

Consultative Committee**CC/97/2****Ninety-Seventh Session
Geneva, October 29, 2020****Original:** English
Date: October 14, 2020

FINANCING OF LONG-TERM EMPLOYEE BENEFITS*Document prepared by the Office of the Union**Disclaimer: this document does not represent UPOV policies or guidance*

1. The purpose of this document is to report on developments with regard to financing of long-term employee benefits.

BACKGROUND

2. The detailed background with regard to financing of long-term employee benefits is provided in documents CC/87/8, CC/89/3, CC/91/3, CC/92/2, CC/94/4, CC/95/3 and CC/96/2 entitled "Financing of long-term employee benefits".

3. The Consultative Committee, at its ninety-sixth session, held in Geneva on October 31, 2019 and on the morning of November 1, 2019, noted the developments with regard to financing of long-term employee benefits reported in document CC/96/2 (see document CC/96/14 "Report", paragraphs 45 to 49, relevant paragraphs are reproduced below).

"45. The Consultative Committee noted the developments with regard to financing of long term employee benefits reported by Ms. Janice Cook Robbins, Director, Finance Division, Department of Program Planning and Finance, in document CC/96/2.

"46. In reply to the question by the Delegation of the European Union on whether UPOV had implemented any of the recommendations, Ms. Cook Robbins clarified that the work of the working group was now being considered by various United Nations agencies and within the Finance and Budget Network, a committee which operates across the United Nations' system.

"47. The Consultative Committee noted Recommendation 3 of the External Auditor's Report, presented by Ms. Cook Robbins (see document C/53/6 "Report of the External Auditor", Annex):

'UPOV should either formally approve the approach taken by WIPO with regards to placing a restriction on funds or ensure that a separate account is established in line with the Council's decision'.

"48. The Consultative Committee noted that the Council, at its thirty-third extraordinary session, Geneva, held in Geneva on March 17, 2016, had "decided to establish a separate UPOV bank account to hold funds allocated for financing UPOV's After-Service Health Insurance (ASHI) liability, and that the amount represented by the provisions for ASHI obligations at the end of the 2014 2015 biennium, together with the balance from the 6 per cent charge after deduction of the respective biennium's payments, if any, be transferred to that account starting from the 2016-2017 biennium and to apply to that account the investment policy that WIPO applied to the account for financing WIPO's ASHI liability"(see document C(Extr.)/33/6, para. 8(b)).

“49. The Consultative Committee agreed that the approach taken by WIPO to place a restriction on funds within a bank account for the After-Service Health Insurance (ASHI) for UPOV, be presented for a decision by the Council at its fifty third ordinary session to be held on November 1, 2019, as follows:

‘The Consultative Committee recommended to the Council to place a restriction in a UPOV bank account for funds allocated for financing UPOV’s After-Service Health Insurance (ASHI) liability, and that the amount represented by the provisions for ASHI obligations at the end of 2016-2017 biennium, together with the balance from the 6 per cent charge after deduction of the respective biennium’s payments, if any, be transferred to that account with the restriction starting from the 2018-2019 biennium and to apply to that funds thus restricted in the UPOV bank account the investment policy that WIPO applied to the account for financing WIPO’s ASHI liability.’”

4. Based on the above recommendation of the Consultative Committee, reported in document C/53/9 “Report by the President on the work of the ninety-sixth session of the Consultative Committee; adoption of recommendations, if any, prepared by that Committee”, the Council, at its fifty third ordinary session, held in Geneva on November 1, 2019 decided:

“(a) to place a restriction in a UPOV bank account for funds allocated for financing UPOV’s After Service Health Insurance (ASHI) liability, and that the amount represented by the provisions for ASHI obligations at the end of 2016-2017 biennium, together with the balance from the 6 per cent charge after deduction of the respective biennium’s payments, if any, be transferred to that account with the restriction starting from the 2018-2019 biennium and to apply to that funds thus restricted in the UPOV bank account the investment policy that WIPO applied to the account for financing WIPO’s ASHI liability; [...]” (see document C/53/15 “Report”, paragraph 23).

DEVELOPMENTS

5. The Consultative Committee is invited to note that due to the COVID-19 situation there are no developments to report with regard to financing of long-term employee benefits. The only session of the Finance and Budget Network (FBN) in 2020 held so far was a virtual session which had a truncated agenda. The session focused significantly on the impact of COVID-19 across UN Organizations and the sharing of experiences. Any update concerning this topic after the publication of this document will be reported orally to the Consultative Committee at its virtual session on October 29, 2020.

6. The Consultative Committee is invited to note that due to the COVID-19 situation there are no developments to report with regard to financing of long-term employee benefits.

[End of document]