

PROGRAMMING DOCUMENT

2017-2019

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List of acronyms

AC	Administrative Council
AD	Administrator
ARIPO	African Regional Intellectual Property Organisation
AST	Assistant
BoA	Board of Appeal
CA	Contract Agent
CEOS	Conditions of Employment of other servants
CJEU	Court of Justice of the European Union
CPVO	Community Plant Variety Office
CPVR	Community Plant Variety Rights
DUS	Distinction – Uniformity - Stability
EC	European Commission
EU	European Union
EUIPO	European Union Intellectual Property Office
FTE	Full Time Equivalent
HR	Human Resources
IMODDUS	Introduction of Biomolecular Data into DUS testing
IT	Information Technology
KAVB	Koninklijk Algemene Vereniging voor Bloembollencultuur
OAPI	Organisation Africaine de la Propriété Intellectuelle
R&D	Research and Development
SC	Secretary and Clerk
SNE	Seconded National Expert
TU	Technical Unit
UPOV	Union internationale pour la Protection des Obtentions végétales

1. General context

CPVO Mission and Mandate

The CPVO mission is to foster innovation in plant varieties by high quality processing of applications for Community plant variety rights at affordable costs while providing policy guidance and assistance in the exercise of these rights for the benefit of stakeholders.

In managing the Plant Variety Rights system, the CPVO fulfils the mandate of Council Regulation (EC) N°2100/94 of 27 July 1994. The core task of the CPVO is processing of and taking decisions on applications for Community plant variety rights. Furthermore, the CPVO either directly or by its Administrative Council, advises the EU institutions, Council and/or Commission, and the EU Member States on Plant Variety Rights legislation and related policy areas. The CPVO ensures effective plant variety protection through awareness raising activities designed to foster respect for plant variety rights and encourage the development of enforcement tools. In UPOV, the International Union for the Protection of New Varieties of Plants, the CPVO plays a prominent role. It also supports research and development activities aimed at improvement of Distinctness, Uniformity, Stability (DUS) testing methods.

A recent report on the economic, social, and environmental value of plant breeding in the EU shows measurable benefits of plant breeding activities in the EU on the economy, the environment, and society at large¹. Through the protection of new plant varieties CPVO plays a prominent role in the plant breeding sector and contributes to the Juncker priorities of fostering innovation, boosting growth, creating jobs, and reduction of greenhouse gas emissions.

In 2010, the European Commission launched an evaluation of the CPVR acquis to assess how well it has met its original objectives as well as its current strengths and weaknesses. When the report was issued in 2011, the outcome was summarised by the following statement:

"The CPVR system functions well overall, that stakeholders are happy with it and that they wish to retain the system in its current form, albeit with some carefully targeted adjustments"

Adjustments identified were for instance the operation of the agriculture exemption and the ease with which rights' holders can enforce their rights. The Commission has not suggested any follow up or course of action to be taken following the 2011 evaluation.

The Basic Regulation must be updated to take the conclusions of the inter-institutional working group into account. The Founding Regulation of OHIM was recently amended and it is expected that the same changes will be implemented in the CPVO's basic regulation, however it is not clear when such changes will take place.

The Commission is presently making a revision of the proceedings regulation 874/2009 with the aim to update CPVO procedures. No additional tasks to CPVO are foreseen in this revision.

The Plant Reproductive Material legislation (PRM) was proposed by the Commission in May 2013 which included new tasks to the CPVO. Following the rejection of the proposal by the European Parliament, the proposal was withdrawn by the Commission from its work programme on 16 December 2014. It is not

¹ Cfr. European Seed Association press release on recent study: <https://www.euroseeds.eu/esa-press-release-new-study-proves-high-value-plant-breeding>

clear when or indeed if this proposal will be added to the Commission's work programme. For that reason any additions of tasks to the CPVO mentioned in the PRM Regulation will not be dealt with in this document. Accordingly, no new tasks have been allocated to the CPVO via legislation.

However, the growth and expansion of the CPVO's core functions have been considerable during the past years. This is due to the increase in amongst others applications, objections, number of varieties under protection, appeals and request for access to documents to be processed by the CPVO. The Commission is constantly increasing the reporting obligations on the EU Agencies which hits small agencies with limited number of staff, like the CPVO, harder than larger agencies. The Commission also asks the CPVO to play an active role in preparing UPOV documents and participating in OECD activities.

In addition, there are a number of tasks that the AC has requested the CPVO to implement such as enforcing the cooperation with EPO. The CPVO has negotiated a draft administrative agreement with the European Patent Office. The enhanced cooperation initiated by the administrative agreement aims to foster positive knowledge sharing in the field of PVR/patents and will ultimately lead to greater clarification and certainty in this area of law.

The CPVO is also coordinating and monitoring R&D projects in partnership with the Examination Offices, breeders and other research entities aiming amongst other objectives, to harmonize procedures and methodologies on DUS testing amongst the Member States, to improve the quality and reduce the costs of DUS tests. Such projects include the IMODDUS working group

The CPVO has also an enhanced cooperation in the field of variety denominations with the Member States. The CPVO offers to provide to the National authorities advice on variety denominations of candidate varieties in the frame of National Listing and National Systems of Plant Breeders Rights as decided by the AC, the aim of which is avoid diverging decisions within the EU, to gain efficiency and to improve the quality of decisions taken on variety denominations at national and EU level.

The CPVO has been asked to share its online system with Member States and to develop IT tools enabling the CPVO to communicate electronically with stakeholders and ultimately leading to a situation whereby Examination Offices can be paid very early. The CPVO believes that developing the database Variety Finder would bring improvements and transparency to Member States, the industry and the EU citizens.

The CPVO implements the world's largest system of plant variety rights. As a world leader in its field the CPVO is expected to contribute to the development of the system – including actively participating in UPOV meetings, dialogues and to the formation of international PVR policy. The CPVO is implementing a strategy on international activities endorsed by the AC.

All these projects have been agreed upon by the CPVO's AC and are highly important for the continuous efforts to improve the EU plant breeders' rights system and to harmonize procedures and methodologies amongst Member States. Due to the relevance of these projects and the possible efficiency gains they will bring in the future, the CPVO will make all the efforts to ensure their continuation.

Resources

With its present staffing it is estimated that the CPVO could carry out the core tasks laid down in the Basic Regulation. However, the CPVO is being asked to cut 5 % in staff + 5% for the so called redeployment pool. The CPVO has accepted the 5 % decrease but constantly rejected the application of the implementation of the redeployment pool in general, and to self-financed agencies in particular. Taking into account the above increase in workload, topped with increased reporting duties for all agencies (regardless of their size) has aggravated the already overstretched capacity of the CPVO to discharge its duties with its current level of staff.

The CPVO internal audit has noted the following;

"The imposed staff reduction (5% annual), the increasing amount of rigid and purely administrative requirements and the increase of working hours may affect the overall productivity of the Office: backlogs and delays in operations, rise of stress and absenteeism, increase of errors and decline of overall quality of services provided. This could have an impact on staff health (burn out, depression, heart diseases, etc.), operational efficiency, compliance with expected service levels and client dissatisfaction."

In addition the risk of the lack of IT staff means that the back-up for the online system, e-communication tools, e-security is not acceptable. As services provided by the CPVO are based on IT tools. IT tools need constant developments and maintenance. Two people in the CPVO deal with these tasks. It is our vision that in the coming ten year period the IT team must grow substantially. Outsourcing is used, but the CPVO requires in-house staff to manage and protect its IT requirements. The sooner the CPVO increases the number of staff in its IT sector the sooner the CPVO can benefit from better, more efficient working methods.

If the CPVO does not employ additional staff it will be forced to adopt negative priorities – meaning that many important projects will have to be postponed or abandoned. This would mean a decrease in the level of service to the industry, Member States, the Commission and EU citizens. It is our opinion that this is not the correct way to act. In the coming months the CPVO will present a document indicating on the one hand the negative priorities that would need to be implemented should the staff cuts be implemented and on the other hand the resources needed in order to continue with tasks presently executed. It is estimated that employing the adequate staff would only have marginal effects on the fees collected by the CPVO.

Conclusion

The CPVO is up and running at cruising speed and can implement the tasks given by the legislator. The staff cuts will however affect the quality of services provided and will certainly increase the risk of serious failures in the IT-Sector. The CPVO will address these issues to the AC and the Commission.

2. Multi-annual programming 2017-2019

2.1. Multi-annual objectives

You will note that the below involves the core business of the CPVO. The core business tends to remain relatively stable and so the 2017-2019 objectives are largely similar to those presented in the working programme for 2017 (see Chapter 3 below Annual WP 2017).

2.1.1. The system:

Indicators	2017 - 2019 Target
% of acknowledgments of receipt within 5 working days	≥95%
% of on-line applications	≥95%
Average time between application date and final decision	Monitor the situation and identify areas for improvement

2.1.2. Information technology

Indicators	2017 - 2019 Target
Implementation of new CPVO Website	Upgrade of site
MyCPVO	Roll-out of phase 2
Meetings and Mission Management Software	Implementation of tool
Virtualization and Business Continuity Plan	Consolidation of Infrastructure
Development of the Variety Finder application	Further improvement of the tool
Sharing the online application system	Implementation of the tool
Adoption of the international filing system	Implementation of the system

2.1.3. Research & Development:

Specific objectives: Continue the monitoring of the projects: "A European potato database as centralized collection of varieties of common knowledge"; "Harmonization of resistance tests to diseases for DUS testing – 3"; "Ring tests for strawberry" (this list might increase depending on the candidatures received and approved). Continue the follow up of the following finalized projects "Creation of a common maize database for DUS studies"; "Case study on minimum distances between vegetatively reproduced ornamental and fruit varieties". To organize if necessary meetings of the ad hoc working group on Integration of molecular data into DUS testing (IMODDUS).

Indicators	2017 - 2019 Target
Participation in the project meetings	Participate in the meetings organised with the project partners ²
Organize the necessary meetings of IMODDUS	Organize if necessary meetings
Assessment of interim and final reports	Assess the reports received within a period of 3 months

² - "A European potato database as centralized collection of varieties of common knowledge"; "Harmonization of resistance tests to diseases for DUS testing – 3"; "Ring tests for strawberry" (this list might increase depending on the candidatures received and approved).

2.1.4. External Relations

Specific objectives: Continue the promotion of the plant variety system with the cooperation of the CPVO stakeholders. Investigate possible cooperation to promote the PVR systems in third countries. Implement the strategy on cooperation with third countries on PVR matters.

Indicators	2017 -2019 Target
Implement the adopted strategy on cooperation with third countries on PVR matters.	<p>Participate in the relevant UPOV meetings and provide the Commission with input on UPOV documents.</p> <p>On request participate in training organised by UPOV or other stakeholders³.</p> <p>To assist OAPI in the implementation of their road map 2015-2020.</p>

2.2. Multi-annual programme

The multi-annual programme, from 2017 to 2019, will reflect many of the goals outlined in the annual work programme (see Chapter 3 below, Annual WP 2017).

The CPVR is a demand-driven system which makes it difficult to foresee the number of applications to be received from 2017 to 2019. However the data and experience from the past five years indicate that the number of applications per year is around 3200 with a steady yearly increase of around 100 applications. Based on available statistics, the CPVO is prepared to receive and process, approximately 3300 applications and to organize approximately 2600 technical examinations and to grant around 2800 titles per annum in this period. During this timeframe the CPVO will also manage over 26000 varieties under protection. This activity entails staff from across the CPVO working together: technical, legal and financial staff.

The CPVO system also allows for appeals to decisions taken by the CPVO. The appeals procedure is an integral part of the system of CPVR. In the 2017 work programme the CPVO outlines its ambition to meet 100% of all deadlines set by the Board of Appeal, this target will also be applied from 2017 to 2019.

The CPVO adheres to the EU policies on transparency. The CPVO implements the EU legislation on access to documents as well as the provisions included in the Basic Regulation of the CPVR system. This is important for parties to proceedings as well as EU citizens.

The CPVO has a very fruitful and close cooperation with the Examination Offices. The network has been expanded and cover all representative agro-ecologic environments in the EU territory. The CPVO experts maintain a regular contact with colleagues from the Examination Offices; the technical experts from the CPVO regularly visit the Examination Offices' DUS trials in order to follow the tests of the candidate varieties to EU protection. The CPVO also ensures the excellent quality of the examination offices through the Quality Audit Service (QAS). The QAS is responsible for verifying whether technical

³ Every year, the CPVO gets requests from UPOV to participate to trainings and seminars organized in several parts of the worlds such as South America, Africa and Asia. In addition requests are received directly from organisations such as OAPI and ARIPO and East Asian PVP forum. We also received requests for cooperation with China, Japan, Taiwan and United States.

examination offices meet the quality standards required for providing services to the CPVO in the area of testing compliance of candidate varieties with the DUS criteria.

The CPVO is involved in various R&D projects which relate to the following areas: DUS testing, the identification of varieties, organization and management of reference collections.

Information technology plays a major and ever increasing role in the functioning of the CPVO in order to manage the CPVR system. From 2017 to 2019, the ongoing projects for electronic exchanges will continue, in particular, the "MyCPVO" project to provide a fully-functioning client portal for all exchanges between the CPVO and clients and the electronic invoicing from suppliers will continue to be rolled-out.

The CPVO maintains regular contacts with other international and regional organizations and with national authorities and institutions to promote the protection of intellectual property rights in non-EU countries and in particular plant breeders' rights.

Taking into account the ongoing discussion in the EU and the decisions in cases under Ref. No G2/13 ('Broccoli II') and Ref. No G2/12 ('Tomatoes II'), before the Enlarged Board of Appeal of the European Patent Office where there are issues concerning the relationship between patent and plant variety protection for plant material and related inventions concerned, the CPVO organized a seminar on the topic on 24 June 2015 in Brussels. AC Members and observers were invited. Due to the high level of interest generated in this event, it was not possible for all interested parties to attend. It is the intention of the CPVO to seek the authorization of the CPVO's AC to host future seminars on this topic in 2017 – which would be open to a wider audience.

As a fully self-financing organisation it is essential that the CPVO remains totally independent of any financial contribution from the EU budget for its ordinary functioning. Adjustments of fee levels, which provide the main source of income, have to be prudent in order to avoid structural deficits over extended periods of time. This prudence has resulted in a certain budget surplus, steps have been taken to reduce this budget surplus through fee reductions.

The Internal Audit programme will be performed by the Internal Audit Service of OHIM, based on a new Risk Assessment to be achieved in January 2016. The main elements of the 2016 programme will be a global review of risks specific to IT activities and architecture and to risks linked to Human Resources and possible other elements that could be raised during the Risk Assessment meeting in January 2016.

The Business Process Review will continue with the collaboration of external consultants. For 2017, significant work is foreseen in following and implementing the recommendations stemming from this review.

2.3. Human and financial resources

2.3.1. Overview of the past and current situation

Staff population overview (2016)

Staff population		Staff population in voted budget 2015	Staff population actually filled at 31.12.2015	Staff population in voted budget 2016 ⁴
Officials	AD	4	4	4
	AST	6	6	6
	AST/S C			
TA	AD	9	9	9
	AST	27	26	26
	AST/S C			
Total⁵		46	45	45
CA GF IV				0
CA GF III				0
CA GF II				0
CA GF I				0
Total CA⁶				0
SNE⁷		1	1	1
Structural service providers⁸		0,5	0,5	0,5
TOTAL		1,5	1,5	1.5

⁴ As authorised for officials and temporary agents (TA) and as estimated for contract agents (CA) and seconded national experts (SNE).

⁵ Headcounts

⁶ FTE

⁷ FTE

⁸ **Service providers** are contracted by a private company and carry out specialised outsourced tasks of horizontal/support nature, for instance in the area of information technology. At the Commission the following general criteria should be fulfilled: 1) no individual contract with the CPVO; 2) on the CPVO, usually with a PC and desk; 3) administratively followed by the CPVO (badge, etc.) and 4) contributing to the value added of the CPVO. FTE

Expenditure and revenue overview n-1 (2016)

Other information concerning recruitment policy, appraisal of performance and reclassification/promotion, mobility policy, gender and geographical balance and schooling to be provided in **Annex IV**.

2.3.2. Resource programming for the years 2017 to 2018

a) Workload indicators

For the purposes of the analysis of the impact of workload on the CPVO, a 10 year perspective is taken. This is done for a number of reasons. Firstly, large variations (particularly as regard applications) can be more easily put into perspective in a longer period, secondly, some concrete additional tasks were added to the CPVO in the past 10 years which required recruitment of individuals (QAS for example), and also, it should be borne in mind that ever increasing 'efficiency gains' has a human cost in terms of stress, burnout and sick leave.

The table below shows the approved establishment plan for the CPVO over the past 10 years:

Table 1 - CPVO Approved Establishment Plan 2007-2016

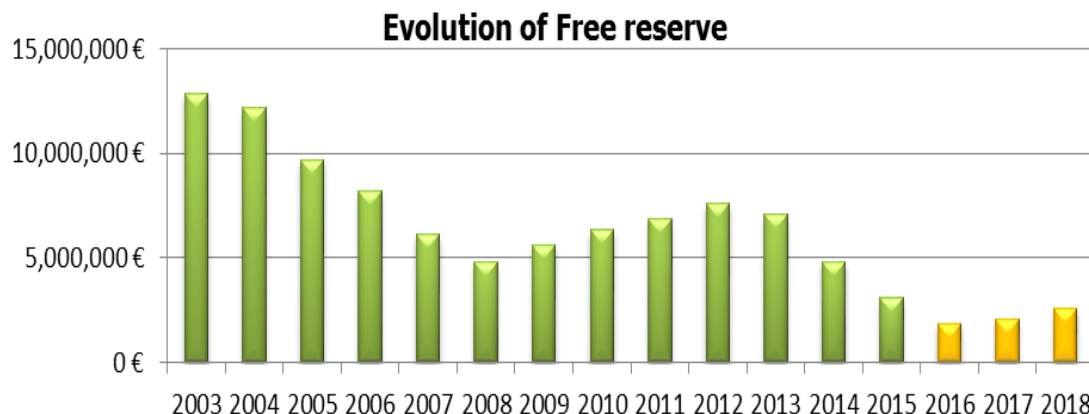
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>Establishment Plan</i>	42	43	46	46	46	46	48	47	46	45

Over a 10 year period, the approved staff in the establishment plan increased by three posts.

The three key workload indicators for the CPVO are Application levels, Titles in Force and total number of Invoices managed. These will be reviewed on an ongoing basis.

b) Financial resources

The CPVO as a self-financing agency must aim to balance its budget in the medium term while ensuring the free reserve (total treasury less outstanding commitments) remains within acceptable limits. A complete breakdown of the financial projections of the CPVO can be found in **Annex II**. Since 2013, the CPVO has been in a phase of progressively reducing its free reserve through reduction in particular in the Annual fee. This policy has proven successful and the free reserve at end 2015 has fallen to just over EUR 3 million.



As can be seen above, it is foreseen that with current fee levels and spending, the Free Reserve should bottom-out in 2016 and begin rising again in 2017 and 2018, due mainly to proposed changes in annual fees and also to increasing numbers of titles in force.

	2015 (Actual)	2016 (Budget)	2017 (Budget)
Fee Revenue	12 663 224	14 114 000	15 597 709
Other Revenue	176 231	362 000	262 000
Total Income	12 839 455	14 476 000	15 859 709
Expenditure	13 979 791	15 450 000	15 852 000
Outturn	-1 140 336	-974 000	7 709

The main tool for managing outturn movements in the face of fluctuating applications is the adjustment of fees, and for this reason, the annual fees will be increased for 2017.

c) Human Resources

Staff population evolution (detailed data provided in **Annex III**): main expected trends for years N+1 to N+3 providing explanatory reasons.

The evolution of the CPVO multiannual Staff Policy Plan is driven by the demand of its users, i.e. in order to keep up with increased applications and titles in force, it has been necessary in the past to increase the number of staff in the CPVO until 2007. Since then the number of staff is more or less stable.

Due to the increasing workload as a consequence of the continuous growing of the Community Plant Variety Rights system, it is envisaged that the CPVO will need more staff in the coming period of three to five years. The CPVO will present to the AC in 2016, a document showing the impact of the increasing workload, occurred in the last 5 years, in terms of the organization of the CPVO and the impossibility to continue to render the same type of service and tasks, as they have been provided until now, without a reinforcement in terms of human resources, which won't have a serious impact in the costs to be supported by the users of the system, having in mind that the CPVO is a self-financed Agency.

The following policy has been adopted:

Increase of staff costs in Title I of the CPVO budget at around 4 % per year (due to inflation and promotions/reclassifications and step increase).

Besides salaries title 1 costs include, among others, costs for missions, training and social activities.

The number of posts in the table of **Annex III** (period 2017-2019) follows the objective of reducing staff (less 5 posts) in the period 2014-2020. While the CPVO planning is currently in line with the Commission communication of 10 July 2013 (COM(2013)519 10.07.2013), reduction of 2 posts for the period 2016-2018, The CPVO will review the long term planning in 2016 taking into consideration the impact on human resources and the increases in the CPVO's workload indicated above under point 1 above.

The CPVO is a fully self-financed agency. There are no links or relations between the CPVO Budget and the EU Budget. The CPVO Budget is therefore not included in the EU Multiannual Financial Framework. As a consequence of its status, the establishment plan and financial resources are approved by its budgetary authority, which is the CPVO AC composed of representatives of Member States and the EU Commission (no voting right). The CPVO is obliged to remain fully self-financed and operate on a balanced budget in order to accomplish its mission of delivering a high quality public service. This is a constant preoccupation that is at the forefront of CPVO's management priorities.

The existing Regulations do not provide for any mechanism allowing the CPVO to transfer staff or budgetary resources, such as posts to the budget of the EU. For this reason the CPVO does not agree with the policy of the Commission that self-financed Agencies should adhere to the redeployment policy. The CPVO have attempted to decrease the number of posts as indicated in the Establishment plan evolution 2017-2019 (table in **Annex III**). However, as outlined in the General Context such a reduction in staff will force the CPVO to adopt negative priorities to the detriment of the EU system of plant variety rights and to the service the CPVO provides to EU citizens.

The CPVO applies normal average promotion rates as laid down in **Annex IB** to the Staff Regulations and Article 54 of the CEOS.

d) New tasks

While no new tasks have been allocated to the CPVO via legislation, the growth and expansion of the CPVO's core functions have been considerable and are outlined below.

e) Growth of existing tasks

The EU plant variety rights system has been growing steadily in the recent years, with an increase of titles in force, titles granted per year, number of applications received and number of botanical taxa received for EU plant variety rights. The CPVO has also initiated new cooperation projects with the Member States with the aim to harmonise methodologies, improving quality of the services offered to its users and reducing costs. The CPVO has increased the number of IT projects with the Member States for which the CPVO is the coordinator. In 2013 the CPVO launched some IT pilot projects with a selected number of National Offices that are expected to lead to efficiency gains at the CPVO and also at EU level. The CPVO initiated in 2014 a Business Process Review which is resulting in a simplification and streamline of the procedures. It is foreseen that the results of these projects will start to be implemented in the daily work of the CPVO in 2016, with the expected efficiency gains.

Endorsed by the AC, the CPVO is also implementing an extensive cooperation in the field of variety denominations with the Member States. The CPVO provides to the national authorities advice on the suitability of proposed variety denominations of candidate varieties in the frame of National Listing and National Systems of Plant Breeders Rights. The aim is to avoid diverging decisions within the EU, to gain efficiency and to improve the quality of decisions taken on variety denominations at EU and national level.

Following a request of the CPVO's AC the CPVO started to develop Technical Protocols for species which are covered by the Common Catalogue directives but for which the CPVO received few or no applications.

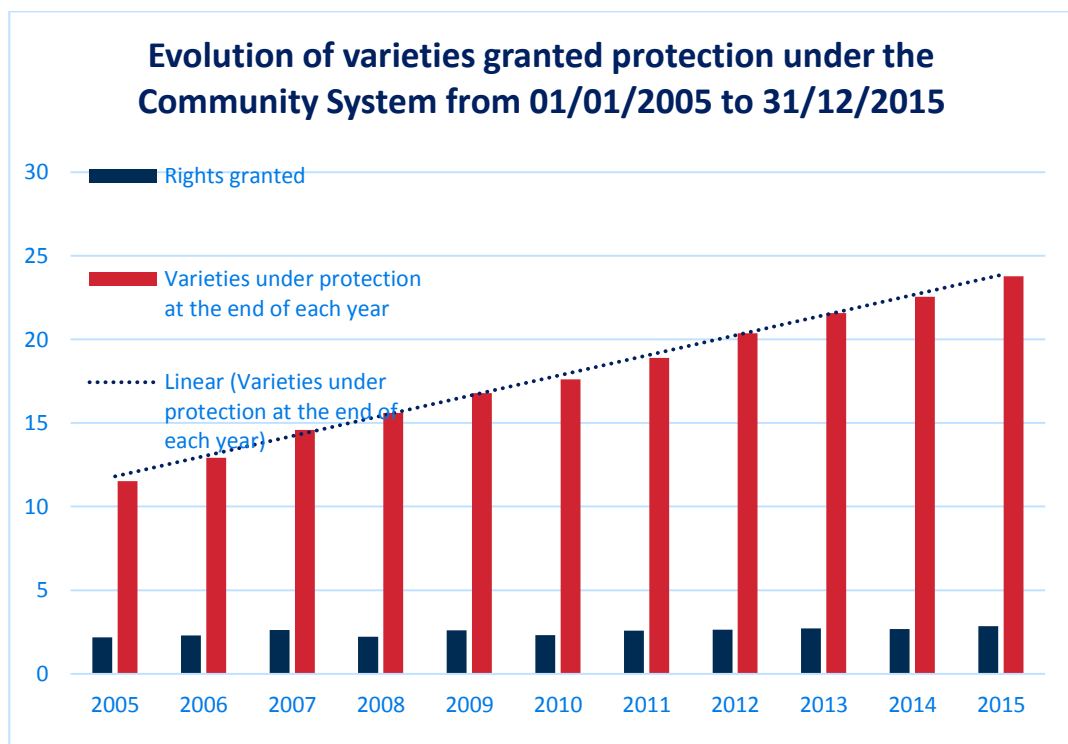
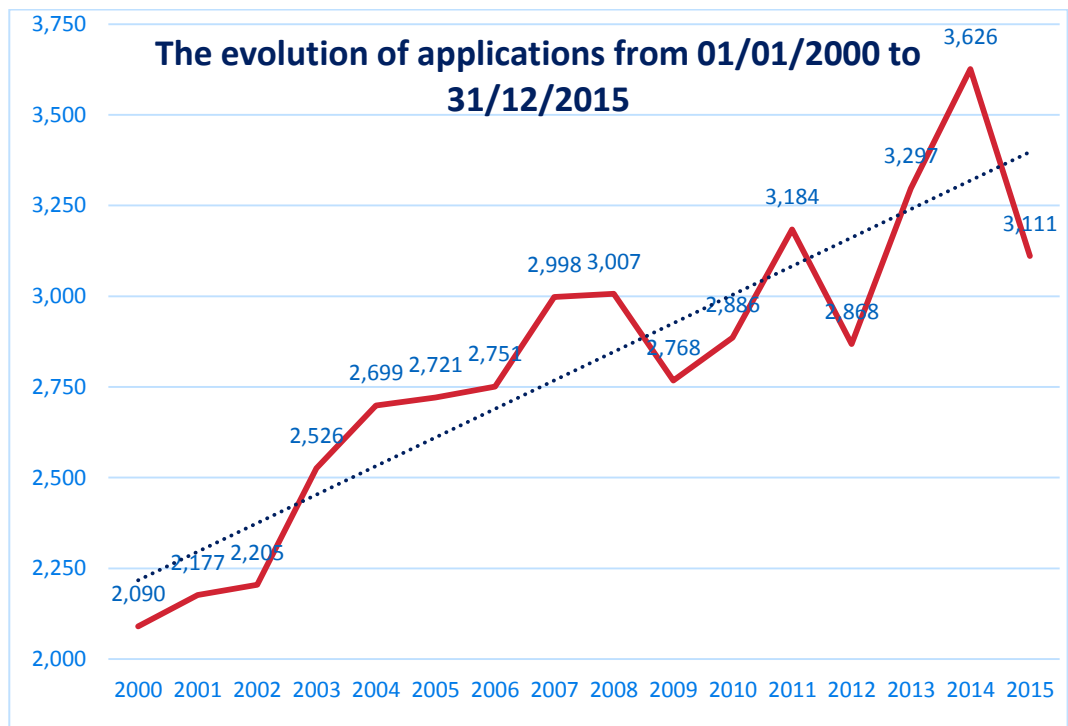
The CPVO is also coordinating and monitoring R&D projects in partnership with the Examination Offices, breeders and other research entities aiming amongst other objectives, to harmonize procedures and methodologies on DUS testing amongst the Members States, to improve the quality and reduce the costs of DUS tests.

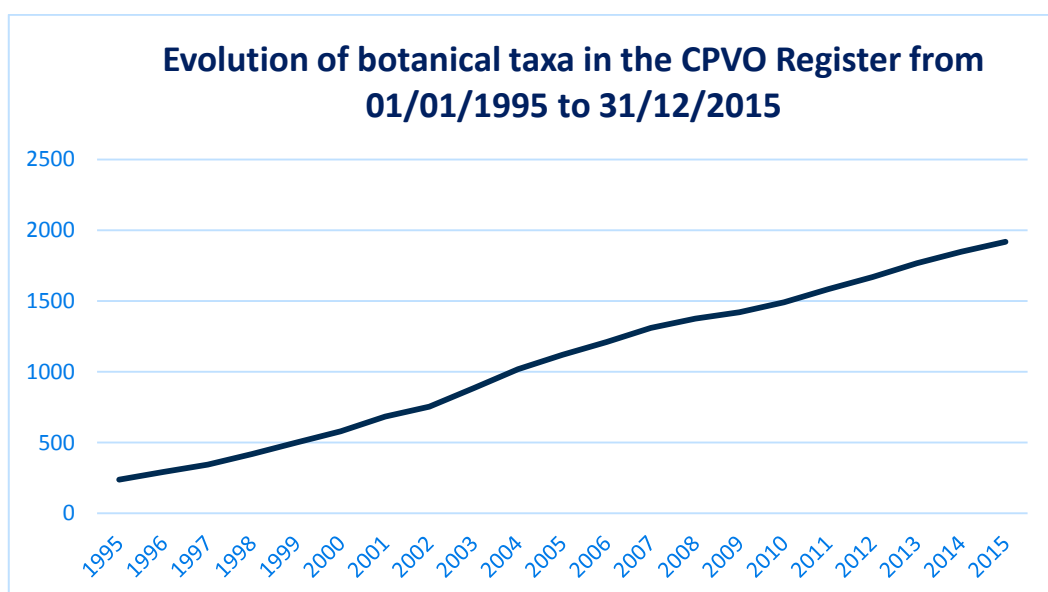
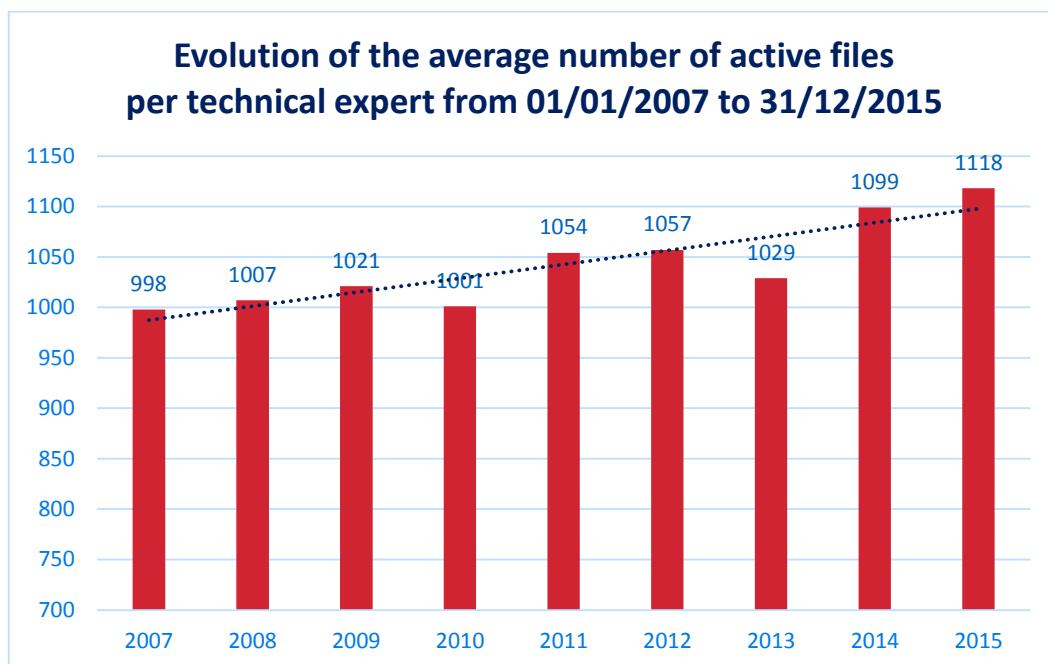
The CPVO has also been more active in its relations and cooperation with third countries and international organisations, such as the International Union for the Protection of New Varieties of Plants (UPOV), the African Regional Intellectual Property Organisation (ARIPO), the African Intellectual Property Organisation (OAPI) and the East Asia Plant Variety Protection Forum. This increase in the external activities is in part due to the growing relevance of the CPVO in matters linked to plant variety protection worldwide. EU breeders benefit from protection in such countries.

All this has contributed to the substantial increase in workload for the CPVO. Such increase in workload has been managed without any increase of workforce of the CPVO or staff expenditure but only by creating additional work capacities through efficiency gains in existing procedures. However it has become increasingly clear that for the above to be truly effective the CPVO must dedicate additional financial and human resources to such projects.

All these projects have been agreed upon by the CPVO's AC and are extremely important for the continuous efforts to improve the EU plant breeders' rights system and to harmonize procedures and methodologies amongst Member States. Due to the relevance of these projects and the possible efficiency gains they will bring in the future, the CPVO will make all the efforts to ensure their continuation. In order to increase the awareness of Plant Variety Rights, the CPVO is also cooperating with some Universities in the EU, with the OHIM's Academy and the European Observatory on infringements of Intellectual Property rights.

The following tables will illustrate the growth of existing tasks:





f) Efficiency gains

The CPVO is making significant efforts to achieve efficiency gains. This is evidenced by the continuous growth of the system with a more or less stable number of staff (see table):

	2011	2012	2013	2014	2015	2016
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Establishment Plan	46	46	48	47	46	45
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As it was already indicated the CPVO has been developing different projects at technical and IT level which led and are expected to lead in the future to more efficiency gains. However these projects are in the beginning very time consuming for all the Units of the CPVO and they have to be considered as an investment. Some examples can be mentioned: project "exchange platform" (pilot experience to exchange e-files with the stakeholders), project SharePoint (to implement relevant functionalities of this software at CPVO level and with external experts), Sysper (the CPVO is in negotiations with the Commission services in order to have access to their HR System); Business process review (to simplify and streamline internal procedures).

The efficiency gains achieved also had an impact in financial terms, the increase in the workload and the new activities launched didn't have any consequences in terms of increase of the budget. On the contrary, these efficiency gains led in the recent past to a reduction of the fees (application fee reduced in 2013 from 900€ to 650€), from the 1st of January 2014 a reduction in the annual fees from 300€ to 250€ and from the 1st of January 2016 a reduction of the application fee for applications submitted on line from 650€ to 450€.

It should nevertheless be borne in mind that the CPVO as an EU Agency must comply with significant and indeed increasing reporting and administrative requirements and this has an impact on the rate at which gains can be achieved. Such increased requirements have more impact in the CPVO, one of the smallest Agencies, compared with the other Agencies which are much bigger.

Negative priorities/decrease of existing tasks

All the tasks performed by the CPVO have been considered by its budgetary authority as important for the accomplishment of the CPVO mission. The CPVO is highly committed to ensure the continuation of these tasks, even considering the growing workload linked to the continuous enlargement of the system. Within the tasks performed by the CPVO it is possible to establish a distinction between **core tasks** such as the processing of applications which include: the formal, substantive and technical examination of applications (DUS exams), dealing with appeals and objections; and **other tasks** directly linked to the core tasks, which although not foreseen in the CPVO Basic Regulation, are considered to be relevant for the achievement of the CPVO mission. These other tasks contribute to improve the quality of the core tasks, boost their outcome and lead to efficiency gains at EU level (e.g. enhanced cooperation in the field of variety denominations with the Member States, sharing databases on variety denominations and trademarks for plant varieties with the EU Agency EUIPO, quality audits in the network of entrusted examination offices, R&D projects aiming to reduce costs and improve the quality of DUS tests, Enforcement Seminars, external cooperation with international organisations with responsibilities in plant breeders rights, IT developments).

As it was already mentioned, a reduction in staff will risk to cause a negative impact with respect to many of these other tasks and projects which are expected to constitute a solution for dealing with the increasing workload (motivated by the steady growing of the system) with a limited number of staff in the future and to ensure the good quality of the services provided.

Redeployment

The on-going business process review as well as some IT projects could potentially lead to streamlining of work. However such efficiencies have already been absorbed by the increasing workload of the CPVO.

As mentioned above, the CPVO believes that the Commission redeployment scheme is not an appropriate tool for self-financed agencies. Since the self-financed Agencies can not contribute to the EU general budget.

3. Work Programme 2017

3.1. Managing the Community Plant Variety System

3.1.1. Processing of Applications

The Community Plant Variety Office (CPVO) processes applications for Community Plant Variety Rights (CPVR) from any individual or company in the world. Applications can be filed on line or sent by mail in any of the 24 EU languages, using paper forms.

The CPVO checks applications for compliance with formal requirements. In order to be suitable for protection by CPVR, the candidate variety must be: distinct (D), uniform (U), stable (S), new and have a suitable denomination. The first three conditions (DUS) are checked during the technical examination of the variety, the other two are part of the substantive examination, which follows the formal examination.

The CPVO assesses the suitability of the proposed variety denomination using the database VarietyFinder and the applicable criteria. In addition to the test of proposed variety denominations when processing the applications received, the CPVO offers to the Member States a web-based service whereby they can request advice from the CPVO before publishing an official proposal for denomination in their national plant variety rights or listing procedures. In the case of controversial opinions, exchanges of view can take place, but the decision remains in the hands of the authority where the application for registration of the variety has been made. The purpose of this activity is to reach a greater harmonisation of decisions as to the suitability of proposals for variety denominations in procedures for national plant variety rights, for national listing and at the level of the CPVO. In 2015 the AC decided to extend for an undefined period the project initiated in 2014 with the Royal General Bulb Growers' Association (KAVB) for cooperation in this same domain. The aim of this cooperation is to provide advice for denominations which have been successfully checked by the KAVB (after having used the CPVO Variety Finder).

The formal and the substantive examinations are performed by the Technical Unit (TU). The technical examination might be organized and monitored by the TU in one of the CPVO entrusted Examination Offices, or, in case the variety is already tested in one of the Examination Offices, the CPVO buys the technical report. If the variety is still under testing when the application is submitted to the CPVO, the CPVO may make a request to take over the report that will be established by the Examination Office in question when the test has been finalized.

Based upon the above examinations the CPVO decides to grant or refuse the protection.

The CPVR is a demand-driven system which makes it difficult to foresee the number of applications to be received in 2017. However the data and experience from the past five years indicate that the number of applications per year is around 3000. Based on available statistics, the CPVO is prepared to receive and process, in 2017, about 3300 applications, to organize approximately 2600 technical examinations and to manage over 24 200 titles. This activity entails staff from across the CPVO working together: technical, legal and financial staff.

Specific objectives: Deal with applications in a timely manner with a high quality service to clients, grant solid titles and promote the on-line application system. Monitor and improve the average time between application and final decision. Promote amongst the Member States the use of the advisory service on variety denominations.

Indicators	2017 Target
% of acknowledgments of receipt within 5 working days	≥95%

% of on-line applications	≥95%
Average time between application date and final decision	Monitor the situation and identify areas for improvement

3.1.2. Appeals

According to the Council Regulation (EC) 2100/94 (hereafter Basic Regulation), any natural or legal person themselves or through a procedural representative, may appeal against a decision, addressed to that person, or against a decision which, although in the form of a decision addressed to another person, is of direct and individual concern to the former. An appeal shall lie from decisions of the CPVO in respect of objections, refusals of rights, grants, cancellations, nullities, acceptance and amendments of variety denominations. An appeal can also be lodged against decisions related to fees, or regarding entries or deletion of information in the Register and public inspection of the Register. The Board of Appeal shall be responsible for deciding on appeals of decisions taken by the CPVO. The General Court and the Court of Justice of the European Union are competent to decide on appeals launched against the decisions taken by the Board of Appeal.

In order to deal with the appeals received against its decisions the CPVO has to:

- a) Draft proposed CPVO positions before Rectification Committee meetings.
- b) Draft proposed CPVO positions in appeal cases lodged to the Board of Appeal, or to the General Court and the Court of Justice.
- c) Launch, where necessary, a procurement procedure for legal services provided by an external lawyer and liaise with the selected external lawyer (instruct and review the work of the external legal counsel).
- d) Present the CPVO position orally before the Board of Appeal and the Courts in Luxembourg.
- e) Follow up the judicial proceedings, inform the CPVO of decisions adopted in cases involving the CPVO or of general interest for the CPVO and suggest steps to be taken by the CPVO.

Specific objectives: Present clearly and convincingly the position of the CPVO before the Board of Appeal (BoA), the Court of Justice of the European Union (CJEU) and ensure the deadlines are met.

Indicators	2017 Target
% of cases won in relation to cases involving the CPVO	≥90%
% of deadlines met (set by the BoA or CJEU)	100%

3.1.3. Public Access to Documents

The CPVO implements the EU legislation on access to documents as well as the provisions included in the Basic Regulation of the CPVR system. For that purpose the following activities have to be performed:

Review files for which access to documents has been requested.

Review draft letters prepared by the Register in response to requests, explaining, where necessary, the nature of the information withheld and the legal grounds for such withholding.

Review letters drafted by the Register informing the titleholder that a confirmatory request was addressed to the CPVO regarding his file(s) and about the information withheld so far by the CPVO and seeking the titleholder's opinion.

Review letters drafted by the Register in response to confirmatory requests, which explain the position of the CPVO in regard to the particular confirmatory request, and which are sent to the requestor and to the titleholder on the same day.

The following table provides an overview on the public access requests which have been processed by the CPVO since 2011.

Year of receipt	Nb of requests for access received	Nb of refusals	Reasons for such refusals	Confirmatory applications
2011	71	27 (partial)	CONFIDENTIAL TECHNICAL QUESTIONNAIRE NOT SENT/ INFORMATION OF COMMERCIAL INTEREST NOT SENT	2 (1 unsuccessful and 1 successful)
2012	88	57 (partial)	CONFIDENTIAL TECHNICAL QUESTIONNAIRE NOT SENT/ INFORMATION OF COMMERCIAL INTEREST NOT SENT	8 (3 unsuccessful and 5 successful)
2013	63	18 (partial)	CONFIDENTIAL TECHNICAL QUESTIONNAIRE NOT SENT/ INFORMATION OF COMMERCIAL INTEREST NOT SENT	1 (unsuccessful)
2014	81	27 (partial)	CONFIDENTIAL TECHNICAL QUESTIONNAIRE NOT SENT/ INFORMATION OF COMMERCIAL INTEREST NOT SENT	4 (1 unsuccessful and 3 successful)
2015	75	17 (partial)	CONFIDENTIAL TECHNICAL QUESTIONNAIRE NOT SENT	3 (2 unsuccessful and 1 successful)
2016	61	19 (partial)	CONFIDENTIAL TECHNICAL QUESTIONNAIRE NOT SENT	4 (4 successful)

Specific objectives: Ensure the deadlines for response are respected. Ascertain that no confidential information (in the meaning of Regulations 1049/2001 and 2100/94) is disclosed. Publish the largest number possible of non-confidential information on the website

Indicators	2017 Target
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% of public access requests dealt within the deadlines	100%
Number of complaints submitted to the Ombudsman	None

Managing the system: HR and Financial Resources

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total
17.3	39%	9 242 000	3 176 909	12 418 909	67.3%

3.2. Quality Audit System

The Quality Audit Service (QAS) is responsible for verifying whether technical examination offices meet the quality standards required for providing services to the CPVO in the area of testing compliance of candidate varieties with the DUS criteria.

To this end, regular assessments are conducted at the entrusted Examination Offices and at the test sites involved in the technical work. The QAS is independent from other CPVO activities.

The technical expertise is made available through experts from Member States (MS). When the number of active experts decreases during the triennial appointment period, a new call for expression of interest is launched. Assessment teams work under strict confidentiality arrangements and report entrustment recommendations directly to the CPVO AC. Assessment criteria and procedures governing the entrustment process are continuously reviewed and approved by the AC.

The QAS organises regular meetings with the QAS Technical experts for the purpose of training and in order to coordinate and improve the methodology of QAS audits.

Specific objectives: Carry out the foreseen number of audit visits, while applying a risk based audit strategy.

Indicators	2017 Target
Number of examination offices assessments conducted	10
Risk based strategy applied	Data evaluation sheets associated with the risk based approach (Annual Risk exposure analysis; Risk assessment date; tableau queries) to be continuously used and where possible refined.
Number of Audit Advisory Board consultations/objections	None

QAS: HR and Financial Resources

HR (fte)	% of total	Operational budget	Staff Overhead and	Total	% of total
1.0	2%	30 000	183 636	213 363	1.2%

3.3. Development of the System

3.3.1. Regulatory Developments

Denominations guidelines

As regards variety denominations discussions were held in working groups in 2011 and 2012. The CPVO is working on a further revision of the Guidelines with explanatory notes, an activity which will continue in 2017.

Commission regulation (EC) No 874/2009 of 17 September 2009 (Proceedings Regulation)

The Proceedings Regulation has been amended by Commission Implementing Regulation (EU) 2016/1448 of 1 September 2016 which entered into force on 22 September 2016.

Follow-up of the Ad-hoc legal WG (LWG)

In 2015 the LWG presented the results of its work. Some proposals presented by the LWG can be implemented by the CPVO/AC without amending the legislation. The CPVO has presented to the AC for approval the novelty Guidelines on the interpretation of Article 10 of the Basic Regulation. At the meeting of 4 October 2016 the novelty Guidelines have been approved.

Specific objective: Discuss in the legislative ad hoc LWG issues raised by stakeholders and participate in the discussions for the revision.

Indicators	2017 Target
Revision of the Guidelines with explanatory notes	To be completed in 2017

3.3.2. Technical Developments

The CPVR system co-exists alongside with the national systems of plant breeders' rights and national listing. The Community system makes use of the already existing national testing centres for DUS tests, following an entrustment by the AC.

The CPVO has a very fruitful and close cooperation with its Examination Offices. The network has been expanded today to almost all Member States and it intends to cover the most representative agro-ecologic environments in the EU territory.

The CPVO experts maintain a regular contact with colleagues from the Examination Offices; the CPVO's technical experts regularly visit the Examination Offices' DUS trials in order to follow the tests of the candidate varieties to EU protection.

The CPVO organizes technical meetings once a year for the different crop experts groups (agricultural, vegetable, fruit and ornamentals). These meetings are organized to discuss issues related to the DUS testing, either general or more crop specific, such as the preparation or the revision of Technical Protocols for the conduct of DUS tests. For these meetings the CPVO invites representatives from all entrusted Examination Offices, the breeder's organizations and the European Commission. The CPVO is also very active and contributes regularly to the different UPOV Technical Working Parties and Technical Committee.

The CPVO also organizes an annual meeting with the Technical Liaison Officers from the different Examination Offices, to discuss and agree on matters of relevance for the CPVR system. Participants to these meetings are also the breeders' associations, the International Union for the Protection of New Varieties of Plants (UPOV) the European Commission and EEA countries. The experts involved recognize the interest of such events, not only for the purposes of the EU PVR system, but also as a relevant contribution for the improvement of the quality and harmonization of the DUS testing at EU level.

In the recent past, the CPVO has involved in these technical meetings experts from the acceding countries, promoting an interesting and very useful exchange of information. The CPVO has also offered these experts the possibility to follow technical trainings in some of its Examination Offices.

Specific objectives: Establish annual evaluation reports to the President summarising the findings from monitoring visits at certain Examination Offices throughout 2017. Organise meetings with examination offices and experts in the various crop sectors to promote best practices and harmonise methodologies. Revision of existing and set up of new Technical Protocols (TPs) in close collaboration with Examination Offices. A particular objective is the increase of coverage of catalogue species by CPVO TPs.

Indicators	2017 Target
Number of evaluation reports submitted to the President	Availability of evaluation reports for certain examination offices monitored in 2017
% of satisfactory feedback from participants to the meetings through surveys	Less than 5% unsatisfactory responses
Technical protocols adopted by the AC	Adoption by the AC of all the TPs planned for adoption in 2017 (new and revisions). Indication of coverage of catalogue species

Development of the system: HR and Financial Resources

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total
2.5	6%	-	459 091	213 636	2.5%

3.4. Research and development projects

The CPVO may (co)finance R&D projects which relate to one of the following areas: DUS testing, the identification of varieties, organization and management of reference collections. Such projects should aim to achieve at least one of the following objectives: improve the quality of DUS-testing, reduce costs or time for DUS testing.

Specific objectives: Continue the monitoring of the following on-going projects: A European potato database as centralized collection of varieties of common knowledge⁹; "Harmonization of resistance tests to diseases for DUS testing – 3"; "Ring tests for strawberry" (this list might increase depending on the candidatures received and approved). Continue the follow up of the following finalized projects: Creation of a common maize database for DUS studies⁹; "Case study on minimum distances between vegetatively reproduced ornamental and fruit varieties". Organize if necessary meetings of the ad hoc working group on Integration of molecular data into DUS testing (IMODDUS).

Indicators	2017 Target
Participation in the project meetings	Participate in the meetings organised with the project partners in 2017 ⁹
Organize the necessary meeting of IMODDUS	Organize if necessary meetings in 2017
Assessment of interim and final reports	To assess the reports received within a period of 3 months

HR and financial resources: R&D Projects

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total
0.5	1%	150 000	91 818	241 818	1.3%

⁹ - "A European potato database as centralized collection of varieties of common knowledge"; "Harmonization of resistance tests to diseases for DUS testing – 3"; "Ring tests for strawberry" (this list might increase depending on the candidatures received and approved).

3.5. Information Technology

Information technology plays a major and ever increasing role in the functioning of the CPVO in order to manage the CPVR system. The CPVO considers this as a core tasks since a major part of the IT tools are either executing core tasks automatically or supporting staff working on implementing the CPVR system. During 2017, the ongoing projects for electronic exchanges will continue, in particular, the second phase of the "MyPVR" project to provide a fully-functioning client portal for all exchanges between the CPVO and clients. The electronic invoicing from suppliers, which began in 2015 will continue to be rolled-out in 2017.

Indicators	2017 Target
Implementation of new CPVO Website	Upgrade of site
MyPVR	Roll-out of phase 2
Meetings and Mission Management Software	Implementation of tool
Virtualization and Business Continuity Plan	Consolidation of Infrastructure

It is planned that the **CPVO External Website** (www.cpvo.europa.eu) shall be updated during 2017 to better reflect the user needs and to position the **MyPVR** portal centrally for users. MyCPVO phase 2 will build on the implementation in 2015, incorporating rapid communication tools for end-users as well as a complete system of document and communication exchange. Both projects reflect the CPVO's increasing emphasis on external communications and transparency – in line with the EU Code of Good Administrative Behaviour.

Internally, the system for **Mission Management** will be developed in order to improve efficiencies and automate reimbursements. This may also be extended to external reimbursements in the latter part of the year.

During 2015, the CPVO migrated to Sharepoint 2013, and developments will continue with a view to automating workflows and removing paper from internal procedures.

HR and Financial Resources: Information Technology

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total
6.4	15%	700 000	1 175 273	1 875 273	10.2%

3.6. External Relations

In accordance with CPVO's international relations strategy, the CPVO maintains regular contacts with other international and regional organizations and with national authorities and institutions to promote the protection of intellectual property rights in non-EU countries and in particular plant breeders' rights. Such activities include giving lectures and presentations on the EU system of PVR and knowledge sharing of how the largest PVR system in the world is operated. Such activities are regarded as beneficial not only for such countries but also for EU breeders that want to breed or produce outside the EU. The CPVO keeps a close cooperation with UPOV through an active participation in the different UPOV bodies and

the Technical Working Parties. The CPVO participates actively in the development and harmonisation work carried out under the UPOV umbrella. Contributions are made to the EU common position in the administrative frame work. On technical level the CPVO is active in the expert meetings in which the CPVO often takes a leading role including the preparation of various documents. Apart from that the CPVO has a particular cooperation with UPOV in some specific UPOV activities such as variety denominations and electronic applications.

The CPVO also participates in UPOV activities that aim to promote the plant variety right system such as seminars and training courses.

The CPVO has also cooperation with the Organisation Africaine de la Propriété Intellectuelle (OAPI), the African Regional Intellectual Property Organization (ARIPO) and the East Asia Plant Variety Protection Forum, which includes the participation in seminars aiming to promote the plant variety right system in countries members of these regional organisations and facilitate the training of DUS experts from member countries of such organisations.

In particular, the CPVO is currently working with OAPI and other partners, to assist OAPI to develop its regional system through training and exchange of experiences. The CPVO is preparing together with OAPI, UPOV, Naktuinbouw, GEVES a candidature for a cooperation project to be financed by the European Commission in order to collaborate with OAPI in the implementation of their roadmap 2015-2020 for the implementation and promotion of a PBR system in the OAPI member states

Specific objectives: Continue the promotion of the plant variety system with the cooperation of the CPVO stakeholders. Investigate possible cooperation to promote the PVR systems in third countries. Implement the strategy on cooperation with third countries on PVR matters.

Indicators	2017 Target
Implement the adopted strategy on cooperation with third countries on PVR matters	<p>Participate in the relevant UPOV meetings and provide the Commission with input on UPOV documents</p> <p>On request participate in training organised by UPOV or other stakeholders ¹⁰</p> <p>To assist OAPI in the implementation of their road map 2015-2020</p> <p>Assist DG Trade with the implementation of EU actions in the field of CPVRs outside the EU under the coordination of the EUIPO (e.g. IPKEY project).</p>

HR and Financial Resources: External Relations

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total

¹⁰ Every year, the CPVO gets requests from UPOV to participate to trainings and seminars organized in several parts of the worlds such as South America, Africa and Asia. In addition requests are received directly from organisations such as OAPI and ARIPO and East Asian PVP forum. We also received requests for cooperation with China, Japan, Taiwan and United States.

3.5	8%	-	642 727	642 727	3.5%
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3.7. Enforcement and the interface of PVR and Patents

In recent years the CPVO has organised seminars on the enforcement of plant varieties in Brussels, Warsaw, Madrid, Sofia, Bucharest, Athens, Hamburg, Rome and Zagreb. During these seminars, officials, lawyers, breeders, farmers and staff from the CPVO present different aspects of enforcing Community plant variety rights under Community and national law. The discussions that took place showed that this subject is of much interest. Breeders' organisations have shown appreciation for these seminars as they raise important issues on the agendas of both national authorities and other stakeholders.

The European Union Intellectual Property Office (EUIPO) was entrusted with the task of animating the European Observatory on infringements of intellectual property rights by Regulation (EU) 386/2012 which became effective in June 2012. The Observatory has set up five working groups, dealing respectively with public awareness, enforcement, legal issues, statistics and economics, and IP in the digital era.

The CPVO participates in the legal working group and in the enforcement working group. Within the legal working group the CPVO is contributing to the setting up of a case-law data base of judgments on infringement of IPRs to be hosted by EUIPO. In 2015 the CPVO started updating the CPVO database with PVR case-law both as regards the content and search tool. The database is accessible on the CPVO website.

In 2016 the Observatory organised the first conference on counterfeits in food and agriculture where the CPVR system has been presented. Moreover on 25 October 2016 the Observatory has published the second Study on "Intellectual property rights intensive industries and economic performance in the European Union: Industry-Level Analysis" which includes for the first time CPVRs.

On the occasion of the celebration of the 20th anniversary of the CPVO, the CPVO produced a booklet with the decisions of the Board of Appeal and of the Court of Justice of the European Union which was published in September 2015. Taking into account the ongoing discussion in the EU and the decisions in cases under Ref. No G2/13 ('Broccoli II') and Ref. No G2/12 ('Tomatoes II'), before the Enlarged Board of Appeal of the European Patent Office where there are issues concerning the interface between patent and plant variety protection for plant material and related inventions concerned, the CPVO organized a seminar on the topic on 24 June 2015 in Brussels. AC Members and observers were invited. Due to the interest generated in this event, it was not possible for all interested parties to attend.

Following the signature of an Administrative Arrangement between the EPO and the CPVO on 11 February 2016, a number of actions have been agreed to foster exchange of know-how and best practise among experts of both organizations. The first of such actions has resulted in the organization of a workshop in Angers for CPVO crop experts, examiners of the Biotech division and legal experts from the Patent Law department of the EPO. As a follow-up of the said first workshop, a second workshop will be organized in Munich on 30 March 2017. Subject to the publication by the Commission of the explanatory note on some of the articles of the Biotech Directive, the CPVO and the EPO will organize a public conference which is expected to take place in 2017 in Brussels.

Indicators	2017 Target
% of satisfactory feedback from participants to the Seminar	>80%

through surveys	
Review of the current CPVO PVR jurisprudence database and the optimization of the search tools and structure	To be achieved before the end 2017

HR and Financial Resources: Enforcement and interface PVR/Patents

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total
0.1	-	-	18 364	18 364	0.1%

3.8. Budget

This activity includes all of the day to day work in forecasting, setting and executing the CPVO budget. It also includes the preparation of the preliminary draft budgets for review by the AC and the draft budget for approval.

As a fully self-financing organization, it is essential that the CPVO remains totally independent of any financial contribution from the EU budget for its ordinary functioning. Adjustments of fee levels, which provide the main source of income, have to be prudent in order to avoid structural deficits over extended periods of time. This prudence has resulted in a certain budget surplus that should not be allowed to grow much further.

Specific objectives: Budgetary out-turn balancing income and expenditure. Stable free reserve. Sufficient flexibility to avoid amendments to the budget and budget transfers requiring the approval of the Budget Authority. Prompt execution of budgetary transactions in compliance with the legal and regulatory framework.

Indicators	2017 Target
Budget outturn	Balanced outturn
Number of budget revisions	Two or less
Discharge given by the Budget Authority	AC Spring Meeting 2017
Free Reserve low	Under EUR 5 Million

HR and Financial Resources: Budget

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total
0.3	1%	-	55 091	55 091	0.3%

3.9. Accounting and Treasury Operations

This activity includes all of the operations required to maintain the accounting system, including preparation of the annual accounts, management of suppliers, VAT returns, forecasting of cash and the related treasury management.

The sector deals with the accounting client matters, in respect of the current regulations, in a timely manner with a high quality service to clients. The accounting sector also is heavily involved on IT projects concerning the paperless principles.

Specific objectives: Clients' satisfaction. 90% payments under 30 days. No comments from the Court of Auditors related to final accounts.

Indicators	2017 Target
90 % of payments within 30 days of receipt of invoices	90%
Number of remarks of the Court of Auditors for financial accounts	None
Number of comments received from clients	None / Minimum

HR and Financial Resources: Accounting

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total
2.7	6%	-	495 818	495 818	2.7%

3.10. Human Resources

Organisation of all the necessary steps foreseen in the procedures and rules for the selection and contracts with new agents or to hire interim staff to provide the different units and services with the requested human resources. Manage staff rights, salaries and processing of mission's reimbursements.

Preparation and submission of draft Decisions on implementing rules of the Staff Regulation, to the CPVO President and AC for possible adoption, and transmission to the DPO of the corresponding notifications.

Assistance to the CPVO Management and CPVO staff in the domain of HR.

Draw an annual training program based on development needs identified each year by staff in their Career development plan. Once this program is approved by the President, organise trainings accordingly within budget constraints.

Manage training catalogue(s).

Specific objectives: 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 program. 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.

Indicators	2017 Target
Number of remarks from the Court of Auditors about recruitment procedures	None
Implementing rules completed and approved	Drafting of a new set of IR for the new staff regulations

Implementation of the CPVO training programme	Implement the programme for 2017 as adopted by the President
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HR and Financial Resources: HR

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total
1.6	4%	-	293 818	293 818	1.6%

The CPVO considers that these are measurable targets relevant for the assessment of the performance of the HR service. The value for the first target is 0. For the second and third target it is not possible to quantify yet.

3.11. General Services

The General Services sector is responsible for the purchase, organisation and maintenance of the furniture, equipment and stationery needed for a comfortable and efficient work environment. They also take the necessary steps to maintain and/or repair the buildings and all related matters (security, telecom, energy...), and manage incoming and outgoing mail for the CPVO.

The CPVO must also comply with all of the rules of the European Data Protection Supervisor. The Data Protection Officer (DPO) of the CPVO ensures that notifications are made in line with requirements.

Specific objectives: Implement the various services and equipment allowing the staff to work in good conditions and in full security. Manage efficiently the purchase and delivery of goods and services. Maintain the buildings in a good state. Manage the contracts linked to all these activities.

Indicators	2017 Target
Number of remarks of the Court of Auditors for procurements and contracts	No remarks
Mail management	>95% processed on a daily basis
Meeting management	Positive feedback from "clients"
Building management	Re-organisation of Mirror Building

HR and Financial Resources: General Services

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total
7.1	16%	-	1 303 818	1 303 818	7.1%

3.12. Internal Control, Audit and Evaluation

Internal Control – Management responsibility

Internal Control is broadly defined as a process intended to provide reasonable assurance to the management on the achievement of the objectives. More concretely, internal control is all the measures management and staff take (for example the implementation of organisational structures, policies, procedures, controls, training, etc.) to ensure that:

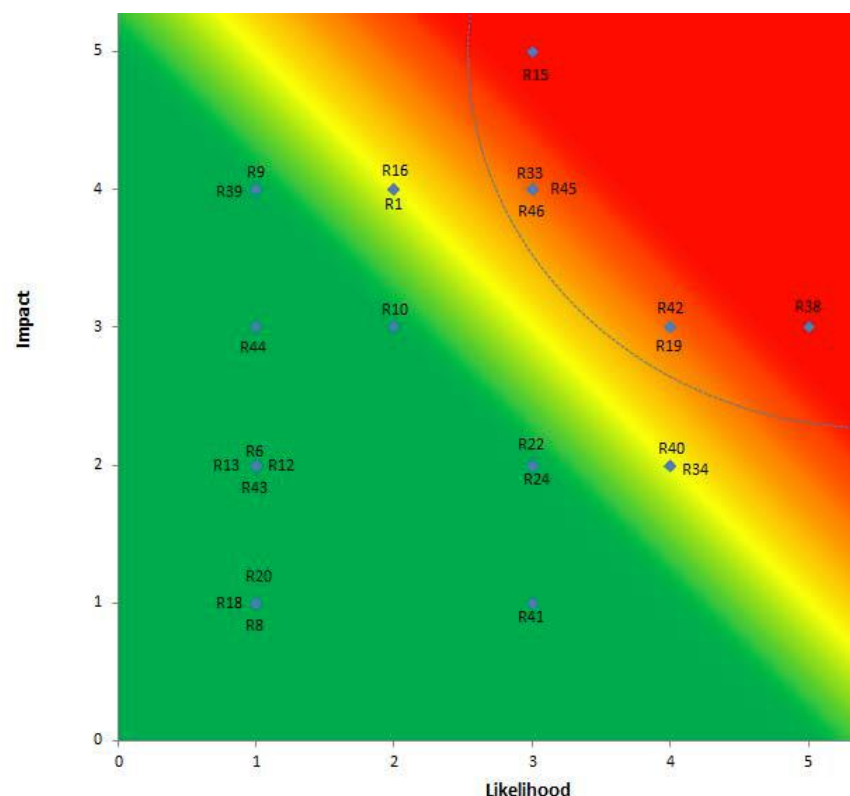
- operational activities are effective and efficient;
- legal and regulatory requirements are met;
- financial and other management reporting is reliable;
- assets and information are safeguarded.

It is the role of CPVO management to ensure this is correctly implemented.

During 2016, with facilitation by the Internal Auditor, the CPVO management carried out an updated risk assessment in order to identify key risks, decide on risk response and follow-up on the necessary actions to be taken.

The following 'heat map' shows the results of this update:

Risk heat map and CPVO significant risks (see Annex VIII)



Of the 25 risks identified in the 2015 risk assessment 7 risks were considered to still have a high residual level in 2016:

- R15 Serious malfunctioning of core-business IT Systems

- R19 Inadequate staff
- R33 Other legislation affecting PVR System
- R38 Internal organisation / Segregation of duties
- R42 Inadequate or insufficient project follow up
- R45 Negligible staff turnover resulting in demotivation and productivity loss
- R46 Staffing constraints and increasing requirements leading to operational problems

CPVO management have already begun to prepare responses to these risks.

Internal Audit

The CPVO has appointed the Internal Auditor of the EUIPO whose role is to assist 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.

The scope of work of Internal Audit is to determine whether the CPVO's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- risks are appropriately identified and managed;
- significant financial, managerial, and operating information is accurate, reliable, and timely;
- employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- resources are acquired economically, used efficiently, and adequately protected;
- programmes, plans, and objectives are achieved;
- quality and continuous improvement are fostered in the organisation's control process;
- significant legislative or regulatory issues impacting the organisation are recognised and addressed appropriately.

The Internal Auditor carried out a separate risk assessment in order to plan its program for 2016. On the basis of this risk assessment, and in particular, taking into account the risks identified by the Management of the CPVO, the Internal Auditor launched audits in the area of IT and HR in 2016. These reports and their follow-up should be finalised in 2017.

Evaluations

The Business Process Review will continue with the collaboration of external consultants. For 2017, significant work is foreseen in following and implementing the recommendations stemming from this review.

Actions for the implementation of the CPVO Anti-Fraud Strategy and to raise fraud awareness among the Staff will be regularly organised.

The recommendations included in the 2010 Evaluation exercise were all answered, except two: the independence of the accountant and the review of indicators. The latter is a still ongoing project. The need for review of the key indicators was also pointed by the Internal Auditor. The new Strategic Plan will fulfil these requirements.

The CPVO monitors the implementation of all recommendations from audits, evaluations and studies through an internal database. Every new recommendation, from internal and external audits, evaluations and all kind of internal assessments are registered and followed through action plans and deadlines.

Specific objectives: Ensure that the Internal Audit is operated as an independent and objective consultancy activity and improve the effectiveness of risk management, control and governance processes. Ensure that the audit recommendations are taken into account and that the relevant action plans are designed and followed. Organise regular evaluations of the activities resulting in relevant and useful information. Implement, maintain and report on an effective and reliable internal control system.

Indicators	2017 Target
Annual Internal Audit programme fulfilled	On the basis of the Risk Assessment,
	Business Process Review performed at least for one process (Procurement) with useful recommendations, and possibly one or two other processes.
No pending action plans for the internal auditor's recommendations made in the previous years	Action Plans implemented within 6 months after Annual IA Report

HR and Financial Resources: Internal Control

HR (fte)	% of total	Operational budget	Staff and Overhead	Total	% of total
1.0	2%	250 000	183 636	433 636	2.4%

Annexes

Annex I: Overall resource allocation per activity

Activity	HR (fte)	% of total	Operational budget	Staff and overhead	Total	% of total
Managing the system: Processing applications	18.3	41%	9,216,000	3,385,500	12,601,500	66.9%
QAS	1.0	2%	30,000	185,000	215,000	1.1%
Development of the system	2.5	6%	-	462,500	462,500	2.5%
R&D Projects	0.5	1%	500,000	92,500	592,500	3.1%
Information Technology	6.4	14%	650,000	1,184,000	1,834,000	9.7%
External Relations	3.5	8%	-	647,500	647,500	3.4%
Enforcement and interface PVR/Patents	0.1	0%	-	18,500	18,500	0.1%
Total Core Activities	32.3	72%	10,396,000	5,975,500	16,371,500	86.9%
Budget	0.3	0.67%	-	55,500	55,500	0.3%
Accounts	2.7	6.00%	-	499,500	499,500	2.7%
Total Neutral Activities	3.0	7%	-	555,000	555,000	2.9%
HR	1.6	4%	-	296,000	296,000	1.6%
General Services	7.1	16%	-	1,313,500	1,313,500	7.0%
Internal Control, Audit, other	1.0	2%	120,000	185,000	305,000	1.6%
Total Horizontal support	9.7	22%	120,000	1,794,500	1,914,500	10.2%
Grand total	45.0	100%	10,516,000	8,325,000	18,841,000	100.0%

The table above provides a detailed allocation of financial and human resources to each activity defined in the work program. The total staff is based on the establishment plan figures for 2017 and the allocation of staff to activities is based on the regular benchmarking carried out in the CPVO in line with the financial regulations. The CPVO used the guidelines on job screening for the agencies to allocate the activities to the different categories. The detailed structure created through the analysis of processes for the business process review was used to collect very detailed data for each staff member. These data were compiled and applied to the 2017 budget approved by the AC in October 2016.

The budget amounts relate to the commitments proposed for 2017 and are either directly attributed to the work program activity where it is clearly applicable, or are added pro-rata the number of staff involved in the case of staff costs and other overhead.

The percentage of staff expected to be allocated to support activities in 2017 is 29%, an improvement on previous years, thanks to increased streamlining of administrative tasks.

Annex II: Financial Resources

Table 1: Expenditure

Expenditure	2016		2017	
	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations
Title 1	6 586 000	6 586 000	7 050 000	7 050 000
Title 2	2 213 000	2 213 000	1 725 000	1 725 000
Title 3	9 216 000	7 350 000	10 066 000	7 466 000
Total expenditure	18 015 000	16 149 000	18 841 000	16 241 000



EXPENDITURE	Commitment appropriations						
	Executed Budget 2015	Budget 2016	Draft Budget 2017		VAR 2016 / 2017	Envisaged in 2018	Envisaged 2019
			Agency request	Budget Forecast			
Title 1: Staff Expenditure	6 154 322	6 430 000	6 700 000	6 700 000	4.2%	6 950 000	7 185 000
11 Salaries & allowances (est. plan)	5 723 858	5 980 000	6 250 000	6 250 000	4.5%	6 475 000	6 700 000
12 Expenditure relating to Staff training	98 904	100 000	100 000	100 000	0%	110 000	110 000
13 Mission expenses	239 999	240 000	240 000	240 000	0%	250 000	260 000
14 Interim staff	76 481	80 000	80 000	80 000	0%	80 000	80 000
15 Assistance	12 048	20 000	20 000	20 000	0%	25 000	25 000
17 Representation	3 031	10 000	10 000	10 000	0%	10 000	10 000
Title 2: Administration	1 398 219	1 880 000	2 110 000	2 110 000	12.2%	1 740 000	1 760 000
20 Buildings and associated costs¹¹	201 824	300 000	600 000	600 000	100%	280 000	300 000
21 Information and communication technology	539 293	850 000	700 000	700 000	-17.6%	700 000	700 000

¹¹ Including possible repayment of interest; detailed information as regards building policy provided in Table in Annex III



22 Movable property and associated costs	54 869	70 000	70 000	70 000	0%	70 000	70 000
23 Current administrative expenditure	37 811	70 000	70 000	70 000	0%	70 000	70 000
24 Postage / Telecommunications	76 500	90 000	100 000	100 000	11.1%	100 000	100 000
25 Meeting expenses	388 790	250 000	320 000	320 000	28%	320 000	320 000
26 Audit and evaluation	99 132	250 000	250 000	250 000	0%	200 000	200 000
Title 3 Operational expenditure	7 510 034	8 790 000	9 642 000	9 642 000	9.7%	10 082 000	10 544 000
30 Technical examination and verifications	6 925 481	7 890 000	8 800 000	8 800 000	11.5%	9 240 000	9 702 000
32 Take-over of reports	321 840	350 000	442 000	442 000	26.3%	442 000	442 000
34 Publications linked to operational activities	142 745	150 000	150 000	150 000	0%	150 000	150 000
35 Studies	19 784	300 000	150 000	150 000	-50%	150 000	150 000
36 Special Advisors	94 957	100 000	100 000	100 000	0%	100 000	100 000
37 Multi Beneficiary Fund	5 227	p.m.	p.m.	p.m.	0%	0	0
TOTAL EXPENDITURE	15 062 575	17 100 000	18 452 000	18 452 000	7.9%	18 772 000	19 489 000

Table 2 – Revenue

REVENUES	2016	2017
	Revenues estimated by the agency	Budget Forecast
EU contribution		
Additional EU funding: ad hoc grants and Delegation agreements		
Other Revenue	15 450 000	15 852 000
TOTAL REVENUES	15 450 000	15 852 000

REVENUES	Revenues						
	Executed Budget 2015	Budget 2016	Draft Budget 2017		VAR 2017/2016 (%)	Envisaged 2018	Envisaged 2019
			Agency request	Budget forecast			
1 REVENUE FROM FEES AND CHARGES (including balancing reserve from previous years surplus)	12 663 224	14 114 000	15 597 709	15 597 709	+10.5%	16 100 000	16 455 000
2 EU CONTRIBUTION							
- Of which assigned revenues deriving from previous year's surpluses							
3 THIRD COUNTRIES CONTRIBUTION (incl. EEA/EFTA and candidate countries)							



- Of which EEA/EFTA (excl. Switzerland)							
- Of which candidate countries							
4 OTHER CONTRIBUTIONS							
- Of which additional EU funding stemming from ad hoc grants (FFR Art.7)							
- Of which additional EU funding stemming from delegation agreements (FFR Art.8)		-	-	-			
5 ADMINISTRATIVE OPERATIONS	176 231	362 000	262 000	262 000	-27%	262 000	262 000
- Of which interest generated by funds paid by the Commission by way of the EU contribution (FFR Art. 58)							
6 REVENUES FROM SERVICES RENDERED AGAINST PAYMENT							
7 CORRECTION OF BUDGETARY IMBALANCES	1 140 336	974 000	-7 709	-7 709		250 000	400 000
TOTAL	13 979 791	15 450 000	15 852 000	15 852 000	2.34%	16 612 000	17 117 000

Budget outturn and cancellation of appropriations

Calculation budget outturn – not applicable for the CPVO which is self-financed.

Budget outturn	N-4*	N-3*	N-2*
Revenue actually received (+)			
Payments made (-)			
Carry-over of appropriations (-)			
Cancellation of appropriations carried over (+)			
Adjustment for carry over of assigned revenue appropriations from previous year (+)			
Exchange rate differences (+/-)			
Adjustment for negative balance from previous year (-)			
Total			

Annex III: Human Resources - Quantitative

C a t e g o r y a n d g r a d e	Establishment plan in EU Budget 2015		Modifications in 2015 in application of flexibility rule ¹²		Establishment plan in voted EU Budget 2016		Modifications envisaged in establishment plan 2016 in application of flexibility rule ¹³		Establishment plan in Draft EU Budget 2017*		Establishment plan 2018*		Establishment plan 2019*	
	o f f i c i a l s		o f f i c i a l s		o f f i c i a l s	T A	o f f i c i a l s	T A	o f f i c i a l s	T A	o f f i c i a l s	T A	o f f i c i a l s	T A
A D 1														

¹² In line with Article 32 (1) of the framework Financial Regulation, the management board may modify, under certain conditions, the establishment plan by in principle up to 10% of posts authorised, unless the financial rules of the body concerned allows for a different % rate.

¹³ *Ibid.*

* With possible promotions/reclassifications included. **These are only estimations since promotions/reclassifications are based on merit and this is not known in advance. The potential promotions have been included in the table, in order to avoid budgetary restrictions on promotions/reclassification where these are merited.**

6														
A D 1 5												1		1
A D 1 4	1				1	1			1	1	1		1	
A D 1 3														
A D 1 2	1				1	1			1	1	1	1	1	1
A D 1 1						1				1		1		1
A D 1 0					1	1			3	1	3	1	3	1
A D 9	2				1	1			1	1	1	1	1	1
A D						2				2		2		3

8														
A D 7						1				1		1		
A D 6														
A D 5						1								
T o t a l A D	4				4	9			6	8	6	8	6	8
A S T 1 1														
A S T 1 0	1				3	3			1	3	1	3	1	3
A S T 9	2					3				3		3		3

A S T 8	1				1	1			1	1	1	2		2
A S T 7	1				1	1			1	1	1		1	3
A S T 6	1				1	8			1	8		8	1	8
A S T 5						6				7		7		4
A S T 4						2				1		1		1
A S T 3						1				1		2		2
A S T 2						1				1				
A S T														

1														
T o t a l A S T	6				6	2 6			4	2 6	3	2 6	3	2 6
A S T/ S C 6														
A S T/ S C 5														
A S T/ S C 4														
A S T/ S C 3														

A S T/ S C 2														
A S T/ S C 1														
T o t a l A S T/ S C														
T O T A L	1 0				10	3 5			10	3 4	9	3 4	9	3 4

Annex IV: Human resources – Qualitative

Recruitment policy

Two staff members applied to the 2016 certification procedure and both were selected. They will undergo the adequate training in 2016. If successful they will be certified in 2016, and will be appointed to AD 9 posts.

Of the 46 posts in the Establishment Plan for the year 2015, 13 posts are in category AD and 33 in the AST category. There are a total of 10 permanent posts and 36 temporary posts.

The 10 permanent posts in the current Establishment Plan are covering staff working with both technical and administrative tasks. The reason for having permanent staff is to have a “steady structure” and to assure a minimum stability in times when restrictions might be made and the activities of the CPVO might decrease. One of these posts was in 2015 occupied by an official coming from the Commission and for the others, internal competitions were organised in 2000 and 2001.

On 31 December 2015, 45 posts in the Establishment Plan were occupied. As a result of staff members working part-time (80% or 90%), the full time equivalents for the filled posts were 43.92 posts.

Due to its mission and its small size, the CPVO requires qualified staff within all units and services. In many cases, there are only one or two staff members to cover each specific activity. Specialist skills and specific competences are needed in agriculture, vegetables, ornamentals and fruits for the technical experts, as well as in legal matters for the legal staff, IT and Accounting.

Temporary agents are employed on posts which are created for long term activities. These posts are of both technical and administrative nature. This does not exclude the possibility that in specific cases temporary agents are employed for a limited period. This approach will not change with the new Staff Regulations, which entered into force on 1 January 2014.

No contract agents are currently employed within the CPVO. Nevertheless, management does not exclude the employment of contract agents in the future.

The CPVO follows the rules laid down in the Staff Regulations and the CEOS (Article 31 of the SR, Article 12(5) of the CEOS and the CPVO implementing rules) concerning entry grades. There is a possibility to recruit on grades SC 1 to SC 2, AST 1 to AST 4 and on grades AD 5 to AD 8, depending on the post in question and the needs of the CPVO. It is not always possible, nor suitable, to recruit staff at the lowest grades, depending on the post to be fulfilled and the needs of the CPVO, in order to comply with Article 31 of the SR, which states: “the grade of the competition notice shall be determined by the institution in accordance with the following criteria:

- the objective of recruiting officials of the highest standard as defined in Article 27;
- the quality of the professional experience required”.

Officials

Officials from other Institutions/Agencies recruited to permanent posts are transferred in accordance with the procedure currently in force in the Commission. Internal competitions were organised in 2000 and 2001 but it is not envisaged to organise such competitions again.

All tasks of a permanent nature, both in the AD and the AST function groups, will be carried out by the core staff, i.e. officials/temporary agents.

Key functions occupied by officials are:

Head of Unit	(entry grade AD9)
Officers	(entry grade AD6)
Assistants	(entry grade AST4)
Internal auditor	(entry grade AST4)
Secretaries	(entry grade AST/SC2)

Temporary agents on long term employment

The recruitment policies for temporary agents are laid down in the new implementing rules on the engagement and use of temporary agents 2(f), adopted by the CPVO on 9 December 2015. In accordance with this new decision, a selection committee is created for each selection procedure; the vacancy notice is published in all official EU languages on the web site of the CPVO and on the web site of EPSO. It is also sent to the other EU institutions. Before organising an external selection procedure, the CPVO shall explore the possibilities of selecting candidates on existing reserve lists, to organise internal selection procedures, or to organise an interagency selection procedure. If an external selection procedure is deemed necessary, the CPVO shall apply EPSO standards in the selection procedure. In the cases when permanent posts are vacant and no officials are found for these posts, temporary agents may occupy such posts for a limited period of time (maximum six years). The contracts of these temporary agents fall under article 2b of the Staff Regulations.

Temporary agents, will be recruited at the levels indicated below in order to permit a long term career development.

SC 1 to SC 2

AST 1 to AST 4 for the AST category

AD 5 to AD 8 for the AD category.

The CPVO considers that recruitment in AST 4 is justified in line with what is stated above: "It is not always possible, nor suitable, to recruit staff at the lowest grades, depending on the post to be filled and the needs of the CPVO".

Temporary agents at the level of Head of Unit will be recruited at the level of AD 9-11.

Recruitment at grades AD 9-11, and in exceptional cases, at grade 12, shall remain within the limits of 20% of recruitments per year (averaged over five years) for long-term employment within the CPVO.

When the CPVO recruits temporary agents it has as a rule to create long term employment. In exceptional cases short term employment can be foreseen. All temporary agent posts (with the exception of the President and the Vice President) are identified as posts of long duration.

Temporary agents are in general offered a contract of four years, renewable for another time limited period not exceeding four years. Renewals for a second prolongation will be for indefinite period. All renewals of contract are subject to an assessment of the needs of the post in the Unit or Service concerned, a thorough examination of the performance of the staff member, and depend on available budgetary provisions.

The posts of the President and Vice President, and their recruitment, are governed by specific rules laid down in the Basic Regulation and should therefore not be included in this plan. The recruitment grade for a President is AD 14 and AD 12 for a Vice President.

Key functions occupied by temporary agents are:

Function	Grade
President	(entry grade AD14)
Vice President (currently also Head of Human Resources)	(entry grade AD12)
Head of Unit	(entry grade AD9)
Senior officers	(entry grade AD7)
Junior officers	(entry grade AD5)
Webmaster-Editor	(entry grade AST4)
Accounting officer	(entry grade AST4)
Secretaries	(entry grades AST/SC2)
Data protection officer	entry grade AD5)

The CPVO has made the choice to attach the HR service to the Presidency, and more particularly to the Vice-President, since HR issues are very much management related. This choice is made taking into consideration the small size of the CPVO and the necessity to use our resources efficiently.

Temporary agents on short/medium term employment

The posts of President and Vice President are considered as short-term temporary agent contracts, with contracts of 5 years which are renewable in accordance with the basic regulation.

Contract agents on long term employment

The CPVO does not employ any contract agents currently. When a new model decision for agencies has been adopted by the Commission, the CPVO will adopt it as well. There might be needs for 2017-2019 but they have not been identified yet.

Contract agents on short/medium term employment

Same answer as above.

Seconded national experts

The CPVO rarely makes use of seconded national experts. When it does, it is for high level technical expertise for either replacements or specific projects. There is currently one SNE working for the CPVO for the period October 2015 to September 2016. The need to use a SNE came up quickly and therefore it was not ventilated beforehand. However, the recruitment of the SNE was accepted by the CPVO Administrative Council in March 2015 and therefore there were no financial constraints. There might be other needs for seconded national experts during the period 2017-2019, but they have not been identified at this stage. Experience has shown that apart from the specialized work that SNEs carry out during the period they stay in the CPVO, they are extremely important to enhance the relations between the CPVO and the network of CPVO Examination Offices.

Structural service providers

The CPVO makes use of one structural service provider at 50%, as defined by the Commission.

Appraisal of performance and promotion/reclassification

The CPVO has adopted implementing rules on the appraisal procedure, both for long-term staff members and for the President and Vice-President in line with the new Staff Regulations, which entered into force on 1 January 2014. In this procedure the exercise starts in the beginning of the year following the evaluated year in question. The performance of staff is evaluated and work objectives and training needs identified. The only distinction made between long-term and short-term employments in the appraisal procedure is the application of the different decisions mentioned above. All staff is evaluated annually in accordance with the rules. No distinction is made between different job profiles.

The CPVO has also adopted implementing rules on the promotion and reclassification procedure, in line with the new Staff Regulations, which entered into force on 1 January 2014. Since all temporary agents' posts are created for long term duration, they are all subject to the reclassification rules (with the exception of the President and Vice President). On average, the CPVO applies the promotion rates foreseen in the Staff Regulations; however, as can be expected for an agency with a small staff population, there can be significant differences in promotion rates from year-to-year. In 2015 a total of 9 staff members were awarded a promotion or reclassification to the next grade in their career with retroactive effect from 1 January 2015. This represents 20% of the staff in total. 5 of those (5 AST) were in the segment in which the average rate laid down in **Annex I B** of the new Staff Regulations is 25%. 2 of those (2 AST) were in the segment in which the average rate laid down in **Annex 1 B** of the new Staff Regulation is 33%. 2 of those (2 AD) were in the segment in which the average rate laid down in **Annex 1 B** of the new Staff Regulation is 36% and the other 25%. It should be noted that certain staff members eligible for promotion were not promoted although they had been employed in a grade for a period equalling the average of that grade.

Category and grade	Staff in activity at 31.12.2014		How many staff members were promoted/reclassified in 2015		Average number of years in grade of reclassified/promoted staff members
	officials	TA	officials	TA	
AD 16					
AD 15					
AD 14		1			
AD 13	1				
AD 12		1			
AD 11	1			1	4 years
AD 10		1			
AD 9	2	1			
AD 8		1			
AD 7		2		1	2,7 years
AD 6		1			

AD 5					
Total AD	4	7		2	
AST 11					
AST 10		1			
AST 9	3	3		2	3 + 4 years
AST 8		3			
AST 7	1	1			
AST 6	1	1		3	4 + 4 + 9,8 years
AST 5	1	8		1	3 years
AST 4		6		1	3 years
AST 3		2			
AST 2		1			
AST 1		1			
Total AST	6	27		7	
Total	10	34		9	

Mobility (internal mobility, between the agencies and between the agencies and the institutions)

Mobility within the agency.

The staff of the CPVO is informed about vacant posts before they are published externally. Where appropriate, staff is reassigned to the vacant posts. Certain posts are published internally before being published externally. Due to the small size of the CPVO and the very specialised tasks of most posts, internal mobility is very limited.

Mobility among agencies (Inter-agency Job Market).

The CPVO is taking part in the interagency job market in accordance with the agreement between agencies signed in this respect. The CPVO has already adopted (with the Commission's approval of 3 April 2006) the implementing provisions concerning the criteria applicable to classification in grade and step on appointment or engagement. The CPVO wants to offer possibilities of mobility to temporary staff in agencies by assuring a continuation of careers and grades. No agents have so far left the CPVO or been recruited through the Interagency Job Market.

Mobility between the agencies and the institutions.

The 10 permanent posts in the Establishment Plan are occupied by officials who have either succeeded in an internal competition or have been transferred from other institutions or agencies. One staff member, who succeeded in an internal competition in 2000, was transferred to the Commission in 2002. Two other officials were transferred from the Commission to the CPVO in 2002 and 2008. This proves that mobility for officials between the CPVO and the Commission works both ways although the number of transfers are very low.

Gender balance



Contract (Status: 31/12/2015)	Type	Men	Women	Total
Officials		5	5	10
Temporary Agents		13	22	35
Contract Agents		0	0	0
Interim Staff		0	0	0
National Experts		0	0	0
Visiting Experts		0	0	0
Total		18	27	45
Trainees		0	3	3
Grand Total		18	30	48

Status 31/12/2015	Category AD		Category AST		TA/ CA –All grades	
	men	women	men	women	men	women
Ratio Officials	0,31 (31%)	0	0,03 (3%)	0,16 (16%)		
Ratio TA	0,38 (38%)	0,31 (31%)	0,25 (25%)	0,56 (56%)	0,37 (37%)	0,63 (63%)
Ratio CA	0	0	0	0	0	0
Total	0,69 (69%)	0,31 (31%)	0,28 (28%)	0,72 (72%)	0,37 (37%)	0,63 (63%)

Geographical balance

Status 31.12.2015	AT			Contract Agents	National experts	Interims	Trainees	Visiting Experts	Total
	AD	AST	Total						
AT									0
BE	0	4	4						4
BG									0
CZ									0
DE	2	2	4		1				5
DK									0
EE									0
ES	0	1	1						1
FI									0
FR	2	20	22						21
GB	0	1	1						1
GR	0	1	1				1		2

HU									0
IE	2	1	3						3
IT	1	1	2						2
LT									0
LV									0
MT									0
NL									0
NO									0
PL	1	0	1				1		2
PT	1	2	3						3
RO	0	1	1						1
SE	1	1	2						2
SI									0
SK									0
Other			0						0
Total	10	34	44	0	1	0	2	0	47

Schooling

There are neither European nor international schools available in Angers and the number of expatriates is probably too limited for creating European sections in existing schools. The CPVO tries, however, to facilitate the integration of children of non-francophone origin into local schools by supporting French language training if required. An extension to further languages might be considered in order to facilitate inter-institutional or interagency mobility. Mother tongue are also be reimbursed by the CPVO. A new English bilingual school (nursery and primary) has been established in Angers since September 2014. The CPVO has concluded an agreement with that school in order to directly finance the tuition for staff members' children, attending the school. Currently three CPVO staff members' children are enrolled in that school.

Annex V: Buildings

	<i>Name, location and type of building</i>	<i>Other Comment</i>
	3 Boulevard Foch, Angers	Presidency, Legal, Logistics
Surface area (in square meters)	590	Non-Office space includes main meeting room, canteen, servers rooms.
Of which office space	204 386	



Of which non-office space		
Annual rent (in EUR)	<i>None – Owned</i>	
Type and duration of rental contract	<i>N/A</i>	
Host country grant or support	<i>7 855 000 FFR (EUR 1.2 Mio)</i>	
Present value of the building		

	<i>Name, location and type of building</i>	<i>Other Comment</i>
	<i>3 bis Bvd Foch, Angers</i>	<i>Administration Unit, IT</i>
Surface area (in square meters)	<i>279</i>	
Of which office space	<i>177</i>	
Of which non-office space	<i>102</i>	
Annual rent (in EUR)	<i>None – Owned</i>	
Type and duration of rental contract	<i>N/A</i>	
Host country grant or support	<i>None</i>	
Present value of the building		

	<i>Name, location and type of building</i>	<i>Other Comment</i>
	<i>9 Bvd Foch, Angers</i>	<i>Technical Unit, Denominations</i>
Surface area (in square metres)	<i>596</i>	
Of which office space	<i>371</i>	
Of which non-office space	<i>225</i>	
Annual rent (in EUR)	<i>None – Owned</i>	
Type and duration of rental contract	<i>N/A</i>	
Host country grant or support	<i>None</i>	
Present value of the building		

There are currently no plans to purchase new buildings. Refurbishment of 3 bis Boulevard Foch should take place in 2017.

Annex VI: Privileges and immunities

The Basic Regulation of the CPVO refers to the Protocol on Privileges and Immunities of the European Communities. The CPVO does not have a Seat Agreement with the French Government. The CPVO has made numerous attempts to secure a Seat Agreement with the French Government. Unfortunately, such efforts have not resulted in any meaningful interaction or engagement from the French Government. The CPVO will continue to seek such an agreement.

Agency privileges	Privileges granted to staff	
	Protocol of privileges and immunities / diplomatic status	Education / day care

Annex VII: Evaluations

An ex-post evaluation on the external communication policy and activities of the CPVO will take place in the last quarter of 2016. The evaluation report will be available in 2017 and presented to the CPVO AC during its 2017 Autumn meeting, together with an action plan.

This action plan will be implemented in 2017 and probably during the following years, according to the time schedule foreseen and the types of activities concerned.

Annex VIII: Risks

The CPVO performs regular risk assessments (at least every three years) since 2003 in the frame of its internal audit programme. The risks are rated on the basis of their likelihood and impact on the CPVO activities.

The list below includes risks identified following a brainstorming exercise in January 2016. The list is not final and still needs to be further analysed. One important aim is to separate the items where the risks still need to be further mitigated from the items where we can accept the level of risks as efficiently mitigated.

List of CPVO risks updated in 2016

R1	Enforcement of PVR	There is a risk of abuse of the PVR system (Illegal reproduction - possible infringements from illegal breeders or counterfeiters, importing varieties that can't be tested easily, saved seeds - farmers stop paying royalties to breeders, further decrease of the minimum distance between distinct varieties), which could result in a decrease of the attractiveness and effectiveness of the PVR system. This could be mainly due to insufficient enforcement and awareness of breeders.
R6	CPVO Governance	There is a risk that the Administrative Council does not get involved sufficiently in CPVO matters, leading to a lack of governance and control. This could be due to the composition of the AC.
R8	Health and Safety	The Office must endeavour to maintain the health of workers and prevent occupational risks in compliance with the relevant legal framework by assessing how its operations impact on people, effectively mitigating any identified risk and ensuring that a culture of Health and Safety is embedded across the organisation. Failing to do so could potentially pose a risk to the Health and Safety of persons working at CPVO premises.
R9	Insufficient Business Continuity Management	BCM is the strategic and tactical capability of an organization to plan for, and respond to, incidents and business disruptions in order to continue business operations at an acceptable pre-defined level. A Business Continuity Plan aims to reduce confusion during a disaster by anticipating critical impacts and by providing directions to support an effective recovery and the return to normal operations. Lack thereof bears the risk of not being able to provide an organizational, functional and operational framework to guarantee and ensure the continuity of CPVO's critical business functions.

R10	Monitoring and Controlling	Management requires feedback in order to effectively and efficiently control progress and to prevent and correct deviation and anomalies in production flows. Indicators provide data which, after analysis, is used to support decision making. Lack of monitoring and controlling tools could lead to wrong management decision as work force problems or detecting deviations of expenses and revenue might not be detected.
R12	Liability Claims	Failure to comply with EU regulations or insufficient knowledge of jurisprudence, wrong decisions taken in the handling of applications could lead to holding CPVO liable for claims, contractual claims and/or third party liability claims, in particular from examination offices.
R13	Delays in application treatment and registration process	Due to different reasons: process inefficiency / Illness of staff / Issues with building / External issue that has an important effect on staff morale / strike the maintenance of the register and applications treatment could be impacted, leading to delays in register update and create backlogs. Consequently the Office might not comply with regulatory timings, which could damage the Office's reputation and impact the PVR system.
R15	Serious malfunctioning of core-business IT Systems	Downtime of back-office systems could create backlogs or a system error could potentially impact many users (e.g.: a wrong system validation affecting all IP rights) which might impact: <ul style="list-style-type: none"> - recovery resources - KPIs - deadlines, leading to not achieving the SLAs and have legal consequences, as well as damage the Office's reputation.
R16	Cyber-attacks to access confidential information	As the Office provides more services, manages more confidential information, this increases the possibility of suffering "cyber-attacks" trying to gain access to this confidential information. These attacks are aimed at attacking both systems and people, taking advantage of technical vulnerabilities or trying to gain access to key personnel's credentials, emails, information and so on.
R18	Accounting errors due to complex processes	Potential errors (human or system) in the process, due to the significant amount of tasks requiring knowledge of complex scenarios and the IT systems involved could impact the completeness and accuracy of finance data and reporting, leading to financial loss and/or wrong management decisions.
R19	Inadequate Staff	The risk of inefficiency impacting productivity exists in all processes because of the limitations to recruit new staff, dismiss inadequate staff on short term and the lack of training.
R20	Miscalculation of salaries	There is a risk of introducing errors in the calculation of payments (PMO or CPVO) that could impact staff satisfaction and lead to demotivation impacting productivity. This might be due to insufficient controls.
R22	Dependency on outsourced services	There is a dependency on outsourced services for carrying out several activities of the Office. The inherent risks of this situation relates to: <ul style="list-style-type: none"> - Knowledge management and retention of Office core business (losing know-how) - If provider fails to provide the service the Office has limited capacity to take over these activities (in particular IT services) - External staff recruitment process (limited Office knowledge/control on external staff) - Management of confidential information (leakages of confidential information) - Conflict of interest / additional consulting work that might not be a priority

R24	Vulnerable Strategy	The Office has little possibility to develop beyond its current scope and therefore lacks the ability to offer new paying products/services for its clients, limiting its market position. This is due to the Office's legal basis (EC2100/94) which provides a narrow scope. Potentially impacted by EPO interference.
R33	Other legislations affecting PVR System	There is a risk that other legislations (CBD, Nagoya protocol) impact the European plant breeding industry and the PVR System, in the worst case leading to a loss in business for the CPVO.
R34	Loss of know-how due to retirement of key personnel	There is a risk of loss of expertise that could impact the CPVO's productivity, effectiveness and efficiency, because knowledgeable staff will retire in the coming years (within 10 years) and replacement is impacted by the 5% staff reduction.
R38	internal organization / Segregation of duties	Separation of duties to complete certain task may lead to inefficiencies in processes and loss of legal certainty in taking decisions. This is mainly due to an internal work distribution which goes beyond the necessary segregation of duties and too many persons intervening in the execution of such tasks.
R39	Quality of CPVO services to clients (examinations)	The risk of a decrease in quality standards of examinations could lead to a loss in quality (deficient DUS testing) of the CPVO's service and consequently to a decrease in its attractiveness, causing financial loss. This could either be due to the reason that Examination Offices (EOs) are paid based on actual costs, but some of them make a loss, which is being taken for political reasons, or other factors impacting the quality standards applied in the Eos.
R40	Competition / Coordination with EPO	In case the EPO granted patents for plants there would be an interference with the PVR system that would allow breeders to resort to the EPO or may be other protection systems which would weaken the PVR system and lead to a financial loss for the Office. This could be due to uncertainty about the subject matter protected by each system or uninformed stakeholders.
R41	Stakeholder interactions / communication	The Office may not detect client needs for additional services or needs resulting from client's projects and therefore miss out on development chances. This may be due to insufficient or uncoordinated communication/interaction with its stakeholders, or the fact that no internal department has the task and responsibility to carry out market intelligence/research.
R42	Inadequate or insufficient project follow up	The Office carries out a number of projects which are essential for its functioning. The risk of not obtaining the pursued benefits, overspending, delays and/or results of poor quality or staff not being committed to accept the new IT tools or the use of it exists because of lack of project follow up or due to the amount of tools being implemented. This is partly due to not following a project management methodology, lack of change management, improper organisation of training and inadequate reporting.
R43	Erroneous publication	There is a risk of publication of erroneous data like application and protections dates and/or publication of confidential information that could impact the image of the Office and lead to financial losses for CPVO. This might be due to an increasing dependency on the IT environment.

R44	Potential fraudulent behaviour	Potential fraudulent behaviour – there is a risk of misappropriations of CPVO assets, embezzlement, collusion with vendors, corruption, bribery and kickbacks, as well as of confidential information being disclosed on purpose. Engagement (long term relationship) with users could lead to situations of favouritism. Such actions could result in financial loss and reputational damages for the Office. Reasons could be conflict of interest situations due to previous working ties, personal ties or financial interests, among others.
R45	Negligible staff turnover resulting in demotivation and productivity loss	The low staff turnover and internal mobility, the lack of career opportunities and the limited possibility to incentivise staff may lead to stagnation of the organisation culture, staff demotivation, loss of opportunity to incorporate new skill sets, ideas and proposals. This could also lead to loss of productivity and introduction of errors, delays and backlogs that could impact the Office's operation and administration.
R46	Staffing constraints and increasing requirements leading to operational problems	The imposed staff reduction (5% annual), the increasing amount of rigid and purely administrative requirements and the increase of working hours may affect the overall productivity of the Office: backlogs and delays in operations, rise of stress and absenteeism, increase of errors and decline of overall quality of services provided. This could have an impact on staff health (burn out, depression, heart diseases, etc.), operational efficiency, compliance with expected service levels and client dissatisfaction.

Annex IX: Procurement plan for coming years

The CPVO has a relatively limited number of open procedures for procurement. The following outlines the key procurements over the coming years:

2016	Insurance	Negotiated	
	Security	Call for expression of interest	
	Telephony	Negotiated	
	Photocopiers	Negotiated	
	Garden Maintenance	Call for expression of interest	
	Database Maintenance	Negotiated	
2017	Banking Services	Negotiated	
	Mobile telephony	Negotiated	
	IT Developments	Call for expression of interest	
	IT Infrastructure (PC's)	Negotiated	
2018	Legal Services	Call for expression of interest	
	Cleaning of premises	Call for expression of interest	
	IT Infrastructure support	Call for expression of interest	
	Server Purchase	Negotiated	

The CPVO has already begun to explore possible synergies in procurement with the EUIPO. Joint procurement has also been launched with ERA (Valenciennes).

Annex X: Organisation chart

