



FÉDÉRATION DES ASSOCIATIONS DES ANCIENS FONCTIONNAIRES INTERNATIONAUX
FEDERATION OF ASSOCIATIONS OF FORMER INTERNATIONAL CIVIL SERVANTS

**Thirty-sixth session of the Council
New York, 2 - 6 July 2007**

Report of the session

1. The thirty-sixth session of the Council of the Federation of Associations of Former International Civil Servants was held from 2 to 6 July 2007 at the United Nations Secretariat in New York under the presidency of Witold Zyss. The session was preceded on 29 June 2006 by a meeting of the open-ended working group on the revision of the FAFICS statutes chaired by Witold Zyss.

Participation

2. Twenty-seven member associations were represented at the session, directly or by proxy. The list of participants is contained in Appendix 1.

Opening session

3. The FAFICS President declared the meeting open on 2 July at 10.05 a.m. Andres Castellanos, president of the host association, welcomed the participants and paid tribute to those who helped in the preparations for the Council. He considered it a great honour to be able to host such an important occasion.

Agenda item 1: Adoption of the agenda

4. Council adopted the provisional agenda (document Council 36/2007/D.1) as submitted, together with the provisional schedule of work (document Council 36/2007/CRP.1). The agenda as adopted is contained in Appendix 2. The list of documents submitted to Council is reproduced as Appendix 3. Peter Lillie accepted the task of rapporteur.

Agenda item 2: Report of the President

5. The President welcomed the participants to New York, in particular the newcomers to the ranks of the Federation and the candidate associations. He went on to present his report of the past year's activities, in the course of which he highlighted particular aspects: (a) the continued growth and thus heightened 'representativity' of the Federation; (b) the introduction of mid-term meetings of the Federation's officers; (c) the maintenance of 'friendly' relations with the UNJSPF Secretariat at all levels; (d) the change in the frequency of the Pension Board meetings; (e) the amendments to the Federation's statutes; (f) the submission of the Federation's quadrennial report to ECOSOC; (g) a meeting with the Secretary/CEO of the UNJSPF on the election of the retirees' representatives to the Pension Board; and (h) the continued plight of UN retirees in the former Soviet Union. He also expressed his thanks to those who had contributed to the work of the Federation throughout the year. The full text of the President's report is contained in document Council 36/2007/D.2 (Appendix 4).

6. In the ensuing discussion, the newly institutionalised mid-term meeting of the FAFICS officers was welcomed. It was urged that such meetings be regularised as they provided a splendid opportunity to discuss and deal with matters that arose in the course of the year. The President was requested to arrange for the issuance of reports of any future such meetings and Council was asked to consider any budgetary implications that regularisation of the meetings might incur.
7. It was also suggested that thought be given to increase the representation factor by establishing regional groupings as had been introduced in Latin America. The benefits of a regional approach to certain issues were recognised, although the introduction of such groupings would have to be at the initiative of the respective associations.
8. The Federation was thanked for its rapid response to member associations' queries and the President was congratulated on the comprehensive nature of his report.
9. Council took note of the President's report with appreciation.

Agenda item 3: Applications for membership

10. Applications had been received from ACEFUN Costa Rica, AEFNUC Cuba and AFICS Kenya.
11. Council welcomed the new associations with a round of applause.

Agenda item 4: Items on the agenda of the 54th session of the Pension Board

12. Council had before it three papers: a note by Aurelio Marcucci on the valuation methodology and assumptions for the twenty-ninth actuarial valuation of the Fund (document Council 36/2007/D.4); a summary overview of the management of investments (document Council 36/2007/D.4. Add 1); and a report of a meeting of participants' representatives that had been held in FAO, Rome, on 25 June 2007 (document Council 36/2007/D.4. Add 2). It took up the following items on the Pension Board's agenda.

Item 6(a): Valuation methodology and assumptions for the twenty-ninth actuarial valuation of the Fund as of 31.12.2007

13. Council took note of the paper to be presented to the Pension Board as summarised in the note prepared by Aurelio Marcucci and endorsed the parameters proposed for the valuation. The same assumptions as in the previous evaluation (as of 31.12.2005) should be used.

Item 7(a): Management of the investments

14. Council remarked on the fact that the report before the Pension Board was strictly retrospective. It studiously avoided indicating what would happen next. It did not address the controversial issue of passive management of North American equities that had arisen late the previous year. It also noted with dismay that the representative of the Secretary-General had chosen to visit the Pension Committees at the European duty stations at a time when the retiree representatives had already

left for New York. The parallels with the tactics adopted by his predecessor were disturbing.

15. Council took note of the report submitted to the Pension Board, the extent of the Federation's participation in a debate on the same being contingent on the outcome of the upcoming discussion with the Secretary/CEO of the Fund.

Item 10(a) Revised budget estimates for the biennium 2006-2007

16. Council noted that the estimates were strictly factual.

Item 10(b) Budget estimates for the biennium 2008-2009

17. Council agreed to support the request for additional resources for the UNJSPF secretariat in view of the increased demand for the secretariat's services following upon the increase in the number of both the participants and the beneficiaries. Council also reminded itself that the operations of the Fund were not orientated solely towards increasing the Fund's financial holdings; it was primarily concerned with protecting the interests of the retirees.

18. In the course of the discussion, it emerged that most people saw no reason to initiate dramatic changes at a time when things were going well for the Fund. The key issues were maintaining the solvency and viability of the Fund. Although strategic, tactical and operational interest had to be met, little stood to be gained from getting involved in extraneous political arguments.

Item 10(c) Emergency Fund

19. It was noted that the calculation of funds far exceeded actual needs. All member associations knew of deserving cases, yet the Fund reported a low rate of utilisation. At a recent meeting of participants' representatives, it had been suggested that the Emergency Fund be abolished or even administered by FAFICS.
20. In the course of the discussion it was suggested that the application criteria of the Emergency Fund be extended to cover instances of failure on the part of the UNJSPF to pay pensions.
21. The managers of the Emergency Fund were urged to be less restrictive in the application of their own criteria and to process cases more swiftly and precisely. The UNJSPF secretariat should also indicate how soon it would be issue more material on the Emergency Fund and include the details on the website.

Item 11(b) Results of the Asset Liability Management Study and corresponding recommendations by the Investments Committee and Committee of Actuaries

22. Council noted a growing interdependence between assets (income from participants and investments) and liabilities (payment of benefits). The determination of strategic assets allocation was seen to be the most important element of investment policy. In general, currency hedging was not likely to have an impact on risk-adjusted performance, while actuarial gains could be expected over the next five to ten years thanks to favourable investment performance.

23. Council subscribed to the assessment that effective asset and liability management was a useful and relevant tool that complemented the regular actuarial evaluation which should be incorporated into the Fund's governance mechanism. In that connection, it agreed that regardless of past developments, a suitable safety margin – an actuarial surplus of 1-2 per cent – should be maintained for the Fund. Whatever long-term benefits to the Fund that new asset classes might provide, it was felt that no major re-allocation of assets was necessary at the present juncture. Further details were presented in a summary of the results of the ALM study (document Council 36/2007/CRP.6) circulated during the debate.
24. In the ultimate analysis, Council did not advocate a change in investment strategy. Given the numerous caveats in the asset liability management study, it was agreed that changes for the sake of change would certainly not yield any major improvements.

Item 12(a): Analysis and fact-finding mission on the impact of dollarisation in Ecuador: administrative implications and resource requirements

25. The discussion was based on a note received from AEFSNU-Ecuador (document Council 36/2007/CRP.9) seeking the support of the Federation in reaching a settlement of the issue related to the impact of dollarisation. It was noted, however, that the style adopted in the note complicated issues somewhat.
26. It was recalled that the paper prepared the previous year by the Secretary/CEO of the Fund proposed three alternative solutions: (a) no action be taken; (b) a one-time payment linked to the retirees' monthly benefits; and (c) a one-time adjustment of 20 per cent to the periodic benefits affected.
27. Council agreed that the Federation could not submit anything in writing to the Board, but it could make a statement summarising the arguments put forward by AEFSNU-Ecuador: no reference to inflation rates; pensions proportional to salaries, hence the need to apply any compensation to all pensions; and a return to the second alternative solution
28. In the course of the ensuing discussion, a note of caution was struck about changing the very nature of the pension system that could ultimately undermine the fundamental principles on which the dual-track was based. The Federation was urged to proceed with caution on the issue. FAFICS should ensure that the solution found focused on those in genuine need who had been most adversely affected by the dollarisation policy in Ecuador.

Item 12(b): Study on the benefit provisions related to family members of UNJSPF participants and beneficiaries

29. Prior to taking up the discussion, a note (document Council 36/2007/CRP.5) was circulated; it contained comments on the document to be presented to the Pension Board (document JSPB/54/R.31).
30. In the ensuing discussion, it was recalled that whereas no consensus had been reached at the previous session of the Council on the requisite duration of a marriage, the Federation would not object to a proposal to reduce that period, if presented by another delegation at the Pension Board. Council noted that whereas

cognizance had been taken of its previous proposal pertaining to evidence of the divorce settlement not having expressly renounced entitlement to UNJSPF pension benefits, none of the other proposals brought forward by FAFICS had been incorporated in the proposed amendments to articles 35 *bis* and 35 *ter*. It was agreed that the Federation would maintain its position on those issues.

31. Debate focused initially on the requirement that a surviving divorced spouse request the benefit and prove that he/she met the requisite criteria. The burden of proof was considered unduly onerous and a reversal of that obligation should be sought. In the final analysis, Council urged that the UNJSPF secretariat make every effort to identify surviving divorced spouses and notify them of the potential benefit and the qualification requirements.
32. Council took up the discussion of article 35 *ter* (a). It concurred with the proposed duration of the election period related to the provision of a periodic benefit to a spouse who was not married to the beneficiary at the date of the latter's separation from service. It noted, however, that if that decision were revoked in the event of a subsequent divorce, it was unclear whether the pension benefit would be restored to its previous level. The Fund would be requested to provide clarification on the issue.
33. Council noted a further complicating factor: the question whether unilateral revocation and restoration of the pension to its previous level did not in fact constitute 'punishment' of the former spouse and withdrawal of certain fundamental rights that had accrued to the former spouse. Doubt was expressed whether such legal provisions were permissible under national social security legislation.
34. In respect of civil unions and other family relationships, the Council noted that only legally recognised marriages were recognised by the Fund. FAFICS had previously urged that the common system organisations and agencies should coordinate their policies on that issue. The Federation would continue to press for that coordination. In that connection, Council noted that several Member States already recognised same-sex marriages: a development that undoubtedly bore implications for the provision of benefits to family members of UNJSPF retirees.

Item 12(c) Review of current procedures for special adjustments for small pensions

35. Council noted that the latest review of pensionable remuneration had been repeatedly postponed by the ICSC, pending completion of the ongoing pay and benefits review. Council doubted the logic of the statement in the document (JSPB/54/R.32) to the effect that any review of the adjustments for small pensions would have to take full account of the income replacement principle which was at the heart of the UN pension system.
36. Council agreed that the Federation should maintain the position it had adopted the previous year and argue against continued postponement by the ICSC. FAFICS should draw specific attention to the fact that its proposals of the previous year for the improvement of the pension adjustment system related to small pensions (paragraphs 7 – 9 of JSPB/53/R.47) had not been addressed by the Secretary/CEO of the Fund in his report to the upcoming session of the Board.

Item 12(d): Impact of currency fluctuation on pension rights

37. Council discussed the request for a study on the impact of currency fluctuation on pension rights that had been submitted by the IAEA Staff Pension Committee (document JSPB/54/R.33).
38. While the significance of the issue was recognised, a note of caution was struck. The Fund should not be allowed to fall 'below balance' or inch once more towards a deficit. Moreover, if the upcoming actuarial surplus was not larger than anticipated, 'belts' would have to be tightened once again. That notwithstanding, Council agreed that the request for the study should be supported, although it might not yield a solution to the problem

Item 12(f) Actuarial cost of reduction of the minimum period of contributory service required to qualify for a pension benefit or an increase in the amount of the withdrawal settlement

39. Council also took up the discussion of a request submitted by the IAEA Staff Pension Committee for a study on the actuarial cost of reducing the minimum period of contributory service or increasing the amount of the withdrawal settlement (document JSPB/54/R.36).
40. It was recalled that the pension system was built for career staff; however, with a more mobile work force and given the need to cater for short-term staff and provide for the portability of pension rights, the situation was changing. Furthermore, the withdrawal settlement that a staff member received (which did not take into consideration part of the organisation's contribution to the Fund) after five years' service or less was insufficient to buy into another scheme. It thus constituted a loss of contributory years of service that ultimately impacted on the pension received.
41. Council recognised that the issue was important. It had been extensively discussed in the context of the fundamental review undertaken in 2002 by the working group set up by the Pension Board (cf. document JSPB/51/R.30). The issue should indeed be studied in depth, although a swift solution to the problem could hardly be expected.

Item 13(d): Situation of former participants from the former USSR, Ukrainian SSR and Byelorussian SSR

42. The discussion of the above subject was taken up under agenda item 8 below

Agenda item 5: Pension adjustment system

43. Council had before it the note prepared by Jean Hanus, convenor for the working group (document Council 36/2007/D5). It was reported that Jean Hanus was unable to attend the current session of the Council.
44. Member associations were urged to submit any further comments on the paper direct to the convenor. It was also pointed out that the issues relating to the periodic adjustment would be taken up in the discussion with the Secretary/CEO of the Fund.

Council took note of the proposals contained in the report, consideration of which had been deferred until the Pension Board met in 2008.

Agenda item 6: Election of representatives of retirees to the Pension Board

45. The President provided an historical overview of the issue. He pointed out that the organisation of the elections would not present an insuperable problem. If agreed to, the elections would have to be conducted by the UNJSPF secretariat, albeit at some expense. As had been concluded at a meeting between the Secretary/CEO of the Fund and the FAFICS President earlier in the year, while an election of retiree representatives would be justified when those representatives were granted seats on the Board with full voting rights, the current cost to the Pension Board of funding the participation of two FAFICS representatives without the right to vote hardly justified the expense of organising a global election.
46. In the course of the ensuing debate, it was suggested that: (a) FAFICS could assume the function of a Nominations Committee; and (b) the Pension Board could inform all those eligible to vote that names should go forward to FAFICS/Nominations Committee that could then determine the slate of candidates at an appropriate juncture in Council. Another suggestion was that FAFICS simply invite member associations to submit names.
47. Opinion varied on the issue of 'representativity'. Council was reminded that that the past two Presidents of the UN General Assembly had gone on record saying that they considered FAFICS the representatives of retirees. Furthermore, the UNJSPF annual letter contained the phrase: 'It should be noted that FAFICS represents the retirees and their beneficiaries on the UNJSPF Pension Board and its Standing Committee.' The legitimacy of the Federation could be further heightened by promoting the creation of new member associations. In that respect, lessons could be learnt from the positive experience of one member association in India that had drawn on the cooperation of the UNJSPF secretariat in soliciting all retirees in India. The 'publicity campaign' had yielded a palpable increase in membership.
48. Resistance to FAFICS being elected to the Board had originally stemmed from certain participants' representatives. It was reported that such resistance, however, was lessening.
49. It was roundly asserted that FAFICS was the legitimate representative of the retirees and should be re-endorsed as such, thus rendering a complicated and costly election process redundant.
50. The Federation's legitimacy was further underscored by the fact that it adhered to an internal democratic process and developed policy positions in Council. In the twenty years previous, its legitimacy had not been questioned. In the final paragraph of the note by the Secretary/CEO of the UNJSPF on the study on possible process for the election of retirees' representatives (JSPB/54/R.29), it was noted that the FAFICS representatives not only received guidance from the FAFICS Council, but they also reported back to the body of the Federation on the outcome of the discussions in the Board. During their entire term, such guidance would not be possible for UNJSPF retirees chosen through universal and world-wide elections.

51. Council thus agreed that in the discussion of the issue in the upcoming session of the Pension Board, the Federation should:

- (a) Assert its legitimacy as genuine representatives of the retirees (in a manner comparable to a union) drawing on the points raised in the foregoing debate;
- (b) Point out that, while it was not against the principle of elections as such, it felt that they served no useful purpose in the current context;
- (c) Recognise that admission with full voting rights would warrant renewed consideration of the whole issue.

Agenda item 7: Situation of the former UNJSPF participants from the former USSR, Ukrainian SSR and Byelorussian SSR

52. Council discussed a note that had been prepared for presentation to the upcoming session of the Board (document Council 36/2007/D.7). Particular importance was attached to the final sentence of the note which spoke of it being difficult to accept that the Pension Board did not consider the plight of retirees in the former USSR, Ukrainian SSR and Byelorussian SSR a substantive issue and hence was seemingly unable or unwilling to examine the remedial measures that would be feasible and desirable. Council agreed that the note should go forward to the Board as drafted.

53. Council also recalled that at its previous session it had been suggested that the Federation should assess the feasibility of lodging an appeal with the United Nations Administrative Tribunal. It was reported that an experienced senior retiree had been approached on the subject; he had given some indication of a route that might be taken. Furthermore, his services would be provided *pro bono* up to a certain level whereafter costs would have to be met. It was suggested that FAFICS might explore a cost-sharing formula with FICSA and appeal to all retirees through their associations for donations.

Agenda item 8: Replies of the Secretary/CEO to the questions asked at the 35th session

54. Council took note of the replies that the Secretary/CEO had given to questions raised at its previous session (document Council 36/2007/D.8).

Agenda item 9: Meeting with the CEO/Secretary of the Fund

55. Council met on 3 July 2007 with Mr. B. Cochemé, the Secretary/CEO of the Fund, Sergio Arvizu, Deputy CEO/Secretary, Frank Deturris, Special Assistant to the CEO, Jaana Sareva, Senior Legal Officer, Norah Fitzgerald, Chief, Pension Entitlements and Client Services section, and Marna Seglin, Chief, Payments Unit, Financial Services Section. A list of questions had been prepared by Council and submitted in advance to the CEO/Secretary of the Fund (document Council 36/2007/CRP.4. rev 1). The questions raised in the course of the discussion and the responses thereto would be contained in a document to be circulated at a later stage to all associations. At the end of the meeting, the President thanked Mr. Cochemé and his colleagues on behalf of Council for their replies and looked forward to continued close cooperation with the staff of the Fund secretariat.

Agenda item 10: Report of the meeting of FAFICS Member Associations in Latin America

56. Council discussed the report submitted on behalf of the 11 member associations in the Latin American region (document Council 36/2007/ D.10 and Add. 1). The report and the attached resolutions were seen to touch on matters of crucial importance. Furthermore, the close cooperation between the associations in the region had undoubtedly raised the profile of the individual associations and was conducive to increasing membership.
57. The regional meeting also provided cohesion among associations that were hampered by geographical constraints and provided a unique opportunity for the formulation of positions on the various topics to be discussed in Council, such as UNJSPF investment policy and the pension adjustment system. It also provided a forum in which problems of common interest could be discussed, viz. health insurance coverage, bank charges and reimbursement of medical expenses.

Agenda item 11: Reports of FAFICS representatives at meetings

58. Council took note of and expressed appreciation for the report submitted by Raymond Gieri and J. Fernando Astete, the FAFICS observers at the 64th session of the ICSC in March 2007 (document Council 36/2007/D.11). At a time when sweeping changes were taking place, such as pay for performance and GS salary surveys, it was essential that FAFICS maintain its watch on developments as they bore implications for future retirees. At the same time, it was disconcerting that the ICSC had not completed a comprehensive review of pay and benefits in the past eleven years. Furthermore, health insurance issues might well come up as a matter for discussion.
59. All that underscored the need for FAFICS to maintain its presence and make that presence known through strategic lobbying, in particular on matters pertaining to the independence and impartiality of the international civil service. It was reported that FAFICS would be represented by Katia Chestopalov at the upcoming session of the ICSC in Geneva.

Agenda item 12: Relations with FICSA and CCISUA

60. In his report to the Council, the President had described the degree of dissolution within the staff representative bodies (document Council 36/2007/D.12). The New York Staff Union had left CCISUA; the UNDP/UNFPA/UNOPS staff association had left FICSA. The two dissident unions had then formed a new federation: UNISERV.
61. For its part, FAFICS continued to enjoy a fruitful relationship with FICSA. At the 60th session of the FICSA Council, the FAFICS representatives had succeeded in getting the FICSA Standing Committee on Social Security/Occupational Health and Safety to adopt long-term care as one of its three priorities (page 4 of document Council/36/2007/D.12.Add.1). Every effort would be made to ensure that corresponding action was taken.
62. Council agreed that the Federation maintain its close contacts with FICSA and await the outcome of the developments related to CCISUA. Council also agreed to explore

the feasibility of holding a joint session with FICSA and CCISUA (and possibly UNISERV) at its next session on matters of common interest and concern.

63. The view was expressed that the Federation should also establish a similar relationship with administrations: a matter of particular pertinence for associations in the field which were often confronted with the outcome of poor pre-retirement briefing and similar shortcomings. Council agreed that the topic should be included as an item on the agenda of the next session of the Council. Andres Castellanos was entrusted with the task of preparing a paper on the issue based on information obtained from member associations by means of a questionnaire.

Agenda item 13: After-service health insurance and long-term care

64. The convenor presented the paper on developments in relation to after-service health insurance and long-term care [ASHIL] (document Council 36/2007/D.13). He reviewed the current state of affairs in four specific areas: (a) the participation of FAFICS in the HR/FB Networks working on long-term care; (b) preparation of an advocacy paper; (c) new developments related to ASHIL; and (d) updating the ASHIL database.
65. With respect to FAFICS participation in the HR/FB Networks, it was reported that the networks' working group had yet to meet. A video conference was scheduled to take place after the summer recess. It was thus essential that FAFICS be involved both in that video conference and in all deliberations of the working group. Council urged that the full participation of FAFICS be secured.
66. With respect to the advocacy paper, it was reported that the paper drafted at the previous session of the Council had been submitted to the FICSA Council at the beginning of the year. FICSA had been urged to canvass staff throughout the common system. In order to facilitate that process, some staff associations/unions (e.g. the IAEA staff association) would send FICSA copies of questionnaires that had been used at the local level.
67. It was recalled that at its previous session, Council had agreed that long-term care be built into current health insurances schemes and not set up as separate schemes. However, given the current awareness of the accrued after-service health insurance liabilities¹, the common system would be reluctant to add long-term care into existing schemes at the present juncture.
68. That notwithstanding, the health insurance plans in over ten organisations currently provided for long-term care.² Furthermore, based on data for the past six years, long-term care accounted for only 2-3 per cent of all health-insurance reimbursements in all organisations. It was thus felt that the universal introduction of long-term care would not give rise to a sudden explosion of costs.
69. With respect to future developments, Council agreed that the overall objective remained that of introducing long-term care into all organisations. Council further

¹ The UN accrued liabilities for ASHI, which had been reported as standing at \$1.5 billion (cf. GA document A61/730), were currently estimated at \$ 2 billion.

² WIPO, ILO/ITU, WHO, WTO, UNOG, ITC, Bonn-based entities, IAEA and UNESCO.

noted that in some instances the long-term care scheme developed by CERN had been taken as a role model.

70. Council confirmed its policy position that long-term care should be a necessary part of the social security obligations of the organisations and should be integrated into health insurance schemes
71. While recognising that social security provisions varied greatly from country to country, Council further confirmed that organisations should examine whether participation by their retirees in any national health scheme, be it at headquarters or in other countries where they had a substantial concentration of retirees, would result in a cost advantage.³ If costs advantages proved feasible, organisations should make arrangements to take advantage of the benefits that would accrue to their retirees participating in such national schemes by offering them suitable and worthwhile incentives. FAFICS should be kept apprised of any such developments.
72. In the light of UN General Assembly resolution 61/264 on liabilities and proposed funding for after-service health insurance benefits adopted at the 61st session, in particular the sub-paragraph requesting the Secretary-General 'to report on measures aimed at reducing the organisation's costs related to health-care plans', Council urged member associations to follow closely the reaction of organisations to the impact of the new accounting standards on the funding of health insurance for both active and retired (current and future) staff.
73. Council agreed that a summary of the long-term care benefits available in all organisations should be prepared along the lines of the briefing note prepared by AAFI-AFICS in March 2006.
74. It also agreed that a new advocacy paper on long-term care should be prepared aimed at administrations. It should take into account the data available from the recent questionnaire circulated by the CEB and urge organisations to examine whether they could not all introduce the minimum benefits already introduced by eleven organisations into their health insurance schemes.
75. With regard to updating the ASHIL database, Council agreed that the operation would continue as thitherto with reference points in each member association providing information to Michael Davies on any changes in the health-insurance plans at the respective duty stations.
76. It was agreed that Richard Nottidge would continue as convenor of the working group on after-service health insurance and long-term care which would hold a meeting prior to the next session of the Council. He would coordinate the drafting of the advocacy paper together with Roger Eggleston.
77. The Federation's attention was drawn to the fact that in both Congo and the Democratic Republic of Congo, UNDP had failed to include former local staff in the after-service health insurance scheme. A similar case, that of ECA, had been solved to the satisfaction of those concerned, the fault having lain with the inadequate

³ A survey by BAFUNCS had shown a conservative estimate of total savings of 70 persons covered in the survey were of the order of £90,000 in three basic areas: initial/general consultations, prescription drugs and diagnostic services.

briefing given to staff separating from service. The problem of non-inclusion was not unknown in other UNDP offices. It was agreed that the issue should be followed up at UNDP headquarters.

78. Council thus agreed to request all organisations to ensure that all staff eligible for after-service health insurance were properly informed of their entitlement to continue in an after-service health insurance plan and given the opportunity to enrol.

Agenda item 14: Benevolent funds and relations with the UNJSPF Emergency Fund

79. Council was informed of the various facilities offered by the benefit funds established by certain member associations. Most of those benefit funds were global, i.e. open to members of other associations in the Federation, whereas that of BAFUNCS was only able to entertain requests for assistance from retirees resident in the United Kingdom. Further details of the various funds could be obtained from the UNJSPF annual letter (pp. 5 and 17).

80. Appreciation was expressed for the facilities offered by the benefit funds. Member associations were urged to assist any of their members applying for funds from either the various benefit funds or the UNJSPF Emergency Fund, as the procedures for the latter could be quite daunting.

Agenda item 15: FAFICS activities as an NGO in consultative status with ECOSOC and advocacy of the ideals and work of the UN system

81. Lola Costa-Esnard recalled the events leading up to the Federation's acceptance as an NGO in consultative status with ECOSOC. FAFICS was also represented on the DPI Executive Committee and had spoken on preserving the integrity, independence and security (both physical and contractual) of the international civil service at the informal hearings of the UN General Assembly chaired by the GA President. It was essential that FAFICS go beyond its own immediate concerns and seize every opportunity to project a positive image of the United Nations. The extent to which it had been already doing that was only partially reflected in the documents submitted on the issue to the current session of the Council, their number notwithstanding (documents Council 36/2007/ D.15 and Add 1 -5).

82. FAFICS, whose term of office on the CONGO Board would end in December 2007, should contribute to making a success of the CONGO General Assembly at the end of the current year. FAFICS would be doubly represented (Dev Ray and Peter Lillie) on the committee set up to help with the preparations for that assembly. It was also noted that Public Services International (PSI) had offered to support FAFICS in drafting a resolution on preserving the integrity and independence of the international civil service, while one of the themes for the assembly might be: civil society and the international civil service – an effective partnership. In any event, the need to network was recognised, as was the need to try once more to bring some procedural order into the workings of CONGO.

83. Although serious doubts were expressed about the feasibility of ever securing any improvements in CONGO, it had to be recognised that working with CONGO and its 450 member NGOs presented a window of opportunity for FAFICS. At the same time, it had to be recognised that coordination within CONGO left much to be

desired and CONGO should endeavour to propose ways and means of improving that coordination together with other operational improvements.

84. Council recalled that the possibility of securing consultative status with the European Commission was to have been explored prior to the current session and a report duly submitted. It was reported that attainment of consultative status with the European Commission and inclusion in the NGO social forum platform was very difficult for an organisation that was not exclusively European. FAFICS did not meet the requirements.

Agenda item 16: Objectives and functioning of FAFICS and revision of its statutes

85. Council considered the report of the working group that had met before the current session began (document Council 36/2007/CRP.8 Rev. attached as Appendix 5). The report was introduced by Roger Eggleston who stressed that the leitmotif of the working group had been concise and short statutes. After a lengthy consultative process and a productive one-day meeting the previous week, a set of statutes had been drawn up that met the basic criteria. An agreed definition of a double majority had been reached and an additional article on officers had been included.
86. It was agreed that the statutes would be published in English, French and Spanish, the version in English being the authoritative version.
87. The revised statutes were adopted unanimously, thus meeting the requirement for a two-thirds majority as stipulated under article 8 of the current statutes. The revised statutes would enter into effect on 7 July 2007.
88. Council agreed that work should begin on drafting the rules of procedure. The same procedure would be adopted as for the statutes. Member associations were invited to submit proposals by mid-September 2007 which Roger Eggleston would then incorporate in a preliminary draft that would be circulated to member associations at the end of October 2007, whereafter the consultative process would then begin. In that connection, it was suggested that thought might be given to electing a presiding officer or chair for each Council session thus alleviating the burden on the FAFICS President.
89. Council agreed that Roger Eggleston would continue as rapporteur to the working group and Witold Zyss as convenor of the same.
90. Council also took note of paragraphs 11-13 of the report relating to matters raised in correspondence with the Section of the ILO Former Officials in the ILO Staff Union. It recognised that the representative nature of FAFICS was an important matter and felt that the issue in question could be settled internally.

Agenda item 17: Administrative and financial questions

(a) *Accounts for 2006*

91. The Secretary presented the income and expenditure accounts for the year ended 31 December 2006 (document Council 36/2007/D.17a) and answered questions raised by participants.

92. The Secretary pointed to the excess income over expenditure that Council noted with satisfaction. It was recognised, however, that a surfeit of funds could not be expected in future and contributions would inevitably have to be increased, if the costs of increased travel were to be met. It was suggested that thought be given to introducing a sliding scale of contributions with professionals paying more than local or general service staff. It was recognised that it implied a fundamental change in the Federation. Whereas some associations knew the exact composition of their membership, others were not in a position to segregate their members along the lines that such an approach required.
93. Given the practical difficulties that the introduction of such a scheme might entail, Council entrusted the Secretary and the Treasurer with the task of exploring its feasibility and report back to the next session of the Council.
94. Council took note of the income and expenditure account for 2006 with appreciation.

(b) Auditors' report for 2006

95. The Auditors had approved the balance sheet and the income and expenditure account.
96. Council took note of the Auditors' report for the year ended 31 December 2006 (document Council 36/2007/D.17b) and expressed its appreciation for the stalwart services provided yet again by Anthony Ingram and Robert Yazgi.

(c) Budget for 2008

97. The Secretary presented the budget for 2008 (document Council 35/2006/D.17.c). He provided details of the income estimates for 2008 and the expenditure estimates for the same period.
98. In compliance with the request made at the previous session, the draft budget had been distributed three months in advance. He pointed to those items of expenditure that displayed an increase: travel and equipment.
99. The increase in travel was related to the new practice of holding a mid-term meeting of the Bureau and possible ad hoc travel to be undertaken by the President in response to a specific need. The increase in equipment costs was due to obsolescence of certain items of computer equipment, such as the Secretary's PC which had practically ceased to function; it would be replaced in the course of the current year. In order to avoid a similar fate, the Treasurer's PC would need to be replaced in 2008. The two PCs in question were residuals that AAFI-AFICS-Geneva had passed on to FAFICS. Several suggestions were made such as seeking the support of the Federal Credit Union or having the UN Office provide equipment free of charge, arguing as was the case in Egypt that FAFICS was a far more extensive body than imagined. It was explained that FAFICS purchased its equipment through the UN Office in Geneva (thus benefiting from special discounts and tax privileges), but it had been unable to acquire new equipment free of charge from the administration. The new equipment would be integrated with the system used by UNOG; it would be serviced and supported by the UNOG technical staff at no cost to the Federation.

100. The Federation was congratulated on the manner in which it had contained costs and it was to be hoped that the envisaged levels of expenditure were maintained. An appeal was made to those associations in arrears that they pay their outstanding contributions which, in any event, would have to be increased in 2009 to meet the requirements of an ever-expanding representative body.

101. Council adopted the budget for 2008 (see Appendix 6)

(d) Interim report on the implementation of the budget for 2007

102. The Secretary presented the interim report on the implementation of the budget for 2006~~7~~ (document Council 36/2007/D.17d). Best described as a performance report for the first five months of the year, the document highlighted the increased expenditures under the heading of travel and procurement. The Secretary drew the Council's attention to those membership contributions still unpaid on 31 May 2007, the date on which the report had been issued. 13 member associations had failed to pay their contributions for the current year; \$6,172 was still due out of a total anticipated income of \$20,696 from membership contributions. That had posed a liquidity problem at a time when the federation had needed travel funds to cover the cost of travel to: (a) the current session of the Council; and (b) the Pension Board immediately thereafter. The Secretary wished to remind all member associations that contributions were due at the beginning of each budget year. He also flagged the possibility of there being a deficit of some \$3,700 at the end of the current year.

103. Council took note of the report and commended the Secretary and the Treasurer for the care and sincerity with which the report had been prepared.

Agenda item 18: Appointment of auditors

104. Council appointed Anthony Ingram and Robert Yazgi as auditors for the period 2007-2008. The auditors were thanked most sincerely for their unflinching services. Council paid tribute to their willingness to serve yet another term with a round of applause.

Agenda item 19: Election of FAFICS officers

105. Council elected by acclamation Witold Zyss to be President for the year 2007-2008. The President elect stated firmly that for a variety of personal reasons, the coming year would be his last term in office.

106. The President informed the Council that the Bureau had decided in favour of nominating a seventh Vice-President in order to secure optimal regional balance. Council thus elected as Vice-Presidents the following persons:

Andrés Castellanos del Corral
Jean-Jacques Chevron
Jani Janakiram
Mary Johnson
Aurelio Marcucci
Tedla Teshome and
Mario Lafuente Roca

107. The Bureau had also decided to create the category of advisor: a person who would be invited to attend the mid-term meetings of the Bureau and advise on specific issues.. ARICSA had formally nominated Gerhard Schramek as a FAFICS representative to the Pension Board. That appointment, however, would have been very difficult at the present juncture as it would have required the withdrawal of one of the regional representatives. Given Gerhard Schramek's extensive experience, Council agreed to his appointment as advisor on pension matters.

108. Council also agreed that, if circumstances so demanded, the President might appoint other advisors.

109. Council reiterated its thanks to the Secretary, to the Treasurer and to all the others who had contributed to the success of the meeting. For the following year, it re-elected by acclamation:

Anders Tholle as Secretary
Juan Mateu as Treasurer
Lydia Ontal as Assistant Secretary

110. Following the elections, a plea was made that in future, elections should be the subject of consultations prior to the session. To that end, the candidates should be announced some three months in advance. The *modus operandi* should be part and parcel of the rules of procedure to be drawn up in the course of the coming year.

111. A similar plea was made for an improvement of gender balance not only within the Federation, but also within the individual member associations.

Agenda item 20: Appointment of FAFICS representatives to the Pension Board and other meetings

112. Council appointed the following representatives to follow the proceedings of the Pension Board in 2008:

Witold Zyss
Aurelio Marcucci
Andrés Castellanos del Corral
Jean-Jacques Chevron
Jani Janakiram (alternate representative)
Mario Lafuente Roca (alternate representative)

113. Council authorised the President to appoint FAFICS representatives and observers to other meetings, as and when necessary.

Agenda item 24: Other business

Situation confronting ACAFNU, Brazzaville, Congo

114. A paper describing the problems facing the members of ACAFNU in Brazzaville was presented (document Council 36/2007/CRP.3). The problems fell into four categories: (a) need for financial support through the solidarity funds of other member associations; (b) devaluation of the CFA franc; (c) failure to pay the war grant to WHO staff members; and (d) the travails of the local staff not transferred to

Harare in the period 1997-2001. A plea was also submitted for Council papers to be made available in French.

115. The member associations' benefit funds, two of which were global and non-exclusive, were urged to give favourable consideration to applications from members of ACAFNU.
116. It was pointed out that adjustments of pensions were effected on a different basis to those of salaries. It was suggested that the association explore the possibility of switching to the dual track. In any event, given that the Head of the UNJSPF Office in Geneva had been mandated to travel to Kinshasa, to look into problems related to bank charges, she should also be instructed to travel to Brazzaville and explore the situation there. The FAFICS President would write to the Secretary/CEO of the Fund asking him to give a broader mandate to the Head of the UNJSPF Office in Geneva.
117. It was agreed that FAFICS would approach WHO on the issue of the discriminatory non-payment of the war grant. Initial overtures would be made to the WHO representative at the upcoming session of the Pension Board, prior to submitting a formal letter.
118. In respect of the reassignment, the association in Brazzaville was encouraged to contact staff associations in the region that had undergone a similar experience, cf. Burundi and Cote d'Ivoire. Moreover, Jean-Francois Santarelli undertook to initiate enquiries through the ILO Staff Union.
119. The request for the issuance of documents in French was seen to pose a problem for want of resources available to the Federation. Any solution found would perforce have to be based on people volunteering to undertake the task.

Expansion of membership

120. FAFICS was requested to provide standard components of information that could be used on member associations' websites, thus ensuring uniformity of presentation. Similarly, it should obtain from the Pension Fund details of the clusters of potential members in regions that were underrepresented in the Federation. The Secretary/CEO of the Fund had expressed his willingness to send out letters to all retirees in selected areas and on an earlier occasion, the UNDP Administrator had also sent out a letter urging retirees to form associations. In the latter connection, it was suggested that the letter go out to UN Resident Coordinators.
121. Council agreed that an item related to a membership expansion strategy, the need for which had been identified by Mary Johnson, should be included on the agenda of the next session. Anton Kruidrink was entrusted with the task of undertaking the initial work in that respect.

General Assembly resolution on FAFICS

122. It was considered that it would be apposite to secure the adoption of a General Assembly resolution on FAFICS and its contribution to the ideals and objectives of the international civil service throughout the world. Council agreed that steps be taken to secure sponsorship among Member States for such a resolution.

Experience of Uruguay

123. The representative of AFICS Uruguay pledged his association's readiness to work on the various working groups. He also recounted the positive experience that his association's members had had when showing their membership cards at selected hospitals and thus ensuring effective Vanbreda coverage.

Support in the event of an avian flu pandemic

124. It was reported that AAFI-AFICS was undertaking steps to devise support systems in the event of an avian flu pandemic for retirees in countries that lacked appropriate facilities.

Agenda item 25: Date and place of the 37th session of the FAFICS Council in 2008

125. Based on the proposals currently before the Pension Board, it was decided that the Council would meet in Rome in 2008. The meeting would last a full working week (five-days), with one day being devoted to the deliberations of the working groups on statutes/rules of procedure and ASHI. The President would communicate the exact date once it was known. (NB. Subsequent to the Council session the Pension Board decided to hold its 2008 session from 9 to 18 July. It thus appears that, subject to final confirmation, the FAFICS Council will meet from 30 June to 4 July).

126. Council was informed that FFOA would be most pleased to host the Council session. It would decide, together with IFAD and WFP, on the most convenient location for the session. A distinct preference was expressed for the session being held in the FAO building on account of its central location.

Closure of the session

127. Prior to the formal closing of the session, Ms. Alicia Barcena, Under-Secretary-General for Administration and Management, addressed the session. She stressed that retirees were very much part of the United Nations, particularly at a time when the international civil service was undergoing major changes. She saw the member associations of the Federation as guardians of the international civil service. She spoke of the need for greater neutrality and engagement, genuine geographical representation and gender balance, and effective representation of all members.

128. To her mind, FAFICS should take a close look at some of the recommendations emanating from the ICSC. She counted on FAFICS to preserve the professionalism of the institution. ICSC could do well to consult FAFICS and draw on the Federation's experience as the common system faced the challenges on the human resource front and the looming management reform process. FAFICS could help restore confidence in the system.

129. Ms. Barcena focused on certain significant aspects of the reform endeavours:

- (a) redesign of the administration of justice;
- (b) changes in contractual arrangements;
- (c) procurement reform
- (d) information technology;

- (e) introduction of international accounting systems;
- (f) accountability framework;
- (g) restructuring of peace-keeping operations.

130. She assured the session that her visit was not merely a matter of courtesy. She counted on FAFICS and FAFICS could count on her.
131. In thanking Ms. Barcena, Witold Zyss duly recognised the non-courtesy nature of her visit. He assured her of the Federation's continued attachment to the common system and its commitment to its role as a keen observer at the meetings of the ICSC.
132. Ms. Hayfa Matar, Counsellor, Office of the President of the General Assembly, read out a message on behalf of H.E. Sheikha Hayad Rashed Al Khalifa, the President of the United Nations General Assembly. The message is reproduced *in extenso* as an attachment to the present report (Appendix 7), in particular the GA President's statement that it was the duty of Member States and the General Assembly to ensure that the voices and concerns of the Federation were effectively heard and addressed.
133. A series of valedictory statements were made. Particular tribute was paid to Eduardo Albertal who was attending his last FAFICS Council. The activities he had undertaken on behalf of the Association were beyond compare and he would be surely missed. He was a role model for others and the Federation's gratitude knew no bounds. In his reply, Eduardo Albertal expressed his admiration for all those who over the years had demonstrated their commitment to the ideals and objectives of the United Nations. He wished the Federation every good fortune in the future.
134. Tribute was also paid to Witold Zyss who had served the Federation so unswervingly over the past year. The Federation looked forward to an equally successful year ahead and all member associations would do their utmost to contribute to that success.
135. Andres Castellanos del Corral responded to the remarks that had been made about the success of the meeting, by thanking all those who had contributed to its smooth running. Thanks were not only due to the Secretary of the Federation, Anders Tholle, but also to the Assistant Secretary, Lydia Ontal, both of whom had prepared everything in such an efficient manner. Equally significant contributions had been made by the supporting staff, Jamna Israni and Angie de Mitta, who worked incessantly to ensure that everything went according to plan.
136. The President thanked wholeheartedly all those who had contributed to the success of the session: the indomitable Secretary, the Assistant Secretary, the Treasurer and all the officers. He also thanked Peter Lillie, the rapporteur, most sincerely for his valuable contribution. The President paid especial tribute to Andrés Castellanos del Corral and AFICS-New York, the host association, for having made such excellent preparatory arrangements and for extending such a warm welcome to all participants. Having taken a firm step forward with the adoption of the statutes, the session marked another milestone in the life of the Federation. Membership currently stood at 40 associations and the number of participants had been the largest ever. He thanked everybody for having participated so actively in the debate.

137. The President declared the session closed at 1.15 p.m. on 6 July 2007.

Appendices

| | |
|------------|---|
| Appendix 1 | List of participants |
| Appendix 2 | Agenda |
| Appendix 3 | List of documents |
| Appendix 4 | Report of the President |
| Appendix 5 | Report of the Working Group on the revision of the statutes of FAFICS (please note the date of adoption has to read 5 July 2007) |
| Appendix 6 | Budget for the year 2008 |
| Appendix 7 | Message by H.E. Sheikha Hayad Rashed Al Khalifa, the President of the United Nations General Assembly |

Report of the thirty-sixth session of the FAFICS Council – New York, 2-6 July 2007

Appendix 1

List of participants

List of represented Associations and their representatives

| <u>Member Associations</u> | <u>Representatives</u> |
|--|--|
| AFICS-Argentina AAFICS-Australia ARICSA-Vienna | Leda Rosso Mary Catherine Johnson, Peter Lillie Gerhard Schramek |
| AFICS-Bolivia AAFIB-Brazil | represented by AFICS-Argentina Carlos Alberto Goulart Eduardo Albertal |
| ACAFI/CAFICS-Canada | Arthur de Smit Rita Douesnard |
| AFICS-Colombia ACAFNU-Brazzaville-Congo ARNUC-Kinshasa-D.R.of Congo | Guido Ordonez Maurice Mabanza Gerard Mwane-Ngamokole Ekial Alois Kimabona |
| AFICS-Santiago-Chile ASOPENUC-Colombia AEFNUC-Cuba AFICS-Egypt AFICS-Addis Ababa | Mario La Fuente Guido Ordonez Ana Maria Gudz Soheir Kansouh Tedla Teshome Mohamed Said |
| AFUS-Paris | Witold Zyss Georges Kutukdjian Alastair McLurg |
| AAFI-AFICS-Geneva | Jean-Jacques Chevron Roger Eggleston Jean-Francois Santarelli, also representing the ILO Section of Former Officials |
| AFUNPI-Bangalore-India AFICS-Kenya AFICS-Netherlands AFUNO-New Zealand APEFONU-Paraguay FFOA-Rome AEFNUP-Peru AFICS-Moscow BAFUNCS-United Kingdom AFICS-Uruguay AFICS-New York | Jani Janakiram Donald Kaniaru Anton Kruidrink represented by AAFICS-Australia Luis Talavera Aurelio Marcucci Alfonso Chan represented by Witold Zyss David Axford Hermann Augsburg Andres Castellanos del Corral Edward Omotoso |

Alternates:
Fernando Astete
Margaret Bruce
George Saddler
O. Richard Nottidge
Lola Costa-Esnard
Prakash Ranadive
Diana Boerenstein
Thomas Bieler
Raymond Gieri
Federico Riesco

FAFICS Secretariat

Anders Tholle
Lydia Ontal

Report of the thirty-sixth session of the FAFICS Council
New York, 6-7 July 2007

Appendix 2

Agenda

1. Adoption of the agenda
2. Report of the President
3. Applications for membership
4. Issues on the agenda of the 54th session of the Pension Board
5. Pension Adjustment System
6. Election of representatives of retirees to the Pension Board
7. Situation of the former UNJSPF participants from the former USSR, Ukrainian SSR and Byelorussian SSR
8. Replies of the Secretary/CEO to the questions asked at the 35th session
9. Meeting with the Secretary/CEO of the Fund
10. Report of the meeting of FAFICS Member Associations in Latin America
11. Reports of FAFICS representatives at meetings
12. Relations with FICSA and CCISUA
13. After-service Health Insurance and Long Term Care
14. Benevolent Funds and relations with the UNJSPF Emergency Fund
15. FAFICS activities as an NGO in consultative status with ECOSOC and advocacy of the ideals and work of the UN system
16. Objectives and functioning of FAFICS and revision of its Statutes
17. Administrative and financial questions
 - a. Accounts for 2006
 - b. Auditor's report for 2006
 - c. Budget for 2008
 - d. Interim report on the implementation of the budget for 2007.
18. Appointment of Auditors
19. Election of FAFICS Officers
20. Appointment of FAFICS representatives to the Pension Board, the Standing Committee and other meetings
21. Other Business
22. Date and place of the 37th session of the FAFICS Council in 2008

Adopted on 6 July 2007

Report of the thirty-fifth session of the FAFICS Council
New York, 2-6 July 2007

Appendix 3

List of documents

Pre-session Council documents (Symbols Council 35/2006/D. ...), by D-numbers

| <u>D-no.</u> | <u>Agenda</u> <u>Item no.</u> | <u>Subject</u> |
|--------------|----------------------------------|--|
| D.1 | 1 | Provisional agenda (accompanied by an unnumbered Explanatory Note on the provisional Agenda) |
| D.1.Add.1 | 1 | Annotated provisional agenda |
| D.2 | 2 | Report of the President |
| D.3 | 3 | Applications for Membership from ACEFUN-Costa Rica, AEFNUC-Cuba and AFICS-Kenya |
| D.4 | 4 | Note by Vice-President Aurelio Marcucci on item 6(a) of Pension Board agenda: Valuation Methodology and assumptions for 29 th actuarial assumption of the UNJSPB as of 31.12.07 |
| D.4.Add.1 | | Overview by Vice-President Aurelio Marcucci on item 7(a) of Pension Board agenda: Management of the Investments |
| D.4.Add.2 | | Summary report by Vice-President Aurelio Marcucci on meeting of Participants' representatives held in Rome on 25 June 2007 |
| D.5 | 5 | Progress Report by the Convenor of the Working Group on the Pension Adjustment system, Jean Hanus |
| D.6 | 6 | Note by the President on Election of representatives of retirees to the Pension Board |
| D.7 | 7 | Proposed Note to the UNJSPB on the Situation of Former UNJSPF participants from the former USSR, Ukrainian SSR and Byelorussian SSR |
| D.8 | 8 | Secretary/CEO's letter of 26 September 2006, containing the replies to questions asked by the FAFICS Council meeting with him on 7 July 2006 |
| D.9 | 9 | Document D.9 was not issued. It was replaced by CRP.4: Questions to be raised with the Secretary/CEO |
| D.10 | 10 | Report on the Meeting of FAFICS Member Associations in Latin America |

- D.10.Add.1 Resolutions adopted by the Meeting of FAFICS Member Associations in Latin America
- D.11 11 Report by the FAFICS Observers on the 64th session of the ICSC New York, 19-30 March 2007
- D.12 12 Note by the President on Relations with FICSA and CCISUA
D.12.Add.1 Report of the FAFICS delegation to the 60th session of the FICSA Council, Vienna 29 January-3 February 2007
- D.13 13 Report by the Convenor of the ASHIL Working Group, O. Richard Nottidge on developments in the area of ASHIL
- 14 No pre-session documents were issued for this agenda item
- D.15 15 The Quadrennial Report of FAFICS to ECOSOC for the years 2003-2006
- D.15.Add.1 Report by the FAFICS representatives to the meeting of the CONGO Board, Vienna 22-23 August 2007
- D.15.Add.2 Report by the FAFICS representatives to the meeting of the CONGO Board, New York, 9-11 March 2007
- D.15.Add.3 Report by the FAFICS representative to the African Civic Forum Addis Ababa, 22-24 March 2007
- D.15.Add.4 Report by FAFICS representatives to various NGO and other meetings in New York during 2007
- D.15.Add.5 Report by the FAFICS Representative to the meeting of the ECOSOC Committee on NGO's, New York, 14-18 May 2007

The following pre-session working documents were issued for the meeting of the Working Group on the Statutes:

WG-Statutes-second series:

- Note by Roger Eggleston.doc.1
Compendium prepared by Jean-Jacques Chevron.doc.2
Proposed Rules of Procedures by AFICS/Uruguay.doc.3
Extract of 35th Council report.doc.4
Comments by ARICSA.doc.5

(Correspondence with the ILO Section of Former Officials was issued as an in-session Working Group, bearing document no. WG-Statutes-CRP.1)

- D.17.a 17 Income and Expenditure Account for the year ended on 31 December 2006
- D.17.b Auditors' Report for 2006
- D.17.c Proposed budget for the year 2008
- D.17.d Interim Report on the Implementation of the FAFICS Budget for 2007

- 18 No pre-session document issued
- 19 No pre-session document issued
- 20 No pre-session document issued
- 21 see in-session document CRP.3
- 22 No pre-session document issued

In-session documents (symbols Council 36/2007/CRP....), by CRP numbers

| <u>CRP-no</u> | <u>Agenda Item no.</u> | <u>Subject</u> |
|-----------------------|----------------------------|--|
| CRP.1 | 1 | Provisional schedule of work |
| CRP.2 | 1 | Final list of represented Associations and their representatives |
| CRP.3 | 21 | Presentation by the President of ACAFNU-Brazzaville |
| CRP.4 | 9 | Questions to be put to the Secretary/CEO, as adopted on 2 July 2007 |
| CRP.5 | 4 | Observations by AFICS(NY) on document JSPB/54/R.31 “Study on the Benefit Provisions related to family members of UNJSPF-retirees” |
| CRP.6 | 4 | Summary Note prepared by Aurelio Marcucci on the UNJSPF’s Asset Liability Management Study |
| CRP.7 with 2 Add’s | 1 | Interim Lists of Participants circulated issued for purposes of updating (for the final list, please see CRP.2) |
| CRP.8 | 16 | Report of Working Group meeting on Objectives and functioning of FAFICS and revision of its Statutes, including in an annex : the text of the new Statutes |
| CRP.9 | 4 | Items on the agenda of the 54 th session of the UNJSPB session: Communication from AEFSNU-Ecuador |

Report of the thirty-sixth session of the FAFICS Council
New York, 2-6 July 2007

Appendix 4

(this report was also issued and circulated to the Member Associations as pre-session document Council 36/2007.D.2 on 26 June 2007)

REPORT OF THE PRESIDENT

This is my third report submitted to the Council in my capacity as President of the Federation, following those I submitted to the 2005 and 2006 Council sessions. These two reports were presented orally and then circulated as a Conference Room Paper. At a meeting of the officers of the Federation held in Geneva on 15-16 March 2007 – to which I shall refer later - it was suggested that it would be a better practice to submit the report in writing and to circulate it in advance of the session. Such practice would have the advantage of saving some time, as the President would no longer have to read the full text of his report, and thus leave more time for discussion but first and foremost it would enable member associations to get acquainted with the contents of the report before the opening of the session and thus to be better prepared for discussing the main issues and events in the life of our Federation since the preceding Council session. I am aware of the fact that the report should have been circulated earlier and I apologize that, because of the pressure of the preparatory work for the Council, I have not been able to prepare it at an earlier date.

Our Federation continues to grow. It is now composed of 37 member associations located in all the parts of the world and three associations applied for admission at this session: Costa Rica, Cuba and Kenya, which will bring the total to 40. The individual membership of our member associations is close to 17000 which makes us a truly representative body of the retirees and other beneficiaries of the United Nations Joint Staff Pension Fund.

Throughout the year I remained in regular contact with the officers of the Federation, including the Emeriti, consulting them on any issues of importance or requiring a decision of a general policy nature. I also did my best to keep in regular contact with member associations and inform them of any developments of general interest which came to my knowledge. So does our excellent Secretary, Anders Tholle. We do have a problem in this connection: while all our member associations have at present an e-mail address, not all of these addresses are equally efficient and too often some of our communications return with an indication like “over quota” or similar obstacles.

An important innovation in the management of the Federation was introduced this year. As already mentioned above, a meeting of FAFICS officers was held in Geneva on 15-16 March 2007, with a heavy agenda including items such the preparation of the 2007 session of the Council, proposals for the 2008 budget to be submitted to the Council, implementation of the decisions of the 35th session of the Council in 2006, revision of the FAFICS Statutes, review of the main items likely to be on the agenda of the next session of the United Nations Joint Staff Pension Board, including in particular the problem of the investments of the Fund, FAFICS representation at that session of the Board.

I found this meeting very useful and helpful. Some of the issues we tackle are quite difficult and it is always better to have several minds to look into them. While we are all now fully familiar with Internet and e-mail and make daily use of these instruments, nothing can replace face-to-face discussion from time to time. I think that an intersessional meeting of the officers should become a regular feature of our governance, but there is a major difficulty: we have no budgetary provision to this effect. The sad corollary was that two of the Vice-Presidents were unable to attend for lack of funds. It remains to be seen whether we shall be in the future in a position to include in the budget additional resources for this purpose.

The Federation continued to maintain regular relations with the management of the Pension Fund and I am glad to report that our relations continue to be very friendly. I had an occasion to meet the Secretary/CEO of the Fund, Bernard Cochemé, on several occasions, in Geneva, in New York and in Paris. We established friendly relations with the new Head of the Geneva Office of the Fund, Renata De Leers, who replaced Gilbert Ferrari in August 2006. I should like to use this occasion to pay tribute to the work carried out by him over many years as the Head of this Office and to thank him for his concern for the welfare of the retirees and for the gracious and pleasant manner in which he always received the representatives of our Federation.

The Pension Board at its 53rd session in Nairobi in 2006 decided to meet in the future on annual basis rather than once in two years, while holding sessions of a shorter duration. The 54th session will be held accordingly from 9 to 13 July 2007 in the UN Headquarters in New York, with our Council meeting in the week before. Two alternate representatives of FAFICS had to be designated, as the Council only appointed four representatives in all, on the assumption that it would be a session of the Standing Committee (Witold Zyss, Aurelio Marcucci, Andres Castellanos and Jean-Jacques Chevron). The meeting of officers referred to above recommended to request member associations based in Latin America to select one of the two and to appoint S. Janakiram as the second one. This recommendation was then endorsed by the member associations. The officers were of the opinion that a rotation between the regions should be organized for this representation.

The agenda of the Board is very heavy, the documentation – made available only very recently – amounts to hundreds of pages and it remains to be seen how it can be disposed of in five days. The General Assembly normally considers pension matters in even years (except for the budget of the Fund). The most important issues on the Board agenda at the forthcoming session concern the budget estimates for 2008-2009, the investments and governance issues. Little space is reserved this time for the benefit provisions. Our Council will examine the main issues on the agenda of the Board under item 4 of its agenda. I should like to refer here only to two questions.

An issue of major interest to us is the representation of the retirees on the Pension Board and the role of FAFICS in providing this representation. This issue will be discussed under item 6 of our agenda, on the basis of a note prepared by me. In this report I shall recall only that at its 2006 session the Board decided that it would cover the costs of attendance of two representatives of the retirees designated by FAFICS in consultation with the Secretary/CEO (and one such representative at the Standing Committee) on a provisional basis until 2008, when it would “consider more appropriate means for duly electing the representatives to the Board for all retirees and other beneficiaries”.

The officers' meeting in Geneva on 15-16 March 2007 was of the opinion that holding elections of the representatives of the retirees to the Board might have far-reaching effects on the role and the place of FAFICS as the representative body of the retirees and requested me to travel to New York for a consultation with Mr. Cochemé on this subject. This consultation took place on 18-19 April. The Secretariat of the Board had already examined the technical aspects of an election and concluded that this process could best be carried out by a specialized company, at a cost comprised between 50,000 and 150,000 \$ per election. The conclusion of our meeting was, however, that while an election (to the principle of which FAFICS had never been opposed) would have a justification if and when representatives of the retirees are admitted to the Board as full members, with voting rights, until then the selection of representatives (including those whose costs of attendance are borne by the Board) should continue to be done by FAFICS, in consultation with the CEO. This is the proposal of the CEO in the paper he submits to the Board (JSPB/54/R.29) and FAFICS concurs with this proposal.

With regard to the 2007 session of the Board, the officers' meeting decided that the Board should be invited to cover the costs of the President and of one of the Vice-Presidents, Aurelio Marcucci; the CEO concurred with this proposal.

Another issue which retained our attention since the last session of the Board concerned the management of the investments of the Fund. It will be remembered – member associations were regularly informed of the developments – that shortly before the 2006 session of the Board the Representative of the Secretary-General for the investments, Mr. Burnham, launched an intense campaign for a significant change in the management of North American equities, involving in particular the externalization of this management. During the Board session this proposal was opposed by the participants and by FICSA, not so because they were opposed to the management system advocated by Mr. Burnham as such, but because they believed that it required a thorough study and documentation and were opposed to Mr. Burnham's obvious willingness to coerce the Board into accepting his ideas at any cost. While the proposal was accepted by the Board, against the votes of the participants, and subsequently endorsed by the General Assembly, no implementation has taken place so far. The group of participants had several consultations in Geneva and in Rome, at which we were represented, during which the issue of the management of investments occupied a prominent place, and insisted that no measures be taken before the Board has had an occasion of a thorough discussion of the issue on the basis of appropriate documentation and in particular of the Assets Liability Management Study which is before the forthcoming session. A number of communications to this effect were addressed by the group of participants, endorsed by FAFICS, including to the President of the General Assembly and to the new Secretary-General. This question, and more generally that of the governance mechanism of the investments within the overall structures of the Fund, will be one of the main issues before the forthcoming session of the Board.

On the occasion of these developments, both during the 2006 Pension Board session and thereafter, FAFICS cooperated closely with the participants' representatives. I believe that such cooperation is very useful and should be encouraged, as a matter of policy. It may well be that staff in active service and retired staff may have a different approach on some issues, but the fact remains that we have the same interest in the welfare of the Pension Fund and in the soundness

of its benefits system. Participants are all future retirees and it can be expected that some of their representatives to the Pension Board will join in due time FAFICS leadership.

Considerable time was spent since the last Council session on the revision of the Statutes. It will be remembered that this issue was discussed thoroughly at that session, both in the Working Group and in the plenary. A tentative agreement was reached on the controversial issues, particularly the problem of voting rights. Roger Eggleston was requested to prepare a draft of the revised Statutes. His text was circulated to member associations for comments on the basis of which he prepared another draft. It appeared on the basis of the exchange of drafts and of comments that we have not yet reached full agreement on some issues, including in particular the voting rights. Hence the need to have another meeting of the Working Group (which will have before it this voluminous exchange) which I convened for Friday 29 June, while realizing fully that this will make it necessary for those willing to attend the Working Group to come earlier to New York. But it was unavoidable, given the fact that one day during the Council session is a public holiday in the United States. It is to be hoped that we shall reach a final agreement on the Statutes, which will enable us to start working on the Rules of Procedure to be adopted at the next Council session in 2008.

FAFICS continued to play its role as a non-governmental organization in special consultative status with the Economic and Social Council of the United Nations. This year we were required to submit our quadrennial report which is before the Council in document Council 36/2007/D.15. Representatives of FAFICS attended the meetings of the Board of CONGO (Conference of NGOs in Consultative Relations with the United Nations) and other meetings held under the auspices of this body. Our term of office as member of the Board of CONGO expires at the General Assembly of CONGO which will take place in December 2007 but we shall certainly have other possibilities of taking part in the activities of this body.

I could not end this report without referring to the issue we have been keeping alive for many years, that of the situation of our Russian colleagues so unfairly and unjustly deprived of their pension rights. The Pension Board reiterated on several occasions its position that it had ceased to discuss the subject as a substantive matter as a consequence of the decision adopted by the General Assembly at its 2002 session not to consider this matter any further, although it agreed to receive information on relevant developments concerning the former Fund participants concerned. FAFICS submitted to the Board at its 2004 and 2006 sessions information transmitted by AFICS Moscow. The Fund took note of this information without attempting to go any further.

I must confess that I feel very strong concern about this problem. We cannot dissimulate to our Russian colleagues and to ourselves that there is little we can do beyond protesting against the spoliation of which they had been victims and requesting the Board to keep the item on its agenda, in spite of the fact that it is not ready to take any action. Only a radical change in the attitude of the General Assembly as expressed in its 2002 decision or in the attitude of the Russian government could bring about some hope. Both are most unlikely.

We understand very well the disappointment of our Russian colleagues who have the feeling – and did not dissimulate this feeling in their correspondence to me – that FAFICS has not acted with sufficiently strong determination. At its 2006 session the Council decided that a working

group would be set up to deal with the issue. I discussed the subject with the CEO of the Fund and it was clear that he did not think that any further action was possible. It appeared in these circumstances that there would be little use in setting up a working group for this purpose. On the other hand, we have been trying to explore the possibility of legal action against the Fund on the basis of the fact that the Fund neglected to carry out its responsibility to monitor the implementation of the transfer agreements concluded in 1980 with the USSR, the Ukrainian SSR and the Byelorussian SSR. I contacted a legal expert fully familiar with the UN legal system and procedures who did not find it possible to take up the case. Other contacts were made in New York by Andres Castellanos who will no doubt report to the Council on the results.

In concluding this report I should like to thank all those who assisted me in my task, while apologizing to those I shall involuntarily omit. I have already mentioned the key role of our Secretary, Anders Tholle, without whose constant attention to all issues we have to tackle FAFICS would not be able to function. My gratitude goes also to our Treasurer, Juan Mateu, and to our Assistant Secretary, Lydia Ontal, stationed in New York. Roger Eggleston deserves a special mention for his efforts to draft and redraft the successive versions of the proposed new Statutes. I must also mention the valuable work carried out by the Conveners of our Working Groups on Pension Adjustment System and on After-Service Health Insurance, Jean Hanus and Richard Nottidge. Peter Lillie has gracefully accepted to act as Rapporteur of this session; we all remember how well he carried out this difficult task on previous occasions. All of us are grateful to the host association of the present session, AFICS-New York, and to its President, Andres Castellanos, who spared no effort in making all the necessary preparations for the session. As I mentioned above, I made it a regular practice to consult the Vice-Presidents on all issues which, in my opinion, required our collective wisdom and, on many occasions, the entire membership of the Federation. I am most grateful for their support, advice and confidence.

Report of the thirty-sixth session of the FAFICS Council – New York 2-6 July 2007

Appendix 5

**REPORT OF THE WORKING GROUP ON THE REVISION OF THE STATUTES OF
FAFICS**

(this report was also issued as Council document CRP.8 at the Council session; it includes an annex containing the amended Statutes which the Council adopted by acclamation on 5 July 2007. The Statutes entered into force on 7 July 2007)

New York, Friday, 28 June 2007

Those present

| | |
|--|-----------------------------------|
| Convenor: Witold Zyss, President of FAFICS | |
| Rapporteur: Roger Eggleston, AAFI-AFICS Geneva | |
| Eduardo Albertal | AAFIB Brazil |
| Hermann Augsburger | AFICS Uruguay |
| David Axford | BAFUNCS UK |
| Andres Castellanos | AFICS New York |
| Jean Jacques Chevron | AAFI-AFICS Geneva |
| Mario La Fuente | AFICS Chile |
| Carlos Alberto Goulart | AAFIB Brazil |
| Anton Kruiderink | AFICS Netherlands |
| Georges Kutukdjian | AAFU-AFUS Paris |
| Peter Lillie | ARICSA Vienna |
| Maurice Mabanza | ACAFNU Congo Brazzaville |
| Aurelio Marcucci | FFOA Rome |
| Richard Nottidge | AFICS New York |
| Leda Rosso | AFICS Argentina |
| Jean Francois Santarelli | AAFI-AFICS and ILO Section Geneva |
| Luis Talavera | APEFONU Paraguay |

Documents before the Working Group

WG – Statutes – second series docs.1,2,3,4,5 and CRP.1

Considerations

1. The Working Group took careful note of all the documents made available for the session. It decided to review these under three headings:
 - a. the proposals in respect of the Statutes themselves taking account in particular of the comments received from the Associations;
 - b. the several proposals in respect of the Rules of Procedure; and
 - c. the matters raised in correspondence with the Section of ILO Former Officials, ILO Staff Union contained in WG- Statutes CRP.1 .

The Statutes

2. The Working Group undertook an in-depth review of all the proposals and comments which had been received in respect of the revision of the Statutes.
3. The conclusions arising out of this review are reflected in the final draft proposal for the Statutes which is attached as Annex 1 .
4. Among other considerations made by the Working Group in the course of this review and reflected in the attached draft were the following: (the Article references are those contained in document WG-Statutes –second series no 1)
 - a. in respect of Article 1 – to delete reference to the Swiss Code of Civil Law which, according to advice received from a Geneva based lawyer specializing in the law applicable to Associations in Switzerland, was not necessary;
 - b. in respect of Article 2 – to tighten the language of sub paragraph (d);
 - c. in respect of Article 3 – to delete reference to “Associate Membership” which would better be reflected in the Rules of Procedure;
 - d. in respect of Article 4 – to limit the Article to the Council – its membership and responsibility for the Rules of Procedure and to introduce a new Article (which would become Article 5). This would refer separately to the Officers of the Federation as “ a President, Vice Presidents, a Secretary and a Treasurer”. The number of Vice Presidents would be included in the Rules of Procedure.
 - e. in respect of Article 5 – to better define the “double majority” system and to extend this double voting procedure to all issues upon which consensus could not be attained;
 - f. in respect of Article 6 – to add the notion that the Federation could accept financial contributions from sources other than member associations; and
 - g. in respect of Article 7 – to better define the system of “double majority.”

5. The Working Group further considered that, given the extensive consultative process that had taken place in their elaboration, the revised Statutes should be referred to the Council at its current session for adoption in accordance with the relevant provisions of the current statute (Article 8) which reads as follows:

“Proposals for amending these Statutes shall originate from the Council or from a Member Association and shall be communicated to the Member Associations at least three months before they can be considered by the Council.

Amendments shall come into force upon adoption by a two-thirds majority of the Council.”

6. If so approved, it is proposed that the revised statutes should become effective upon the conclusion of the 36th Council session, i.e. 7 July 2007. The approved text of the Statutes should also clearly indicate this effective date.

The Rules of Procedure

7. The Working Group expressed its gratitude to the representative of AFICS Uruguay who introduced the preliminary proposals prepared by his Association in respect of the development of Rules of Procedure for FAFICS. The Working Group noted that a number of additional suggestions had been made both at the 35th Session of the Council and in the period since then, in terms of the issues that should be included in the Federation’s Rules of Procedure.
8. These are:
 - a. the definition of terms;
 - b. Membership - categories(Member Associations, Associate Member Associations etc.), criteria for admission, termination of membership, exclusion of members, determination of fees;
 - c. Council session – notice, proceedings, quorum, chairman, rapporteur, working groups or other committees;
 - d. Officers of the Federation (including the number of Vice Presidents), their duties, procedures for their election;
 - e. Accounts and audit procedures;
 - f. Dissolution;
 - g. Amendment of the Rules of Procedure.
9. The Working Group further agreed that the procedure adopted for the revision of the Statutes should be replicated in respect of drafting the Rules of Procedure – namely by correspondence and, as required, through an open-ended Working Group which would be convened before the 37th session of the Council in 2008.
10. Before that, Associations would be invited to comment on a preliminary draft which would be prepared by the Rapporteur (RE) and circulated before the end of October 2007.

Matters raised in correspondence with the Section of ILO Former Officials, ILO Staff Union contained in WG – Statutes/CRP.1

11. The representative of AAFI-AFICS Geneva also representing the ILO Section provided a comprehensive overview of the issues raised in the exchange of correspondence between the President of FAFICS and the ILO Section.

12. He referred to the history of the matter going back to a request from the ILO Section to become a member of FAFICS already in 1988, and to the perception of the ILO section that there were particular features which applied to Organisations with large numbers of former staff who had retired in one location such as Geneva.

13. The members of the Working Group expressed their concern for preserving and strengthening the structure of the Federation; within this overall goal the Working Group considered that the issues raised by the ILO section should be noted and forwarded to the Working Group working on the elaboration of the Federation`s Rules of Procedure (paragraphs 7 to 10 above).

Report of the thirty-sixth session of the FAFICS Council – 2-6 July 2007

Annex to Appendix 5

STATUTES OF THE FEDERATION OF ASSOCIATIONS OF FORMER INTERNATIONAL CIVIL SERVANTS

Preamble

Associations of former international civil servants who have served in the organizations of the United Nations system, aware of the interests of the former staff of those organizations, have agreed to coordinate their efforts through a Federation of Associations of Former International Civil Servants (FAFICS), hereinafter referred to as “the Federation”, whose Statutes are set forth below:

Article 1 – Headquarters

The Federation is a non-profit association with its headquarters in Geneva, Switzerland.

Article 2 – Purposes and functions

The aims and objectives of the Federation shall be to bring together Member Associations of former international civil servants and provide a framework for their activities.

In so doing, the Federation will:

- (a) support and promote the purposes, principles, programmes and achievements of the United Nations system;
- (b) promote and defend the interests of the community of former international civil servants;
- (c) maintain and develop solidarity and close contact between and among Member Associations;
- (d) represent the community of former international civil servants on appropriate organs of the United Nations system and in particular retirees and beneficiaries of the United Nations Joint Staff Pension Fund;
- (e) promote exchanges and coordination with federations of staff members in service and cooperate with other associations and organizations as appropriate;
- (f) support and coordinate the activities of Member Associations, particularly in matters of pensions and health protection.

Article 3 – Membership

Membership shall be open to associations of former international civil servants of the organizations of the United Nations system which meet the criteria spelled out by the Council and included in the Rules of Procedure.

Article 4 – Council

There shall be a Council which shall meet at least once a year and be responsible for all the activities of the Federation. The Council shall consist of representatives of each Member Association. The Council shall establish its Rules of Procedure.

Article 5 – Officers

The Officers of the Federation shall be a President, Vice Presidents, a Secretary and a Treasurer. The Officers of the Federation shall be elected by the Council, as specified in the Rules of Procedure.

Article 6 – Decisions and voting rights

The Council shall take its decisions by consensus. If consensus cannot be attained and a vote is necessary, each Member Association present or represented in the Council shall have one vote. Decisions shall be by a double majority, which is a majority of the member associations present or represented in the Council and a majority of the total membership of those associations.

Decisions may also be taken by correspondence.

Article 7 – Finances

The Federation shall be financed by annual contributions from each Member Association in an amount to be determined by the Council. The Federation may accept other contributions as appropriate. The Federation shall have an annual budget approved by the Council, which shall receive an annual audited Statement of Accounts.

Article 8 – Amendments

A proposal to amend these Statutes shall originate from the Council or from a Member Association and shall be communicated to Member Associations at least three months before a Council session. Such a proposal shall be considered by the Council in the first instance. If it is supported by a simple majority, it shall be circulated for approval to all Member Associations. For adoption it shall require a double majority, which is a majority of all Member Associations and a majority of the membership of all Member Associations.

These Statutes were adopted by the 36th Session of the Council of the Federation on 5 July 2007, on the understanding that they would take effect on 7 July 2007. They replace the Statutes adopted by the Council of the Federation on 26 October 1979 and amended on 29 May 1980 and 1 July 1983. These Statutes are published in English, French and Spanish, the version in English being the authoritative text.

Report of the thirty-sixth session of the FAFICS Council – New York 2-6 July 2007

Appendix 6

Adopted budget for the year 2008

(the budget proposal was issued and circulated to Member associations as pre-session document Council 36/2007/D.17.c on 2 April 2007)

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| Page 1: | Introduction |
| Page 2: | Estimated Income and Observations |
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| Page 5: | Table showing budgets and expenditures of prior years, together with the proposed expenditure budget for 2008 |
| Page 6: | Footnotes to the table on page 5 |
| Page 7: | Membership figures as at 1 January 2007 |

INTRODUCTION

1. Following requests made by some member associations at 35th session of the FAFICS Council, it was decided that future budgets will be sent to member associations at least three months prior to the Council session. Accordingly the proposed budget for 2008 is being e-mailed to member associations on 2 April 2007.
2. The income estimates have been calculated on the basis of the rate of \$1.25 per member as adopted by the 35th session of the Council in July 2006.

All income and expenditure estimates are in US dollars, unless marked otherwise

INCOME ESTIMATES FOR 2007

| | |
|------------------------|------------|
| Members' contributions | 20,750 |
| <u>Bank interest</u> | <u>750</u> |
| Total | 21,500 |

OBSERVATIONS

3. FAFICS' income is made up of two elements. The first element is contributions by member associations. The second element is annual interest earned on financial resources deposited with the UNFCU, New York.

4. Membership contributions 20,750

The estimate of contributions by member associations is based on membership data, as declared by the associations as at 1 January 2007. This is not an absolute figure, as a few member associations had not provided such data at the time when the budget estimates were prepared. Therefore, some of the membership numbers given on page 5 are from the previous year; such figures are marked with an asterisk. We have based our estimate for 2008 on an assumed membership of 16,600.

5. Bank interests 750

This is an estimate of interest that may be earned on our deposit of \$15,000 with the UNFCU.

Total estimated income 21,500

ESTIMATED EXPENDITURES FOR 2008 AND OBSERVATIONS

6. Travel expenses 14,000

This provision has been calculated to cover the costs of the President's attendance at the 37th session of the FAFICS Council, assuming that the Council will be held in Rome and that the cost of his travel, terminal expenses and daily subsistence allowances during the Pension Board session (also in Rome) will be covered by the UNJSPF, in his capacity of being one of two retiree representatives at the Pension Board, for whom the Board has decided to defray the travel expenses.

Other costs will be for Secretary's travel to service the 37th session of the Council, brief travels by the President to Geneva and New York, as well as any other travel which may become necessary during the year 2008.

7. Hospitality 850

This item will, as usual, cover the lunch offered by FAFICS to the CEO UNJSPF and his senior staff (in Rome). It may also cover some minor hospitality offered by the President. We propose an increase of 150 over the 2007 provision of 700 in light of experience.

8. Secretarial Assistance 2,500

This item was exceptionally increased to \$4,000 to cover higher assistance costs for the Council session in New York in 2007. It is anticipated that 2,500 will be sufficient in 2008, when the Council meets in Rome.

9. Contributions 1,000

We believe that this item can be reduced from its 2007 level of \$1,100. At the time of preparing the estimates the contributions were as follows:

| | |
|---|----------|
| CONGO | US\$ 300 |
| FICSA | CHF 600 |
| Special International NGO Committee on Human Rights | CHF 100 |

10. Equipment 2,000

It will be necessary to continue the replacement of FAFICS' old and outdated equipment. The Treasurer's PC will be replaced in 2008.

11. Office supplies 350

This is a slight increase of 50 over the 2007 provision.

12. Bank charges 200

As a result of increased reliance on the UNFCU banking services, the 2007 provision of 300 can now be reduced to 200.

13. Communications 200

It is proposed to maintain this item at its 2007 level. It covers telephone calls from the FAFICS Secretariat as well as settlement of claims for official international calls made from the Secretary's home.

Total estimated expenditures 21,100

TABLE SHOWING BUDGETS AND EXPENDITURES FOR THE YEARS 2003-2006, THE ADOPTED BUDGET FOR 2007 AND THE PROPOSAL FOR 2008 (by year and venue of the annual Council session; for 2008 we have assumed Rome where the Pension Board will meet; holding the Council session there is subject to a decision by the FAFICS Council)

| Year 2003 New York | Year 2004 Montreal | Year 2005 New York | Year 2006 Geneva | Year 2007 N.Y. | Year 2008 Rome |
|-----------------------|-----------------------|-----------------------|---------------------|-------------------|-------------------|
|-----------------------|-----------------------|-----------------------|---------------------|-------------------|-------------------|

| Subject US\$-CHF rate | Budget \$ 1.49 | Expenses \$ 1.25 | Budget \$ 1.25 | Expenses \$ 1.14 | Budget \$ 1.14 | Expenses \$ 1.31 | Budget \$ 1.14 | Expenses \$ 1.21 | Budget \$1.25 | Budget \$1.21 |
|---|-------------------|-----------------------|-------------------|---------------------|-------------------|-----------------------|-------------------|---------------------|------------------|------------------|
| Travel to Council session & Pension Board/St.Cttee Other travels | 5,200 | -- | 11,000 | 9,009.02 | 12,000 | | 15,500 | | 13,500 | 14,000 |
| | | 6,890.60 | | 1,962.27 | | 10,005.58 | | 8,965.56 | | |
| Hospitality for CEO Other Hospitality | 600 | 346.64 | 600 | 421.97 | 600 | 560.00 | 700 | 975.79 | 700 | 850 |
| | | -- | | -- | | 585.23 | | 196.36 | | |
| Secretarial assistance | 1,000 | -- | 1,000 | -- | 3,000 | 1,000.00 | 2,000 | 2,024.00 | 4,000 | 2,500 |
| Contributions: CONGO | | 280.00 | | 412.28 | 1,015 | 300.00 | 1,100 | 300.00 | 1,100 | 1,000 |
| FICSA | 700 | 400.00 | 750 | 536.32 | | 458.02 | | 458.00 | | |
| NGO's Cttee on Human Rights | | 120.00 | | 87.72 | | 76.33 | | 82.64 | | |
| Equipment | 2,500 | <u>1/</u> 2,627.01 | 1,500 | -- | 500 | -- | 500 | 421.48 | 2,000 | 2,000 |
| Office supplies | 400 | 8.16 | 200 | 84.68 | 285 | 394.66 | 300 | 390.93 | 300 | 350 |
| Bank charges | 200 | 306.52 | 100 | 500.29 | 200 | 331.93 | 300 | 188.54 | 300 | 200 |
| Communications | | | | | 200 | -- | 200 | -- | 200 | 200 |
| Sub-total | 10,600 | 10,758.93 | 15,150 | 13,654.55 | 17,800 | 17,190.55 | 20,600 | 17,295.20 | 22,100 | 21,100 |
| Non-budgeted expenses/ Contingencies | -- | -- | -- | -- | -- | <u>2/</u> 4,000.00 | -- | -- | -- | -- |
| Gd-Total | 10,600 | 10,758.93 | 15,150 | 13,654.55 | 17,800 | 21,190.55 | 20,600 | 17,295.20 | 22,100 | 21,100 |
| Difference over estimates | -- | (158.93) | -- | 1,495.45 | -- | (3,390.55) | -- | 3,304.80 | -- | -- |

| | | | | | | | | | | |
|---------------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|------------------|------------------|
| Income: | | | | | | | | at \$1.15 | at \$1.25 | at \$1.25 |
| Contributions | 11,000 | 11,248.43 | 11,400 | 11,556.55 | 17,570 | 17,690.44 | 17,500 | 18,498.84 | 19,858 | 20,750 |
| Bank Interest | 200 | 78.60 | 200 | 46.10 | 230 | 41.75 | <u>3/</u> 500 | 645.69 | <u>3/</u> 600 | 750 |
| Total | 11,200 | 11,326.03 | 11,600 | 11,602.65 | 17,800 | 17,732.19 | 18,000 | 19,144.53 | 20,458 | 21,500 |
| Difference over estimates | -- | (126.03) | -- | (2.65) | -- | 67.81 | (2,600) | 1,144.53 | -- | -- |

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|---------------------|-------------------|---------------------|---------------------|-------------------|------------------|----------------|
| Income: | 11,326.03 | 11,602.65 | 17,732.19 | 19,144.53 | 20,458 | 21,500 |
| Expenses | -10,758.93 | -13,654.55 | -21,190.55 | -17,295.20 | -22,100 | -21,100 |
| Over-expend. | + 567.10 | (2,051.90) | (3,458.30) | +1,849.33 | (1,642) | +400 |
| Membership | 15,182 | 15,683 | 15,539 | 16,206 | 15,886 | 16,600 |

| <u>Assets:</u> | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| UBS USDollar | US\$ 21,650.73 | US\$ 24,751.50 | US\$ 21,909.48 | US\$ 8,699.38 |
| UBS CHF equiv./Dollar | US\$ 10,696.88 | US\$ 7,253.93 | US\$ 3,722.43 | US\$ 606.72 |
| UNFCU | -- | US\$ 144.15 | US\$ 1,333.65 | US\$ 20,381.22 |
| <i>Total</i> | <u>US\$ 32,347.61</u> | <u>US\$ 32,149.58</u> | <u>US\$ 26,965.56</u> | <u>US\$ 29,687.32</u> |

Notes: Over-estimates/over-expenditures are shown in brackets.

For footnotes, see next page

Footnotes relating to the table on page 5:

1/ The Council decided to authorize the purchase of a laptop computer for use by the President during his travels for FAFICS.

2/ Following the Tsunami catastrophe on 26 December 2004 and after consultations with the Officers, the President authorized the payment of a donation of \$4,000 to UNICEF, to be spent on its Tsunami relief efforts. The President of AFICS- (NY), host of the 34th Council session, agreed to surrender \$1,000 from the budget for Secretarial assistance, and the Secretary postponed the acquisition of a printer and fax machine, for which there was an equipment provision of \$500 in the budget. The remaining balance of \$2,500 was drawn by from the reserves. These transactions were approved post-facto by the 34th session. The Secretariat has since received a new fax machine as a gift from a former international civil servant in Geneva

3/ In view of the very low interests being paid by Swiss banks, it was decided on 31 January 2006 to transfer an amount of \$15,000 from the UBS account to a Share Certificate account with the UNFCU giving 4,50% interest per year. Since 2007 the interest rate of this certificate has risen to 4.78%.

FAFICS MEMBERSHIP AS AT 1 JANUARY 2007

(based on data at hand on 24 March 2007, asterisks indicate figures that are from 2006)

| | |
|--------------------------|---------------|
| AFICS-Argentina | 144 |
| AAFICS-Australia | 156 |
| ARICSA-Austria | 960 |
| AFICS-Bolivia | 68* |
| AAFIB-Brazil | 96 |
| AAFNU-Burkina Faso | 66* |
| CAFICS/ACAFI-Canada | 423 |
| AFICS-Chile | 520 |
| ASOPENUC-Colombia | 90 |
| ACAFNU-Brazzaville-Congo | 234 |
| ARNUC-Kinshasa-Congo | 51 |
| AEFSNU-Ecuador | 50 |
| AFICS-Egypt | 65 |
| AFICS-Addis Ababa | 260 |
| AAFU/AFUS-France | 1,540 |
| APUNG-Greece | 62* |
| AFUNPI-Bangalore-India | 224 |
| UNPA-New Delhi | 349 |
| AFUNPR-Indonesia | 97* |
| FFOA-Rome-Italy | 2,211 |
| FOA-Turin-Italy | 87 |
| AFICS-Lebanon | 90* |
| AMAFINU-Mali | 60* |
| AFPNU-Mexico | 60 |
| AFICS-Netherlands | 101 |
| AFUNO-New Zealand | 66 |
| AUNPP-Pakistan | 50 |
| APEFONU-Paraguay | 60* |
| AEFNUP-Peru | 50 |
| AFICS-Russia | 13 |
| AFICS-Sri Lanka | 60* |
| AAFI-AFICS-Geneva | 3,465 |
| UNAPATA-Tanzania | 52* |
| AFICS-Thailand | 189 |
| BAFUNCS-United Kingdom | 815 |
| AFICS-New York | 3,388* |
| AFICS-Uruguay | 106 |
| Provisional total | 16,378 |

Report of the thirty-sixth session of the FAFICS Council,
New York, 2-6 July 2007

Appendix 7



MESSAGE BY

**H.E. SHEIKHA HAYA RASHED AL KHALIFA
THE PRESIDENT OF THE UNITED NATIONS
GENERAL ASSEMBLY**

AT THE

**36th COUNCIL SESSION OF
THE FEDERATION OF ASSOCIATIONS OF
FORMER INTERNATIONAL CIVIL SERVANTS**

NEW YORK

6 JULY 2007

Ladies and gentlemen,

Dear Friends,

As you conclude the 36th Council Session of The Federation of Associations of Former International Civil Servants, I wish to salute your commitment to achieving the UN's goals and fostering solidarity among international civil servants.

I am pleased to inform you that, last April, the General Assembly adopted a resolution establishing the foundation for a new and enhanced system of Administration of Justice for all United Nations Staff.

This resolution signals the Organization's dedication to safeguard the rights of staff members and ensure the effective accountability of both managers and staff alike.

The strength of the United Nations depends on the close collaboration between Member States and the Secretariat.

I firmly believe that the Staff is the greatest asset of this Organization. Throughout its sixty-one year history, the United Nations has made great strides in addressing the many challenges confronting the global community, from maintaining peace and security, to alleviating poverty, to promoting human rights and upholding the rule of law.

This has all been possible thanks to the dedication of its Staff. I wish to pay particular tribute to the first generations of UN Staff who have laid this foundation.

Your mentorship is especially vital to the continuity of our shared mission, as enshrined in the UN Charter.

It is the duty of Member States and the General Assembly to ensure that the voices and concerns of your Federation are effectively heard and addressed.

I would like to reiterate my support for your important endeavors and wish you continued success.