



FÉDÉRATION DES ASSOCIATIONS DES ANCIENS FONCTIONNAIRES INTERNATIONAUX

FEDERATION OF ASSOCIATIONS OF FORMER INTERNATIONAL CIVIL SERVANTS

**Thirty-seventh session of the Council
Rome, 2 - 8 July 2008**

Report of the session

1. The thirty-seventh session of the Council of the Federation of Associations of Former International Civil Servants was held from 2 to 8 July 2008 at FAO in Rome under the presidency of Witold Zyss. The formal opening of the session on 3 July was preceded on 2 July by a meeting of the open-ended working group on the Rules of Procedure chaired by Witold Zyss and a meeting of the working group on after-service health insurance and long-term care under the chairmanship of Michael Davies. The FAFICS Bureau also met on the eve of the Council session.
2. Council observed one minute's silence in memory of Osman Ali Ahmed, the UNDP Resident Coordinator in Somalia, who had been murdered the previous day, and in honour of those international civil servants who had lost their lives in the service of the United Nations over the past year. A letter of condolence would be sent to the Secretary-General of the United Nations.

Opening session

3. The FAFICS President declared the meeting open on 2 July at 10.00 a.m. Gregory Flood of the Human Resources Management Division of FAO bade the participants welcome on behalf of the Director-General of FAO and hoped that they would enjoy their stay in Rome. He paid tribute to the important role that the Federation played and the valuable input it would be making to the upcoming deliberations of the Pension Board. The Board would address such important issues as measures for mitigating the effects of the deteriorating US dollar on pensions payable in local currencies. It was no secret that macroeconomic conditions and assumptions had changed since the time of the Pension Fund's inception. That called for a careful review of basic concepts inherent in the benefits system, including such long-standing features as pensionable remuneration and income replacement factors. Mr. Flood was confident that at the upcoming Board session, the participants would witness the restitution to all retirees of the final portion of the CPI reduction still pending (0.5 percentage point) that had been imposed as part of the economy measures introduced in the 1980s.
4. Mr Flood was confident that the Federation in voicing the views of its current constituents would have the interests of its former employers as well as its future membership at heart. For his part, he looked forward to joining the ranks of retirees.
5. In thanking Mr. Flood for his kind words, the President thanked FAO and the host association wholeheartedly for the facilities they had so generously provided. He noted with satisfaction the commonality of interest with the speaker in terms of the issues that FAFICS would take up at the session of the Pension Board.

6. Anders Tholle, FAFICS Secretary, presented a list of the 25 member associations that were represented at the session, directly (20) or by proxy (5). The list of participants is contained in Appendix 1.
7. On the first day of the meeting, Aurelio Marcucci was unanimously appointed President emeritus of the Federation, in recognition of his unswerving commitment to the cause of retired international civil servants in the United Nations system. Witold Zyss and Anton Doeve, president of the host association, paid tribute to the contribution that Aurelio Marcucci had made over the years to the activities of FAFICS and FFOA alike, as well as to the deliberations of the Pension Board and its Standing Committee. At an evening reception hosted by FFOA, Aurelio Marcucci was presented with a commemorative plaque
8. During the afternoon session of the final day, AFICS-NY proposed that Eduardo Albertal (AAFIB-Brazil) be appointed Vice-President emeritus in recognition of his services to the Federation. The proposal was seconded by AFICS-Chile and FFOA-Rome. Tributes were paid to Eduardo Albertal, whose long-standing commitment to the aims and ideals of the Federation would not be forgotten. The proposal was adopted unanimously.

Agenda item 1: Adoption of the agenda

9. Council adopted the provisional agenda (document Council 37/2008/D.1) as submitted together with the provisional schedule of work, with the amendment that a sub-item on Security and retiree access be included under item 18: Other business. The agenda was adopted as 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

10. The President welcomed the participants to Rome. In summarising his report, the full text of which is contained in document Council 37/2008/D.2 (Appendix 4), the President noted with satisfaction the number of member associations represented at the current session. He also pointed to the benefits derived from regular sessions with the CEO of the Pension Board and reported that Alan Blythe, the new Chief of Operations, UNJSPF, New York, would be heading up the UNJSPF office in Geneva as from 1 August 2008. The Bureau meeting held in February 2008 (a record of the decisions adopted at that meeting had been circulated to member associations) had proven its worth as part of the Federation's governance structure. Among the suggestions brought forward at that meeting, he pointed to the proposal that the membership fee be increased from US\$1.25 to US\$1.35 per member, an accretion that corresponded to the increase in the cost of living, as reflected in the amount of the pension benefits.
11. He also commented on developments among the federations representing active staff: FICSA and CCISUA. Ties between the two were strengthening as reflected in their joint presentations to such bodies as the ICSC. Fragmentation was still in train, however, as reflected by the emergence of UNISERV: a federation comprising the active staff of the UN secretariat in New York and in Geneva as well as, UNDP/UNFPA/UNOPS. He suggested that the possibility of establishing relations

with UNISERV at some stage might be mooted. The President also reported that the plight of the UN retirees in the former Soviet Union had not improved.

12. The President paid tribute to the support that had been extended to him throughout the year. In addition to the advice given by his Vice-Presidents, he had benefited from the stalwart services of the Secretary, without whom the President would not have been able to function. He also thanked the Treasurer for his services and Lydia Ontal for her unstinting support in New York. He also paid tribute to the working groups and their chairs/convenors, as well as to the Auditors. Member associations had invariably responded promptly to his requests for advice or information. He confessed that he was stepping down with regret, yet it would have been unreasonable for him to continue. He had attended FAFICS Council sessions since time immemorial and he thanked everybody for their help.
13. In the ensuing discussion, the President was congratulated on the comprehensive nature of his report. He was commended for his leadership over the past four years that had left a clear imprint on the history of the Federation. His dry wit and profound wisdom would be sorely missed, as would the advice he had given others on improving communications with the Pension Board and boosting the membership of individual associations. His readiness to cooperate both at the personal and other levels had been highly appreciated throughout the Federation. His 'superb presidency' had been a source of pride for his parent association. In responding to the accolades, the President felt that the member associations unlike Mark Anthony had come not to bury him, but to praise him. He thanked them for their kind words.
14. In concluding the agenda item, Council took note of the President's report with appreciation.

Agenda item 3: Applications for membership

15. Applications had been received from IAFICS Israel and IGFICS Myanmar. Unlike others, their applications had been found to meet the conditions for membership of FAFICS.
16. Council welcomed the new associations with a round of applause.
17. Both associations thanked the President and the Secretary for the extensive help that had provided throughout the application process and in one case, in drafting statutes and by-laws. The host association and others pointed to increased membership lending strength to the representativity of the Federation, while others spoke of the need to combat elitism and ensure an appropriate cross-section of membership.
18. The Secretary expounded at some length on the difficulties associated with securing new members. Some applicants had restrictive statutes that limited membership to a specific category of staff or nationality; others had been deterred by the membership fee. It was noted that associations most in need of assistance from FAFICS were not represented on the Council: a proactive stance was called for. The Secretary was thus encouraged to continue his commendable efforts to seek and maintain contact with other associations and, where appropriate, draw on the good offices of member associations to establish links in neighbouring countries.

Agenda item 4: Items on the agenda of the 55th session of the Pension Board

19. In its discussion of the items on the agenda of the 55th session of the Pension Board, Council focused on the items of particular pertinence to the concerns of the Federation.

Item 5(a): Twenty-ninth actuarial valuation of the Fund as of 31.12.2007

20. Council took note of the fact that the sixth consecutive valuation had shown a surplus, albeit appreciably less than preceding surpluses (0.49 per cent). The drop was largely due to the upward revision of the mortality tables. As that element would not have to be accommodated in the next valuation, a higher surplus might be expected in two years. Moreover, expressed in asset values, the surplus was higher. Opinions were varied. Attention was drawn to the fact that the surplus was in fact lower as the adoption of changes in the commutation factor would have an estimated negative effect of 0.25 of pensionable remuneration. Mention was also made of looming recession and reluctance on the part of the CEO/Secretary of the Fund to commit himself on the elimination of the remaining 0.5% reduction in the first CPI adjustment, a solution to which some of the participants' representatives were also not kindly disposed.
21. In the ultimate analysis, it was agreed that postponing elimination of the CPI reduction would be counter to the interests of retirees. Elimination would also be in the interests of prospective retirees.
22. Council decided to pursue elimination of the initial CPI reduction due after retirement as a matter of principle. There should be no more compromise on an issue, the solution of which had long been promised. The Federation should insist as firmly as possible and submit a formal proposal to the Pension Board. At the same time, it was recognised that given the actuarial cost of eliminating the remaining 0.5 per cent reduction would be some of 0.15 per cent, the Federation would not press for the elimination of the cost-of-living adjustments applicable to deferred retirement benefits as from the age of 50 which would incur an estimated actuarial cost of 0.36 per cent. Taken together, both adjustment measures would entail estimated actuarial costs of 0.51 per cent, i.e. higher than the anticipated actuarial surplus of 0.49 per cent.
23. It was further suggested that the FAFICS delegation to the Board should seek an ad hoc meeting on the issue with both the administration and governing members' group, although some reservations were expressed about meeting the administration group. It was further noted that a meeting of the CEO/Secretary of the Fund with the participants' representatives had been scheduled for 8 July at 5 p.m. It was suggested that the President should establish whether that meeting included FAFICS

Item 6(a): Management of the investments

24. Gerhard Schramek introduced the paper on the management of investments (document Council 37/2008/D.4 Add 3) that summarised the contents of the UNJSPF document (Document JSPB/55/R.11). He pointed out that the long-term strategic asset allocation remained unchanged, with necessary tactical adjustments during the period April 2007-March 2008. The market value of the Fund had

increased by 7.9 per cent and outperformed both the new and old benchmarks. Although the present system of active management had proved better than passive management/indexation, the RSG still insisted on indexation being the better tool. That notwithstanding, the situation of investments was not that good, overshadowed as it was by the deteriorating relationship between the RSG and the CEO/Secretary of the Fund that had led to the non-implementation of the revision of the memorandum of understanding.

25. It was suggested that the switch to passive management was attributable to lack of resources (posts) needed to maintain active management. It was suggested that the additional posts could be funded from investment revenue – best practice applied by other financial institutions - that would also inject a note of dynamism into the Fund's operations.
26. A note of caution was struck on two counts. According to the report, the IMS was said to be looking at the proportion of each portfolio which should be allocated to indexation, i.e. passive management. A strategy should be elaborated together with the participants' representatives. Care should also be taken in respect of new investments as the key principles remained safety, profitability, liquidity and convertibility.
27. It was agreed that it would be premature to invite the RSG to a meeting with the Federation in the context of the current Council session; however, the incoming Bureau might wish to discuss the matter at a later date. Attention was drawn to the resilience of the Fund despite the depressing economic climate. That could be due to overvaluation in other currencies. It was thus suggested that FAFICS should request that more comprehensive quarterly updates on the status of the Fund be issued.

Item 8(a) Emergency Fund

28. It was noted that a high proportion of payments had been effected in France and the United States: possibly a bias, the figures reflected the need for strong retiree association support. It was suggested that the Emergency Fund application guidelines be appended to the Annual Letter, while the criteria listed in the same should be reviewed. The need for review was supported, as was the appeal for prompt processing of applications without recourse to complex administrative procedures.
29. Council urged that: (a) the Emergency Fund be maintained; (b) the definition of what constituted an emergency be revisited; (c) the criteria for awarding grants from the Emergency Fund be redefined: and (d) the possibility of awarding loans be considered.
30. BAFUNCS reported that it had had good experience with loans to its members. It suggested that the Fund might be encouraged to adopt a more imaginative and flexible policy in that regard.
31. Questions were asked about the UNJSPF booklet on the Emergency Fund and its current availability. It was also pointed out that it did not suffice to post such brochures on the web given the lack of computer skills among the older retirees.

Item 8(c).ERP project

32. Attention was drawn to the proposal for developing an enterprise resource planning (ERP) system in the Fund Secretariat (document JSPB/55/R.22). While the new system was complex, it could not be claimed that in the context of a complicated IT project such as that being proposed, the Fund's activities were unique. Lessons were to be learnt from other international organisations, such as IDB, that had already introduced ERP successfully.
33. Attention was drawn to two technical issues. Whereas the project only foresaw a 30-day period for live testing, experience had shown that at least three full parallel sessions should be run in order to ensure that errors were kept to an absolute minimum. Were a significant number of beneficiaries to receive erroneous payments when the system was first run, it would not only pose a problem for the recipients and the Fund, but it might also impact on the perception of the system's usefulness and effectiveness. That, in turn, might eventually discourage participants from using the system for those most cost-effective interventions that it was designed to support.
34. An effective decision-making structure would have to be set up to oversee the changes needed in the Fund's processes and the system design, if efficiencies were to be optimised. Splitting a project structure into two components – a UNJSPF implementation team and a project management team – would not yield optimal results. An additional element was called for: a 'project sponsor', a senior member of the UNJSPF management team, who would be intimately involved in the ongoing process and fully empowered to take decisions on issues related to the system and improved processes. Only issues of policy would be raised at a higher level.
35. In the ensuing discussion, the question was raised about the lengths to which FAFICS could offer advice on technical issues. In response, it was argued that the ERP project would ultimately impact on beneficiaries, hence comments on the practicability of the approach being proposed clearly fell within the remit of FAFICS. Retirees were the 'clients' and the Federation was duty bound to protect its constituents' interests.

Item 8(d): Overall review of the UNJSPF staffing and organisational structure: Medium-Term Human Resources Plan

36. Concern was expressed once again about the failure of the Fund to pay people or beneficiaries on time. Retirees were not mere ciphers, nor was the issue simply one of numbers. It was a question of the competences and skills required of those serving on an international fund and determining those competences. Procedures had to be improved and instances were cited of failure to communicate and insistence on petty requirements that could be averted through proper planning. Particular insensitivity had been displayed in dealing with the concerns of widows/widowers. Member associations were encouraged to prepare checklists of steps to be taken and documents to be provided in the event of death so that they could provide assistance at the local level.
37. It was recognised that the Pension Fund offices were understaffed. The Federation should thus support the request for eight new posts and twelve reclassifications that had been submitted by the CEO/Secretary of the Fund. That notwithstanding, it was

essential that there be efficiency in the dealings of the Fund with its clients rather than vice versa. The Fund should adopt systems used elsewhere such as claims-tracking systems. As things stood, its operations were prone to systemic lapses.

Item 9(c) Report of the Audit Committee

38. It was reported that Aurelio Marcucci had been replaced by Mohamed Said on the Audit Committee.

Item 10(b)(ii): Plan design

39. Gerhard Schramek introduced a note he had prepared on the subject (the second part of document Council 37/2008/D4 Add. 1) related to the document to be presented to the Pension Board (document JSPB/55/R.36). The CEO/Secretary of the Fund had suggested that a follow-up group be set up to take up where the earlier working group on the fundamental review of the benefit provisions of the Fund had left off. It was not clear whether the Federation would have two or three representatives on the working group (in contrast to the one representative it had had earlier); it would insist on having the same representation as the three tripartite groups. It was agreed to take up the issue of nominating the representatives under agenda item 17.

Item 11(a): Study on impact of currency fluctuations on UNJSPF pension payments

40. Gerhard Schramek presented a note he had prepared on the subject (Council 37/2008/D.4) related to the document to be presented to the Pension Board (document JSPB/55/R. 39). The impact of currency fluctuations had been frequently studied in the past. In the study presented to the Board the previous year, two distinct issues had been addressed: (a) pension benefits payable to Professional staff in the context of the pension adjustment system and two-track system; and (b) pension benefits payable to GS staff in the context of the methodology used to determine final average remuneration (FAR). The study being presented to the current session of the Pension Board focused on: (i) impact of currency fluctuations on local track benefits payable to Professional staff; (ii) the FAR methodology and the impact of currency fluctuations on pensions payable to General Service staff; and (iii) consideration of adopting the euro as the base currency for contributions and benefits.
41. In respect of (i), the current report pointed to two aspects: the wide variation in local currency track benefits and thus in income replacement ratios, as well as the persistent but moderate downward trend in local currency track amounts that might ultimately call for remedial action. Two options had been considered by the CEO/Secretary of the Fund: using either an average exchange rate based on 120 months to determine local track amounts or an average exchange based on the selection of the best 36 months over the last sixty months of contributory service. The additional actuarial cost of the first option was 0.67 per cent of pensionable remuneration; that of the second option 0.96 per cent.
42. In respect of (ii), the CEO/Secretary of the Fund had stated that retirees from the General Service and related categories did not face the prospects of a significant reduction in the value of their pensions under the local currency track. Given the balancing effect inherent in the methodology, the CEO/Secretary of the Fund had

noted that local track amounts were evolving in a normal and consistent manner. He thus proposed that the current methodology be maintained.

43. In respect of (iii), the CEO/Secretary of the Fund had seen little merit in switching to a currency other than the one used to determine salaries. 70 per cent of the Fund's pension payments were on the US dollar track. A switch to the euro, he had suggested, incurred the risk of lower income replacement ratios being established, thus lowering most of the euro pensions to the 60 per cent level. In the light of the sixth consecutive actuarial surplus, the CEO/Secretary of the Fund was of the view that the US dollar should continue to be the base currency of the Fund.
44. In the ensuing discussion, it was pointed out that the income replacement tables presented in the document were misleading and potentially dangerous as they were based on questionable logic. Whereas post adjustment ratios were not applied to retirees' pensions, they were used to develop income replacement ratios: an ICSC approach dating back to 1986. It was urged that the Fund adopt a different yardstick for the purposes of comparison, the best being parity of purchasing power (PPP) which offered a more effective means of comparing salaries in different countries. The World Bank, the IMF, the regional development banks, the EU and the coordinated organisations used PPP to aggregate their salaries. It was generally felt that it was more appropriate to have tables that reflected costs in terms of purchasing power rather than being driven by exchange rates. The issue should be referred to the follow-up working group that was under consideration (see Plan design above).
45. In conclusion, it was suggested that the 120-month average exchange rate was an arbitrary figure, while the option based on the best 36 months of the last 60 months of service offered a greater benefit (as evidenced by the actuarial costs). It was also remarked that the FAR methodology was more a salary-related issue. Little support was expressed in Council for changing the base currency of the Fund. Furthermore, it was noted that many of the issues raised in the document were of greater concern to future retirees and thus fell within the remit of the participants' representatives, whereas the impact of currency fluctuations was quite another matter.
46. In that latter connection, it was pointed out that the present currency trends, in particular the movement of the US dollar against other currencies, was similar to the situation that had prevailed in the early 1980s which had ultimately led to the establishment of the dual track. The current situation, however, differed in that the problems of currency devaluation were devolving more, and having an inordinate impact, on countries where the option to move to local track was potentially difficult, for such reasons as poor national statistics or the nature of national currency management (see also Agenda item 5 below). A careful re-examination of the various parameters applied in the periodic management of pensions in those countries was clearly called for. Council thus urged the CEO/Secretary of the Fund to look beyond conventional 'in-house' solutions and 'think outside the box'. He should discuss and consult with those working on the same issues in other international organisations, such as the macro-economic specialists in the IMF or the IDB.

Item 11(b): Study on small pensions and bank charges

47. Gerhard Schramek presented a note he had prepared on the subject (Council 37/2008/D.4/ Add.1) related to the document to be presented to the Pension Board (document JSPB/55/R. 40). He noted that the CEO/Secretary had eschewed consideration of the small pensions issue by claiming that any in-depth examination of the special adjustment for small pensions would have to start with an analysis of the income replacement ratios that were reflected in the initial pensions that resulted from the methodology for establishing pensionable remuneration of General Service staff, while also taking account of the various indexed minimum benefits in the UNJSPF regulations. ICSC, however, had put the comprehensive review of pensionable remuneration on hold pending completion of the 'pay and benefits review'. FAFICS had expressed concern over that untenable situation at its two previous sessions of the Council.
48. The document before the Pension Board had thus limited its consideration to the impact of bank charges on small pensions. The CEO/Secretary of the Fund had described the current situation in regional terms, stating that in the eurozone and countries such as Japan, Australia, New Zealand, India and Pakistan bank charges were not usually levied on local currency payments. The CEO/Secretary of the Fund had gone on to argue it was not possible for the Fund to absorb even relatively low charges on the fifty thousand payments it processed each month, given the cumulative impact on the Fund's overall position. The Fund's regulations, he maintained, did not provide for the absorption of all bank charges related to the remittance of pension benefits. The CEO/Secretary of the Fund had thus recommended that the Fund and beneficiaries should collaborate in negotiating the elimination or reduction of bank charges with banks where groups of beneficiaries held their personal or other accounts. He had also sought the concurrence of the Board with the general principle of non-absorption, while conceding that in the case of small pensions the principle might be reconsidered in the context of the small benefits review.
49. In the ensuing discussion, Council reaffirmed that FAFICS would vigorously pursue the issue of both small pensions and bank charges in general, while recognising the inordinate impact that the latter had on the former. A suggestion was made that consideration be given to establishing a minimum pension within the context of a review of paragraph 9 of section E of Annex III of the Fund's regulations pertaining to the adjustment of small pensions based on years of contribution – rather than an indiscriminate increase. Small pensions had not always been low *ab initio*; they had declined in value over time, with bank levies compounding devaluation.
50. It was recognised that the proposal put forward by the CEO/Secretary of the Fund failed to remedy the negative impact of bank charges. Thought should be given to offsetting charges above a certain figure. The CEO/Secretary of the Fund should be empowered to take action in those cases where the basic integrity of pensions was endangered by punitive (or confiscatory) bank charges. It was suggested that the Emergency Fund be drawn upon to cover the cost of absorbing the bank charges on small pensions. The suggestion could be made in the course of the meeting with the CEO/Secretary of the Fund.
51. The situation was untenable in a number of countries. In Myanmar, for example, bank charges of US\$ 32 were levied on a monthly pension payment of US\$ 25!

IGFICS-Myanmar had thus asked that pension benefits be routed via the UNDP account, upon which a minimal transfer charge of US\$ 1 would be levied. Similar situations were known to obtain in Cuba and Iran where UNDP had assumed the role of conduit. In Africa, for example, bank charges gobbled up 50-70% of the actual pension payments. The plight of those in receipt of small pensions begged description. At the same time, by dint of its authority AFUNPI-Bangalore had intervened successfully with local banks that had initially levied charges on its members. Similarly, AFICS-New York had successfully intervened with the management of the Chase Bank at the United Nations on behalf of retirees in Thailand; it had resulted in a reduction of the latter's bank charges.

52. It was also suggested that FAFICS might consider the possibility of naming and shaming those banks that were known to levy punitive bank charges on UN retirees in receipt of small pensions.
53. It was recalled that UNDP Resident Representatives/Coordinators had been instructed to offer as much assistance as possible in meeting retiree concerns; however, in those instances where governments objected, it was no simple task. Council felt that the CEO/Secretary of the Fund should be asked whether he had explored all possible avenues with UNDP. Furthermore, the Fund should be requested to undertake as a matter of extreme urgency effective measures to reduce bank charges via alternative channels. The CEO/Secretary of the Fund should also report regularly to the Board on the measures that had been undertaken.
54. Council similarly agreed that the Fund be requested to proceed swiftly with its study on small pensions as FAFICS failed to see the link between the special adjustment for small pensions and the next comprehensive review of the pensionable remuneration of all staff in the UN common system. The CEO/Secretary of the Fund should thus be requested to come forward with proposals to the Pension Board.

Item 11(c): Benefit provisions in respect of family or former family members

55. The President introduced a note he had prepared on Article 35 *bis* contained in document Council 37/2008/D.4 Add.4 related to the document to be presented to the Board (JSPB/55/R.41). In that note he took issue with the depiction of the evolution of the Article as presented by the CEO/Secretary of the Fund. The Article drafted in 1998 contained a number ~~a number~~ of anomalies and shortcomings that FAFICS had consistently criticised. A series of proposals and recommendations had been submitted to the Board (document JSPB/53/R.48), which had deferred consideration to its upcoming session.
56. At the 35th session of the FAFICS Council in 2006, AFICS-New York had submitted a note listing a number of objections to the FAFICS proposals, in particular to the provision pertaining to the reference date for the application of Article 35 *bis*. In view of the fact that while endorsed by the majority of the Council members, certain proposals had met with the opposition of one member association, it had been agreed at the time that when presenting the proposal to the Pension Board, the FAFICS delegation would inform the meeting that it had not met with the unanimous approval of all FAFICS member associations.
57. In a note submitted to the meeting of the FAFICS Bureau in Geneva, February 2008, AFICS-New York had submitted another series of observations maintaining its

position on the reference date and disassociating itself from some other FAFICS proposals. At that meeting the Bureau had proposed that document JSPB/53/R.48 be resubmitted to the 55th session of the Pension Board, attaching the AFICS-New York note and including an introductory paragraph mentioning that one member association had disassociated itself from some of the proposals, particularly in the light of the UNAT Judgement No. 1253 with regard to retroactivity prior to 1 April 1999.

58. Furthermore, since a former spouse had a vested right, subject to fulfilling the required conditions, in a pension under Article 35 *bis*, the Bureau had also decided at its meeting in Geneva to recommend that the Pension Fund should do its best to locate the whereabouts of such former spouse and inform him/her of his/her rights.
59. Against that backdrop, Council took up its discussion. It was deeply regretted that the provision of benefits to former divorced spouses had proven so divisive over so many years, reflecting possibly a male bias. Whereas groups of women seriously disadvantaged by the failure to provide a remedy to their plight had formed, comparable groups of men had not emerged. Furthermore, the approach adopted and the proposals made in respect to various subparagraphs were felt to be inconsistent. Equally clear was the minority position adopted by AFICS-New York, of which the Pension Board would have to be apprised.
60. The issues were addressed in consecutive order and agreement was reached on the following issues.
 - Reference date for the application of Article 35 bis and calculation of the duration of marriage
61. Council was reminded of the AFICS-New York position that changing the reference date for application would eliminate most of the neediest cases of divorced former spouses, while the issue of retroactivity had been resolved by the UNAT Judgement No. 1253, ITTAH, of 30 September 2005. Council remained unconvinced by the arguments brought forward by the CEO/Secretary of the Fund in paragraphs 11-13 of document JSPB/55/41.
62. That notwithstanding, Council reaffirmed its position that the provision of Article 35 *bis* should apply only when the divorce, and not separation from service, took place on or after 1 April 1999. Furthermore, Council further agreed that FAFICS should abide by its proposal that the duration of marriage should be calculated by reference to the date of the divorce settlement or effective settlement, instead of the pronouncement of the divorce by a court judgement.
 - Restrictive conditions listed in paragraph (b) of Article 35 bis
63. Council considered the five conditions in the light of its earlier proposals.

Marriage must have lasted for a continuous period of 10 years during which contributions were made to the Fund
64. The CEO/Secretary of the Fund had not referred to the condition in document JSPB/55/R.41. That notwithstanding, Council agreed that the issue could be

revisited. After a brief discussion, Council agreed that FAFICS could change its position and come out explicitly in favour of a reduction to five years.

The former spouse must not have remarried

65. In document JSPB/55/R.41 the CEO/Secretary of the Fund had agreed with the FAFICS proposal to delete the condition.

The participant's death must have occurred within 15 years of the final divorce unless a legal maintenance obligation to the former spouse was in place

66. The CEO/Secretary of the Fund had not referred to the issue in document JSPB/55/R.41. Council agreed that FAFICS maintain its position that the condition be deleted.

The former spouse must have reached the age of 40

67. The CEO/Secretary of the Fund had not referred to the issue in document JSPB/55/R.41. Council agreed to maintain its position that the phrase 'unless there are more than one or more children resulting from the marriage in his or her custody' be added to the condition.

Evidence must have been provided by the former spouse that the participant's pension entitlement from the Fund had not been taken into account

68. The modification proposed by the CEO/Secretary of the Fund in document JSPB/55/R.41 was seen to be fully in line with the FAFICS proposal.

69. Council further agreed that the divorced spouse's benefit under Article 35 bis (e) of the Regulation of the Fund benefit be increased to three times the minimum surviving spouse's benefit and four times if the marriage to the former participant had lasted more than 25 years. It rejected the contention of the CEO/Secretary of the Fund that the adequacy of all minimum benefits be reviewed. The benefit in question warranted consideration in isolation as it was not a minimum benefit, but a benefit in its own right.

Agenda item 5: Pension adjustment system

70. Under the agenda item, Council considered the issue of CPI data from three angles: availability, reliability and their impact on pensions.

71. With respect to availability, Council had before it a note submitted by BAFUNCS (document Council 37/2008/D.5) proposing that the Pension Fund be requested to consider and approve a new process taking into account the existence of new channels of communication for official data rather than wait for a formal transmission letter from the Government to the United Nations Statistical Office (UNSO). Delays in the transmission of data had been experienced in the United Kingdom, Germany, Spain, Australia and Austria with concomitant effects on the adjustment of pensions in those countries. At one juncture in the past, retirees in Italy had lost a whole year waiting for the annual adjustment. The United Nations official notification process was of limited value to member states which made greater use of the internet for the publication of official data. Even the Pension Fund secretariat itself was posting an

increasing number of its own publications on the web, yet failed to draw on similar sources for the data it required.

72. In the course of the discussion it was stressed that it was more a matter of procedures going awry in the Pension Fund secretariat and a failure to seek a common solution with the UNSO. Procedures had to be managed and the Pension Fund had to get funds to the recipients on time and duly updated as provided for in the system. FAFICS was encouraged to register its astonishment in developments that were to the detriment of beneficiaries and the Fund alike.
73. To that end, it was decided that FAFICS would propose a solution for submission to the Pension Board at its session in 2009. In the meantime, it would submit a question to the CEO/Secretary of the Fund at the meeting scheduled for the following week (Agenda item 8). A copy of that question would also be forwarded to the UNSO.
74. With respect to reliability, Council had before it a note submitted by AFICS-Argentina (document Council 37/2008/5 Add.1) on the adjustment of UNJSPF pensions in Argentina, a copy of which had been sent to the CEO/ Secretary of the Fund. The National Office of Statistics and Census in Argentina was currently staffed by statisticians with little practical experience. The basket of goods used to calculate the consumer price index (CPI) had been arbitrarily reduced and figures were inconsistent. Both the Inter-American Development Bank and the International Monetary Fund no longer trusted the figures issued by the government. The shortcomings had been confirmed in other reports (cf. The Economist). Official statistics were mandatory for the calculation of adjustments, but given the common knowledge that countries often 'doctored' or 'massaged' their statistics, there was no doubting that in a number of countries they were unreliable.
75. Council felt that Argentina was a case in point and the CEO/Secretary of the Fund should be asked whether he had any proposals in the light of the provisions of paragraph 26 of the Pension Adjustment System. It was further commented that similar situations obtained elsewhere.
76. The impact of the rise in the cost of living, particularly when coupled with a decrease in the value of the dollar, was the subject of a note submitted by ASOPENUC-Colombia where the loss in value of the dollar expressed in Colombian pesos had been consistently higher than the annual pension adjustment. In that note, ASOPENUC-Colombia had reiterated its request of 2005 when it had sought a clear indication of measures that could be taken to: (a) address the problem of the dwindling dollar vis-à-vis local currencies in Latin America; and (b) alleviate the negative effect on retirees' incomes residing there.
77. In the ensuing discussion reference was made to the Washington formula and to the irreconcilability of post adjustment procedures (an ICSC concern) and pension adjustments on the basis of CPI indices (a Pension Fund concern). It was recalled that interim adjustment measures had been applied in 1988, 1989 and 1990 to staff in service nearing retirement. Furthermore, the cost-of-living indices applied to post adjustments differed from the CPI indices applied to pensions; they took different spending patterns into account. The gap between ICSC and Pension Fund indices was clearly growing. It was suggested that the CEO/Secretary of the Fund be asked

about the Fund's attendance at sessions of the ICSC and its interaction with the ICSC secretariat on such issues.

78. It was intimated that retirees faced a no-win situation. The application of paragraph 26 in Argentina might prove useful, but hardly offered an improvement. Council was urged to look beyond the relationship between local currency and other currencies. For example, it would be more reliable to use special drawing rights to define recognised currencies.

79. The CEO/Secretary of the Fund should be asked to consider taking special measures in the case of Argentina and Colombia and initiating remedial action in instances where cost-of-living data were highly unreliable and/or devaluation of the dollar against local currency led to an appreciable loss of purchasing power.

Agenda item 6: Situation of the former UNJSPF participants from the former USSR, Ukrainian SSR and Byelorussian SSR

80. The Council took note of the note submitted by AFICS-Moscow (document Council 37/2008/D.6) which showed that nothing had changed with respect to the plight of the UN retirees in the former Soviet Union and Byelorussian SSR. No details were known about the situation that former UNJSPF participants faced in the former Ukrainian SSR. Council urged the President to alert the Pension Board once again to the intolerable spoliation of the rights of the UN retirees in the former Soviet Union and express sorrow over the situation. A statement to that effect should be delivered under the agenda item 12 (g): Other business on the Pension Board's provisional agenda.

Agenda item 7: Meeting with the CEO/Secretary of the Fund

81. Council met on 8 July 2007 with Mr. B. Cochemé, the CEO/Secretary of the Fund, Sergio Arvizu, Deputy CEO/Secretary, Alan Blythe, Chief of Operations, Frank De Turris, Special Assistant to the CEO, Jaana Sareva, Senior Legal Officer, Pat Ryder, Meetings Services, and Eddie Stanczak, IT specialist. 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.6. rev 2). 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 8: Report of the meeting of FAFICS Member Associations in Latin America

82. Council considered the report submitted on behalf of a number of member associations in the Latin American region (document Council 37/2008/ D.8. Having addressed all the issues raised in the report under other items of the agenda, Council took note of the report with appreciation.

Agenda item 9: Reports of FAFICS representatives at meetings

83. Council took note of the report of the deliberations at the FICSA Council in Turin (document Council 37/2008/D.9) that FOA-Turin had attended on behalf of FAFICS. At that meeting, FICSA had reiterated its support for the views of FAFICS in the Pension Board and an eventual request for voting rights. It had maintained its position on divorced surviving spouses' benefits and come out once again in favour of long-term care.
84. Council also took note of the report on the first HIV-Tuberculosis Leaders' Forum (document Council 37/2008/D.9 Add. 1) in June 2008 that an AFICS-NY delegation headed by the former UN Medical Director had attended. It thanked the authors for having written a very important paper and expressed the hope that successful treatment rates might improve.
85. Council noted that FAFICS had not been represented at the spring session of the ICSC in Addis Ababa, which, however, by all accounts had taken up little of import. Developments in ICSC were closely monitored by FICSA and documents were posted on the latter's website that FAFICS member associations could access.
86. It was recalled that no report had been issued of the FAFICS delegation's perception of deliberations during the 54th session of the Pension Board. The President's analysis of the discussions in the upcoming session would be very important, as would his summary overview of the current Council session. The President assured Council that he would do his utmost to provide his summaries in a timely manner.

Agenda item 10: After-service health insurance and long-term care

87. The convenor presented the report of the working group on after-service health insurance and long-term care [ASHIL] contained in document Council 37/2008/CRP.3, rev. (Appendix 5). He highlighted certain features of the working group's deliberations. The advocacy statement would be revised in the light of comments made and then sent to the CEB and staff bodies, such as FICSA. Individual associations would receive copies for onward transmittal to the administrators of their health insurance plans.
88. A two-track approach had been adopted with respect to the FAFICS database. In addition to continuing to request inputs from individual staff associations, CEB would be requested to establish contacts between the database administrator and the individual plan offices, on the basis of which the possibility of each plan administrator reporting changes directly could be explored.
89. CEB would also be advised of those member associations that had committees focusing on long-term care issues so that they and FAFICS could be included in relevant discussions. The working group had also reaffirmed the importance it attached to ensuring that long-term care benefits also covered care in the home as being both cost- and care-effective. It had rejected the differentiation of long-term care benefits by income level.
90. In the ensuing discussion, the significance of the advocacy paper was recognised. Organisations should be prevailed upon to accord the message the importance it deserved. The usefulness of the database that enjoyed wide-spread acceptance was recognised. It was hoped that it would attain recognition as an official document: a status that it had been denied thitherto.

91. Michael Davies was thanked for his efforts and requested to continue in his role as convenor of the working group: a task that he accepted. Council endorsed the Working Group's expression of gratitude to Richard Nottidge for the substantial contribution he had made to the Working Group since its inception.

Agenda item 11: Benevolent funds and relations with the UNJSPF Emergency Fund

92. No document had been submitted under the agenda item, the main thrust of which had been discussed at length under agenda item 4. Council expressed its appreciation for the facilities offered by the benevolent funds of various member associations.

Agenda item 12: FAFICS activities as an NGO in consultative status with ECOSOC and advocacy of the ideals and work of the UN system

93. Council took note with appreciation of the documents presented under the agenda item: the report on the CONGO meetings held in the second half of 2007 (document Council 37/2008/D.12) and the quadrennial report for the period 2003-2006 that FAFICS had submitted to the ECOSOC Committee on NGOs (document Council 37/2008/D. 12 Add. 1). A third report on the CONGO Board meeting held in New York at the beginning of March 2008 would be circulated after the current session.
94. It was pointed out that CONGO provided an appropriate forum for ensuring NGOs access to the various legislative bodies, while the quadrennial report had underscored the need to ensure proper representation at the many meetings as a means of increasing the exposure of FAFICS across the community of member states.
95. AFICS-New York emphasized that advocacy was an area in which FAFICS could play a major role, as recognized in its Statutes. Attention was drawn to the benefits to be derived from publicising the Secretary-General's recent statement to the AFICS-New York Annual Assembly on the accumulated wisdom and institutional memory of former international civil servants (document Council 37/2008/CRP.4). Closer collaboration should be entered into with UNIS on improving advocacy of the ideals and objectives of the United Nations: an essential component of the preamble to the Federation's statutes. Retirees were effective advocates as evidenced by the support that AAFI-AFICS-Geneva was giving to the preservation of the iconic buildings in Geneva as a monument to ~~the~~ both the League of Nations and the United Nations. It was suggested that FAFICS should consider assuming a pivotal role in advocacy activities and that AFICS-New York might assume the responsibility for gathering information on member associations' advocacy activities and preparing a report on the same for the next Council session.
96. Council expressed its appreciation to Lola Costa-Esnard, Chair of the AFICS-New York Committee on NGO Relations, for the time and effort she had invested in covering meetings of various UN and NGO bodies and reporting on the same.

Agenda item 13: Adoption of the rules of procedure

97. Council considered the report of the working group that had met before the current session began contained in document Council 37/2008/CRP.5 Rev.1 (Appendix 6).

98. Council considered the report of the deliberations, in the course of which AAFI-AFICS joined ARICSA in reserving its position on the amendment of criterion (f) of Article 2.1. The Chairman of AAFI-AFICS pointed out that he, unfortunately, had not been consulted on the amendment. Under the circumstances, as it appeared that a consensus had already been reached among all the other associations except ARICSA, AAFI-AFICS was not in a position to join the consensus and would thus abstain when the amendment was adopted.
99. Moreover, during the deliberations, AFICS (NY) maintained the position that, as a matter of policy, every rule of procedure was subordinate to the Statutes. Accordingly, where the election of officers was concerned, the stipulations of Article 6 regarding decisions and voting rights required that officers be elected by consensus, rather than by a simple majority of those present and voting. If a vote had to be taken, the Statutes clearly established that decisions should be by a double majority.
100. After agreeing that the rules of procedure would enter into effect on the day after the current session (9 July 2008), Council adopted the rules by consensus. The Rules of Procedure as adopted are reproduced in Appendix 7. Both AAFI-AFICS and ARICSA explained that had the rules of procedure been put to the vote, both associations would have abstained.
101. Roger Eggleston was thanked wholeheartedly on behalf of the Council for the time and effort he had spent on ensuring the finalisation of the rules of procedure.
102. Jean Hanus expressed his personal thanks to the President in his role as convenor of the working group. Thanks to the spirit of compromise that had prevailed, he had been able to fulfil his mandate. He encouraged the Federation to 'open its doors' and reach out to new member associations.
103. Council noted that, at the request of the representative of AFICS-Argentina, acting on behalf of AFICS-Uruguay, the Working Group had held an informal discussion on the voting procedures prescribed by Article 6 of the Statutes.

Agenda item 14: Administrative and financial questions

(a) *Accounts for 2007*

104. The Secretary presented the income and expenditure accounts for the year ended 31 December 2007 and the balance sheet as at 31 December 2007 (document Council 37/2008/D.14a, corr.) and answered questions raised by participants.
105. Council took note of fact that the Federation had subsidised the travel of two alternate representatives to the 54th session of the Pension Board. It was recognised that funding the travel costs and subsistence allowance of representatives from the southern hemisphere would far exceed the resources of the Federation. That notwithstanding, in order to assess the magnitude of the costs involved, the incoming Treasurer and Secretary would prepare a table

showing the cost of funding the travel and per diem of one representative per delegation coming from small associations. To offset the costs, alternative sources of funds or fund-raising initiatives should be explored, such as UNFCU or raffles. It was felt that the United Nations, which already provided extensive facilities and services to the Federation and member associations, would hardly consider providing additional financial assistance

106. Council thanked the Treasurer and the Secretary, both of whom provided their services on a voluntary basis, and took note of the income and expenditure account for 2007 with appreciation.

(b) Auditors' report for 2007

107. The Auditors had audited the balance sheet and the income and expenditure account for 2007. They had found that the books had been correctly kept and gave a true and fair view of the Federation's affairs as at 31 December 2007.
108. Council took note of the Auditors' report for the year ended 31 December 2007 (document Council 37/2008/D.14b) and expressed its appreciation for the unflinching services provided yet again by Anthony Ingram and Robert Yazgi.

(c) Budget for 2009

109. The Secretary presented the budget for 2009 which had been distributed three months in advance (document Council 37/2008/D.14.c). He provided details of the income estimates for 2009 and the expenditure estimates for the same period.
110. It was reported that one delegation had objected to increasing the membership fee and another spoke of his association's fear of 'contribution creep'. Another concern had been the cost of acquiring new computer equipment. The overriding concern, however, related to the budget deficit envisaged for 2009 that was likened to 'a bottomless pit'. It was explained that the shortfall of US\$ 2,070 might not occur, if the President came from the location selected as the venue for the Council and the Pension Board.
111. Some delegates suggested that the Federation need not retain its membership in CONGO or FICSA. The lack of provision for contingencies was also noted, while opinions differed on the feasibility of increasing the membership fee for 2009 still further – to US\$1.45 rather than the figure of US\$ 1.35 proposed in the draft budget. It was recognised that many of the representatives attending the current session had been mandated by their executive committees to opt for the figure of US\$ 1.35. Consequently, they would not be able to commit their association to a higher membership fee without the benefit of a consultation. To overcome that impasse, it was proposed that member associations be consulted *ad referendum* on raising the membership fee for 2009 to US\$ 1.45. That proposal proved unacceptable to Council.
112. In the ultimate analysis, it was suggested that the budget for 2009 be adopted as proposed on the understanding that budgets thereafter would be balanced on the basis of a rate of contribution adjusted to actual expenditures so as to avoid any future deficits.

113. Council adopted the budget for 2009 on that basis (see Appendix 8)

(d) Interim report on the implementation of the budget for 2008

114. The Secretary presented the interim report on the implementation of the FAFICS budget for 2008 (document Council 36/2007/D.14d).

115. Council took note of the report and commended the Secretary and the Treasurer for the care with which the report had been prepared. It also requested that the Secretary issue an addendum to the report towards the end of the current year showing the contributions and those not received in respect of all member associations.

Agenda item 15: Appointment of auditors

116. The auditors were thanked most sincerely for their stalwart services with a round of applause. A particular vote of thanks was expressed to Robert Yazgi who would be stepping down. Anthony Ingram had expressed his willingness to serve yet another term, a gesture that was greatly appreciated with a round of applause. Council re-appointed Anthony Ingram and appointed André Weber, currently auditor to AAFI-AFICS-Geneva, as the Federation's auditors.

Agenda item 16: Election of FAFICS officers

117. One nomination for the post of FAFICS President had been received in writing from AFICS-NY. No other nominations having been put forward, Council elected Andres Castellanos del Corral by acclamation to be President for the year 2008-2009.

118. In accepting the post, the President-elect assured Council that he would maintain what had been given to him in trust. To the utmost of his abilities, he would endeavour to be pro-active, seeking to increase the membership of the Federation and thus strengthen its claim to be the representative body of UN retirees. In that respect, he intended to communicate with all existing associations that were still not members of FAFICS and inform them of the readiness of FAFICS to take up any problems they might be facing. He would live up to his obligations and was very conscious of the standards that had been set by his predecessor whom he praised highly for his lifelong commitment to the cause of the international civil service.

119. Referring to his predecessor's statement that he was 'stepping down', the President elect stressed that he did not interpret that as meaning the outgoing President was 'stepping out'. He intended to call on his expertise in the interest of the Federation.

120. Three nominations had been received in writing for the post of Vice-President: Roger Eggleston, Oscar Larghi and Alan Prien. Four further nominations had emerged in the course of informal consultations: Jani Janakiram, Mary Johnson, Gerhard Schramek and Tedla Tashome.

121. Council thus elected as Vice-Presidents the following persons:
Roger Eggleston

Jani Janikaram
Mary Johnson
Oscar Larghi
Alan Prien
Gerhard Schramek and
Tedla Tashome

122. Council reiterated its thanks to the Secretary, Assistant Secretary and Treasurer for their services throughout the year. Nominations had been received in writing for Anders Tholle, Juan Mateu and Lydia Ontal. For 2008-2009, Council re-elected by acclamation:

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

123. The Secretary thanked the participants for re-affirming their trust in him and their confidence in the team. He assured Council that he was ready to go forward and serve the Bureau with the same élan and commitment as thitherto.
124. Formal tribute was paid to the outgoing President whose expertise and richness of experience would be sorely missed. His singular style of getting things done and his manner reminiscent of old Europe had ensured that agreement had been reached on countless issues to the benefit of the Federation. In recognition of his services to the Federation that stretched back many years, Council appointed him President emeritus.
125. Countless speakers paid tribute to the outgoing President as well as to the incoming President and Vice-Presidents, all of whom respected the trust that Council had placed in them and expressed their determination to make a palpable contribution to the work of FAFICS. As one participant remarked, work always lived longer than human beings.
126. In closing the agenda item, Council set the date on which the newly elected Bureau would take up its activities: 1 October 2008.

Agenda item 17: Appointment of FAFICS representatives to the Pension Board and other meetings

127. On the first day of its deliberations, it was reported that Jean-Jacques Chevron would be unable to attend the deliberations of the Pension Board the following week. The FAFICS Bureau thus proposed that Roger Eggleston attend in his stead. This was analogous to an earlier proposal by the Bureau, endorsed by correspondence, that Gerhard Schramek would take the place of Aurelio Marcucci. The FAFICS representatives at the 55th session of the Pension Board in 2008 would thus be:

Witold Zyss
Andrés Castellanos del Corral
Roger Eggleston
Jani Janakiram (alternate representative)

Mario Lafuente Roca (alternate representative)
Gerhard Schramek

128. Council appointed the following representatives to follow the proceedings of the Pension Board in 2009:

Andres Castellanos del Corral
Roger Eggleston
Mary Johnson (alternate representative)
Oskar Larghi (alternate representative)
Alan Prien
Gerhard Schramek

129. Following the nomination of the FAFICS delegates to the Pension Board in 2009, the President underscored the fact that only six 'slots' had been available. Selection had not been a simple task and he paid tribute to the magnanimity of those who had stepped down, in particular Jani Janakiram. It was remarked that appointments of FAFICS representatives should be governed by two factors: gender balance and geographical rotation. In the course of the discussion, however, it was pointed out that geographical rotation seemed to apply solely to representatives from Africa and Asia. Rotation should encompass all regions; the regions should enjoy proper geographical representation in order to learn about, and acquire knowledge of, the United Nations pension system. It was also felt that whereas the criterion of gender balance had been addressed, failure to address that of geographical balance might be to the detriment of the Federation's effective participation in the deliberations of the Pension Board. A further consideration was the need for lobbying skills that were just as important as technical competence. It was suggested that exclusion was no way to attract new members from the under-represented regions.
130. The Federation was urged to develop special rules for the nomination of FAFICS representatives and make every effort to broaden the representation of African and Asian member associations. FFOA-Rome proposed to put forward suggestions for broadening the base of FAFICS and strengthening cooperation between member organisations. An assurance was given that Council would review procedures for the designation of its representatives at its next session.
131. Council authorised the FAFICS representatives to the Pension Board session which was to follow the Council session to designate FAFICS members of the proposed Working Group of the Board on plan design, once the Board decided to set up such group and determined the number of members¹.
132. Council authorised the President to appoint FAFICS representatives and observers to other meetings, as and when necessary.
133. Jean-Jacques Chevron informed Council that, at the AAFI-AFICS Annual General Assembly on 4 March 2008, several members had urged the association to work actively towards securing FAFICS representatives seats as full members on the Pension Board with voting rights. He had agreed that the objective should

¹ The following were subsequently appointed as FAFICS members of that Working Group: Andres Castellanos, Roger Eggleston and Witold Zyss, with Gerhard Schramek as alternate.

remain an important item on the Federation's agenda and had undertaken to raise the issue at the next session of the FAFICS Council.

Agenda item 18: Other business

Security and retiree access

134. ARICSA expressed its concern over the plans that were apparently afoot to deprive retirees of access to headquarters buildings. Council confirmed that it would object very strongly to the withdrawal of such facilities that were extended to retirees. Member associations in the headquarters duty stations were urged to keep each other informed of any moves being taken to curtail such facilities in their respective locations.

Agenda item 19: Date and place of the 37th session of the FAFICS Council in 2008

135. Based on the proposals currently before the Pension Board, it was decided that the Council would meet in New York, 6-10 July 2009².

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Closure of the session

136. In his closing statement, the President admitted to feeling emotional at the thought of leaving office. He wished his successor well and assured the members of the Bureau that he could be called on for advice, if they so wished. He thanked the Federation for having nominated him President emeritus, thus enabling him to join 'a very distinguished club'. For his part, he wished to thank FFOA-Rome for their kindness, attentiveness and generous hospitality. He was particularly grateful to Anders Tholle and Lydia Ontal for their devoted work behind the scenes and he thanked the rapporteur, Peter Lillie, profusely for his services.
137. Speaking on behalf of the host association, Anton Doeve noted that meetings – like all good things – had to come to an end. FFOA-Rome had enjoyed organising the session and welcoming the participants to Rome. On leaving the eternal city, he hoped they would have eternal memories of those they met there. He wished everybody a safe journey home.
138. The President-elect thanked the hosts for everything they had done and the support they had lent.
139. The President declared the session closed at 5.55 p.m. on 8 July 2008.

² Subsequent to the Council session, the Pension Board was informed that it would be unable to meet in 2009 in New York, on account of construction work there. The Board is expected to meet in Geneva on 13-17 July 2009. Subject to confirmation, the Council will meet in Geneva on 6-10 July 2009. For its 2010 session the Board was invited to meet at the IMO in London

Appendices

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| Appendix 6 | Report of the Working Group on the rules of procedure of FAFICS |
| Appendix 7 | Rules of Procedure of FAFICS |
| Appendix 8 | Budget for the year 2009 |

Report of the thirty-seventh session of the FAFICS Council

Rome, 2-8 July 2008

Appendix 1

List of participants

Member Associations

| | |
|------------------------|--|
| AFICS-Argentina | Oscar Larghi |
| AAFICS-Australia | Mary Johnson |
| ARICSA-Austria | Peter Lillie Gerhard Schramek |
| AFICS-Bolivia | represented by AFICS-Chile |
| AAFIB-Brazil | Carlos A. Goulart |
| CAFICS-Canada | Jeanne Boisclair |
| AFICS-Chile | Mario Lafuente Roca |
| AFICS-Cuba | Ana Maria Gudz Robak |
| AEFSNU-Ecuador | represented by AAFIB-Brazil |
| AFICS-Addis Ababa | Tedla Teshome |
| AFUS-France | Georges Kutukdjian Karl Hochgesand Josianne Taillefer Witold Zyss |
| AFUNPI-Bangalore-India | Sreenivas Ayyar Janakiram |
| IAFICS-Israel | Michael Suess |
| FFOA-Rome-Italy | Anton Doeve Aurelio Marcucci Giorgio Eberle Alan Prien Rimedia Mossa |
| FOA-Turin | Johannes Wortel |
| AFICS-Mexico | Hla Min |
| IGFICS-Myanmar | Anton Kruiderink |
| AFICS-Netherlands | represented by APEFUNO-Paraguay |
| AFICS-Peru | represented by Witold Zyss |
| AFICS-Russia | Jean-Jacques Chevron Jean Hanus on behalf of the GATT/WTO Association Roger Eggleston Jean-Francois Santarelli on behalf of the ILO Section |
| AAFI-AFICS-Geneva | David Axford Michael Davies |
| BAFUNCS-United Kingdom | Andres Castellanos del Corral Edward Omotoso |
| AFICS-NY-USA | Luis Talavera |
| APEFONU-Paraguay | represented by AFICS-Argentina |
| AFICS-Uruguay | |

Officers

| | |
|----------------------|---|
| President: | Witold Zyss |
| Vice-Presidents: | Andres Castellanos del Corral Jean-Jacques Chevron Mario Lafuente Mary Johnson Sreenivas Ayyar Janakiram Tedla Teshome |
| Secretary : | Anders Tholle |
| Assistant Secretary: | Lydia Ontal |

Report on the thirty-seventh session of the FAFICS Council
Rome, 2-8 July 2008
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. Situation of the former UNJSPF participants from the former USSR, Ukrainian SSR and Byelorussian SSR
7. Meeting with the Secretary/CEO of the Fund
8. Report of the meeting of FAFICS Member Associations in Latin America
9. Reports of FAFICS representatives at meetings
10. After-service Health Insurance and Long Term Care
11. Benevolent Funds and relations with the UNJSPF Emergency Fund
12. FAFICS activities as an NGO in consultative status with ECOSOC and advocacy of the ideals and work of the UN System
13. Adoption of the Rules of Procedure of FAFICS
14. Administrative and financial questions
 - a. Accounts for 2007
 - b. Auditor's report for 2007
 - c. Budget for 2009
 - d. Interim report on the implementation of the budget for 2008.
15. Appointment of Auditors
16. Election of FAFICS Officers
17. Appointment of FAFICS representatives to the Pension Board, the Standing Committee and other meetings
18. Other Business
19. Date and place of the 38th session of the FAFICS Council in 2009

Report of the thirty-seventh session of the FAFICS Council

Rome, 2-8 July 2008

Appendix 3

List of Documents

Council pre-session documents (D-series)

| | |
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| No number | President's cover note of 17 May 2008 |
| D.1 | Provisional Agenda |
| D.1.Add.1 | Annotated Provisional Agenda |
| D.2 | Report of the President |
| D.3 | Applications for Membership, from Israeli and Myanmar Associations |
| D.4 | Summary by Schramek on UNJSPF Secretary's Study on Currency Fluctuations |
| D.4.Add.1 | Note by Schramek on Plan Design |
| D.4.Add.2 | Note by President on Article 35bis |
| D.4.Add.2-bis* | Note by Schramek on Small Pensions and Bank Charges |
| D.4.Add.3 | Note by Schramek on Management of Investments |
| D.5 | BAFUNCS proposal on Annual Pension Adjustment |
| D.5.Add.1 | AFICS-Argentina note on Adjustment of Pensions in Argentina |
| D.5.Add.2 | ASOPENUC-Colombia note on impact of the US dollar devaluation on the pension benefits in Colombia |
| D.5.Add.3 | CEO's response to ASOPENUC |
| D.6 | AFICS-Moscow Note on Agenda item no. 6 |
| D.8 | Report of the Meeting of FAFICS Member Associations in Latin America |
| D.9 | Report on the 61 st session of FICSA |
| D.12 | Report by FAFICS Representatives on CONGO meetings held in Geneva in the second half of 2007 |
| D.12.Add.1 | ECOSOC Record of FAFICS' quadrennial report for 2003-2006 |
| D.14.a.corr. | Income and Expenditure Report on FAFICS Accounts and Balance Sheet for 2007 |
| D.14.b | Auditors Report on FAFICS Accounts for 2007 |
| D.14.c | Proposed Budget for 2009 |
| D.14.d | Interim Report on the Management of the FAFICS Budget for 2008 |
| D.15 | Note by Secretary and Treasurer regarding appointments of Auditors |
| D.16 | Note by AFICS-NY nominating Andres Castellanos for President |
| D.16.Add.1 | Note by FFOA nominating Alan Prien for Vice-President |

In-session documents, Conference Room Papers (CRP's)

| | |
|-------------|---|
| CRP.1 | Report on participants representatives meeting in Geneva on 21 June 2008 |
| CRP.2 | Provisional List of Participants |
| CRP.2.rev | Final List of Participants |
| CRP.3 | Interim Report of the ASHIL Working Group |
| CRP.3.rev | Final ASHIL Working Group Report |
| CRP.4 | AFICS-NY information on Secretary-General's message to its Annual Assembly |
| CRP.5 | Interim report of WG-Rules of Procedure and Revised Rules 1-5 (article 5.2) |
| CRP.5.Add.1 | Final report of WG on Rules of Procedure and Adopted Rules |
| CRP.6 | Draft questions to the Secretary/CEO |
| CRP.6.Add.1 | Final questions to the Secretary/CEO |

* by error, the Secretary used the code D.4.Add.2 twice on two different documents. The second document has now become D.4.Add.2-bis

Report on the thirty-seventh session of the FAFICS Council

Rome, 2-8 July 2008

Appendix 4

REPORT OF THE PRESIDENT

For the fourth consecutive year – and, I am afraid, last one, as I shall mention later – I am submitting to the Council my report in my capacity as President of the Federation. It is also the second time that the report is submitted in writing and in advance, as was the case last year in accordance with a recommendation of the meeting of the officers of the Federation held in Geneva on 15-16 March 2007. This proved to be a highly welcome practice, not only as a time-saving device, but also as it enables member associations to get acquainted with the report in advance and to come to the Council session better prepared for the discussion. This objective would have been even better attained if the report had been circulated at an earlier stage and I can only apologize, as I did last year, that the pressure of work prevented me from doing so.

I should like to start my report by thanking the Food and Agriculture Organization of the United Nations for accepting to host our meeting and for providing the excellent facilities, which we shall enjoy throughout the duration of our deliberations. Expression of our gratitude is also due to our host association, the Former FAO and other UN Staff Association (FFOA), to its President Anton Doeve and to his colleagues for their tireless efforts in carrying out the heavy preparatory work for this meeting and for assisting me as well as our Secretary, Anders Tholle, in the various tasks involved in the preparation of a meeting of this nature.

I must also extend my most cordial welcome to all the participants, including the representatives of two associations, which are candidates for admission. At the time of writing 16 member associations announced their participation. This is not much, compared to our total membership, and I hope that further announcements may come between now and the opening of the Council. We must of course realize that many of our member associations have very limited resources and are unable to carry the financial burden of sending a representative to the other side of the ocean. This is why it is so important for our Federation to keep regular contact with its members, to provide them with information and documentation but also to ascertain their views and concerns. It can only be regretted that not all our member associations are fully equipped with modern communication facilities.

The last – 54th - session of the United Nations Joint Staff Pension Board took place in New York from 9 to 13 July 2007. Since 2006 the Board is meeting on an annual basis (as it used to do many years ago), but the two successive sessions are of a different nature. This is due to the fact that the General Assembly normally considers personnel matters (including pensions) only once in two years, in even years, while budgetary matters are taken up by the Assembly in odd years. Thus, the main subject on the agenda of the 2007 session of the Board was the budget of the Fund. The FAFICS delegation took an active part in this discussion, insisting strongly that the Board should submit to the Assembly a budget containing adequate resources to enable the Fund to perform in a timely and adequate manner its functions at a time when the number of participants and of beneficiaries is constantly growing, as are the investments of the Fund which require careful management and supervision. While issues relating to other items, such as the investments of the Fund and some aspects of the benefits system were discussed, no

recommendations on issues other than the budget were submitted by the Board to the General Assembly (with the exception of a one-time compensation to beneficiaries in Ecuador for the losses sustained by them following the introduction of the dollar as the official currency of this country).

It may of interest here to recall that, as of 31 December 2006, the number of participants in all the 21 member organizations the Fund amounted to 98,433, representing an increase of 5.1 per cent since 31 December 2005. At the same time the number of beneficiaries amounted to 56,718, or an increase of 2.3 per cent. On the same date the market value of the assets of the Fund was US\$ 36,308 millions, as against US\$ 31,428 one year earlier (in this connection it may be recalled that, according to the latest figures available, the market value of the assets of the Fund was US\$ 41,879 on 30 May 2008).

It will be remembered that in 2006 the Board decided, as a temporary measure pending the consideration of a possible system of electing the representatives of retirees to sit on the Board (at present selected by FAFICS), that the Board would finance travel and subsistence expenses of two representatives appointed by FAFICS. This system was applied for the first time for the 2007 session of the Board and again for the forthcoming session of the Board which will follow our Council from 10 to 18 July. At the 2007 session FAFICS recalled that it was not unfavourable to the election of the representatives of retirees but was of the opinion that such a step, which would be quite complex and costly, would make sense only if and when these representatives are given the right to vote. The Board decided “to defer consideration of the question of whether and in what manner to conduct elections of retirees’ representatives to the Pension Board”. The fact that the expenses of two representatives appointed by FAFICS are borne by the Board is not only an important contribution to the modest resources of our Federation but also, above all, the recognition by the Board of the legitimate role played in the Board by our representatives.

All throughout the year I maintained regular relationship with the Secretariat of the Pension Fund, both in New York and in Geneva, including in particular the CEO of the Fund, Mr. Bernard Cochemé, and the Head of the Geneva Office, Ms. Renata De Leers. In February 2008 I had an occasion of meeting both of them in Geneva. Various cases and difficulties brought to the attention of FAFICS by member associations or by individual beneficiaries were referred for action to the Secretariat of the Fund. In this connection I should like to mention the recent retirement of the Chief of Operations, Ms. Dulcie Bull, who was well known to all of us and on whom it was always possible to rely for quick replies to e-mails and for an effort to find solutions to problems. AFICS-New York paid a well-deserved tribute to her during a lunch and a message from FAFICS was delivered to her on this occasion. I also extended a hearty welcome to her successor, Mr. Alan Blythe, who took over this important post on 1 June 2008; we shall have an occasion to make his acquaintance during this session of the Council.

Among the issues raised recently with the CEO of the Fund and which will be discussed during his meeting with the Council scheduled for 8 July mention should be made of the issue of bank charges levied on pension payments (including the incredible situation in Myanmar where beneficiaries must pay 50 per cent charges on pensions not exceeding US\$ 60 per month – Mr. Cochemé assured me that the Fund was looking actively for an adequate solution to this situation); excessive delays in processing the pension of the surviving spouse upon the death of

the beneficiary; incapacity of the UN Statistical Office to obtain in a number of countries data on CPI changes in time for the application of the cost-of-living adjustment on 1 April.

The Bureau of FAFICS met in Geneva on 25-27 February 2008. As I said in my last year's report referring to the first such meeting in Geneva on 15-16 March 2007, this proved very useful and should become a regular feature of the calendar of FAFICS. I must also repeat that it is most unfortunate that no provision can be made, under the present structure of our budget, for travel expenses of the members of the Bureau who can only depend on their own resources or on those of their association. As a result three of the Vice-Presidents were unable to attend.

The Bureau had a heavy agenda, including FAFICS position on Article 35 bis of the Regulations of the Fund (divorced surviving spouse's benefit), preparatory work for the present Council session, items on the agenda of the Pension Board and a number of current affairs. It approved the proposed budget for 2009, which was then circulated to member associations three months in advance of the Council session, in accordance with the procedure introduced in 2007, as a result of a decision of the 2006 Council session. I wish to draw your attention to the need to increase the member contributions to FAFICS from the current rate of 1.25 US dollar per member to 1.35 dollar with effect from 1 January 2009. The members of the FAFICS Bureau are unanimous in recommending this step and I urge its acceptance by the Council. It should be noticed that this increase is largely in line with cost-of-living increases of pensions since the last time the contributions were raised. The Bureau also reviewed the draft Rules of Procedure (with a number of options), which were circulated to member associations for their consideration at the beginning of March 2008. A summary of decisions of the Bureau was circulated to member associations.

I should like to draw in particular your attention to the draft Rules of Procedure which will be examined by a Working Group on the eve of the Council on 2 June. It must be recalled that the preparation of the Rules of Procedure was preceded by the adoption of the new Statutes, which entered into force on 7 July 2007, after the close of the 36th session of the Council. The adoption of these Statutes came as the conclusion of a long preparatory process, which lasted two years, with many drafts and comments exchanged, particularly on the controversial issue of voting rights. The result was a very reasonable compromise and the Council adopted the new Statutes unanimously. The entire burden of this preparatory work, involving the writing of innumerable drafts and redrafts, fell upon the shoulders of the Rapporteur, Roger Eggleston to whom we all owe considerable debt.

Small wonder that the preparation of the Rules of Procedure was also entrusted to Roger Eggleston who had to go through the same process of drafts, comments and redrafts, until the final draft was approved by the Bureau meeting of 25-27 February. I hope very much that, like the Statutes, the Rules of Procedure will be unanimously adopted, to be applied from the close of the present session.

There are many other issues I am tempted to deal with in this report but in order to keep it to manageable proportions, I shall limit myself to three.

Our cooperation with the representative bodies of active staff members as well as with the participants' representatives on the Pension Board is essential. While we may have occasionally

different views on some issues, the fact remains that staff members in active service are all future retirees – and some of them future leaders of our Federation. It is undoubtedly our interest to cooperate closely with them. FAFICS is a member with consultative status of FICSA; it was represented at the last session of the Council of that body in Turin on 4-8 February 2008 and a report on this meeting, drafted by Peter Lillie, is before this Council session. Two important developments concerning the representation of active staff members should be mentioned. On the one hand, FICSA and CCSIUA which were quite estranged several years ago now cooperate closely, often make common presentations to the General Assembly and interagency bodies and decided to establish a mechanism for coordination which might eventually lead to establishing a more unified staff representative front. However, at the same time a new division of staff representation appeared: the UN New York Staff Union and the UNDP/UNFPA/UNOPS Staff Association set up another representative body, known as UNISERV, the representative nature of which was recognized by the International Civil Service Commission at its last session in March-April 2008.

An issue of growing importance is the health insurance and long-term care, a subject which has been one of our main concerns for many years and which will be examined by a Working Group meeting on 2 July. An important item on this Working Group's agenda is the formulation of a new FAFICS policy statement, which proposes that FAFICS will continue to fight for the introduction of long term care as an essential element of the social security obligations of all Organizations of the UN system. Michael Davies who is one of our principal specialists on these issues was able to take over once more the responsibility for this Working Group, after having been unavailable during some time and replaced by Richard Nottidge. I should like to address to both of them the expression of our sincere appreciation for their devoted service and for the work they have been and are still doing.

I regret that I am unable to convey any good news about the plight of our colleagues from the former USSR, unjustly deprived of their pension rights – a subject regularly raised by FAFICS with the Pension Board for years. It is true that a small concession had been made by the Russian government – already announced at the 2007 session of the Board by one of the members representing the General Assembly: those former participants who separated from service between 1981 and 1991 and had less than five years of service are now entitled to a supplement to their national pensions. However, the two main requests of our Russian colleagues remain unanswered: no pension supplements are paid to those former USSR participants who separated from service before 1981, while in the case of those that separated from service between 1981 and 1991 they are in receipt of a supplement which is a mere subsistence allowance and has no common measure with the benefits which these participants should have derived from their participation. In a note submitted to this Council AFICS-Moscow points out that this meagre supplement to the Russian state pension is only applicable to former participants residing in Russia; it does not apply to former participants in Byelorussia and AFICS-Moscow has no information from former participants in Ukraine. The position of the Pension Board is that the Board had ceased to discuss this subject as a substantive matter, limiting itself to receiving information on relevant developments concerning the former Fund participants concerned. FAFICS will continue to provide such information and do everything in its power not to let this issue fall into oblivion.

As I mentioned in the opening sentence of this report, my functions as President of FAFICS are now coming to an end. At my age and after four years of presidency the time has come for me to step down and it will be the responsibility of this session of the Council to elect a new President. I must confess that I am abandoning this function with a certain amount of regret and of nostalgia, but such are facts of life. I shall certainly continue to take an interest in the Federation and its action. In spite of inevitable tensions and disappointments, it was a responsibility from which I drew much satisfaction and enrichment of my personality. Above all, I made a number of friendships, which, I have, no doubt, will continue after my retirement from the presidency. I have the impression that, with the assistance of the members of the Bureau and of all member associations, the Federation during these four years proved its usefulness and its efficiency and served the former staff members of the United Nations system well.

In the conclusion of this report I should like to mention and to thank a few of those without whom I would have never been able to assume and to carry out my functions.

In the first place let me pay tribute to the memory of André Chakour, for many years Vice-President and then Vice-President Emeritus of FAFICS, who passed away in July 2007. In UNESCO we remember him as the founder and first President of the Association of Former UNESCO Staff Members. I succeeded him in that capacity, as well as in the capacity of Vice-President of FAFICS, before taking over the presidency from George Saddler.

I should also like to recall the excellent services rendered to our Federation by Aurelio Marcucci who has been for many years Vice-President of FAFICS and its representative to the Pension Board, after having sat for many years on the Board as one of the representatives of the participants. I have drawn on many occasions on his experience and his wisdom. Unfortunately he was forced a few months ago to resign, for reasons of health, much to my regret and to the regret of all his colleagues. The Council will be called upon to pay appropriate tribute to Aurelio who will be with us at the Council session and whom we hope to see among us for many years to come.

As in previous years, I consulted regularly the Vice-Presidents as well as Gerhard Schramek, appointed Advisor on Pensions by the last session of our Council, and occasionally also the Emeriti, on issues, which required our collective wisdom, and I am most grateful for their support and advice. I must mention in particular Andres Castellanos and Jean-Jacques Chevron on whom I called more than their turn, both on account of their experience and wisdom and also because of their proximity to the Pension Fund offices in New York and in Geneva.

I have already mentioned the key role of our Secretary, Anders Tholle. There was hardly a day without messages being exchanged between the two of us and, without him, FAFICS would not have been what it is. I am also grateful to our Treasurer, Juan Mateu, and to our Assistant Secretary, Lydia Ontal, stationed in New York. I have already expressed above our gratitude to Roger Eggleston for the key role played by him in the drafting of the Statutes and of the Rules of Procedure, to Michael Davies and Richard Nottidge for their work on health insurance issues and to Anton Doeve and his colleagues on the FFOA for their vital role in the preparatory work for this Council. We all owe a special debt to Peter Lillie who accepted once more to act as Rapporteur of this session – we remember the excellent work he did on several occasions in the past. Special mention is due to our two Auditors, Anthony Ingram and Robert Yazgi. It is highly

regrettable that Robert Yazgi, after many years of devoted service, found that he was no longer able to assume this task and the Council will no doubt wish to pay tribute to the work carried out by him over such a long period.

The last word must go to the entire membership of the Federation, which I tried to keep regularly informed of issues and developments and whose trust and confidence was my most valuable asset.

18 June 2008

Report on the thirty-seventh session of the FAFICS Council
Rome, 2-8 July 2008
Appendix 5

Report of the FAFICS Working Group on After Service Health Insurance and Long-Term Care (ASHIL)

Agenda Item 1 – Long-Term Care

The Working Group considered a draft Long-Term Care (LTC) advocacy statement that had been prepared by Roger Eggleston (AAFI-AFICS). The objectives of the statement structure such as brevity and clarity were endorsed and the following suggestions were made to improve the document:

1. The upper range of potential costs were felt to be in the order of 4% of all insurance benefit costs (ILO and WTO experience) and it was therefore agreed that the statement should refer to this upper limit for costs. ILO retirees had risen in proportion in recent years from one-third of health insurance participants to around half in number and so the upper limit they were experiencing was felt to be robust.
2. The data in the text implied that statistically the issue of LTC would become a problem in 2050. In fact it was already an issue and the drafting should reflect this fact and refer to the 2050 projections through a linking phrase such as “longevity will be an even greater problem in the future and will become a world-wide issue as statistics show that”
3. WTO experience showed that active staff’s use of LTC was on a par with its use by retirees with a experience cost ratio of 1.8 active to 2.2 retirees. Similar experience was seen in IAEA where some 20% of usage was by active participants. These facts should be used to stress that LTC was not only a retiree issue.

It was agreed that the document would be adjusted to reflect these changes and circulated one final time by e-mail.

Discussion then took place on the next steps to be pursued in getting the document in front of key decision-makers. In that context the Working Group took note of a paper prepared for the Chief Executives Board for Coordination (CEB/2008/HCLM/HR/14). The Working Group agreed that the FAFICS policy statement should be sent to CEB and to staff bodies such as FICSA and that individual associations should send copies to the administrations of their health insurance plans.

Thereafter, in response to the issues listed in the CEB paper, FAFICS should advise CEB of its interest in the subject matter and draw the attention of the CEB to those of its member associations with committees focussing on LTC topics so that they too can be included in relevant discussions, which should have commenced already, but had so far not started. There was also some support for the proposal in the CEB paper that there should be a “common minimum basket of LTC care benefits” in those plans with an LTC component.

During further discussion on LTC matters it was agreed that there should continue to be emphasis in FAFICS presentations on the need for LTC cover for care in the home as being both cost- and care-effective and that the differentiation of LTC benefits by income level, reported by AFUS as being the situation in the UNESCO scheme, was not acceptable.

Agenda Item 2 – Information Note on Van Breda Practice in the UK

The meeting took note of the information provided by BAFUNCS but felt that the problem was UK specific. It did however note that some plans had a methodology to distribute hospital cost between care and accommodation where a breakdown could not be provided and that those plans that did not do this should consider incorporating such a feature.

Agenda Item 3 – The FAFICS Database

In discussing the database some associations, such as AAFICS-Australia pointed out that it was a useful tool for advising members on health insurance matters and that, therefore, attempts should be made to keep it updated effectively. It was also noted that CEB and FICSA as well as member associations had found the database of use in developing plan policies.

It was felt that an approach to CEB would be useful requesting that they put the FAFICS database administrator in touch with individual plan offices to see if changes could be reported directly from the administrators of each plan. The incoming Chair of AAFI-AFICS offered to meet with the CEB Secretariat to discuss the possibility of this approach. In addition a further attempt should be made to identify individuals in each member association who would report on plan developments.

Agenda Item 5 – Retiree Share of Costs

FFOA reported on the cost share experience in Rome where the administration of FAO had decided to cap its contribution at 62%. In addition it noted that Professional staff in Rome did not pay their assessed contributions on the basis of their full salary and noted that the data base did not contain details of underlying calculations of contribution rates. It was suggested that this could become a new feature of the database.

Agenda Item 5 – Any Other Business

Under other business a number of members present shared some of their ASHI experiences and there was an exchange of opinion and information on the different problems reported These included the maximum expenditures under different plans (catastrophic protection) and accounting for tax in the calculation of retiree contributions (the underlying reason for the common feature of discounting 20% of retiree pensions in developing premiums).

The Working Group concluded by noting the substantial contribution made to the Working Group since its inception by Mr Richard Nottidge and requested that the President of FAFICS write to Mr Nottidge conveying the Federation's appreciation of his work.

List of Participants

M. Davies (Chair) BAFUNCS
G. Kutukdjian AFUS
M.Lafuente AFICS Chile
O. Larghi – AFICS Argentina
P. Lillie ARICSA
E.Omoso AFICS-NY
M.Purnell FFOA
J-F. Santarelli AAFI-AFICS (ILO)
G. Schramek ARICSA
M. Suess IAFICS
J. Taillefer AFUS
T.Teshome AFICS Addis Ababa

L. Talavera APEFONU
D. Axford BAFUNCS
J. Boisclair CAFICS
A .Doeve FFOA
A.Castellanos AFICS-NY
G Eberle FFOA
R. Eggleston AAFI-AFICS
C.Goulart AAFIB
J. Hanus AAFI-AFICS (WTO)
K. Hochgesand AFUS
M Johnson AAFICS

Report on the thirty-seventh session of the FAFICS Council
Rome, 2-8 July 2008
Appendix 6

Report of the FAFICS Working Group on Rules of Procedure

**(The Working Group met in conjunction with the 37th session of the FAFICS Council,
in Rome, from 2 to 7 July 2008)**

Participants:

Witold Zyss, Convenor

Roger Eggleston, Rapporteur

Axford David, BAFUNCS-UK

Boisclair Jeanne, ACAFI/CAFICS-Canada

Castellanos Andrés, AFICS-New York

Chevron Jean-Jacques, AAFI-AFICS-Geneva

Davies Michael, BAFUNCS-UK

Doeve Anton, FFOA-Rome

Goulart Carlos Alberto, AAFIB-Brazil and AFICS-Ecuador

Hanus Jean, AAFI-AFICS-Geneva and GATT/WTO Retiree Association

Hla Min, IGFICS-Myanmar

Hochgesand Karl, AAFU/AFUS-Paris

Janakiram Jani, AFUNPI-Bangalore

Johnson Mary, AAFICS-Australia

Kruiderink Anton, AFICS-Netherlands

Kutukdjian Georges, AAFU/AFUS-Paris

Lafuente Mario, AFICS-Chile and AFICS-Bolivia

Larghi Oscar, AFICS-Argentina and AFICS-Uruguay

Lillie Peter, ARICSA-Vienna

Marcucci Aurelio, FFOA-Rome

Omotoso Edward, AFICS-New York

Prien Alan, FFOA-Rome

Santarelli Jean-François, AAFI-AFICS-Geneva and ILO Section

Schramek Gerhard, ARICSA-Vienna

Suess Michael, IAFICS-Israel

Taillefer Josiane, AAFU/AFUS-Paris

Talavera Luis, APEFONU/AFICS-Paraguay and AFICS-Peru

Teshome Tedla, AFICSA-Addis Ababa

Wortel Johannes, AFICS-Mexico

1. The convenor opened the meeting
2. The representative of AFICS-Argentina, on behalf of AFICS-Uruguay, introduced a note he had received from AFICS-Uruguay, expressing objection to the voting procedures described in Article 6 of the Statutes.
3. In this connection, the Working Group took note of three documents:
 - (i) Voting Rights in the Statutes of FAFICS by the President of FAFICS
 - (ii) Our arguments - from the President of AFICS-Uruguay
 - (iii) Note on voting rights from the President of AAFICS-Australia
4. The Convenor recalled that the Statutes had been adopted unanimously by acclamation at the 2007 Council Session after more than two years' consultation. He noted that the issue of voting rights was not on the agenda of the current session of the Council nor had the Uruguayan Association requested an amendment to the Statutes. While this did not exclude there being an informal exchange of views on the matter, he did not consider that it would be possible to debate the matter in the Working Group or in the Council. He asked the representative of AFICS-Argentina to inform AFICS-Uruguay accordingly and to assure their representatives that it was their prerogative to propose amendments to the Statutes in accordance with Article 8 thereof.
5. The Working Group then undertook a review of the draft document article by article. The conclusions of this review – including amendments agreed to in the wording of the different articles – are reflected in the revised text of the rules of procedure attached to this report.
6. The sections of this report hereafter reflect those areas in which there was extensive discussion and consultation as follows:

membership;
 time limits associated with establishing the provisional agenda and the documentation thereto;
 the introduction of a Presiding Officer;
 procedures for the election of the Officers of the Federation

Membership

7. The Working Group determined that the concept of Associate membership should be retained but that the viable size of an association should be reduced to twenty-five individual members; it being understood that the Council preserved the right to make decisions in respect of admissions for membership.
8. A note submitted jointly by the Associations of retired staff members of GATT/WTO and ILO to abolish two criteria for admission to FAFICS was introduced by the representatives of those Associations.
9. Jean Hanus, on behalf of the GATT/WTO Association, explained that the main purpose of the proposal was to enable his Association to join FAFICS and hence ensure the defence of the interests of GATT/WTO retirees and reinforce the representativity and efficiency of the Federation. The draft rules contained two provisions, which closed the door to admission – namely that member associations should

be open to all former international civil servants and that member associations should not be established in the same location. In his view, the other criteria in the draft rules were perfectly legitimate for a Federation concerned for its representativity and efficiency, whereas it was hard to see how the criteria relating to the geographical location of associations or the structure of their membership might contribute to the strength of the Federation. Such criteria had the opposite effect in depriving the Federation of the contribution of associations with large numbers of members and sometimes considerable expertise.

10. Jean-François Santarelli, on behalf of the ILO Section, confirmed that the ILO Section was made up of over 1000 members coming from 40 to 45 countries. He referred to the history of the applications for membership of FAFICS which had been made by the WHO and ILO Associations as far back as 1998, after which the criteria reflected in the draft rules of procedure were decided upon and reconfirmed by the FAFICS Council in 2002. Although arrangements had been made for associations such as his to participate in the sessions of the FAFICS Council as part of the AAFI-AFICS delegation, participation as a full member was quite different.

11. The Chairman of AAFI-AFICS, Jean-Jacques Chevron, introduced his note confirming that the vast majority of the members of AAFI-AFICS Committee did not see any need to revise the criteria described in the draft rules of procedure. The issue was conceptual and practical. FAFICS membership was based on horizontal membership founded on geography. Admitting associations based on individual organizations would cut vertically across this pattern and destroy it. The Pension Fund made no distinction among pensioners from different organizations; all pensioners were the same and their problems arose from their locality and not the organization they had worked with. He described the arrangements which had been established for the full participation of representatives of retiree associations of Organizations based in Geneva as part of the AAFI-AFICS delegation to the FAFICS Councils.

12. A number of participants referred to the issue as a “Geneva problem”, but Jean Hanus insisted that the proposal to abolish two criteria was not to be seen as resulting from the situation prevailing in Geneva. To invite the Organizations to settle the matter locally could only mean that the Federation was not eager to see the Geneva retiree associations joining its ranks.

13. The Chairman of AAFI-AFICS also stressed that the issue went far beyond Geneva. It was fundamental to the structure and functioning of the Federation.

14. After an extensive discussion, agreement was reached in respect of the two criteria in article 2.1 which had been the subject of the note from the GATT/WTO and ILO retiree associations as follows:

- (i) to maintain the criterion (b) relating to membership being open to all former officials of the United Nations system;
- (ii) to amend the criterion (f) by the addition of the phrase: “except in locations where more than one organization of the United Nations system has its headquarters”;

15. ARICSA and AAFI-AFICS reserved its position on the amendment of criteria (f)

Time limits

16. The Working Group agreed, that with the advent of electronic messaging, it should be possible to reduce the time limits referred to in the draft rules in respect of the establishment of the provisional agenda and the documentation therein. This was done in amendments to articles 3.7 and 3.8 of the draft rules.

Introduction of a Presiding Officer at Council Sessions

17. A majority of Organizations participating in the Working Group were of the view that the rules of procedure should include a provision for the election by the Council of a Presiding Officer for each of its sessions.

Duration of the terms of the President and Vice-Presidents of FAFICS

18. The Working Group concluded that the terms of office of the President and the Vice-Presidents should be limited to four years. It also considered that the initial election of the President and the Vice-Presidents should be for a period of one year and that this mandate should be renewable for a year at a time up to the maximum of four years.

Procedures for the election of the Officers of the Federation

19. In accordance with the provisions of Article 5 of the Statutes, the procedures for the election of the Officers of the Federation are to be prescribed in the Rules of Procedure.

20. The Working Group painstakingly analysed the procedures proposed in the draft text and reached agreement in respect of the manner of the election of the Officers, the timing of the call for nominations and the circulation of candidatures to Members in advance of the council session, the importance of encouraging Members to pay particular attention to the need for gender balance in making nominations, the need for candidates to have the support of their own Association, the opportunity to be afforded to the Bureau to propose candidates and the date on which those elected take up their seats. The decisions are reflected in Section 6 of the Rules of Procedure..

21. During the deliberations, AFICS (NY) maintained the position that, as a matter of policy, every rule of procedure was subordinate to the Statutes. Accordingly, where the election of officers was concerned, the stipulations of Article 6 regarding decisions and voting rights required that officers be elected by consensus, rather than by a simple majority of those present and voting. If a vote had to be taken, the Statutes clearly established that decisions should be by a double majority.

22. In connection with the discussion on improving gender balance among the members of the Bureau, the Working Group considered it appropriate to recommend that a policy statement be drafted by the Council confirming the commitment of the Federation to greater gender parity in its own ranks and at the same time, encouraging associations which had not already done so, to address this matter.

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Rome, 2-8 July 2008
Appendix 7

RULES OF PROCEDURE OF THE FEDERATION OF
FORMER INTERNATIONAL CIVIL SERVANTS

1. DEFINITION OF TERMS OTHER THAN THOSE MADE EXPLICIT IN THESE RULES

- “the Federation” means FAFICS
- “FAFICS” means the Federation of Associations of Former International Civil Servants
- “the Statutes” means the Statutes of FAFICS as adopted by the 36th Council in 2007
- “the Bureau” means the Officers of the Federation

Words used in the Statutes have the same meaning when used in the Rules of Procedure.

2. MEMBERSHIP

2.1 To be admitted by the Council as a Member, an association of former international civil servants must meet the following criteria:

- a. its aims are compatible with the aims and objectives of FAFICS as defined in article 2 of the Statutes of the Federation
- b. its membership is open to all former officials of the United Nations system and their survivors
- c. it is independent
- d. it can meet its financial contribution to FAFICS
- e. it is of viable size, preferably with no fewer than twenty-five individual members
- f. it is established in a location where there is no other Member Association of FAFICS, except in locations where more than one organization of the United Nations system has its headquarters

2.2 An Association with fewer than twenty-five individual members may be granted Associate Member status provided always that the other criteria for membership outlined in paragraph 2.1 above are met. Associate Members shall have the same rights as Members except that they shall not have the right to vote in Council sessions.

2.3 The decisions of the Council in respect of admissions for membership shall be final.

2.4 The Council may create additional categories of membership.

Membership fees

2.5 Annual membership fees shall be decided upon by the Council. They shall be levied on the basis of the number of members of each Association. Fees for Associate Members shall be set at rates that are fifty percent of those levied on Members. Unless the Council decides otherwise, fees shall be paid to the Federation within the first three months of the calendar year.

2.6 A Member not having paid the membership fee by the time of the Council session shall lose the right to vote in the Council. Voting rights may be re-established upon payment of all outstanding membership fees.

2.7 The Council may reduce, suspend or waive the amount of fees payable by a Member or an Associate Member or permit payment by instalments.

Cessation of membership

2.8 A Member or Associate Member wishing to cease membership of FAFICS must provide written notification of this intention at least four months in advance of a regular Council session.

2.9 The Council may exclude from membership:

- a. A Member or Associate Member no longer meeting the criteria laid down in paragraph 2.1. above
- b. A Member or Associate Member whose actions are deemed by the Council to discredit the Federation or which has violated the Statutes or Rules of Procedure of the Federation
- c. A Member or Associate Member which has, for three consecutive years, not paid the fees levied by the Council

2.10 A Member or Associate Member which ceases to be a member in accordance with these provisions remains liable for all fees due up to and including the year in the course of which membership ceases.

3. SESSIONS OF THE COUNCIL

Regular sessions

3.1 In accordance with article 4 of the Statutes, the Council shall meet in regular session at least once a year. During a Council session, the Council shall normally decide on the date and place of its next regular session.

3.2 All Members and Associate Members shall be invited to be represented at each Council session.

3.3 A Member, which, for whatever reason, cannot send a representative to a Council session may give its proxy vote to another Member attending the Council. Except in cases of “force majeure”, it must indicate this intention in writing to the Secretary of the Federation two weeks in advance of the Council session. However, no Member present in the Council session may hold proxy votes for more than two Members.

3.4 The working language of the Council shall be English. Documents may be presented in French or Spanish provided that a translation in English is also provided by those submitting such documents.

Special sessions

3.5 Special sessions of the Council may be held:

- a. by decision of the Council
- b. by decision of the President after consultation with the Bureau
- c. upon the request of at least one half of the Members of the Federation

Agenda

3.6 The provisional agenda for each session of the Council shall be drawn up by the President of FAFICS in consultation with the Bureau; it shall include a Report of the President. It shall also include an item that provides for the appointment, by the council, of the FAFICS delegation to the Board of the United Nations Joint Staff Pension Fund.

3.7 Any Member or Associate Member may propose items for inclusion in the provisional agenda. These should be submitted to the Secretary at least three months before the beginning of a Regular Session and eight weeks before the beginning of a Special Session.

3.8 The Secretary shall communicate the provisional agenda for each session to all Members and Associate Members at least six weeks before the beginning of a regular session and two weeks before the beginning of a special session. As far as possible, the Secretary shall distribute the documentation relating to items on the provisional agenda at least two weeks before the beginning of a regular session and one week before the beginning of a special session.

3.9 At the beginning of each session, the Council shall adopt its agenda.

Quorum

3.10 The proceedings of the Council shall be valid only if at least one third of voting Members are represented.

Presiding Officer and rapporteur of the session

3.11 At the beginning of each session, the Council shall elect a presiding officer who will chair the session of the Council.

3.12 The Council shall also elect a rapporteur for each of its sessions.

4. **COMITTEES AND WORKING GROUPS**

4.1 The Council may establish such Committees and working groups as it deems necessary to conduct the work of the Federation effectively.

5. **OFFICERS OF THE FEDERATION**

5.1 The Officers of the Federation, who shall constitute the Bureau of the Federation, are:

- a. the President
- b. the Vice-Presidents
- c. the Secretary
- d. the Treasurer

5.2 The Officers shall be elected in accordance with procedures laid down in these Rules. The President and the Vice-Presidents shall serve in the posts to which they have been elected for a term of one year; each term in these posts shall be renewable for a year at a time up to a maximum of four years. The posts of Secretary and Treasurer shall not be subject to these term limitations.

The President

5.3 The President shall lead the Federation, shall be its primary representative and spokesperson and shall have general direction of its Bureau. He or she shall be responsible for the implementation of resolutions and decisions taken by the Council.

The Vice-Presidents

5.4 The Vice-Presidents shall assist the President in his or her functions.

5.5 The Bureau may attribute to each of the Vice-Presidents special responsibility for a substantive area of work of the Federation.

5.6 In the event of the absence or disability of the President, the Secretary shall invite the Vice-Presidents to determine which among them shall exercise the functions of President. The Acting President shall have such powers and be subject to such restrictions as the President until the President resumes his or her functions or until the next session of the Council.

5.7 The Council shall determine the number of Vice-Presidents taking account, inter-alia, of the global nature of the Federation.

The Secretary

5.8 The Secretary shall keep a record of membership, give notice of meetings, record all votes and arrange for the taking of record of meetings. He or she shall assist the President in the administration of the day-to-day affairs of the Federation, including the maintenance of its records. The functions of the Secretary shall also be guided by such Internal Rules as the Bureau may adopt from time to time for the orderly management of the affairs of the Federation.

The Treasurer

5.9 The Treasurer shall be responsible for the sound financial administration of the Federation in accordance with the provisions established in these Rules in respect of the Accounts. The budget proposals for the forthcoming financial year shall be prepared by the Treasurer in consultation with the Bureau and circulated to Members and Associate Members at least three months before the beginning of the Council. The functions of the Treasurer shall also be guided by such Internal Rules as the Bureau may adopt from time to time for the orderly management of the affairs of the Federation.

Advisors

5.10 The Bureau may call upon advisors to assist it on specific matters; such advisors may be invited to attend meetings of the Bureau.

6. PROCEDURES FOR ELECTION OF THE OFFICERS OF THE FEDERATION

6.1 The Officers of the Federation shall be elected in the course of each Council session.

6.2 The Secretary shall issue a call for nominations for election at least six weeks prior to the Council, inviting Associations to pay particular attention to the need for gender balance in the Bureau.

6.3 Candidates shall be nominated for election at least one month prior to the Council. To allow Associations to consider candidatures, their names shall be circulated to Associations three weeks before the election takes place.

6.4 Candidates must have the support of their Member Association.

6.5 The Bureau may also propose candidates, subject to article 6.4 above.

6.6 The timing of the elections shall be announced at the beginning of the Council session but shall normally be on the day before the last of the Council.

6.7 The names of all candidates shall be announced by the Secretary of the Federation as soon as possible after the opening of the Council and at least forty-eight hours before the election takes place.

6.8 Those elected shall be the candidates who receive the most votes from among those present or represented in the Council session.

6.9 The Council shall fix the date on which those elected to the Bureau shall take up their seats.

7. ACCOUNTS

7.1 The Federation shall cause proper books of account to be kept - in a currency determined by the Council - in respect of:

- a. all receipts and expenditures of the Federation and the matters in respect of which such receipts and expenditures take place
- b. the assets and liabilities of the Federation

7.2 At each Council session, the income and expenditure sheet for the 12-month period ending on 31st December of each year together with the balance sheet as at the same date shall be presented by the Treasurer.

7.3 Copies of these accounts, the balance sheet and other relevant reports shall be provided to the Members and Associate Members of the Federation six weeks before the beginning of the regular Council sessions.

8. AUDIT

8.1 Once in every year, the accounts of the Federation shall be examined and the correctness of the income and expenditure account and of the balance sheet ascertained by auditors appointed by the Council. The report of the auditors shall be presented to the Council in accordance with article 7 of the Statutes.

9. DISSOLUTION

9.1 The dissolution of the Federation can be pronounced only after a formal consultation with all Members. The decision shall require a double majority, which is a majority of all Member Associations and a majority of the membership of all Member Associations.

9.2 The Council shall decide upon the disposal of any assets and arrange for the cessation of activities.

10. AMENDMENT OR SUSPENSION OF THE RULES OF PROCEDURE

10.1 These Rules of Procedure may be amended or suspended by a decision of the council. The decision shall be by double majority, which is the majority of those Member Associations present or represented in the Council and a majority of the total membership of those Associations.

These Rules of Procedure shall come into force on 9 July 2008.

**Report of the thirty-seventh session of the FAFICS Council
Rome, 2-8 July 2008
Appendix 8**

Approved Budget for the year 2009

INCOME

| | |
|--|---------------|
| Members' contributions (16,800 x \$1.35) | 22,680 |
| <u>Bank interest</u> | <u>450</u> |
| Total estimated income | 23,130 |

OBSERVATIONS

5. 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.

6. Membership contributions

The estimate of contributions by member associations is based on membership data, as declared by the associations as at 1 January 2008. This is not an absolute figure, as some 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. *At the present time the total figure is 16,657. We have based our estimate for 2009 on an assumed membership of 16,800.*

7. Bank interests

This is an estimate of interest that may be earned on our deposit of \$15,000 with the UNFCU. As a result of the frequent lowering of interest rates in the United States, the UNFCU has been obliged to reduce the rate on FAFICS deposit from 4.78 to 2.81% as from 1 March 2008.

EXPENDITURES FOR 2009 AND OBSERVATIONS

| | | | |
|-----|---|----------|----------------|
| 8. | <u>Travel expenses</u> | | 18,000 |
| | At the time of preparing these estimates, it was not known where the 2009 session of the Pension Board would take place. New York may be uncertain due to major restoration works at UN Headquarters. | | |
| | The travel budget has been calculated to cover the costs of the President's attendance at the 38 th session of the FAFICS Council, assuming that the Council will be held at the same place as the session of the Pension Board and that the cost of the President's travel, terminal expenses and daily subsistence allowances during the Pension Board meeting will be covered by the UNJSPF in his capacity of being one of two retiree representatives at the Pension Board, for whom the Board had decided to defray the travel expenses. | | |
| | Other costs will be for the Secretary's travel to service the 38 th 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 2009. FAFICS subsidized the travel of its two alternate representatives to the Pension Board during 2007 and 2008, and the travel forecast includes provision for similar subsidies in 2009. | | |
| 9. | <u>Hospitality</u> | | 850 |
| | This item will, as usual, cover the lunch offered by FAFICS to the CEO UNJSPF and his senior staff. It may also cover some minor hospitality offered by the President. We propose to maintain this amount at the 2008 level. | | |
| 10. | <u>Secretarial Assistance</u> | | 3,000 |
| | This item will be used to pay for temporary assistance during the Council sessions. | | |
| 11. | <u>Contributions</u> | | 1,000 |
| | We believe that this item can be maintained at its 2008 level of \$1,000. 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 | |
| 12. | <u>Equipment</u> | | 1,500 |
| | The treasurer's PC is old and may need replacement during 2009 | | |
| 13. | <u>Office supplies</u> | | 500 |
| | This is an increase from \$350 in light of experience during 2007. | | |
| 14. | <u>Bank charges</u> | | 150 |
| | As a result of increased reliance on the UNFCU banking services, the 2008 provision of 200 can now be reduced to 150. | | |
| 15. | <u>Communications</u> | | 200 |
| | It is proposed to maintain this item at its 2008 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 authorized expenditures | | 25,200 |
| | Possible deficit, which will be absorbed by FAFICS' assets, which totalled | | (2,070) |
| | <u>26,304.15 on 31 December 2007.</u> | | |