



FEDERATION OF ASSOCIATIONS OF FORMER INTERNATIONAL CIVIL SERVANTS  
FÉDÉRATION DES ASSOCIATIONS DES ANCIENS FONCTIONNAIRES INTERNATIONAUX  
FEDERACION DE ASOCIACIONES DE EX-FUNCIONARIOS INTERNACIONALES

## **Thirty-eighth session of the Council Vienna, 7 - 10 July 2009**

### **Report of the session**

1. The thirty-eighth session of the Council of the Federation of Associations of Former International Civil Servants was held from 7 to 10 July 2009 at the IAEA in Vienna under the presidency of Andrés Castellanos. The formal opening of the session on 7 July was preceded on 6 July by a meeting of the Working Group on Pension Issues chaired by Oscar Larghi. The FAFICS Bureau also met on the eve of the Council session.

#### **Opening session**

2. The FAFICS President declared the meeting open on 7 July at 9.45 a.m. and welcomed the participants to Vienna. At the outset, Council observed one minute's silence in honour of those retirees who had died over the past year. The President paid especial tribute to the late Dr. Ansar Ali Khan, founding President of AUNPP-Pakistan, Mr. N. Narayana, Treasurer of AFUNPI-Bangalore, Ms. Chiquita Toé, General Secretary of AAFNU-BF, Burkina Faso, Mr. Jean Djigui Kéita, President of AMAFINU-Mali and Mr. Robert L. Smith, honorary member of AFICS (NY).

3. David Waller, Deputy Director-General of the IAEA, bade the participants welcome to Vienna and the VIC. He remarked that in the early days of his career with the IAEA, he had been intent upon helping to save the world from the scourge of nuclear weapons, fighting nuclear terrorism, preventing another Chernobyl accident, and reducing hunger, poverty and disease through the application of cutting edge nuclear science. From the very outset he had been baffled by the intricacies of such things as the Noblemaire and Flemming principles, pension adjustment systems, retirement benefits, after-service health insurance liabilities and the calculation of post adjustment.

4. Thanks to the efforts of his administrative officer, who had since become a Vice-President of both ARICSA and FAFICS, he had gradually come to realise the importance of such issues, the significance of which increased the closer he came to retirement. Indeed with retirement looming large, they had taken on top priority. He thus looked forward to joining a group of distinguished individuals of various nationalities who had contributed in a variety of ways to the common United Nations goal of helping humanity. He was also comforted to know that FAFICS existed and represented the interests of that community of former international civil servants

5. He had observed with satisfaction the growth of FAFICS into a truly representative body, whose views counted for much in the deliberations of the Pension Board.

6. David Waller encouraged the participants to savour or rediscover the delights of Vienna: a city that had been rated the best in the world in terms of the quality of living. It had much to offer. He wished the Council – both selfishly and otherwise - every success in its deliberations.

7. Peter Lillie, President of ARICSA, the host association, similarly bade the participants welcome. He hoped that the amenities would meet with their approval. Those amenities, however, had been set up in close collaboration with the FAFICS Secretariat, in particular Anders Tholle, and the IAEA, in particular the conference staff, as well as with the UNFCU that would be hosting a cocktail later that day. For its part, ARICSA had striven to achieve a balance between work and play; for example, it would host a *heuriger* evening later in the week.

8. In the ultimate analysis, the success of the session hinged on the participants' contribution and their focus on matters of importance. He cautioned against addressing too many issues that diluted the Federation's foremost task of securing pensions in troubled times and combating any down-sizing of health insurance plans.

9. Peter Lillie entered a strong plea in favour of both vigour and rigour of debate. In closing, he evoked the spirit of Vienna, a spirit of genuine consensus and mutual agreement in a common cause that invariably prevailed at meetings held at the VIC. He was confident that the current session of the FAFICS Council would uphold that traditional spirit.

10. The President thanked David Waller and Peter Lillie warmly for their inspiring words and for the facilities and hospitality extended to FAFICS by both the IAEA and ARICSA, at the current Council session.

#### **Agenda item 1: Adoption of the agenda**

11. Council adopted the provisional agenda (document Council 38/2008/D.1) as contained in Appendix 2, together with the provisional schedule of work (document Council 38/2009/CRP.1). It was agreed that under agenda item 19 b, discussion would extend beyond enhancement of the website to enhancement of the work of the Federation. The list of documents submitted to Council is reproduced as Appendix 3.

#### **Agenda item 2: Election of a Presiding Officer**

12. Council elected Mary Johnson to preside over the session.

13. Peter Lillie was elected rapporteur.

#### **Agenda item 3: Applications for membership**

14. Applications had been received from AFUNSOB-Bangladesh, ARICSCAM-Cameroon and AFICS Philippines (document Council 38/2009/D.3. Add1.). The applications of AFUNSOB-Bangladesh and AFICS-Philippines had been found to meet the conditions for admission as members of the Federation, while that of ARICSCAM-Cameroon warranted admission as an associate member. The Council authorised the Secretary to convert the associate membership of ARICSCAM to regular membership once the association had reached the preferred level of 25 members. Members of the Federation would be duly informed of that change in status. Council welcomed the new associations with a round of applause.

15. The three newly admitted associations thanked the President and the Secretary for the extensive help that they had provided throughout the application process. They were honoured to

have become members of the Federation and looked forward to working alongside the other associations.

**16.** Following the admission of the new members Anders Tholle, FAFICS Secretary, announced that 30 member associations were represented at the session, directly (22) or by proxy (8). Those present included one associate member, ARICSCAM-Cameroon, which had been admitted with associate member status, pending an increase of its membership to 25. The list of participants is contained in Appendix 1.

**17.** An application had also been received in late June from the association of retired GATT/WTO staff members. Council was apprised of the difficulties associated with that application which had been reviewed by the President and Secretary of FAFICS. The application had been found wanting in that the association's statutes did not conform to the provisions of the FAFICS statutes and rules of procedure. The association had been requested to make the necessary changes, further to which the FAFICS President and Secretary subsequently offered an intermediate arrangement to facilitate the favourable consideration of the association's admission, based upon the receipt of a commitment to adapt the GATT/WTO statutes within the following three months. In responding to that offer, the association had considered the request to be an 'opinion' of the President rather than a requirement. At its meeting on 5 July 2009, the FAFICS Bureau had endorsed the steps taken by the President and Secretary of FAFICS, both of whom had followed the long-established practice in reviewing such applications. The President of FAFICS had invited the chair of the GATT/WTO association as his guest to make her point of view known to the Council. The complete exchange of correspondence was presented to Council (document Council 38/2009/D.3. Add 1. Corr.1).

**18.** At a special session on the second day, Council heard Mr. Jean Hanus in his capacity as a guest, whom the chair of the GATT/WTO association had designated to discuss in her stead the factors that had led up to the current impasse. Immediately prior to that session, Council reviewed developments thitherto. Anders Tholle recounted the sequence of events that had led up to the rejection of the association's application. It was the first time ever that an association had chosen to ignore the responsibilities and authority of a FAFICS President. Members pointed out that the current Council session was not an appellate court. That notwithstanding, Council agreed to hear the GATT/WTO association out and the shortcomings in its application would be pointed out to the association once again.

**19.** In response to the President's invitation to present his association's point of view and provide any clarification requested, Jean Hanus expressed his pleasure at being able to come to Vienna and present his case. He described how after amending its statutes and rules of procedure two years running, the association had read with dismay of the denial of its application. He pointed out that according to the FAFICS rules of procedure, new members were admitted by the Council [as distinct from its President] and the decision of the Council in respect of admissions for membership should be final. Furthermore, Article 4 of the GATT/WTO association's statutes referred to maintaining relations with other associations of retired international civil servants in the pursuit of common objectives and was thus compatible with Article 2 of the FAFICS statutes. It thus seemed appropriate that the GATT/WTO association be allowed by a decision of Council to participate in its deliberations, although it apparently required 'an act of faith in the United Nations'. Admission, moreover, would be a sign of openness and flexibility and make the Federation more adaptable and capable of facing up to problems that were looming large.

**20.** In the ensuing discussion, it was asked whether non-GATT/WTO retirees were eligible for membership as a matter of right. Some participants accepted that non-retirees might be admitted

as associate members, whereas others were of the opinion that retirees from any other UN-system organisation should be granted full membership. Still others felt that Article 5.5 of the GATT/WTO association's statutes was too restrictive, while others questioned the distinction between members and the lack of annual membership.

**21.** In his reply, Jean Hanus entered into the genealogy of GATT and WTO. He posited that there was no explicit obligation to include an express reference to supporting and promoting the purposes, principles, programmes and achievements of the United Nations system. The issue was one of compatibility, but not a requirement. All GATT/WTO retirees were eligible for membership in the association, but their participation in the activities of the association was contingent upon their paying dues. He assured Council that his association wished to join the Federation.

**22.** The President reassured Mr. Hanus that FAFICS would welcome GATT/WTO as a new member, once the difficulties faced had been overcome. He welcomed the choice made by his association in designating Mr. Hanus to present their case. As a colleague familiar with Council proceedings, he had participated in previous years in the consideration of applications for admission of new members, some of which had been postponed, pending the requisite modifications to their statutes in accordance with FAFICS requirements. As a case in point, the President referred to two associations that had been admitted by the Council at the current session: ARICSAM –Cameroon and AFICS- Bangladesh. In both instances, their initial applications had been turned down, without ever having reached Council.

**23.** After thanking Jean Hanus for having presented his association's point of view, Council took up its discussion once again. It was felt that no new facts had been presented and reservations were expressed about the split membership of the GATT/WTO membership. None the less, the association should be encouraged to join and the effort made to provide clarification was recognised

**24.** All participants agreed on the need for modifications to the statutes of the GATT/WTO association. It would thus not be possible to admit the association's representative to the present session of the Council.

**25.** Council entrusted the Bureau with the task of informing the association accordingly and expressed the hope that continuing discussions with GATT/WTO would lead to the Bureau reaching a swift positive decision on the matter. The Bureau's decision could then be referred to the membership for adoption by correspondence, without having to wait until the following year for the association's admission as a member of FAFICS.

#### **Agenda item 4: Report of the President**

**26.** The President welcomed the participants to the 38<sup>th</sup> session of the FAFICS Council and introduced his report (Appendix 4). He reiterated his thanks to the host association and the IAEA; he praised the effective arrangements they had made for the session and welcomed the new members. The total strength of the Federation was no fewer than 45 member associations; FAFICS was nearing 50 member associations by 2010: a target he had set together with that of an increase in membership in individual member associations.

**27.** In the course of his presentation, Andrés Castellanos reported on several courtesy calls he had paid to various UN system authorities in order to continue the Federation's excellent and constructive relations, starting with the Secretary and CEO of the United Nations Joint Staff Pension Fund (UNSPF). He touched on the importance of advocating the principles of the United

Nations, in accordance with the FAFICS Statutes. In the latter regard, he recalled the messages that the UN Secretary-General, Ban Ki-moon, had issued on the occasion of UN Day (24 October) and Human Rights Day (10 December). At the President's initiative, the FAFICS Secretariat had circulated those messages to all FAFICS member associations, as well as to those associations which had still not joined the federation, encouraging them to become members. He had also urged all associations to organize similar commemorative events each year and to report on their associations' activities for inclusion in the comprehensive report on advocacy that AFICS (NY) would be presenting to the current session of the FAFICS Council, as requested by Council the previous year. In respect of human rights, the President paid full and just tribute to the FAFICS President emeritus, Margaret Bruce, a former President of AFICS (NY), for her steadfast dedication to and support for the United Nations and its universal cause of human rights. Margaret Bruce was one of the few surviving members (if not the sole surviving member) of the group of staff who had worked under Eleanor Roosevelt on the drafts of the Universal Declaration of Human Rights, subsequently adopted in Paris in 1948.

**28.** He also pointed to the current trend towards cutting back on health insurance plans that was making itself felt in New York. After consulting with the Bureau and the chair of the Working Group on ASHIL, he had written to the United Nations Secretary-General on the issue, providing him with a genesis of the policy adopted in respect of ASHI since 1974 and expressing the legal expectation that that policy would continue to be observed. He warned Council of the risk that the trend might spill over to other UN organisations, given the excessive coverage that the media were giving to the issue of unfunded liabilities.

**29.** The President also pointed to the Federation's contribution to the Working Group on Plan Design. To his mind, the first priority was to secure the elimination of the remaining 0.5 per cent reduction in the first consumer price index reduction due after retirement and to resist attempts to shift to a defined contribution plan as distinct from the current defined benefits plan. The question of bank charges on UN pensions, in particular small pensions, was an item of particular importance.

**30.** The plight of the retirees in the Former Soviet Union, Byelorussian SSR and Ukrainian SSR should not be forgotten. The President thanked those associations that had contributed to his appeal for funds to cover the daily subsistence costs of one representative of AFICS –Moscow.

**31.** Over the past year, the Federation had made every effort to keep its members informed. For example, the Pension Board report, observations on that report by the ACABQ and the subsequent General Assembly resolution on the United Nations Pension System had been circulated to member associations. The Federation would continue sending those documents to all Associations in the future. The Federation's statutes and rules of procedure were available in three languages [English, French and Spanish] and had been posted on the Federation's website, together with a series of links to other sources of information.

**32.** The President paid tribute to the work of the FAFICS Secretariat staff in both Geneva and New York; he asked Council to consider ways and means of improving the facilities and increasing the staff complement. A particular concern was to identify how best to serve the member associations, collectively and individually. Any attempts to fragment the Federation would be 'suicidal', the current three-way split among active staff representation did not bode well for the future defence of staff interests. By the same token, it was essential that as many member associations as possible should attend Council sessions to secure a consolidated position on overarching issues. Over the intervening months, it was essential to maintain solidarity and close contact between member associations. He stressed that the structure of FAFICS was not regional in character; any attempt to 'derail' the Federation's global character would be 'tantamount to

isolation' and weaken the growing strength that FAFICS had acquired over the years. FAFICS would be celebrating its 35<sup>th</sup> anniversary in 2010. The current financial crisis and institutional changes across the UN system called for judicious treatment of the issues most crucial to the members' rights and benefits as former international civil servants.

**33.** In closing his presentation, Andrés Castellanos expressed his deep gratitude to all associations and the support they had lent him throughout the past nine months.

**34.** In the ensuing discussion, the President was congratulated on the comprehensive nature of his report. He and other members of the Bureau were encouraged to contact local associations whenever travelling abroad, as were members of the individual associations so as to encourage the exchange of information at all levels.

**35.** In concluding the agenda item, Council took note of the President's report with appreciation.

#### **Agenda item 5: Pension issues**

(i) *Report by the FAFICS representatives on the UNJSPF Working Group on Plan Design*

**36.** Gerhard Schramek introduced a summary of the Working Group's progress report (document Council 38/2009/D.5 (i)) on behalf of the FAFICS delegates to the Working Group sessions in 2009. He pointed out that the Working Group had drawn on the work of the Working Group established in 2000. Rather than re-invent the wheel, the group had taken up those recommendations that it found pertinent. On the basis of the briefings received and taking into account recent developments, including the revised mortality tables reflecting increased longevity rates, the significant decline in the market value of the assets and the emerging trends, the Working Group decided during its second meeting to focus on the following general topics:

- (a) Normal retirement age
- (b) Possible "option" of a defined contribution-type plan;
- (c) 2002 recommendations already approved in principle by the Assembly;
- (d) Enhanced full withdrawal settlements for participants with less than five years;
- (e) Accumulation rates, progressive and regressive; and
- (f) Earlier cost-of-living adjustments for deferred pensions

**37.** The Working Group had also adopted a number of basic principles ranging from the need to ensure that the UN pension system was framed in the light of the best outside practice, through the need to maintain the defined benefit nature of the fund to protecting the purchasing power of pension benefits and reversing the impact of the economy measures adopted in dealing with past actuarial deficits.

**38.** The Working Group had also recognised the decline in the Fund's market assets, the improved longevity and greater life expectancy, as well as the shift in staffing trends and new contractual arrangements. It was against that backdrop that the Working Group would have to draw up a list of priorities for improving the operations of the Fund. No fewer than eleven specific topics had been identified. Council was thus requested to provide guidance to the FAFICS delegation in terms of the priorities to be set and the proposals to be submitted to the Working Group.

**39.** In the ensuing discussion, a number of participants attached particular importance to eliminating the remaining 0.5 per cent reduction in the first consumer price index reduction due after retirement, raising the age of retirement and resisting any attempts to shift to a defined

contribution plan as distinct from the current defined benefits plan. Whereas raising the normal age of retirement was seen to be beneficial in actuarial terms in addition to offsetting the loss of institutional memory plaguing many organisations, switching to a defined contribution plan ran the risk of incurring an immediate deficit. An equally impassioned plea was made by one representative for introducing a defined contribution plan that, in the case of the World Bank, had brought about large-scale savings. It was confirmed that within the context of the Working Group, the promotion of a defined contribution plan had been driven by an insistence on reducing costs, primarily by one member, and not for improving the system as such.

**40.** An argument was also made in favour of applying uniform accumulation rates to all retirees, reducing the vesting period and enhancing withdrawal settlements. Some spoke in favour of securing the acquired rights that retirees already had, although it was pointed out that long transition periods would enable administrations to circumvent the issue of acquired rights. It was ultimately decided that the Bureau would put forward a list of priorities for consideration by Council at a later juncture in the week.

**41.** On the final day of the session, Council discussed the priorities to be upheld in both the Working Group on Plan Design and the Pension Board itself (document Council 38/2009/CRP. 6).

**42.** Gerhard Schramek introduced the paper which reflected the discussion under various agenda items as well as considerations raised in the Bureau. In respect of the priorities to be set in the Working Group on Plan Design, the priorities related in descending order of priority to:

1. Eliminating the 0.5 per cent reduction in the first adjustment due after retirement
2. Maintaining the defined nature of the Pension Fund
3. Increasing the normal retirement age up to 65
4. Returning to the 2 per cent accumulation rate for all participants and retirees
5. Enhancing the amounts payable for full withdrawal settlements for staff with less than five years of contributory service
6. Reviewing the entitlements of family members

**43.** It was explained that the elimination of the 0.5 per cent reduction was subject to the next actuarial evaluation being positive. Given the high risks associated with defined contribution pension plans, the majority of member associations had been in favour of maintaining the defined benefit nature of the Pension Fund. The retirement issue was not in the hands of the Fund as it would have to be decided by the organisations. The return to the 2 per cent accumulation rate had been a long-standing issue, the prospects of success being diminished by the fact that it would be very costly to implement. Given the change in contractual patterns, it was felt that the issue of full withdrawal settlements for staff with less than five years of service deserved priority consideration. As for the final priority, FAFICS had been the sole body over the years to show concern for family members in the Pension Fund context.

**44.** In respect of the priorities to be set in the Working Group on Plan Design, the priorities related in descending order of priority to:

1. Defending the two-track system
2. Allowing a return to the dollar under certain conditions
3. Improving the pension adjustment system
4. Absorbing bank charges
5. Adjusting small pensions

**45.** It was essential that the two-track system be defended against claims that it was too expensive in the light of costs having exceeded the ceiling of 1.9% of pensionable remuneration. Many delegations had supported the proposal that retirees be granted a one-time return to the dollar track after a certain number of years. The improvements to be sought in the pension adjustment system related to timing, thresholds and floors in order to avoid the need for continuous minor adjustments. The bank charge issue was of particular pertinence to those drawing small pensions which also required adjustment.

**46.** In the ensuing discussion, the clear sense of direction in the document was welcomed. Furthermore, the document was seen to facilitate the decision-making process; the same approach should be followed in other instances.

**47.** As for bank charges, one association felt that they could be absorbed by governments, while others felt that the problem lay with the intermediary banks. The Pension Fund should be urged to indicate those banks in various countries that offered direct transfer facilities. It was also suggested that a more flexible system for the payment of small pensions could be found within the context of the United Nations common system, viz. UNDP. Furthermore, priorities 2 and 5 set for the FAFICS representatives at the Pension Board were closely interrelated.

**48.** Some concern was expressed over the continued rejection of defined contribution plans which, under certain circumstances, yielded tangible advantages such as a greater portability. It was essential to have alternative strategies for dealing with the issue which would not go away. Defined benefit plans had also been shown to offer distinct advantages. Under the circumstances, however, the Federation would have to initiate an analytical discussion and assess the pros and cons. The current debate was driven solely by the fixation of one member in the Working Group on cost considerations to the exclusion of everything else. The Federation had a responsibility towards future retirees. FAFICS was not opposing the issue for the sake of opposition.

**49.** Council adopted with certain amendments the list of priorities to be observed by the FAFICS representatives in both the Working Group on Plan design and the deliberations at the Pension Board (Appendix 7).

(ii) *Report of the Working Group on Pension Issues*

**50.** Council considered the report of the Federation's working group on pension issues (Appendix 5). In addition to suggesting that the recommendation relating to changing the effective date of annual CPI adjustments and lowering the trigger point be treated under two separate headings, Council agreed that the convenor and rapporteur continue to officiate over the coming year.

**51.** Council adopted the report of the Working Group on Pension Issues subject to minor syntactical amendments.

(iii) *Review of items of interest on the agenda of the 56<sup>th</sup> session of the UNJSPB*

**52.** Alan Prien gave a summary overview of the numerous documents being considered at the upcoming session of the Board. The session would be chaired by a representative of the participants who maintained close links with FAFICS.

**53.** One paper dealt with the introduction of a fourth economic assumption in addition to the current set of three. The Pension Board would also consider a report on the Fund's investments

which indicated that the indexation of the North American portfolio had been deferred in the light of the current financial crisis. That deferral constituted a *de facto* admission that the position maintained by the participants and FAFICS alike had been fully justified. At the present juncture, however, the document on investment policy had yet to be issued.

**54.** The CEO was seeking an increase in resources in order to meet the increased staffing and operational requirements of the Fund's secretariat. The document on the Emergency Fund showed a very low level of utilisation – 16 payments amounting to some \$40,000. The paper on the impact of currency fluctuations would doubtless stir debate, while the document on bank charges had yet to be issued.

**55.** The incumbent CEO/Secretary of the Fund, who was up for re-election, had proposed an amendment to paragraph 35 *bis* that would lower from 10 to 5 years the period of eligibility required for the receipt of a divorced surviving spouse's pension benefit, in keeping with a FAFICS recommendation. .

**56.** In the ensuing discussion, it was stressed that the Fund's Geneva office played a key role and should receive an apposite share of any budgetary increases. As for the impact of currency fluctuations, the CEO/Secretary of the Fund was recommending the suspension of the special index, which was felt to be an inadequate measure. As one member association pointed out, the document seemed to be based on a very cursory examination of exchange rates over a period of one year marked by a financial crisis. Over a longer period, however, exchange rate fluctuations, with the exception of the yen, could be seen to be less aberrant. In the period 1999-2009, the euro, Swiss franc and pound Sterling had all moved the same way against the dollar.

**57.** It was also suggested that the deferral of the indexation of the North American portfolio was perhaps not as clear cut as it might appear. FAFICS should urge that the idea of indexation not be pursued at all.

**58.** It was recalled that on an earlier occasion, Aurelio Marcucci had drawn Council's attention to the possibility of a decrease in contribution rates. At that time Council had agreed that any surplus should be used to fund ASHI.

**59.** It was pointed out that in reporting on the two-track system, the 48<sup>th</sup> session of the Committee of Actuaries had not referred explicitly to the need for stability and spoke of the need to streamline and simplify the system while reducing risks. It was essential that Council re-endorse and uphold the maintenance of the two-track system.

**60.** In the final stages of the discussion under the agenda item, a number of associations spoke of the yawning gaps between the few knowledgeable members and others attending the Council session. Certain issues, it was suggested, were not of interest to the Federation, such as the age of retirement. It was thus essential to distinguish between information on issues and those issues that called for specific action. It was also suggested that a balance be struck between those members who came to Council to learn, those who held general opinions and those who came with specific issues. It was suggested that the Council sessions be structured differently with a two-day technical meeting preceding the Council session proper to which it would submit recommendations. It was also recognised that global and local issues needed to be reconciled.

(iv) *UNJSPF Certificates of Entitlement (CE)*

**61.** After reviewing the document on the introduction of an on-line process and the decentralisation of that process (document Council 38/2009/D.5 (iv)), Council endorsed the proposals unanimously.

#### **Agenda item 6: Pension adjustment system**

- (i) Adjustment of pensions in Argentina*
- (ii) Change of the effective date for annual CPI adjustments from 1 April to 1 January*
- (iii) Lowering the trigger point for annual CPI adjustments from 2 to 1 percent*

**62.** Since all three issues had been covered in the report of the Working Group on Pensions (agenda item 5 (ii) above), Council reaffirmed its position on the same. In particular, regarding Argentina, Council urged the CEO of UNJSPF to apply paragraph 26 of the Pension Adjustment System in the case of pensioners residing in that country.

**63.** Council was also informed of the proposal drawn up by BAFUNCS that FAFICS had submitted to the upcoming session of the Pension Board on improving the procedures for collecting data for periodic pension adjustments (document Council 38/2009/D.6 corr.). The UN Statistical Office (UNSO) and/or the ILO Statistical Office had not always received official notification of CPI data in time from some national authorities. Given the existence of new and reliable channels of communication, the Federation proposed that the existing procedure be modified and that other official sources of data be accepted in the absence of the formal transmittal of the December indices, provided that the UNSO approved the data source and was prepared to update its indices on that basis for the UNJSPF.

#### **Agenda item 7: After-service health insurance and long-term care (ASHIL)**

- (i) General discussion on ASHIL*

**64.** It was reported that an updated version of the FAFICS data base had been submitted to the CEB, while the Human Resource Network report on introducing long-term care had been submitted to its finance and budget group. Appreciation was expressed for the data-base which was of great service to associations in duty stations facing critical situations.

**65.** The need for long-term care was becoming apparent in such countries as Mexico. Council recalled the policy statement it had adopted at its previous session and recognised that the issue was something that should be addressed at the level of the individual associations.

- (ii) Update on developments at the United Nations Secretariat regarding ASHI funding*

**66.** Council considered the document that described the current situation in the United Nations Secretariat in New York (document 38/2009/D.7. (ii)), which differed in many respects from the situation prevailing in other UN-system organisations. That notwithstanding, the degree of inequality between the various health insurance plans was recognised. The JIU report on health insurances plans across the system provided a good basis for comparison.

**67.** Vigilance was called for as actuarial projections of current costs in New York were reported to be of the order of \$2.4 billion, while in UNESCO a figure of \$640 million for liabilities had been cited. The resistance to absorbing more costs was said to be spilling over to other organisations; associations should prepare themselves for such an eventuality.

68. Council decided to re-institute the Working Group on After-Service Health Insurance and Long-term Care that should convene prior to the next Council. In the context of that working group, an updated paper on after-service health insurance should be discussed together with other issues that would undoubtedly arise in the course of the year.

**Agenda item 8: Situation of the former UNJSPF participants from the former USSR, Ukrainian SSR and Byelorussian SSR**

69. The Council considered the information submitted by AFICS-Moscow (document Council 38/2009/D.8), which showed that over the years basically nothing had changed with respect to the plight of the UN retirees in the former Soviet Union, Ukrainian SSR and Byelorussian SSR.

70. The situation was described by Mikhail Gunar. The extraordinary situation was best illustrated by the fact that out of 300 members of the association in Moscow, no more than 15 were in receipt of a UN pension. The difficult situation was compounded by the fact that the retirees adversely affected fell into three categories: those retirees who separated from service prior to 1981 (some 120-180 members of AFICS Moscow), those who separated in the period 1981-1990 (some 1,264 retirees in all) and those who separated after 1991. It was reported that some 500 retirees were currently receiving a supplementary payment equivalent to a mere \$120 per month, in addition to which they did not enjoy access to ASHI. The tragic story of a former UNIDO Managing Director served to point up the plight that critically ill Russian retirees faced.

71. It was hinted that there was a slight change in attitude on the part of the Russian authorities and some progress on the issue might be achieved, were strong international pressure to be applied over and above the appeal that the retirees in Russia, Byelorussia and the Ukraine had addressed to the UN Secretary-General had been. It was hoped that FAFICS could be part of that pressure.

72. In the ensuing discussion, it was recognised that a new approach was called for. One suggestion was that the Pension Fund might provide a one-time compensatory package. It was also recognised that FAFICS could hardly mediate between the Russian Government and the Pension Fund, although it should continue to present information to the latter. It was recalled, however, that the Pension Fund had been instructed to monitor the situation. FAFICS would do well to remind the Fund of that obligation and the need to maintain pressure on the Russian delegation to the Board.

73. Council decided to set up a working group that would collect all factual information, develop a strategy, help identify a legal advisor and solicit ideas and suggestions from all FAFICS member associations. Katia Chestopalov, Linda Saputelli and Witold Zyss volunteered to be part of the working group. AFICS Moscow agreed to provide all the necessary background information and documentation.

74. Council agreed that FAFICS should transmit the latest information on the intolerable spoliation of the rights of the UN retirees in the former Soviet Union to the upcoming session of the Pension Board.

## **Agenda item 9: Meeting with the CEO/Secretary of the Fund and the Representative of the United Nations Secretary-General on Investments**

75. Council met on 9 July 2009 with Bernard Cochemé, the CEO/Secretary of the Fund, Sergio Arvizu, Deputy CEO/Secretary, Alan Blythe, Head, Geneva Office, Frank De Turrís, Chief of Operations, Jaana Sareva, Senior Legal Officer, Denis Liberatore, Chief, Financial Services, and Eddie Stanczak, IT specialist.

76. For the first time at a Council session, the Representative of the UN Secretary-General for Investments and Suzanne Bishopric, Director, Investment Management Division were also present at the express invitation of the President. Comprehensive presentations were given on the current status of the Fund, its governance and an history of investments over the past year by Bernard Cochemé, Sergio Arvizu and Warren Sach.

77. Following consultations with member associations, the President had submitted a list of questions to the CEO/Secretary of the Fund (document Council 38/2009/D.9) well in advance of the meeting. The responses thereto were given under cover of a memorandum to the FAFICS President dated 2 July 2009. Additional questions were 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 Bernard Cochemé, Warren Sach and their colleagues on behalf of Council for their replies and looked forward to continued close cooperation.

## **Agenda item 10: UNJSPF Emergency Fund and other benevolent funds**

### *(i) Reports by member associations on their benevolent funds*

78. Member associations provided details of their benevolent funds. In Rome, FFOA had a loan scheme with a ceiling of € 1,500 per loan which had proven to be a secure operation. AAFI-AFICS Geneva, whose fund was neither ponderous nor overcomplicated, had helped in 50 cases. Its major asset, however, was the institution of Social Welfare Assistant who helped retirees to settle problems that arose in the course of everyday life. It was remarked that AAFI-AFICS Geneva disbursed more funds in respect of its Social Welfare Assistant than the Pension Fund on its Emergency Fund. The BAFUNCS benefit fund, it was reported, had been greatly boosted by a substantial bequest that represented a tenfold increase in resources. Investment advice was being sought to optimise its financial management. The benefit took on those cases that had been rejected by the Emergency Fund.

79. Donations to the Charities Foundation run by AFICS-New York were tax-deductible. Grants were given to cover hospital/medical bills, removal costs and the like. Applications were considered by an assistance review committee. Fundraising took on many forms, such as jazz concerts or public appeals. AAFIB-Brazil ran a very modest benefit fund on a loans basis. In the four years of operation it had proven possible to build up close links with other member associations.

### *(ii) Functioning of the Emergency Fund: proposal by the FAFICS Bureau for the establishment of an Emergency Fund Review Panel in the Pension Fund with FAFICS participation*

80. The general tenor of the discussion on the Emergency Fund was one of disappointment. In Mexico, for example, five cases had been submitted. To date no response, query or acknowledgement had been received. The statistics given in document R.15 to be taken up at the

Pension Board the following week gave little cause for satisfaction. For some member associations, the application process had been an unpleasant experience. The Emergency Fund was in need of a radical overhaul. In common with many other UN entities dealing with applications, it lacked both speed and sympathy.

**81.** Clearly people submitting applications needed to be helped, but FAFICS could not take over the operation of the Fund. It could, however, propose the establishment of a review panel with FAFICS participation.

**82.** Council noted the proposal put forward by the Bureau (document Council 38/2009/D.10 (ii)) that emergency fund review panels be set up in New York and Geneva, comprising no more than three members drawn from both the Fund and FAFICS. The Fund would be urged to draw up the panel's guidelines, on which FAFICS should be given an opportunity to comment. Council did not accept the concept of an appeal mechanism being introduced to review cases rejected by the panel.

**83.** Council suggested that depending on the response given in the closed session with the CEO/Secretary of the Fund and the following debate, the FAFICS President should write to the CEO suggesting ways and means of securing greater efficiencies, including the creation of a review panel. It was recognised that a more informed set of suggestions could be drawn up, if more was known about the problems encountered by those running the Emergency Fund.

#### **Agenda item 11: Reports of FAFICS representatives at meetings and FAFICS activities as an NGO in consultative status with ECOSOC**

**84.** Council considered the report by AAFU/AFUS-France on the Federation's participation in the 61<sup>st</sup> Annual Conference of Non-Governmental Organisations associated with the United Nations Department of Public Information at UNESCO in Paris, 3-5 September 2008 (document 38/2009/D.11) that had coincided with the sixtieth anniversary of the Declaration of Human Rights. A key issue in the discussion had been the transformation of the Human Rights Commission into the Human Rights Council. It was feared that the new arrangements for a universal periodic review might replace the mechanisms provided for in other treaties/conventions and only government representatives would deal with human rights issues. The next conference would take place in Mexico

**85.** AAFU/AFUS-France had also attended the 62<sup>nd</sup> session of the FICSA Council held at UNESCO in Paris, 2-6 February 2009. At the latter meeting, the FAFICS representatives urged that its annual dues be reduced from CHF 600 to CHF 500. No formal decision had been taken at the FICSA Council on the reduced membership fee; however, the President of AAFU/AFUS-France had since sent a follow-up on the same, to which no response had been received. However, FAFICS would continue to seek the reduction of its annual dues to CHF 300.

**86.** On another financial issue, the FICSA Council had urged the FICSA Executive Committee to seek withdrawal of the decision to index the North American portfolio of the UN Pension Fund.

**87.** Another recommendation emerging from the FICSA Council's deliberations related to supporting FAFICS in its endeavours to lower from 10 to 5 years the period of eligibility required for the receipt of a divorced surviving spouse's pension benefit. The FICSA representatives were also urged to liaise with the participants' representatives and the FAFICS members of the Working Group on Plan design so as to monitor and study any eventual proposals for changes to the plan design.

**88.** In the ensuing discussion, it was reported that steps had been taken to ensure that FAFICS would be represented at the DPI meeting in Mexico. On another issue, FICSA, more specifically its Standing Committee on Social Security/Occupational Health and Safety, was reported to be disinclined to raise the retirement age; it pursued a more restrictive policy. It was also recalled that FICSA was not the sole staff representative body. FICSA worked closely with CCISUA, but had no ties with the third staff representative body, UNISERV – to all intents and purposes the New York Staff Union. Although the fragmentation was highly regrettable, Council rejected the suggestion that FAFICS should offer its services as mediator between the three. That notwithstanding, Council urged FAFICS to continue its association with FICSA and attempt to strengthen its links with other staff bodies.

**89.** A third report (Council document 38/2009/D.11.Add.1) had been submitted by AFICS (NY) under the agenda item summarising the outcome of the following eleven NGO meetings that FAFICS representatives had attended in New York over the period April 2008- April 2009:

Urbanization and Migration - The Impact of Ageing Populations  
Commission on Sustainable Development  
Preparations for the 53<sup>rd</sup> Session of the Committee on the Status of Women  
Commission on the Status of Women – Regional Caucuses  
International Women’s Day (also attended by AAFI-AFICS in Geneva)  
Account of two UN events on violence against women  
Workshop on the Global Impact of Migration on Older Women  
Co-signing NGO Statements to UN Bodies  
HIV-Tuberculosis Global Leaders Forum  
Pacific Health Summit  
World Urban Forum

It was recognised that the summaries could serve as inputs into both the Federation’s contributions to the work of future NGO committees and the preparation of the quadrennial reports to be submitted to ECOSOC by all NGOs having consultative status. The next such report was due in 2012.

**90.** Council took note of all three reports with appreciation.

**Agenda item 12: Review of the advocacy of the ideals and work of the UN system by member associations**

**91.** Council took note of the report on the advocacy activities of various member associations (document Council 38/2009/D.12) which had been prepared and submitted by AFICS (NY). The President thanked AFICS (NY), in particular its Committee on NGO Relations and Information, whose chair, Mrs.Lola Costa-Esnard, had been responsible for its preparation. He thanked those associations that had contributed to the report: AFICS (NY), AAFI-AFICS-Geneva, AAFNUB-Burkina Faso, AAFICS-Australia, AAFU/AFUS-France, AFICS-Addis Ababa and ARICSA-Vienna; he expressed the hope that future reports would be more comprehensive. It was noted, however, that the contributions of AAFICS-Australia and AAFNUB-Burkina Faso had not been included, nor had AAFU/AFUS-France been mentioned in the covering note.

**92.** Council took note with appreciation of the report that would be re-issued in a duly revised form.

### **Agenda item 13: Report on the FAFICS questionnaire to member associations on bank charges on pension benefit payments**

93. The President presented a draft summary report on the findings of the FAFICS survey of bank charges on pension payments which would be subsequently issued as a Council document (Council 38/2009/D.13). A questionnaire had been sent to 42 member associations, twenty-two of which had responded .He encouraged those associations that had not responded to do so as their inputs could still be incorporated and so help to quantify the problem.

94. The findings had been most revealing. In Burkina Faso, bank charges of \$36 had been levied on a pension payment of \$75; in Austria a retiree resident in Cuba had faced inordinate bank charges .As at the previous session of the Council, it was suggested that the services of UNDP could be sought in helping to mitigate the situation in those countries where excessive bank charges bore little or no relation to the minor sums being transferred. One association suggested that a global solution be sought as distinct from a series of local solutions, whereas others felt that the problem could only be solved by a carefully targeted approach at the level of individual banks with full backing at the highest level.

95. Council noted that a complete set of the findings would be transmitted to the CEO for transmittal to the UNJSPB and thanked the President and the associations involved for their efforts. It also urged that a solution be found to the problem and endorsed the position that means be found of absorbing fully the bank charges on small pensions (see also paragraph 45 above).

### **Agenda item 14: Taxation of UN pensions**

96. A request had been submitted for information on those countries that did not levy taxes on UN pensions. It was reported that the ILO section of retirees had drawn up an attestation that retirees had been encouraged to attach to their tax returns, confirming that during their time as active staff members the retirees had contributed to the Pension Fund and those payments had been subject to tax. The attestation was not so much a request not to pay tax as confirmation that tax had already been paid, thus giving rise to double taxation. The net result was that adjustments had been made in six instances (2 each in France, Switzerland and the United Kingdom). It was reported that the attestation had been rejected out of hand in Italy, where FAO had been unwilling to distribute the attestation.

97. The United Kingdom was said to rule irrevocably against such attestations, whereas a Swede national had successfully appealed to the European Court of Justice. Canada granted partial exemption and hence refunds had been made dating back, in some cases, ten years. The situation was similar in Argentina. Germany was reported to tax while Denmark did not. Ireland also had a distinctly favourable tax policy and India had done away with double taxation.

98. The various reports pointed up the need to establish a comprehensive dossier on the subject and member associations were encouraged to submit details of the situation in their respective countries.

### **Agenda item 15: Efforts to increase FAFICS membership**

99. A number of suggestions were made relating to the need to increase membership and the 'representativity' of the Federation. Individual initiatives by the President and the Secretary were bearing fruit. Cooperation of some of the Vice-Presidents in that regard had been very effective. The President urged all member associations to redouble their efforts so that FAFICS might

reach the target of no fewer than 50 associations by 2010, matched by an increase in the number of members in the individual associations. It was proposed that were a larger association (whose members resided in a number of countries) to include in its delegation a member from a distant country without an association, it might encourage that member to initiate the creation of an association in his/her home country.

**100.** Member associations could also raise awareness on a subregional basis, encouraging UN retirees in neighbouring countries to set up an association. Nascent associations were also encouraged to avail themselves of the channels of the Pension Fund to approach all UN retirees in their respective countries and solicit their support in setting up a viable association. Such an approach had borne fruit in several instances. It was recognised that the FAFICS network still had major gaps in terms of country coverage.

#### **Agenda item 16: Larger attendance of member associations at FAFICS Council sessions**

**101.** Johannes Wortel introduced the proposals he had elaborated on behalf of AFPNU-Mexico (document Council 38/2009/D.16) for increasing the number of participants in the Federation's annual sessions. A series of alternative scenarios had been developed, including feasible reductions in standard DSA rates and use of low-cost accommodation, as well as package deals with airlines. The paper also suggested that the Federation make funds available to subsidise the attendance of smaller associations on a rotational basis, thus engendering greater interest in the work of FAFICS and increasing total membership.

**102.** In the ensuing discussion, it was stressed, inter alia, that certain regions even within one and the same continent were not comparable. Eastern, Southern and Western Africa were cases in point.

**103.** Participation should not be allowed to differ markedly from one year to the next wherever the Council might hold its annual session. Cost was a major factor: given the budgetary implications, thought should be given to alternative approaches. The suggestions ranged from holding the Council session every two years and having video conferences in the intervening years. Attention was drawn to the major reductions that could be gained by installing *skype* conference packages in each association.

**104.** A protracted discussion ensued on the merits of finding ways and means of enabling more associations to attend Council sessions (see also paragraph 60 above)

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**105.** The author was commended for his work and congratulated on the depth of his study. In the light of the comments made, the issue was referred to further study, the findings of which would be brought forward at an appropriate juncture.

#### **Agenda item 17: Report of the meeting of FAFICS member associations in Latin America**

**106.** Council took note of the report of the regional meeting that had been held in Rio de Janeiro, Brazil, 24-26<sup>th</sup> March 2009 (document Council 38/2008/D.17). Introduced by Carlos Goulart (AAFIB-Brazil), the report provided a comprehensive analysis of matters related to pensions, health insurance and long-term care, as well as a proposal by AFICS-Uruguay ( an item before the Council ) to amend articles of the new FAFICS statutes and rules of procedure. In the latter respect, each association had been left free to determine its own position at the current session of the FAFICS Council. Given that the issues raised at the Rio meeting had

been addressed under various items of the agenda, Council expressed its appreciation for the extensive preparatory work that the member associations in Latin America had undertaken.

**107.** Having attended the meeting at the invitation of the organizers, the President stressed that meetings of associations in a given region were seen to be most helpful as many countries had problems in common. It was deemed legitimate to seek affinities, and associations in other regions were encouraged to follow suit.

#### **Agenda item 18: Proposal for changes to Articles 6, 7 and 8 of the FAFICS Statutes**

**108.** Council considered the formal proposal by AFICS-Uruguay that Articles 6, 7 and 8 of the Federation's statutes be amended. The proponent's argument (document Council 38/2009/D.19) was based on the concept of 'equity or rights for all member associations' and urged the elimination of the concept of a double majority.

**109.** As proxy for AFICS-Uruguay, Helene Hasselbalch (ASONEPUC-Colombia) spoke in favour of one association, one vote regardless of size. She drew an analogy with the experience of Denmark that had allotted equal voting rights to landholders regardless of how much land they owned. Other associations felt it was too soon to start modifying provisions that had only been adopted the previous year. Others argued against trying to fix something that still worked.

**110.** Moreover, during the deliberations, it was suggested that voting must respect both the associations and their individual members. It was pointed out that if the Uruguayan proposal were adopted, it would be possible to have a simple majority where 22 associations representing 7% of the Federation's total membership could outvote 20 members representing 93% of the total membership. Similarly a third of the associations, 14 associations representing 12% of the total membership could thwart 28 associations representing 88% of the total membership.

**111.** It was recognised that FAFICS had taken a quantum leap from the initial weighted voting to the present modus. The member associations were urged to become 'an association of the willing' and give the rules a chance to work by putting them to the test.

**112.** Council took note of the proposals and reached consensus on maintaining for five years as of 2009, the current statutes in relation to voting rights. AFICS-Chile and AFICS-Colombia explained that had the issue been put to the vote, they would have voted against it on behalf of AFICS-Bolivia and AFICS-Uruguay, respectively. AAFIB read out the supporting position of the association in Cuba (AEFNUC-Cuba) whereby both the statutes and the rules of procedure be allowed to operate for a period of time, as approved.

#### **Agenda item 19: Administrative and financial questions**

##### *a. Secretary's report*

**113.** Council had before it two documents: a note by the Secretary and Treasurer (document Council 38/2009/D.19) and the Secretary's report (document Council 38/2009/19 (a)). It noted the sequence of events described in the note by the Secretary and the Treasurer and the measures that had been taken to fill the unforeseen vacancy following the premature departure of one auditor, Anthony Ingram. A temporary replacement, Ventura Garcia Garnateo, had been found to support the auditor appointed at the 37<sup>th</sup> session, André Weber. Council thanked

Anders Tholle and Jean Mateu for the steps they had taken to ensure that the income and expenditure accounts and the balance sheet had been issued with minimal delay.

**114.** Council commended the Secretary on the manner in which he had described his work. It was the first time that he had been asked by a FAFICS President to present his own report. His inimitably personal approach made for good reading. It was suggested that he might publish his 'diary' every six months as it gave a good indication of the myriad issues that the Federation had to face. In his reply, the Secretary stressed the role of the team that had been maintained in the Bureau, in particular between himself and the President, as well with the Treasurer and the Assistant Secretary. He appealed for more volunteer support given the ever-increasing work load that accrued with the expanding membership.

*b. Enhancement of the FAFICS website and the work of the Federation*

**115.** The Secretary gave an interactive presentation outlining the improvements to the Federation's website. He was duly commended for the lengths to which he had gone to enhance the image of FAFICS by upgrading the information available on the site. In his reply, however, he reiterated the need for support so that he could keep the website current. In that connection, it was suggested that electronic bulletins from the various regions might be incorporated. Volunteers were sought and the President asked both AFICS (NY) and AFICS-Chile to accept the role of focal points for the preparation of such bulletins: Adriana Gómez (AFICS-Chile) stepped forward, as did Linda Saputelli (AFICS – New York).

**116.** Over time, the website should become a repository of knowledge on ticklish issues that all member associations faced such as the merits and demerits of life-membership as distinct from annual membership. The website should also have a section dedicated to the upcoming Council session with documents being posted as soon as they were available, with a clear indication of the date of issuance. Last, but not least, the enhancement of the website should provide for linkages to all member associations, thereby facilitating an eventual virtual FAFICS 'village'.

**117.** In discussing the enhancement of the Federation's work, it was suggested that the membership had been collectively remiss in not having ensured that documents and related analyses were ready on time. The fact that draft decisions and recommendations had not emanated from working groups compounded the difficulties of distinguishing between papers that called for action and those that were being submitted for information only. If the documents had been available well in advance, delegations would have been able to debate matters in their associations and develop positions accordingly. Council was reminded that under Article 3.8 of the rules of procedure, as far as possible, the Secretary should distribute the documentation relating to items on the provisional agenda at least two weeks before the beginning of a regular session. It was suggested that three weeks would be more appropriate. Members owed it to themselves to set things up correctly, respect procedures they had drawn up in common and identify priorities.

**118.** A typical shortcoming in the information flow had been the failure to issue much earlier the summary of the decisions (document Council 38/2009/CRP.5) that had been taken by the Bureau at its meeting in January 2009. Noticeably, however, it was the first time that decisions of Bureau meetings had been issued as a Council document.

**119.** Council sessions would undoubtedly benefit from stricter agenda management which, together with the structure of the Council sessions could be comprehensively reviewed. A

working group comprising Edward Omotoso, Enid Steward-Goffman and Pierre Traoré offered to undertake such a review.

**120.** It was recognised that the Council sessions disposed of an enormous pool of potential that could be used to greater effect. The Vice-Presidents, for example, could be entrusted with the preparation of specific documents

c. *Accounts for 2008*

**121.** The Secretary presented the accounts for 2008 (document Council 28/2009/D.19 (c)) and pointed to the large proportion of total costs that accrued under travel. That notwithstanding, a surplus of \$ 1,286.15 had accrued. Council commended the Treasurer on his diligence and commitment.

d. *Auditors' report for 2008*

**122.** The auditors had approved the balance sheet and the income and expenditure account for 2008. Council took note of the auditors' report for the year ended 31 December 2008 (document Council 38/2009/D.19. d) and thanked the auditors for the conscientious manner in which they had gone about their work.

**123.** In keeping with the auditors' recommendation, Council approved the balance sheet and the income and expenditure account. At that juncture, it was pointed out that it would have been more logical to have adopted the auditors report prior to approving the accounts.

e. *Interim report on the management of the budget for 2009*

**124.** The Secretary presented the interim report on the management of the budget for 2009 (document Council 38/2009/D.19.e). As in previous years, travel costs were a major outlay, notwithstanding (i) the significant reductions obtained by the President for all of his travel by air; and (ii) the decision by the President, Secretary and Assistant Secretary to reduce their DSA entitlements to 80%. Travel expenses had increased owing to the need for FAFCS to subsidize in part the travel of Vice-Presidents coming from Africa, Asia and Latin America to: (a) the Bureau meeting in Geneva and (b) the Pension Board session in Vienna. In the case of the Vice-President based in Oceania, she had been unable to participate in the Bureau meeting, while the President had secured the agreement of the CEO/Secretary of the UNJSPF to pay for her travel and subsistence as part of the FAFICS representation to the Pension Board.

**125.** The newly admitted member associations would pay their dues on a pro rata basis, i.e. six months only. As for members in arrears, Pierre Traoré offered to help solve the situation in Mali. One association suggested that in future years, the interim report might cover the whole year on the basis of estimates for the second half of the year. Other associations felt that the current mode of presentation was comparable to the six-month reports that were common throughout the UN system.

**126.** The Secretary observed that the document should only be considered an interim report covering the situation and balances up to mid-2009. He added that there would be an overrun on expenditure relating to travel costs. However, he hoped that savings on other budget items such as hospitality, secretariat assistance and equipment would permit the Treasurer to close the accounts for 2009 within, or at least very close to, the overall budget 'envelope' of \$25,200.

127. Council took note of the report and commended the Secretary and Treasurer on the care with which they had gone about their task. At the same time, Council recognised the need for more support to be lent to the Secretary and urged volunteers to step forward.

f. *Proposed budget for 2010*

128. It was reported that during its meeting in January 2009, the Bureau had held informal consultations on the travel estimates to be included in the budget for 2010. Council took note of the proposed disbursements and approved the budget for 2010 (see Appendix 6)

**Agenda item 20: Appointment of the Auditors**

129. In the light of the premature departure of one of the auditors (see paragraph 109 above) and the need to regularise the temporary appointment of his replacement, Council appointed Ventura Garcia and André Weber as FAFICS auditors for the period 2009-2010.

**Agenda item 21: Election of FAFICS Officers**

130. By virtue of his not being a candidate, Council nominated Anton Doeve (FFOA-Rome) to chair the segment devoted to the election of the FAFICS officers.

131. In the light of the fact that the four candidates for the positions of President, Secretary, Treasurer and Assistant Secretary were unopposed (document Council 38/2009/D.21.Add 1.Corr.1), Council re-elected them by acclamation.

President	Andrés Castellanos
Secretary	Anders Tholle
Treasurer	Juan Mateu
Assistant Secretary	Lydia Ontal

132. In the case of the Vice-Presidents, eight candidates were competing for seven positions. The attention of Council was drawn to the recommendation of the Bureau (document D.21, Add.2) recommending that 'the present number of Vice-Presidents be maintained at seven (7). That recommendation was said to take 'into account the global nature of the Federation's coverage and gender balance, while at the same time keeping numbers manageable in terms of organising and managing meetings'.

133. Concern was expressed over the fact that the regional balance of the Bureau might well be lost since four of the candidates were from associations in one and the same region. Two of the associations pointed out that their membership was drawn from no fewer than 95 and 103 countries, respectively, hence they might not be considered to represent the interests of a single region –but those of the larger membership. Nevertheless, representatives from each of the other regions claimed their right to have at least one Vice-Presidency, thereby leaving it to the associations from Europe to sort out among themselves the question of four candidates for three Vice-presidencies.

134. A protracted discussion followed, in the course of which numerous solutions were proposed. Ultimately, in order to facilitate the election process and avoid a deadlock, AFUS-Paris withdrew the candidate it had nominated. That compromise left the way open for the election of the seven candidates by acclamation. The persons elected to the post of Vice-President were:

Roger Eggleston  
S.A. Janikiram  
Mary Johnson  
Oscar Larghi  
Alan Prien  
Gerhard Schramek  
Tedla Teshome

**135.** By virtue of Article 5.10 of the rules of procedure, Josianne Taillefer, whose nomination had been withdrawn, was invited by the President to become an advisor on FAFICS Secretariat requirements and so assist the Secretary in enhancing the operations of the FAFICS secretariat. It was further noted that other advisors could be nominated to work on specific topics in other locations. Josianne Taillefer confirmed her readiness to take on the task of advisor and pledged her support to the Federation in that capacity.

**136.** In closing the elections, Anton Doeve admitted that the Federation had learnt a lot over the two hours that had just elapsed. He hoped that no such similar situations would occur in future and wished those elected every success in their activities on behalf of FAFICS.

**137.** At a later juncture in a joint statement, ASONEPUC-Colombia, AFICS-Chile and AAFICS-Australia observed that the election had resulted in a re-election of what was predominantly an old boys' club. They apologised for not having defended the nomination of Josianne Taillefer, who very much constituted the new blood that the Federation needed at the executive level.

**Agenda item 22: Appointment of FAFICS representatives to the Pension Board, the Standing Committee and other meetings**

**138.** On behalf of the Bureau, the President proposed that the following persons represent the Federation at the session of the Pension Board in 2010:

Representatives	Andrés Castellanos Roger Eggleston Gerhard Schramek Tedla Teshome
Alternates	S.A. Janikiram Mary Johnson

The Bureau had also proposed that by analogy with the previous year in Rome, Alan Prien be nominated supernumerary advisor to the delegation. Despite the FFOA delegation expressing its willingness to fund his presence, the person so named rejected the proposal; he explained that at the previous session of the Board, he had he had been working on behalf of the IFAD secretariat. The President, nonetheless, recalled that Alan Prien had attended and participated in all the meetings convened by the participants, together with the FAFICS representatives, to discuss items and positions to be taken during the session of the Pension Board. He urged Alan Prien to accept the nomination, as he was certain of the quality of his contribution.

**139.** An extensive explanation was given of the tripartite structure of the Pension Board and the role that FAFICS played within the constraints imposed by that structure. Although FAFICS enjoyed no voting rights, its positions and statements were heeded at the Pension Board. The Federation was urged to continue its endeavours to achieve the right to vote and, were it possible, to increase the size of its delegation.

**140.** Council endorsed the composition of the delegation to the Pension Board and appointed the members by acclamation. It was emphasised that all members of the delegation, be they representatives or alternates, participated on an equal basis in the deliberations.

**141.** Council also considered the note prepared by Gerhard Schramek on the procedure for the appointment of the FAFICS representatives to the Board (document Council 38/2009/D.22). The paper constituted an attempt to lay down clear and transparent guidelines in an attempt to ensure that member associations knew well in advance the names of the candidates. In the opinion of one association, the procedure was exemplary as the basic thrust lay on nominating representatives with the proven ability to make a substantive contribution to developing positions that FAFICS could adopt within the context of the Pension Fund and negotiating their adoption. Reserving the two alternate seats for novices to the Pension Board was welcomed as effective initiation into the rites of passage through what appeared at first sight to be a highly complex institution.

**142.** A suggestion was made that the representatives be elected for two-year terms or the nominations staggered over a three-year period. The suggestion proved unacceptable and Council adopted an appointment procedure that would first enter into force in 2010 (see Appendix 8). In order to ensure that the new procedures would not be 'buried' in the depths of a report, Council agreed that they be attached to the rules of procedure of the Federation that had been adopted the year previous.

### **Agenda item 23: Other business**

*a. Facilities provided to local retiree associations*

**143.** AFICS-Moscow drew attention to the fact that in March 2001, the UNDP Administrator had urged the Resident Coordinators to assist the growing number of former United Nations staff in terms of their creating and maintaining local retiree associations. While recognising that the onus lay on the retirees themselves, the Administrator spoke of the UNDP offices being expected to offer logistical support such as access to pouch and, when necessary, e-mail, telephone and fax. In the start-up procedures attached to the letter, however, it was laid down that the charges for telephone, fax, e-mail and other logistical support should be paid by the local associations, while the provision of part-time office space was expected to be provided without charge. In the case of AFICS-Moscow, such charges constituted an insurmountable hurdle. Given the discrepancy between the spirit of the letter and the stipulations in the procedures, FAFICS was urged to press for more updated guidelines. Council felt that the recently appointed UNDP Administrator, Helen Clark, former Prime-Minister of New Zealand, would be more sympathetic to the Federation's cause.

**144.** The importance of securing effective support from UNDP was stressed by numerous associations. It was particularly essential in Africa where ten new associations were in the offing. The close relationship with the UNDP office in Addis Ababa served as a positive example that should be emulated throughout East, West and Southern Africa.

**145.** Questions were also raised about the issuance of ID cards for retirees in the field who faced conditions quite different to those faced by retirees at major duty stations. Attention was drawn to the fact that passes issued by one major duty station were not recognised else where, while retiree passes issued at headquarters in New York were compatible with the systems in Geneva and the economic commissions. The most frequent argument against expanding the issuance of more retiree passes was that the increase in numbers represented a security risk.

On a slightly different topic, ARICSCAM-Cameroon sought the support of UNDP in securing the issuance of national identity cards identifying the bearer as a UN retiree.

#### **Agenda item 24: Date and place of the 39<sup>th</sup> session of the FAFICS Council**

**146.** Based on the proposals currently before the Pension Board, the Pension Board was scheduled to meet at the International Maritime Organisation in London 15-23 July 2010. The FAFICS Council would thus hold its 39<sup>th</sup> session in the period leading up to the Pension Board. Exact details in terms of the date and venue of the Council would follow.

**147.** As the host organisation for the 39<sup>th</sup> session, BAFUNCS-UK welcomed the opportunity to provide a fitting venue for the Council, although it had to be admitted that the host association in Vienna had set a very high standard that might prove difficult to emulate

#### **Closure of the session**

**148.** At the closing session, AFICS-Canada speaking on behalf of all participants thanked the Presiding Officer for having guided the deliberations in such an exemplary manner. He also paid tribute to the two As - Andrés (Castellanos) and Anders (Tholle) – who, together with Lydia Ontal had paved the way to ensuring the success of the session. He thanked ARICSA for the inimitable amenities that had provided the perfect setting.

**149.** In his valedictory remarks, the President paid tribute to the member associations and commended them on their commitment to the aims and objectives of the Federation. He thanked the Presiding Officer and congratulated her on her outstanding contribution to the proceedings of the Council session. He paid a special tribute to ARICSA, the host association, for the lengths to which they had gone to ensure the success of the 38<sup>th</sup> session. He expressed his gratitude to the ARICSA President, Vice-Presidents and office staff for the excellence of the arrangements and support provided to the Council, the FAFICS Secretariat and himself throughout the session. He thanked all those who had contributed so significantly to the success of the deliberations and lent splendid support. He extended his particular thanks to the member associations for having participated so actively in the debate and contributed so effectively to solving contentious issues. As for the organisation of the session, thanks were especially due to Anders Tholle, the Secretary of the Federation, and to Lydia Ontal, the Assistant Secretary. The ever increasing number of new associations bode well for the future of the Federation. He looked forward to working closely with the newly elected Bureau on the challenges ahead, the very first of which would emerge the following week during the Pension Board.

**150.** The President of the host association assured the participants that it had been an honour to have them as guests. He thanked all those in the VIC who had played a role in ensuring that the meeting went well. The meeting itself had been a rigorous learning process. He recognised the wealth of knowledge that was transferred at the Council sessions and hoped that a similar willingness might prevail on other fronts. In future elections, he trusted that in addition to striking a gender and other forms of balance, it would be possible to strike a balance between technical expertise and political nous, thus enabling the Federation to fulfil its role as an effective representative of all retirees. With the ranks of FAFICS expanding apace, it was time for solidarity – not dissent.

**151.** After thanking the participants for having borne with her throughout the meeting, the Presiding Officer declared the 38<sup>th</sup> session of the FAFICS Council closed at 1.10 p.m. on 10 July 2009.

## Appendices

Appendix 1	List of participants
Appendix 2	Agenda
Appendix 3	List of documents
Appendix 4	Report of the President
Appendix 5	Report of the working group on pension issues
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Appendix 7	List of priorities for the Working Group on Plan Design and the priorities for the FAFICS Representatives on the Pension Board
Appendix 8	Procedure for the appointment of FAFICS representatives to the Pension Board

## Appendix 1

### List of participants

President	Andrés Castellanos
Secretary	Anders Tholle
Assistant Secretary	Lydia Ontal

### Member associations

AFICS-Argentina	Oscar Larghi
AAFICS-Australia	Mary Johnson
ARICSA-Austria	Peter Lillie Gerhard Schramek Elisabeth Swaton
AFUNSOB-Bangladesh	Ahmed Hussain
AFICS-Bolivia	Represented by AFICS-Chile
AAFIB-Brazil	Carlos A. Goulart
AAFNU-BF-Burkina Faso	Pierre Adama Traore
CAFICS/ACAFI-Canada	Arthur de Smit John Northcut
AFICS-Chile	Adriana Gómez
ASOPENUC-Colombia	Helene Hasselbalch
AEFNUC-Cuba	Represented by AAFIB-Brazil
AEFSNU-Ecuador	Represented by AFICS-Argentina
AFICS-Addis Ababa	Tedla Teshome
AAFU/AFUS-France	Georges Kutukdjian Josiane Taillefer Witold Zyss
AFUNPI-Bangalore	Sreenivas Ayyar Janakiram
IAFICS-Israel	Michael Suess

FFOA-Rome	Anton Doeve Alan Prien
FOA-Turin	Represented by FFOA-Rome
AFPNU-Mexico	Johannes Wortel
AFICS-Netherlands	Anton Kruidrink
AFUNO-New Zealand	Represented by AAFICS-Australia
AEFNUP-Peru	Represented by AFICS-Chile
AFICS-Philippines	Lydia Ontal
AFICS-Moscow	Mikhail Gunar Robert Gumen Leonid Ushakov
AAFI-AFICS-Geneva	Roger Eggleston Katia Chestopalov Odette Foudral
BAFUNCS-United Kingdom	Michael Davies Enid Steward-Goffman
APEFONU/AFICS-Paraguay	Represented by AFICS-Argentina
AFICS-Uruguay	Represented by ASOPENUC-Colombia
AFICS-New York	Edward Omotoso Linda Saputelli

**Associate member association**

ARICSCAM- Cameroon	Shadrack Njah Ndam
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## Appendix 2

### Agenda

1. **Adoption of the Agenda**
2. **Election of a Presiding Officer**
3. **Applications for Membership of FAFICS**
4. **Report of the President**
5. **Pension issues**
  - (i) Report by the FAFICS representatives on the UNJSPF Working Group on Plan Design
  - (ii) Report of the Working Group on Pensions
  - (iii) Review of items of interest on the agenda of the 56<sup>th</sup> session of the UNJSPB
  - (iv) UNJSPF Certificates of Entitlement (CE)
6. **Pension Adjustment System**
  - (i) Adjustment of pensions in Argentina
  - (ii) Change of the effective date for annual CPI adjustments from 1 April to 1 January
  - (iii) Lowering the trigger point for annual CPI adjustments from 2 to 1 percent
7. **After-service health insurance and long-term care**
  - (i) General discussion on ASHIL;
  - (ii) Update on developments at the United Nations Secretariat regarding ASHI funding;
8. **Situation of the former UNJSPF participants from the former USSR, Ukrainian SSR and Byelorussian SSR**
9. **Meeting with the Secretary/CEO of the UNJSPF and the Representative of the UN Secretary General on Investments**
10. **Emergency Fund of the UNJSPF and other benevolent funds**
  - (i) Reports by member associations on their benevolent funds;
  - (ii) Functioning of the Fund: proposal by the FAFICS Bureau for the establishment of an Emergency Fund Review Panel in the Pension Fund with FAFICS participation;
11. **Reports of FAFICS representatives at meetings and FAFICS activities as an NGO in consultative status with ECOSOC**
12. **Review of advocacy of the ideals and work of the UN System by member associations**
13. **Report on the FAFICS questionnaire to member associations on bank charges on pension benefit payments**
14. **Taxation of UN pensions**

- 15. Efforts to increase FAFICS membership**
- 16. Larger attendance of member associations at FAFICS Council sessions**
- 17. Report of the meeting of FAFICS member associations in Latin America**
- 18. Proposal for changes to Articles 6, 7 and 8 of the FAFICS Statutes**
- 19. Administrative and Financial Questions**
  - a. Secretary's report
  - b. Enhancement of the FAFICS website;
  - c. Accounts for 2008;
  - d. Auditors' report for 2008;
  - e. Interim report on the management of the budget for 2009
  - f. Proposed budget for 2010;
- 20. Appointment of the Auditors**
- 21. Election of FAFICS Officers**
- 22. Appointment of FAFICS representatives to the Pension Board, the Standing Committee and other meetings**
- 23. Other business**
- 24. Date and place of the 39<sup>th</sup> session of the FAFICS Council**

## Appendix 3

### List of documents

#### Pre-session documents

Doc no.	Subject
D.1	Provisional agenda
D.3	Applications for membership
D.4	Report of the President*
D.5 (i)	Report of representatives on the UNJSPF Working Group on Plan Design
D.5 (iv)	Note on UNJSPF Certificates of Entitlement
D.6.corr.	Pension adjustment system (CPI data)
D.6 (i)	Adjustment of pensions in Argentina
D.7 (ii)	ASHI funding – Note by AFICS-New York
D.8	Situation of former USSR participants
D.9	Meeting with Secretary/CEO and Representative for Investments
D.10	Emergency Fund - Bureau proposal for a review panel with FAFICS participation
D.11	Report by AAFU/AFUS on DPI/NGO Conference
D.11.Add.1	Report by AFICS-New York on meetings attended by FAFICS representatives
D.11.Add.2	Report by AAFU/AFUS on the 62 <sup>nd</sup> FICSA Council meeting held in Paris 2-6 February
D.12	Review of advocacy of the ideals and work of the UN system by member associations*
D.13	Report on FAFICS questionnaire on bank charges*
D.16	Greater attendance of associations at FAFICS Council sessions
D.17	Report of the meeting of FAFICS member associations in Latin America
D.18	Proposal by AFICS-Uruguay to amend articles 6, 7 and 8 of the Statutes
D.19	Note by Secretary and Treasurer on the FAFICS audit team
D.19. (a)	Report of the Secretary*
D.19. (c)	Accounts for 2008
D.19. (d)	Report of the Auditors
D.19. (e)	Interim report on the management of the budget for 2009
D.19. (f)	Proposed budget for 2010
D.20	Appointment of Auditors*
D.21	Call for nominations for election of officers
D.21.Add.1.Corr.1	List of candidates nominated for election of officers
D.21.Add.2	Recommendation of the FAFICS Bureau on the number of Vice-Presidents*
D.22	Appointment of FAFICS representatives to the Pension Board, the Standing Committee and other meetings

#### In-session documents

CRP.1	Schedule of work
CRP.2	Provisional list of participants
CRP.3	Documents status list
CRP.4.rev	Report of the Meeting of the FAFICS Working Group on Pension Issues
CRP.5	Summary of decisions taken at the meeting of the FAFICS Bureau held in Geneva on 26-28 January 2009
CRP.6	Proposed FAFICS priorities on pension matters

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\* issued during the Council session

## Appendix 4

### Report of the President

Madame Presiding Officer, Members of the Bureau, Mr. President and other officers of ARICSA, our host association, dear colleagues,

Allow me first of all to welcome you all, representatives of FAFICS to the 38<sup>th</sup> session of the FAFICS Council that will be meeting from today, 7 July, through Friday, 10 July 2009.

On your behalf, I would like to express the gratitude of FAFICS to IAEA, for the extraordinary and excellent facilities that have been made available for our Council Session in this beautiful city of Vienna. Likewise, I would like to convey our thanks and special recognition to the Austrian International Civil Servants Association (ARICSA) and, in particular, to its President, Mr. Peter Lillie and its Vice-President, Mr. Gerhard Schramek, also one of the Vice-Presidents of FAFICS, and their office staff, for their dedication and effectiveness in making all the necessary arrangements in order to provide the Council with an excellent framework for the success of this gathering, the most important yearly event of our Federation.

I also take this opportunity to welcome the representatives of the associations of former international civil servants in Bangladesh, Cameroon and the Philippines. Their associations today will formally come on board as new members of FAFICS. Our membership has now reached forty-five members, yet one more step towards the cherished target of fifty or more, by the year 2010.

One pending issue to be considered thoroughly by this Council is that of the membership application submitted by GATT/WTO dated 24 June 2009, whose statutes as presented in the letter have not conformed with the requirements of the FAFICS Statutes and Rules of Procedure and the procedures applied to other applicants for membership. They have thus not been accepted, although it is to be hoped that once their statutes are corrected, FAFICS will be ready to welcome them as it does all other members. Council will have ample opportunity to assess the complete exchange of correspondence when it takes up the relevant item.

Since 1 October 2008, when I began my tenure, I have been in continuous contact with the Secretary of FAFICS, Mr. Anders Tholle, to whom I am most grateful for his untiring support and the advice he has given me in the discharge of my responsibilities. I have also been in regular contact with the other members of the Bureau: the Vice-Presidents and the Treasurer who have been just as helpful. I have also been in regular contact with the Convenor of the Working Group on Pension Issues, Mr. Oscar Larghi, also one of the Vice-Presidents. In that regard, I would like you to know that my very first action as President was to welcome the members of the Bureau and all the member associations. I offered, and have continued to offer, my full disposition, be at their service and maintain close cooperation. Two Bureau meetings were held in the course of the year. The first was in January, the aim being to plan the work ahead, identify actions to be taken pursuant to decisions taken by the 37<sup>th</sup> Council, assign tasks and plan for the 38<sup>th</sup> Council. The second meeting of the Bureau took place last Sunday here in Vienna. As a departure from earlier practice, Presidents Emeriti and the Vice-President Emeritus are welcome at Bureau meetings. We have benefited from their long experience and wisdom. My predecessor attended whereas the others could not, but conveyed their appreciation for the invitation. I also sent a letter of greetings to all non-FAFICS established associations of former international civil servants known and recorded in the Annual Letter of the CEO of the United Nations Joint Staff Pension Fund. I extended a friendly message with unreserved disposition to receive any request for

assistance on any problem that they as an association or their individual members may encounter, while expressing the hope that, in due course and after meeting the requirements for FAFICS membership, they too might become members of the Federation. I am specifically referring to the associations in Ghana, Nigeria, Senegal, and Mauritius. Of the others, I am happy to report that three of them, will be part of the FAFICS family as of today, once Council has formally admitted them.

As a matter of maintaining and, wherever possible, enhancing the necessary official and public relations for the Federation, I paid courtesy calls to several key officials closely associated with FAFICS. Beginning in New York, I called on: the Secretary and CEO of UNJSPF, Mr. Bernard Cochemé; the Chief of the UN Health and Life Insurance Service, Ms. Vera Rajic; the ASG Director of Human Resources, Mrs. Catherine Pollard; the USG for Management, Mrs. Angela Kane; the Comptroller, Mr. J. Yamazaki; and the focal point for FAFICS and AFICS(NY) in the UN Department of Management, Mrs. Netta Avedon. When visiting the FAFICS Office in early December, I paid similar visits to: the UN Geneva Chief of Administration, Ms. Aminata Djermakoye; the Deputy Chief of UN Geneva, Mrs. Jan Beagle; and the Chief of Operations UNJSPF in Geneva, Mr. Alan Blythe. At a later juncture I also met the Director-General of the UN Office in Geneva, Mr. Ordzhonikidze.

As for direct contacts with member associations and related activities, I attended at their invitation, meetings of the Governing Board of AFICS-New York in October 2008 and the Executive Committee of AAFI-AFICS Geneva. I also attended the meeting of FAFICS Associations in Latin America in Rio de Janeiro, Brazil, in March 2009 at the express invitation of AAFIB-Brazil. In each meeting, I provided an update on the Federation and drew attention to the status of the Pension Fund and the security of our pensions, having sought the necessary up-to-date information from the Secretary of the Pension Fund himself. Furthermore, personal messages of congratulations were sent on your behalf in October 2008 to the thirtieth anniversary celebrations of the founding of UNPA-India in New Delhi and in December 2008 to the tenth anniversary celebrations commemorating the founding of AFICS Addis Ababa. Both messages were published in the respective bulletins.

Last May, and as has been the case over a number of years with my predecessors either in person or through messages, I participated in the programme of the AFICS(NY) Annual Assembly on 21 May 2009 at UN Headquarters. I addressed the assembly on your behalf, alongside other speakers, messages and/or interventions from: the President of the UN General Assembly, the UN Secretary-General, the Special Representative of the UN Secretary-General, Mr. Ibrahim Gambari, on the situation of Aung San Suu Kyi, the renowned leader for democracy in Myanmar and Honorary member of AFICS(NY), the Secretary and CEO of UNJSPF, Mr. Bernard Cochemé, the Representative for Investments of the UN Secretary-General, ASG Mr. Warren Sach and others.

In keeping with a new emphasis on FAFICS member associations launching advocacy activities in support of the United Nations, I wrote to all of you on the United Nations Day, 24 October 2008, and on the 60th Anniversary of the adoption of the Universal Declaration on Human Rights, 10 December 2008. I enclosed the messages issued by the UN Secretary-General Ban Ki-moon in respect of both events, which lent strength to the promotion of advocacy in pursuance of the 37<sup>th</sup> FAFICS Council decision. In respect of the latter, a special tribute was paid to FAFICS President Emeritus, Mrs. Margaret Bruce, as well former President of AFICS(NY) and honorary member of its Governing Board for her untiring and steadfast efforts on advocacy in support of the United Nations. She herself was a towering figure in the field of human rights, and probably one of the few staff members alive who worked with Eleanor Roosevelt right up to the final drafting and adoption of the Universal Declaration on Human Rights.

Turning to some of the burning issues that still call for priority resolution by the powers that be is the question of the status and protection of the various ASHI plans and the pending submission of the FAFICS LTC Policy Paper. No sooner had I taken office, than I was faced with the most delicate and still unresolved question of the after-service health insurance plans in the UN Secretariat. Though limited, our contribution hinges on the course of events in the UN General Assembly, which in turn has an impact on the Chiefs Executive Board of all Organizations (CEB).

A large number of pensioners, who had learned thanks to undue and inaccurate publicity given by the local media to the question of unfunded liabilities for ASHI plans, expressed concern and anxiety over the situation. They were alarmed by the confusing news and the numerous rumours being spread, yet no major public statement was issued by the UN leadership to dispel their concerns and preoccupations. This critical situation had come about as a result of the decision to introduce a new accounting system as instructed by the General Assembly and a similar approach was being adopted by other UN organizations.

With no time to spare and as an immediate step, it was determined that FAFICS should address a letter to the UN Secretary-General Mr. Ban Ki-moon in his capacity as Chair of the Chiefs Executive Board (CEB). The expertise of Messrs. Richard Nottidge, former Chair of the FAFICS Working Group on ASHIL and Thomas Bieler, former Chief of the UN Health and Insurance Service, was rapidly available for the initial draft, with inputs from the President of AFICS(NY) Mr. Edward Omotoso and myself. It was subsequently circulated and inputs were provided by the Chair of the FAFICS working group on ASHIL issues, Mr. Michael Davies, all the Vice-Presidents and the Secretary. On 24 November 2008, the letter was delivered by hand to the Secretary-General's office together with a summary description of the existing arrangements since the adoption in 1974 of the policy for the ASHI retirees programme. The letter focused on retirees' acquired rights and FAFICS expectation that the Secretary-General would look into the full protection of those acquired rights for both present and future staff members. Copies were also sent to: Mrs. Angela Kane, USG for Management; Mrs. Catherine Pollard, ASG, Director for OHRM; the new UN Comptroller; Mr. J. Karia, Director; and Mrs. Vera Rajic, Chief, Health and Insurance Disbursement Service; as well to Mrs. Netta Avedon, Focal Point and Liaison, AFICS(NY) and FAFICS matters, UN Department of Management.

Although during the courtesy call I paid her in January 2009 Mrs. Angela Kane, USG for Management, raised the issue of ASHI and acknowledged the receipt of her copy, no official response has so far been received from the addressee. Since both Messrs. Nottidge and Bieler are retiree representative members in the Health and Life Insurance Committee (HLIC), we continue to monitor the status of this important matter. We expect the finalization and sharing of the relevant report, with recommendations most likely, being submitted to the forthcoming UN General Assembly during its autumn session this year.

I would like to turn now to another very important activity in which FAFICS is taking part on an equal footing with the other constituent groups of the United Nations Pension Board: the Working Group on Plan Design, which is to look into and draw a kind of road map for the future of the UN Joint Staff Pension Fund. The Group was established by the Pension Board at its 55<sup>th</sup> Session in 2008; it is expected to work for two years on the tasks it has been assigned. It is headed by a representative of the participants group in the Board with two Vice Presidents, one from the Governing Bodies and another from the Executive Head and a FAFICS representative as Rapporteur, our distinguished colleague and past president, Mr. Witold Zyss. Among the priorities assigned by the Board to the group are: (i) the question of the full restoration of the still pending 0.5% to retirees' pensions as a result of the 1983 economy measures on UN pensions; and (ii) the re-affirmation of the defined benefits character of the UN Pension Plan. In the latter

respect, there may be limited room for some consideration of a defined contribution plan, which would be rather unpopular because of its greater risks as a pension plan, as distinct from the stable character of the existing defined benefits plan. A comprehensive note in respect of the status of our work on the working group has been prepared by Vice-President Gerhard Schramek. It has been submitted to you under the relevant item of the Council's agenda.

The question of bank charges on UN pensions, particularly on small pensions, is an item by itself for Council's discussion and recommendation. One would have expected to receive more responses to the questionnaire sent to the entire membership, given the emphasis that Council has been according to the subject and its insistence that the matter be resolved in a fitting manner to the beneficiaries so as to eliminate or reduce the negative impact on pensions. A report will be submitted to the Council for review when the item is taken up. In that respect, I believe that the Council should consider stating that as a matter of principle bank charges on pensions should not be borne by the beneficiary; however, the least we can ask of the CEO is that the Fund absorb, at minimum, all bank charges on small pensions below US\$550 a month. The discussion by the Council when taking up the item should provide for a FAFICS position on that and other recommendations.

One issue that has continued to fester far too long is the financial plight of our colleagues from the former USSR, Ukrainian SSR and Byelorussian SSR who are being denied their pensions. Once again we have a delegation from AFICS Moscow that will provide the Council with an update on the current situation. As you may know, I decided to appeal to all member associations for small, though symbolic voluntary contributions to cover the daily subsistence costs of one representative. I am grateful to the associations that have responded and contributions can still be made by those who have not responded in any manner to the appeal.

This year we have tried to introduce some innovations into the Council session with regard to Council's traditional annual meeting the Secretary and CEO of the UNJSPF. In the first instance all Member Associations were requested to submit their questions in writing by the end of May so that they could be edited and submitted to the Pension Fund Secretariat by early June in the expectation that we might have most, if not all, the answers before or at the time of the meeting scheduled with the CEO. As a first attempt and much earlier than in preceding years, we succeeded in submitting most of the questions by 17 June 2009, yet two subsequent revisions were necessary to accommodate a few other questions and the last three were sent on 25 June 2009. Still more came after that; they could not be included, but can be raised up from the floor at our meeting. The second innovation has been to hold a full morning dedicated to the usual update, with a short briefing on the Fund's governance and operations for the benefit of all, but in particular the new participants in the Council, somehow similar but shorter than the briefing given as of last year to members of the Pension Board. Last, but not least and for the first time, we will have the presence of the UN Secretary-General's Representative for Investments, ASG Mr. Warren Sach, who will provide an update on the status of and plans for UN Pension Fund investments. A question and answer session will follow.

In order to provide all member associations with basic official documentation of pension matters I have introduced now and in the future the dispatch of the (a) Report of the UN Joint Staff Pension Board to the UN General Assembly; (b) the observations on the Report by the Advisory Committee on Administrative and Budgetary Questions (ACABQ); and (c) the resulting UN General Assembly Resolution on Pension Issues. In that connection, sets of copies in English and a set of the respective official UN language were sent along to every member association. Incidentally and in respect of official UN languages, while English is the official working language of FAFICS as per the Statutes, both French and Spanish may also be used in our business provided facilities and resources are made available. We have been able to advance in that

direction this year by having both the Statutes and the Rules of Procedure translated into French and Spanish by senior professional translators and their texts may be accessed through the FAFICS website.

Regarding the website, we hope that it will soon be enhanced to accommodate and provide linkages with other websites of member associations. Ideally, one day the FAFICS website should not only contain important documentation and general details of individual member associations, but also include facilities for communication and dialogue among member associations and with the FAFICS Secretariat. To achieve such a goal, qualified human resources are needed as volunteers. I would also like to point out that parallel to the required activities and the overcoming of critical issues that have come up on a myriad of topics, an intense concerted effort had been undergoing, particularly on the part of the Secretary, myself and Vice-Presidents Janakiram, Johnson, Teshome and Eggleston, to increase individual members in existing member associations. We have helped them with sample letters to be forwarded through the courtesy of the Pension Fund Secretariat to all beneficiaries in the respective countries, as well as fostered the establishment of new associations. Details will be provided when Council takes up the relevant item on its agenda.

However, the fact that we are launching what amounts to a full campaign to increase the numbers of member associations and individual members in current and future associations, carries with it an inherent concern for more participation on their part in the work of FAFICS, their presence in particular, with at least one representative attending and participating in the work of the Council. I am sure that this concern is shared by the membership and we will have an ample discussion of the challenging report prepared by AFICS Mexico under item 16 on greater attendance of Associations at FAFICS Council Sessions.

As the Council will note, we have received numerous reports this year from representatives of FAFICS attending meetings in New York, Paris and Geneva, in particular. The intense support provided by AFICS (NY) to FAFICS representation is noted with much appreciation, in particular its Committee on NGO Relations and Information, whose chairperson, Mrs. Lola Costa-Esnard, has continued to contribute tirelessly to what we hope that will bear fruit in the preparation of the next quadrennial report of FAFICS to ECOSOC.

Before concluding, I would like to offer a personal general vision on FAFICS as a Federation. FAFICS has to maintain focus on the overriding consideration of how best to serve member associations either as a collective representation on behalf of a given group of former international civil servants at a certain location and how best we can satisfy the expectations of the membership on the value of the Federation as the representative voice of the entire community of all former internal civil servants of the UN-system organizations.

Undoubtedly, the main aims and objectives of the Federation are to bring together member associations of former international civil servants and provide a framework for their activities as a yearly event in accordance with its purposes and functions, primarily during Council meetings. Much stands to be achieved throughout the year between sessions through communications, largely enhanced by the use of internet. Still more, however, is required in order to maintain and develop solidarity and close contact between and among member associations in order to foster greater and closer relations.

One good example of such gatherings are the meetings among FAFICS member associations in Latin America that have been taking place for several years. They are designed to promote the exchange of, experience and coordinate positions on issues of common interest, in order to seek solutions to common and/or individual problems faced by associations in the region. In no way

are such gatherings intended to diminish or foster separation from the Federation, but rather to strengthen common bonds and establish a framework and platform across FAFICS as a whole. In my view, the meetings serve as a useful example which could be replicated by Member Associations in other areas; however, we should not lose sight of the limited financial resources that many associations from all areas have to struggle with when attending the annual meetings of the FAFICS Council, where the most important debate and decisions on specific actions are taken by the global membership. FAFICS has no regional structure and any attempt to derail its global character would be tantamount to isolation and the weakening of the growing strength that FAFICS has accrued over the years for the entire community of beneficiaries of UN pensions. FAFICS is the sole representative voice defending the interests and benefits of all former international civil servants before the governing and legislative bodies of the UN System and their respective authorities: the Joint Staff Pension Board, its Standing Committee and Audit Committee, the UN Joint Staff Pension Fund and the Internal Civil Service Commission. Thanks to its consultative status, FAFICS also enjoys close relations with ECOSOC and its Committee on the Status of NGOs, as well as CONGO, the Conference on NGOs in Consultative Status with ECOSOC and other entities of the UN-system organizations.

Like individuals, institutions need to mature and FAFICS is concluding its first period of adulthood. Next year, FAFICS will commemorate its 35<sup>th</sup> anniversary. We must celebrate and rejoice. The times of financial crisis and institutional changes across the UN system that we are going through call for a sober and guarded assessment, yet thoughtful and daring handling of the most crucial issues pertinent to our rights and benefits as former international civil servants.

Indeed we must be prudent in our demands, never losing sight of them or our image as a serious institution.

As we embark on a full week of intense and rich discussions, I wish you all a productive and successful session. I am at your disposal during and outside the meetings no matter what concerns you may have.

I thank you.

Andrés Castellanos del Corral

## Appendix 5

### Report of the working group on pension issues

#### Introduction

1. The Working Group on Pension Issues, established by the FAFICS Bureau, held an open-ended meeting on 6 July 2009, chaired by Oscar Larghi, prior to the opening of the 2009 FAFICS Council. Thirty representatives attended. Alan Prien acted as rapporteur.

2. The following items were considered under the adopted agenda.

#### Application of paragraph 26 of the pension adjustment system

3. A slide presentation of the issues involved was given by the Chair. (See document Council 38/2009/D.6 (i)). After considerable discussion, it was agreed that the CEO should be asked what he considered aberrant so that he could apply paragraph 26.

4. The working adopted the following draft resolution for adoption by the Council:

The FAFICS Council  
*strongly urges* the CEO to apply paragraph 26 of the Pension Adjustment System in the case of pensioners residing in Argentina.

#### Measures to protect the purchasing power of pension benefits

5. It was agreed that the CEO should be asked to outline the present costs for the floor for the local track pensions at 80% and 90% of the dollar track, respectively. The previous estimate by the actuaries for the lower figure was reported to be 'not of material value'. If that remained the case, it was recommended that the Council endorse a proposal to move the cap to 90%.

#### Amendments to Article 21 of the Pension Fund Regulations

6. The Working Group did not support a proposal to change the minimum period for becoming a participant in the Fund from six to three months, as the shorter periods of time could, in any case, be revalidated later. The resultant administrative burden would not be cost-effective.

#### Changing the effective date of CPI adjustments, as well as of the floor for the application of those adjustments

7. It was agreed to split the two items.

8. With regard to the floor, the Working Group came to the consensus that a change at the present time was not propitious in the present global economic situation, while the 'adjustments' could become negative, i.e. leading to deductions, if the CPIs of relevant countries were to drop below zero %. In the same respect, it was important to bear in mind the fact that previous negative post adjustment classes had been abolished. Deductions were no longer made: something that could serve as a useful precedent for the future.

9. With regard to the effective date, i.e. 1 January, pros and cons were put forward; the matter would be kept open, and it could be posed as a question to the CEO.

### **UN operational exchange rates**

10. The Working Group came to the consensus that a query on the setting of UN operational rates of exchange would be best put to the Representative of the Secretary-General on Investments at the meeting with the Secretary/CEO of the UNJSPF on Thursday, 9 July 2009.

### **Proposed submittal of a request to the Pension Fund to facilitate loans to pensioners for domestic purposes**

11. Following a presentation by the representative of Australia, on behalf of her colleagues in New Zealand, and in the light of the Pension Fund's desire to avoid real estate assets at the present juncture and the expected high costs of administering such a process, the Working Group was of the opinion that the proposal could not be supported at the present time. The Group felt that more emphasis should be given to pre-retirement training, including financial planning. FAFICS might help co-ordinate an appropriate package along those lines; further information should be shared among associations.

### **Other business**

12. The Chair and Rapporteur were requested to continue their functions until the Council session in 2010.

## Appendix 6

### Approved budget for 2010

All income and expenditure is in US dollars, unless marked otherwise

#### INCOME

Members contributions (17,045 x \$1.35 = 23,011), rounded up	23,200
Bank interest	300
<hr/>	
<b>Total income</b>	<b>23,500</b>

#### EXPENDITURES

Travel expenses	19,500
Hospitality	600
Secretarial assistance	2,000
Contributions	600
Details:	
CONGO	US\$ 300
Special International Committee on Human Rights	CHF 100
NGO New York Committees on Gender and Ageing	US\$ 100
FICSA	CHF 300
Equipment	0
Office supplies	500
Bank charges	100
Communications	200
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<b>Total expenditures</b>	<b>23,500</b>

## **Appendix 7**

### **List of priorities for the Working Group on Plan Design and the priorities for the FAFICS Representatives on the Pension Board**

#### **Priorities for the Working Group on Plan Design**

1. Eliminating the 0.5 per cent reduction in the first adjustment due after retirement;
2. Maintaining the defined benefit nature of the Pension Fund;
3. Increasing the normal retirement age up to 65;
4. Return to the 2 per cent accumulation rate for all participants and retirees;
5. Enhancing the amounts payable for full withdrawal settlements for staff members who do not have full careers, in particular those staff members with less than five years of contributory service; and
6. Reviewing the entitlements of family members.

#### **Priorities for FAFICS representatives on the Pension Board**

1. Defending the two-track system;
2. Allowing the return to the dollar track, subject to certain conditions (e.g. once only after a certain number of years);
3. Improving the pension adjustment system, including data collection, periodicity and dates of payment;
4. Improving the functioning of the Emergency Fund;
5. Absorbing bank charges; and
6. Adjusting small pensions.

## Appendix 8

### Procedure for the appointment of FAFICS representatives to the Pension Board

1. The President of the Federation shall be *ex officio* the head of the FAFICS delegation.
2. The President should consult all associations as early as possible, asking them if they wished to propose a representative for inclusion on the FAFICS delegation to the Pension Board.
3. The President should then prepare a list of candidates for the FAFICS delegation. In establishing that list, the following guidelines should be taken into consideration:
  - (a) The candidates should be well versed in pension matters, both policy and practical; have negotiating skills; and be disposed to commit themselves to the work involved for a number of years;
  - (b) The candidates should be familiar with the procedures and unique structure of the Pension Board and its Standing Committee;
  - (c) To the extent possible, regional and gender balance should be observed;
  - (d) The two alternate seats should be reserved for new candidates less conversant with the workings of the Pension Board.
4. The proposed list of representatives and alternates should be circulated to the Council on the first day of the Council session.
5. The representatives and alternatives should be formally appointed by the Council.