Review the possibility of rationalising office spaces	Look into possibilities to move to a new, environmental friendly building	Reporting on the researches	Launch of call for tender with two building projects to be presented to the AC in March 2023.

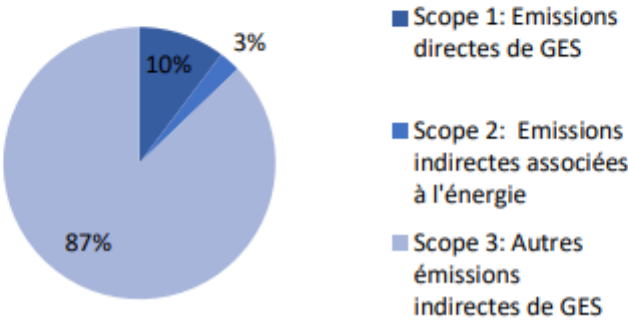
In 2022 the CPVO realised its first carbon footprint calculation for the year 2021, using the form elaborated by Global Climate Initiatives. The global result was (available in French only):

Selon les informations reçues, l'empreinte carbone totale du présent bilan GES de OFFICE COMMUNAUTAIRE DES VARIÉTÉS VÉGÉTALES pour son activité Agence européenne est :

330 tCO₂e

Cette section du rapport permet d'obtenir une vision d'ensemble concernant les résultats du Bilan GES au sein de chacun des trois Scopes précédemment définis.

Scopes	Résultats
Scope 1: Émissions directes de GES	34,00 tCO ₂ e
Scope 2: Émissions indirectes associées à l'énergie	8,44 tCO ₂ e
Scope 3: Autres émissions indirectes de GES	287,96 tCO ₂ e



The full report is available on the CPVO website

Annex VIII. (draft/final) Annual Accounts

Document provided separately