



FEDERATION OF ASSOCIATIONS OF FORMER INTERNATIONAL CIVIL SERVANTS

FÉDÉRATION DES ASSOCIATIONS DES ANCIENS FONCTIONNAIRES INTERNATIONAUX

FEDERACION DE ASOCIACIONES DE EX-FUNCIONARIOS INTERNACIONALES

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**Fiftieth Session of the FAFICS Council**  
**15-20 July 2021**  
**Virtual Meeting**

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## ABBREVIATIONS

ACABQ	Administrative Committee on Administrative and Budgetary Questions
ASHI	After-service health insurance
CE	Certificate of entitlement
CEB	UN System Chief Executives Board
CEPA	Chief Executive for Pension Administration
CET	Central European Time
FSALMC	Fund Solvency and Assets and Liabilities Monitoring Committee
GWG	Governance Working Group
HLCM	High-level Committee on Management
MOSAIC	Consultant group, also referred to as the “external entity”
IOM	Office of Investment Management
OIOS	Office of Internal Oversight Services
RSG	Representative of the Secretary General for the investment of the assets of the UNJSPF
SPC	Staff Pension Committee
UN	United Nations
UNFCU	United Nations Federal Credit Union
UNICEF	United Nations International Children’s Emergency Fund
UNJSPB	United Nations Joint Staff Pension Board
UNJSPF	United Nations Joint Staff Pension Fund
WFP	World Food Programme
WHO	World Health Organization

## Ten key points from FAFICS 50th Council session

15 – 20 July 2021

1. Tribute was made in honour of FAFICS Vice-President Makane Faye due to his unexpected passing.
2. **Report of the Governance Working Group - Pension Issues**
  - Council supported the report and the recommendations made in regard to the Pension Board on the following issues:
    - Size and composition of the Board
      - 24 members proposed, reduced from 33 members
      - Proposal for FAFICS to be represented on the Board with four representatives and two alternates, retaining their status as members, without the right to vote
    - Frequency of Board sessions
      - Proposed minimum of 3 sessions per year
      - Proposed virtual meetings in February and April and one in-person meeting in July
  - Council stated that if recommendations were endorsed by the Board, they should be further reviewed by the Board at its session in July 2024.
3. **Situation of the former UNJSPF participants in the former USSR, Ukrainian SSR and Byelorussian SSR**
  - Council decided to reinstate a committee comprising Katia Chestopalov, Linda Saputelli, Andres Castellanos del Corral and Marco Breschi that would continue to work on this matter.
  - It was also agreed that the Federation would be kept informed of any developments in that regard and the item would be kept on the agenda of the 51st Council session.
4. **Revised Rules of Procedure for FAFICS – Report of Working Group**
  - Proposals were put forward by the Working Group and other delegations. The Chair of the Working Group will expand the Working Group contacting those who had already provided some inputs and who were interested in serving. A further review of items not yet receiving consensus and other items would be completed by the Working Group, preferably by the end of the year, with a special session to be held after that.
5. **After-service Health Insurance (ASHI)**
  - Covid initiatives: Attention was brought to the activity undertaken by the UNJSPF during the pandemic to assist in emailing those UNJSPF members, who had their emails registered with the Fund, about vaccination programmes, for those not living in their home country. However, as not all UNJSPF members are properly registered with the UNJSPF, not everyone was so notified. Local AFICS should ensure that retirees keep their personal details updated in the Pension Fund's Members Self Service (MSS) portal.
  - Life Insurance: Attention was brought to the new UN Health and Life Insurance website: [www.un.org/insurance/](http://www.un.org/insurance/). AFICS members should review this website and pay careful attention to the conversion privilege that allows a retiree (who is already in the UN's life

insurance programme) to convert their UN life insurance policy to an individual one following all requirements and timelines. See also document ST/AI/2002/6.

6. **Communications and website**

- Work to continue setting out a FAFICS communications policy
- Work to continue developing a new FAFICS website

7. **Administrative and financial questions**

- Auditors were satisfied that the FAFICS accounts were correctly kept and the Statement of Income and Expenditures as of 31 December 2020 gave a true and fair view of the affairs of the Federation as at 31 December 2020.
- With the stepping-down of the current auditors, one new auditor was appointed, another one still to be appointed.
- The FAFICS budget for 2022 was provisionally approved with the expectation that a revised budget would be circulated to the Council within a period of two months from the closing of the 50th Council session.

8. **Date and Place of the 51<sup>st</sup> Council: To be decided**

9. **Elections, appointments and granting of emeritus title:**

<b>President:</b>	Mr. Marco Breschi – FFOA – Rome
<b>Secretary:</b>	Mr. Jayaraman Sundaresan – AAFI/AFICS – Switzerland
<b>Treasurer:</b>	Mr. Romesh Muttukumar – AFICS – New York
<b>Vice-Presidents:</b>	Ms. Deborah Landey – AFICS – New York
	Mr. Carlos Santos Tejada – AFICS/Panama
	Ms. Odette Foudral – AAFI/AFICS – Switzerland
	Ms. Jennifer Ashton – AAFICS – Australia
	Mr. Jerry Barton – ARICSA/Vienna

**Special Advisors:** The President named two Special Advisors through March 2022. They are Linda Saputelli for Pension Matters and Warren Sach for investments.

10. **Granting of Emeritus title:** The Council bestowed the title of Emeritus to two members of FAFICS:

- a. Mr. Tedla Teshome AFICS/Ethiopia and
- b. Mr. S. Janakiram AFUNPI India.

## **REPORT OF THE 50<sup>TH</sup> COUNCIL SESSION**

### **Introduction**

1. The Fiftieth session of the Council of the Federation of Associations of Former International Civil Servants (FAFICS) took place from 15 to 20 July 2021 virtually.
2. The Council opened on 15 July 2021 at 2.00 pm Central European Time (CET).

### **Opening session**

3. After, Pierre Sayour, the current Secretary of the Federation, confirmed that a quorum had been reached and the requirements set out in Rule 3.10 of the Federation's Rules of Procedure had been met, FAFICS President Marco Breschi declared open the second virtual FAFICS Council enabled by the web software platform ZOOM.
- 4, FAFICS President Marco Breschi welcomed the participants to this virtual meeting (Appendix 1) and wished everyone success in meeting the goals of the session.

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

- 5, The Council considered the provisional agenda (document Council 50/2021/D.1.rev.3) which was submitted together with the provisional schedule of work. The list of documents submitted to Council before and during its deliberations is reproduced in Appendix 3.
- 6, There were no additions or changes to the provisional agenda and as a result the agenda was adopted as proposed.

### **Agenda item 2: Election of the Presiding Officer and Rapporteur**

7. The President shared his proposals concerning the two positions of Presiding Officer and Rapporteur and expressed hope that the Council would approve the proposals.
8. For Presiding Officer, the President proposed that the former Vice-President of FAFICS and last session's Presiding Officer, Marashetty Seenappa (President, AFUNPI, India) be approved as Presiding Officer for this year's Fiftieth Council session.
9. For Rapporteur, the President noted this was a difficult position to fill, and nevertheless thanked the President of AFICS/NY for putting forward a colleague from AFICS/NY who had experience writing reports of the Secretary-General and financial presentations and who was ready to serve. The proposed candidate was Nancy Hurtz-Soyka, and the President, who had held an informal interview with her, noted that while she did not have previous FAFICS experience, she indeed was an active AFICS//NY member with experience and knowledge of the UN system and her background would be an asset in carrying out the responsibilities of Rapporteur.
10. **Council approved the nomination of Marashetty Seenappa as Presiding Officer and Nancy Hurtz-Soyka as Rapporteur.**

### **Agenda item 3: Tribute to the late Makane Faye**



11. The Presiding Officer paid homage to the late Makane Faye who passed away on 26 March 2021. This sad news affected everyone in FAFICS as he had been an active participant at the 49th Council and there was strong hope that he would take on leadership roles in FAFICS in the future. He retired from ECA in 2016.

12. Another delegate expressing her sadness, drew the Council's attention to document Council 50/2021/D.3. entitled Tribute to the late Makane Faye. This document provides a brief overview of Makane's contribution to FAFICS, which given his short time with FAFICS was considerable. This document can be found in the annex to this report (Annex 4).

13. One delegation expressed their deep gratitude to be able to participate in this Council session and for the tribute paid to Makane Faye who served in the United Nations' Economic Commission for Africa, joining in 1998. It was through the efforts of Makane Faye and others that ASAFI Senegal became the 60th member of FAFICS on 18 July 2017.

14. Another delegate spoke about Makane Faye's arrival in ECA as a UN staff member. It was very clear that his friendliness, honesty and concern for others would be important qualities in his UN career and again in retirement. Because of those qualities he was seen as a leader in FAFICS and easily won election as a Vice-President in the Bureau. He will be greatly missed, and he will always be remembered as a supporter of UN staff and all retirees.

15. A minute of silence was requested by the President and Presiding Officer in tribute to Makane Faye: colleague, friend and leader who exhibited the qualities befitting the title of international civil servant.

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

##### *Introduction*

16. In the introduction to his report (document 50/2021/D.4), annexed as Appendix 5, the President spoke about the importance of this 50th session as it brings the Federation to a crucial crossroad full of challenges and promise. In this regard, he proposed organizing a special celebration at the next in-person occasion which would underline the importance of life and allow the Federation to celebrate its fiftieth Council session.

17. He referred to the good work done by FAFICS' predecessors, who built the strong framework of the Federation, comprised of 63 country associations, which continues to be a respected and influential organization, held in high esteem within the UN Pension system and the retiree community. While there may be a small group of detractors, the Federation's officers are ever vigilant and continue to ignore gratuitous and false accusations found in social media. The Federation's strong substantive work, contributions and proposals in the various bodies in which it works ensures the Federation's good standing. The President spoke of the goodwill, harmony, professionalism, and friendship that members of the Federation demonstrate. The President appealed to all members to keep the sense of teamwork, fairness, and mutual respect in mind at all times.

##### *New initiatives*

18. This past December was the start of a new era for FAFICS' as it ventured into virtual meetings and elections due to the pandemic which, however challenging, allowed the Federation to make better use of technology. Still acknowledging the importance of face-to-face contact, the President stated that he would encourage a new hybrid solution for meetings, which would be a combination of at least one main in-person yearly event and possibly one or two short ad-hoc virtual sessions, when necessary.

19. The Bureau, having only been established in December 2020, still managed, during the pandemic, to achieve several major accomplishments and the Bureau members worked extremely harmoniously. A new internal mechanism to plan its work, assign responsibilities to individual Vice-Presidents, and establish ways of monitoring performance linking to both its budget and results was established. The Bureau also began to address the need to improve communications, including the revamping of its website.

#### *Pension Board work*

20. The President outlined several items to be reviewed during the Fiftieth session pertaining to the upcoming meeting of the Pension Board. In this regard, he outlined the progress made by the Governance Working Group of the Pension Board to be reported on by Gerhard Schramek and Warren Sach. He thanked them both for their excellent work. He spoke of the Succession Planning Committee now known as the Succession Planning and Evaluation Committee (SPEC) which after the recruitment of the CEPA, the Deputy CEPA and the new Pension Board Secretary, devoted its attention to the development of a new evaluation methodology for these managers. These proposals will be going forward to the Pension Board as well.

21. In addition, he detailed another key area of work which was that of the Budget Working Group. Despite its difficulties in reaching conclusions, he is assured the Council that the Group would be reporting positive recommendations to the Pension Board regarding budget proposals made by the Fund.

22. And in another Committee on which FAFICS is represented, that is FSALM, previously known as the Asset and Liabilities Committees, crucial reviews on the financial health of the Fund are accomplished by performing comparative analyses of its assets and liabilities. The President, who is the representative of FAFICS on this Committee, intends to reinforce FAFIC's role in this Committee ensuring that the financial situation of the Fund is strong and that both the external and internal audit control opinions are reviewed and acted upon, as necessary.

23. Overall, the President was pleased to report that FAFICS had a wide and important presence in the ongoing work of the Pension Board and has a positive impact on its committees throughout the year not only during the one-week session of the Board's Plenary session

#### *Working Group on the FAFICS' Rules of Procedure*

24. The President referred to the work being carried out by the Group reviewing the Rules of Procedure of FAFICS. The President stated that a significant round of recommendations had been presented to the Bureau in February of last year. The Working Group, chaired by Jerry Barton, President of ARICSA, continued to work and managed to reach consensus on many items under review. The President looked forward to a productive discussion on the progress made at this session when the Council reviewed the Report of the Working Group (document Council 50/2021/D.10).

#### *Digital Certificate of Entitlement*

25. The President then reported on the significant developments in the administration of the Pension Fund, namely, the implementation of the digital Certificate of Entitlement. While this new process may not be easy for many non-tech savvy retirees the advantages are many for the Fund and retirees. The President also stressed the fact that the usual paper-based certificate would still be acceptable which should ease the fears of those that are not ready to move to the digital format. However, in the long run, the new digital Certificate of Entitlement will simplify the certification process, thus saving time and money, both of which are paramount, as Member States expect modernization and automation in the administration of the Fund.

### *Covid initiatives*

26. The President then announced, that as instructed at the last session of the Council, he had written to the Secretary-General in December, requesting that for retirees living in countries where vaccination programmes were not readily available, that the UN and its Specialized Agencies providing Covid vaccinations arrange to include UN retirees living in that country. He noted that he had received a favorable response, and that various actions had been taken in this regard. In addition, the President reported that the UN Pension Fund also joined in these efforts and FAFICS was formally requested to be a key partner in coordination with the Federation's national associations. In this regard, he thanked Georges Kutukdjian, President of AAFU/AFUS/Paris, who worked to make FAFICS effective and relevant in these initiatives.

### *Officers for the current FAFICS' 50<sup>th</sup> session*

27. In conclusion, the President welcomed back Jayaraman Sundaresan, who previously served as Secretary, and was pleased that he would take up the post of Secretary of FAFICS. He extended his thanks and appreciation to the outgoing Secretary, Pierre Sayour and Treasurer, Wolfgang Milzow. As regards the appointment of a new Treasurer, the President provided details on the two candidates who had been nominated and stated that just one candidate, Romesh Muttukumar of AFICS/NY, had been successfully interviewed by a panel. The President was pleased to recommend candidate Romesh Muttukumar for the position of Treasurer.

### *Conclusion*

28. In conclusion, the President thanked the Council and recommended that the Pension Board delegation remain the same for this July's session and wished the Council the best of luck during its 50th Council session.

29. In response to the President's report, several delegations congratulated the Presiding Office and Rapporteur on their elections. They also congratulated the President for his detailed reporting and thanked both the President and the Vice-Presidents for the work that had been accomplished in a short time under changing and challenging working conditions.

30. Along with their thanks, several delegations questioned the comments made by the President regarding the Working Group on the Rules of Procedure. Specifically, they referred to the President's reference to last-minute contributions outside the framework of what was accomplished by the Working Group. It was confirmed that the additional comments put forward by AFICS/Panama was the joint work of other associations developed over four to five months. In this regard, a recommendation was made to hold a special session within the next three months to fully discuss this agenda item as time accorded to this item during the present session was limited.

31. Other delegates, in thanking the President for his report, requested such reports to be presented earlier so delegations would have time to review and make appropriate comments. It was also suggested that while the reporting of the President focused on the external workings of the Bureau, it might also be pertinent for the President to report on the internal workings of the Bureau, meaning the work and accomplishments carried out by the Vice-Presidents and that the abbreviations used in the reports for their titles be identified.

32. The President in response said that all efforts to present the President's report earlier would be made even though many documents and communication points were submitted at the last minute, thus making it hard to compile a fully updated report before that. He also reiterated the fact that the review of the Rules of Procedure would be taken up later in the session under the assigned item. And in reply to the work of the Vice-Presidents, he agreed that since the establishment of the new work plan system, reporting and updating on their accomplishments

would now be possible and should be part of all future reporting as well as clear definitions of their titles.

33. **Council took note of the President’s report and thanked him for the comprehensive details provided therein.**

**Agenda item 11: Elections and Appointments - (FAFICS Officers)**

34. The Presiding Officer requested that all those who were running for a FAFICS Office introduce themselves and provide a brief overview of their candidacy. This was done in the order provided below. Information on their background and candidacy is found in document 50/2021/D.11.a.Rev.4.

For Treasurer	Mr. Romesh A. Muttukumanu	AFICS/NY
For Secretary	Mr. Jayaraman T.Sundaresan	AAFI-AFICS-Switzerland
For President	Mr. Marco Breschi	FFOA-Rome
For Vice-President	Ms. Jennifer Ashton	AAFICS-Australia
	Mr. Jerry Barton	AFICSA- Vienna
	Ms. Odette Foudral	AAFI-AFICS-Switzerland
	Ms. Deborah Landey	AAFICS/NY
	Mr. A.K. Massood	AFUNSOB-Bangladesh
	Mr. Carlos Santos Tejada	AFICS-Panama

*Election update*

35. The Polling Officer announced that voting would commence at 5 pm (CET) and would remain open for twenty-four hours. She stated that 39 associations would be voting. Those associations had been sent a voting ballot from E-ballot. There would be one vote per association and only the head of delegation should be the one voting. It was also noted that registration of associations was completed earlier, and verification of paid dues was completed at that time.

36. Several delegations inquired about a proxy vote as they understood there was one. The Polling Officer confirmed that there was one proxy for Cuba and the proxy holder for that association was AFICS-Panama.

**Agenda item 5: Pension issues**

**(a) Update on Pension Board matters, including the Emergency Fund, Pension Adjustment System, Disability Benefit and Governance Working Group**

*Emergency Fund*

37. The Chair of the Standing Committee on Pension issues, Gerhard Schramek, introduced the report on the Emergency Fund (document 50/2021/D.5.a) which was presented to the Council for information. He reported that between 1 January 2020 and 31 December 2020 there had been an increase of approximately 41% from the previous year's disbursements. The Fund received 110 new requests in 2020, and a total of 134 were reviewed; 73 requests from 2020 and 15 from previous periods when the Fund was not able to process them due to several reasons; 19 cases were still under consideration, awaiting documentation. A total of 27 cases were paid in 2020 for a total of \$55,242 compared to \$39,242 in 2019. In contrast to prior years, there were fewer cases in relation to major natural disaster relief and more for funeral and medical expenses.

38. As regards the administration of the Emergency Fund, he stated that disbursements were approved based on guidelines initially established by the Board in 1975 with subsequent changes approved since that time. The consolidated guidelines are included as Note A to the above-mentioned report. FAFICS, at the Pension Board both in 2017 and 2018, requested the Fund to conduct an end-to-end review of the Emergency Fund process to reveal the reasons for any delay in processing and release of funds. This report was presented to the Board at its sixty-seventh session in 2020 and a report to Council was made in December 2019 and issued in document 49/D.4.a/1.

39. As regards Note A, the Chair explained that these revisions were made in response to a recommendation by the Board of Auditors that the Fund should establish a procedure for uniform criteria, evaluation, and the granting of resources for the Emergency Fund. This would allow for more transparency and consistency for the decisions taken by the Fund's Management and would further streamline and clarify payments to third parties.

40. In response to the Chair's overview, several delegations expressed concern that payments, while more than in 2019, were still small compared to the amount available and the process was onerous especially when it was important to act quickly for those in need of assistance for medical or funeral costs. These delegations were pleased to see that the guidelines had been revised to allow for simplification but still more should be done. Another delegation also felt that information on this Fund was not readily available and not known to exist by many retirees. Another delegation believed that there was an opportunity to educate and bring awareness of the Fund to retirees.

41. The Chair replied that retirees applying for the Funds often did not follow the guidelines or did not submit proper documentation. While the Pension Fund had become more responsive of late, often funds did not become available through no fault of any party. It was also mentioned that there was a booklet on the Pension Fund's website, translated in several languages, which contained all the information needed to apply to the Emergency Fund.

42. Council took note with appreciation the report on the status of the Emergency Fund for the one-year period of 1 January 2020 to 31 December 2020 and the changes made to Note A in the document.

**Agenda item 6 - Presentations by the Chief Executive of Pension Administration (CEPA), the Representative of the Secretary-General for the Investment of the Assets of the UNJSPF (RSG) and the Secretary of the Pension Board**

*Presentation by the CEPA*

43. The President welcomed Rosemarie McClean, Chief Executive of Pension Administration (CEPA) and thanked her for making a presentation to the Council.

44. In introducing her report, the CEPA referred to her slide presentation (attached as Appendix 6). She reported that since March 2020 due to the situation of the Covid pandemic, staff

of the Person Fund were working remotely making it a challenging situation. Nevertheless, she was pleased to report that staff had been able to maintain a high level of performance, with year 2020 being the best year ever as regards meeting benchmarks, with over 90% of new pensions processed within fifteen business days of receipt of all documents. In addition, pension payrolls, despite the remote work situation, had been processed and distributed on time while at the same time the Fund continued with its modernization initiatives.

45. She also reported that there was an increase of participants by 2.3% from 2019 for a total of 134,632 participants in 2020. Benefit payments had increased by 0.5% with a total of \$2.8 billion in periodic benefits, up from \$2.7 billion in 2019. She also noted that the value of the assets stood at \$81.5 billion as of 31 December 2020. She also pointed to some good news in the area of aging by mentioning the fact that in the year 2000 there were only 500 Pension Fund members who were over the age of ninety, while in 2020 that number had risen to 3,700.

46. She then turned to the strategy of the pension administration for the years 2021-2023 which stood on three pillars: vision, mission, and values. Under its mission she referred to its goal to deliver a simplified client experience, and the modernization of pension services with a strong global partnership network. Regarding values she referred to the UN's values of integrity, professionalism and respect of diversity and stated that the Fund had added innovation, partnership and services within the overall vision to be a pension fund that provides outstanding service globally.

47. In updating action taken under the three pillars, Rosemarie McClean outlined the Fund's strategy for becoming paperless, explaining that the situation under the Covid pandemic had, in fact, forced the Fund's hand in this regard. Now, e-transfer of separation documents from employing organizations had become operational and the upload functionality in the Member Self Service (MSS) portal had been enabled since December 2020 allowing participants, retirees/beneficiaries to submit documents to the Fund through the portal.

48. As regards the digital Certificate of Entitlement, she said that that over 11,000 enrollment requests had been requested, with 4,000 certificates having been issued. This she found to be remarkable as this new process only started in January 2021. It was noted that retirees have now three ways to submit their Certificates of Entitlement (CE). They can do so in an electronic format by uploading their duly dated and hand signed CE to the Member Self-Service (MSS) account, by mail, or provide their 'proof of life' in biometric format through the digital Certification of Entitlement (DCE) app.

49. In addressing some previous comments on the DCE, the question of challenges in implementing this new system was noted. As with all new technology, change was hard and there had been some problems with older phones and with geo-locations. However, an upgrade was being made which would alleviate some of these problems. The CEPA assured FAFICS that the paper processing certificate would continue to co-exist with the DCE, but she requested FAFICS to support UNJSPF by encouraging enrollment and referring whenever needed to the instructions on the UNJSPF website.

50. The Fund had also stepped up its efforts to make the pension system clearer. In this connection and under its first pillar, the Fund has been working with the UN System Staff College (UNSSC) since December 2020 to develop e-learning modules for clients and member organizations.

51. The Fund had also expanded its global presence to better serve its clients worldwide. There was a new Bangkok liaison office operational since November 2020 and a new payment method via the UN Treasury which lowered the cost of banking fees for beneficiaries and retirees in two pilot countries – Chile and Peru – had been implemented.

52. Under its second pillar, the Fund had created a new Business Transformation and Accountability Unit which would review all the Fund's processes, looking at all actions through the eyes of a client to improve on operations and efficiency. In addition, there was a new Data Analysis Unit which would take the many pieces of data and derive a clearer insight for developing a better understanding of data received which in the end would help in decision-making. It was also decided that the human resources office would be combined with the Office of Investment Management providing opportunities for efficiencies within a modern human resources strategy. Other new systems continued to be explored including a modern customer relationship management (CRM) system, which was a 2022 budget priority.

53. Under the third pillar, activities had centered around better communications. The CEPA had been holding individual meetings with all Staff Pensions Committees (SPCs) to fully understand how the Pension Administration could be improved. In addition, a joint Pension Administration and Office of Investment Management Communication strategy was being finalized.

54. In connection with a UN Covid-19 vaccination programme, the Pension Fund was approached by the UN to share data to help provide vaccines to retirees who were not covered by host country programmes. The Fund uploaded data of more than 13,000 pre-registered retirees for which it had an email address and alerted them to this programme. In this regard, many retirees reached out to the Pension Fund to thank them for this initiative. The Fund also posted a web article about the program and responded to questions from focal points.

55. In this connection, the CEPA also made reference to the question of the availability of the vaccination program for spouses. On this point she said the criteria was established by the UN, not UNJSPF. She noted that discussions were ongoing concerning the eligibility of significant others, but no further action would be taken by the Pension Fund pending decisions taken by the UN.

56. Reference was also made to the upcoming 2021 Pension Board meeting which would have on its agenda a number of issues including governance. The Governance Working Group had been very focused on this complex issue and its report to the Board included, inter alia, proposals on the size, composition and frequencies of meetings. Additional items would include the 2022 budget proposal which included an increase of 3.5% to strengthen client services, especially those in Geneva and to invest in a new Client Relationship Management, actuarial matters and several transfer agreements with the European Investment Bank and Investment Fund.

57. In conclusion, the CEPA referred to the issue of fraudulent cases and collections of spouses' signatures. In this regard, she stated that the Fund did not see retiree associations having a role in collecting signatures or assisting with investigations into potential fraud cases. However, the Fund was always grateful for support from retiree associations in the context of providing support to beneficiaries locally for CE related matters and when possible, to help connect the Fund with a beneficiary. The suggestion for collecting spouse's signatures was noted and would be discussed internally.

58. One delegate raised the current situation vis a vis the 2021 CE suspension exercise for those AFICS/Cuba members. Despite the delivery of their Certificates of Entitlements via pouch through UNDP, several members' pensions were suspended. This delegate requested the prompt resetting of their pensions as this was through no fault of their own, but through an error by the Pension Fund. Ms. McClean said she would like into this situation and informed the delegate that all suspension matters were treated as a priority.

59. Another delegate in thanking the CEPA for her clear reporting, welcomed the focus on client servicing in Geneva which covered no less than two-thirds of the world, including Africa, Asia and Europe. He additionally queried whether the succession of entitlements to spouses could be reviewed and streamlined as the need to provide additional documentation and certificates after a

spouse passed away could be very trying especially procuring certificates for marriages from many years ago. In response, Ms. McClean stated that this was exactly what she was referring to when she mentioned the process review that she had initiated in the Pension Fund and while the spousal situation was challenging this was part of the Fund's overall review for finding efficiencies with a client service perspective. Another delegate took up the question of banking charges and in response the CEPA stated that this issue was complex and had been successfully addressed for other countries, but the Pension Fund would be further addressing the charges if the delegate could provide her directly with details.

60. Two other delegates took the floor to extend their compliments to the CEPA. One complimented the ITC for most helpful assistance with the digital CEs and the other to thank her for the responsive action taken in regard to entitlements for the spouse of Makane Faye.

*Presentation by the Representative of the Secretary-General for the investment of the assets of the UNJSPF (RSG)*

61. The President introduced Pedro Guazo, Representative of the Secretary-General (RSG) for investment of the assets of the UNJSPF and thanked him for providing the Council with his presentation on the current situation of the investments in the pension fund. In so doing, the RSG drew attention to the first power point slide which was a tourist boat called Prudence docked in the New York area. He liked to think of this boat as being similar to the Pension Fund, meaning that we were all together trying to get from one place to other in the safest manner. The word 'prudence' he said was one that he hears all the time with his dedicated team as they remind themselves every day to act prudently.

62. In presenting the achievements over the last 15 months, the RSG began by stating that the number one goal the team had for the 200,000 retirees it supported, was the Fund's long-term objective of an annualized 3.5% rate of real return.

63. He also drew the Council's attention to the fact that for every \$1 of investment, there needed to be a strong infrastructure of supporting staff including those serving in back and middle offices, from those in the accounting and human resources areas, and for those supporting the risk and compliance work.

64. He was pleased to point out to the Council, that on the web site of the Investment Management Office, the total amount available in the Fund can easily be viewed and this is updated every Monday morning. As of July 20, 2021, the Fund was valued at \$87.4 billion, a record high. In December 2020, that number stood at \$81.5, so in the first seven months of 2021, the Fund had increased its value by \$6 billion with a real rate of return over 15 years at 4.87%. No other pension fund had this level of funding which he attributed to the hard work and prudence of the Pension Administration, the Pension Fund Board and the General Assembly who have had to take some warranted, but strong measures in the past to deal with difficult times.

65. Some other activities highlighted were the issue of cybersecurity and ransomware attacks. In order to be in the best position to solve those things, the Fund had received two ISO certifications – one for information security and the other business continuity. He reiterated the fact that it was not a matter of if, but a matter of when an attack would happen. The Pension Fund's whole infrastructure was aimed to protect the Fund and it was a proud moment when the Fund's teams achieved the ISO certifications. In addition, the Risk and Compliance Committees had been strengthened and stronger recusal policies had been put into effect to avoid conflict of interest situations. All of this was with an aim to be more transparent and to adhere to the best industry standards.



66. Attention was then brought to the use of derivatives as an investment tool. He noted that this subject had caused concern in certain quarters, so it was important to openly share information on this subject in a transparent manner.

67. The RSG explained that derivatives would be used in a safe and prudent way and with an aim of reducing risk and noted that the General Assembly approved a two-year trial period in this regard. The Investment Office planned to do very simple transactions to help reduce risk and the Fund's investment teams were requested to analyze business possibilities and develop businesses cases where derivatives could be utilized. Four business case situations were developed under this framework as follows:

- A programme for mortgage-backed securities which could provide additional sources of market liquidity and inventory of securities
- Foreign exchange swaps to manage cash efficiently on the Fund's pension payments in currencies different from the US dollar
- Foreign exchange forwards to reduce currency risk on the Emerging Markets fixed income portfolio
- US Treasury Futures to reduce the interest rate risk and price volatility and as an additional source market liquidity

68. The RSG reiterated that there was nothing sophisticated in these cases. They were all simple, safe and would only improve the management of the portfolios and the Fund's profile.

69. The RSG was also pleased to announce that just three weeks the Fund pledged to reduce the greenhouse gas footprint of its equities and corporate bonds' portfolios by 29% in 2021 compared to the 2019 level. By 2025, the Fund would target a 40% greenhouse gas emissions reduction from 2019. Those targets, under the net-zero program, were to be achieved through divestment and engagement in companies of the Fund's portfolio. Short-term portfolio-level reductions would be achieved predominantly through divesting not sacrificing any return on the investment portfolio.

70. In closing the RSG stated that our Fund was financially sound, responsible, and sustainable in the long- term, and the Fund's teams were efficient and prudent realizing the responsibility that they carry with them every day.

71. The Presiding Officer thanked the RSG for the good news he brought to the Council's session. The President thanked the RSG for the brilliant presentation and hoped that fluctuations in the market would continue to go up and not down and complimented him on the beautiful boat full of hope.

72. One delegate expressed his appreciation to the RSG for the clear, concise, and full of good news reporting. He congratulated the Investment Management team on the excellent results and held high hopes for continued good news, but warned that markets could fluctuate, and things could change. A mention was also made to the concern of sustainability and the decision to put climate change at the forefront of investment decisions with the net zero target program. As to the information on the website, the delegate noted that previously information was very sparse but now information could be followed almost on a day-to-day basis. However, the delegate raised several notes of caution. The first one was that currently, private equity represented close to 7 per cent of an asset class and as a result there might be risks within private equities with their large fees, and there may not be full liquidity when needed. It was added that private equities were essential ingredients, but at the same time they must be managed carefully and expressed hope that the size of those investments did not exceed 7%. This delegate was also assured of the RSG's explanation vis a vis derivatives noting that they were going to be approached with a clear objective of reducing currency fluctuations and risks and was a responsible action to take as the Fund's portfolio contains a large number of currencies. Concern was also expressed regarding the

General Assembly's resolution of last December authorizing margin trading because some of the investment trading falls into this category. With securities lending, the Fund must be careful as it could be very high risk especially with mortgage-backed securities which was a major problem a while ago. He concluded that the Fund should keep in mind these cautions, but at the same time should keep up the good work.

73. In reply, the RSG stated that there would be bad times as there had been in the past, but we must remember the long-term perspectives. As regards low liquidity in private equity, this must be seen in a portfolio approach. Liquidity could be found in other parts of the portfolio so it was a good situation, but never more than 10% would be in private equity. On margin trading, the Fund would not be managing trading to do risky things, but even for these small instruments in derivatives, margin trading was needed to enable those four business cases. As for securities, the Fund would be very careful and only US Treasuries would be used, where the Fund could receive a good return from a risk free and stable investment.

74. Warren Sach added to the discussion of this item with several points, one of which was the use by the Pension Fund of derivatives and the other on the net zero objective regarding the investments. He thanked the RSG for his strong defense of derivatives as there had been many misunderstandings on this subject and noted that the Board should be able to access a full range of investment instruments.

75. On the net-zero investment in environment and fossil fuel policy, he expressed his hope that there would be a very careful monitoring of this policy, so it did not come into any conflict with the responsibilities of the Secretary-General and would ensure that the assets of the Fund were managed with the full knowledge of the fiduciary responsibilities of the Secretary-General which was to put the concerns of the participants first. Ensuring that these quantifiable arrangements were in place over time, would provide a sense of stability.

76. Another delegate requested an update of the discussion that took place some years back on the diversification of the investments of the Fund. He referred to the long discussion that ensued on how the fund should diversify from mostly investing in the US to investing in other part of the world including developing countries.

77. In response the RSG informed the Council that the Fund was invested in 95 countries and in 33 different currencies. Most of the 95 countries were developing countries and the Fund was always exploring new countries and sectors to invest in. He noted also that each year the General Assembly requested an analysis of the situation and always requested the Fund to increase its exposure in the developing world. The RSG added that this was done when the risk return conditions were met and without sacrificing the 3.5 percent long-term real rate of return.

78. The President and Presiding again thanked both the CEPA and the RSG and suggested that for those who still had questions that they could be emailed to the Secretary who would be sure to forward them as appropriate.

#### *Presentation by the Secretary to the Pension Board*

79. Jan De Preter, Secretary of the Pension Board, provided updates on the upcoming Pension Board session which was to be held virtually from 22 to 30 July 2021 from 8 to 11 am (NY time). While meeting virtually was a challenge he noted that the committees had been working very successfully and that the Board would continue to work virtually which had its advantages and disadvantages. There were a considerable number of new members designated by their SPCs and as a result an orientation program had been planned.

80. All documents were available on sharepoint so Board members could consult them. All documents were completed largely due to the excellent work of the chairs of the different

committees who were extremely engaged in their work and who managed high quality reports which would provide the Board with information for good and fruitful discussions. He expressed his appreciation for the FAFICS members who served on the various Committees for their valuable work and thanked everyone for their continued engagement. In conclusion, he stated that even though a Chair had not yet been selected, the Board was ready to start work, despite difficult circumstances brought on by the pandemic.

81. One delegate reminded the Secretary of the 2004 General Assembly resolution concerning the economy measures affecting the payments to retirees and that this issue should be given priority. The Secretary of the Board said that this issue would be part of the discussion by the Board.

82. The President in thanking the Secretary of the Board noted that all seemed in order, except for the election of the Chair and that work was being carried out to resolve this issue quickly.

### **Agenda item 5 - Pension Issues**

#### *5(b) Application of paragraph 26 of the Pension Adjustment System*

83. Document 50/2021/D.5.b on the application of paragraph 26 of the Pension Adjustment System was presented to the Council for information by Gerhard Schramek, Chair, Standing Committee on Pension Issues.

84. The basic features of the two-track pension adjustment system provides that a retiree, if they declare a country of residence other than the United States, can elect the two-track feature. If the Fund accepts proof of residence, a local track benefit will be calculated in the currency of the retiree's country of residence. The local currency benefit is adjusted by the official cost-of-living index published by the country of residence subject to a 2% threshold.

85. If a retiree is on the local track, the Fund will still calculate the pension based on the dollar track and each quarter the dollar track and the local currency track are compared, and the higher amount, up to a maximum of 110% is paid. It should be noted that sometimes the dollar track is more beneficial than the local track and vice versa.

86. Under the provisions of paragraph 26 of the Pension Adjustment System (PAS), the Chief Executive of the Pension Administration (CEPA) of the Fund may suspend the establishment of a local currency base amount for countries where the application of the Local-Currency Track leads to aberrant results. In such cases, paragraph 26 (a) requires that the CEPA inform retirees and beneficiaries in pay status in advance of the suspension of the local currency track. Furthermore, the CEPA is also required to inform the Board of this action, as soon as feasible.

87. To administer the application of paragraph 26, the Fund secretariat created years ago an internal working group and implemented a bi-annual monitoring of the CPI data and currency exchange rates for all countries. The relationship between the Local Currency Track (LCT) and Dollar Track (DT) benefits for all Two Track participants is also reviewed. With the establishment of a full-time technical unit, the Fund secretariat has been able to complete additional detailed reviews of various aspects of the Pension Adjustment System.

88. Furthermore, the Fund implemented a General Procedure regarding suspension of the LCT benefit in 2017. In addition, a procedure for the reinstatement of the LCT benefit was implemented in April 2019. Following the General Procedure on suspension, before any action is taken by the Fund, the affected retirees and beneficiaries are notified, along with the local AFICS office.

89. As regards the 2021 suspension of the Local Currency Track benefits, (excerpts of document JSPB/69/R.32 are contained in the document before the Council), the CEPA informed the Pension Board that the local currency track benefit for both existing retirees and potential retirees residing in the Central African Republic was suspended effective 1 January 2021, due to the absence of reliable CPI data for an extended period. Without timely CPI data, the Fund was unable to apply appropriate cost-of-living adjustment factors. Since the country had no retirees on the Two Track system, the suspension only affected potential retirees. The CEPA also informed the Board that the Fund had received an appeal to the United Nations Appeals Tribunal on the decision of the Standing Committee to deny the suspension of the Two Track feature in Turkey.

90. The document also provides information on the design of the Two Track System, and a list of countries where the local currency track has been suspended. The document also includes a table showing the number of beneficiaries of the two-track system per country of residence.

91. One delegation referred to the appeal by the retiree of Turkey and noted that while similar appeals have been made from time to time, the Standing Committee and UNAT have, for the most part, always upheld the decisions of the Fund and rejected such appeals. The Chair, in this regard, mentioned the one exception which was the appeal from retirees from Argentina. Based on the IMF conclusion on the quality of the CPA data for Argentina, the Fund suspended the Local Currency Track for Argentina. Another delegate queried residency requirements for the Local Track to which the Chair responded that the Local Currency Track was voluntary, but nevertheless all proof of residency requirements must be followed. Another delegate referred to the 2 per cent threshold for the cost-of-living adjustment of pension benefits. The Chair of the Standing Committee responded that if the movement of the respective CPI was less than the required 2 per cent, the increase during the reference period would be carried over to the next measurement. One additional question concerned the high number of countries where the Local Currency Track benefit had been suspended, namely 56 countries, and asked if when reinstated was there a risk of those retirees receiving a lower pension amount. The Chair responded that the internal monitoring committee was charged with reviewing economic conditions within the suspended countries. If the Local Currency Track were to be reinstated, all retirees and beneficiaries residing in that country would be allowed to elect payment of the Local Currency Track benefit at any time subsequent to the reinstatement date. The Presiding Officer added that the Pension Fund does not take action unilaterally but works hand in hand with the IMF and the World Bank for determination of all data.

**92. Council thanked the Chair of the Standing Committee on Pension Issues, Gerhard Schramek and took note of the document.**

*(5c) Disability benefit – Application of Article 33 (f)*

93. The Council turned to the next report under pension fund issues, which was document 50/2021/D.5.c, entitled Disability Benefit – Application of Article 33 (f) which was introduced by Mohammed Sebti as submitted under a note by Gerhard Schramek and Mohammed Sebti.

94. Article 33 of the Fund's Regulations deals with all the modalities governing the granting of a disability benefit by the Staff Pension Committee (SPC) of the participating Member Organization in cases where a participant is found medically incapacitated for further service, due to injury or illness, likely to constitute an impairment to health, of a permanent or long duration. This means that the participant can no longer continue either his regular work or to work in another position compatible with his abilities and capabilities. Under the circumstances, the participant is declared disabled, and a disability benefit is granted to him for the whole period of the disability.

95. In paragraph (f) of Article 33, it stipulates that 'the Board may prescribe the extent to which and the circumstances in which a disability benefit may be reduced when the beneficiary, although

remaining incapacitated, is nevertheless in paid employment. This indicates that the incapacitated beneficiary is allowed to work after separation, while a disability benefit is paid.

96. The granting of the benefit is comparable to a pension benefit that the beneficiary would have received if he had stayed in active employment until the age of his retirement; thus, constituting the limit of the liability of the Fund to provide a reasonable revenue for a fair standard of living. Beyond this amount, and when the beneficiary is in paid employment, paragraph (f) of Article 33 provides for a reduction of the benefits.

97. Until now, no precise framework existed to enable the SPC's to deal with these cases in a precise, coordinated, and uniform manner. As a result, the Board took a decision at its 67th session in July 2020 to establish a Task Force to propose a framework for the application of Article 33.

98. It should be noted that this matter had been raised previously by the Board, at its 14th session in 1968, and it was agreed then to defer consideration of the matter on the basis that there was no need for new administrative rules for that purpose.

99. In July 2020, the Board considered a note by the UNSPC proposing an amendment to Article 33 (f) of the Regulations. The proposal read as follows:

*“The Board may prescribe the extent to which and the circumstances in which a disability benefit may be reduced or **payment suspended** when the beneficiary although remaining incapacitated is nevertheless in paid employment”.*

100. The Board took note of the proposal and decided to establish a Task Force composed of the three constituent groups, that is, the Governing Bodies, the Executive Heads, Participants and the two FAFICS representatives, Gerhard Schramek and Mohammed Sebti.

101. The Task Force, after an in-depth review of the matter, submitted its report to the Board on 17 June under the title 'Report of the Task Force for addressing cases where a beneficiary of a disability benefit is engaged in paid activities while remaining incapacitated'.

102. During the review, most of the Task Force members were of the opinion that the concept of reduction of the disability benefit was very complex in its application. It was also administratively burdensome both for the Fund and the beneficiary involving recalculations which in each case would be made on the basis of the actual level of salaries, the exchange rates etc., thus creating more bureaucratic processes.

103. Instead, the Task Force recommended applying the concept of SUSPENSION of the disability benefit when earnings exceeded a certain threshold, thus allowing for a simpler process.

104. The modalities of the proposal were as follows:

- A beneficiary can earn through paid activities during a 12-month period up to a maximum of the **higher of** USD 30.000 or the G2 step1 net applicable for the duty station where the beneficiary resides. Beyond this threshold, the disability benefit is suspended
- It should be noted that the Task Force being convinced that the exercise of activities was beneficial to the incapacitated persons for therapeutic, mental, or other reasons believed that the framework was designed to achieve that approach.
- A proposal was made to consider the **lower** of either USD 30.000 or the annual G

1step1; but the Task Force opted for the **higher** of USD 30.000 or G2 step 1.

- Some members proposed that national social security benefits should be taken in account in the total revenues. The Task Force agreed not to take them into account
- Beneficiaries who undertake unpaid activities are not required to report them.
- The Task Force also recommended that measures should be taken by the Administrations to ensure that beneficiaries who are no longer receiving a disability benefit but still incapacitated, should continue to be covered by their medical insurance scheme
- It is important to note that the beneficiary, whose benefits were suspended, should notify the SPC of any material changes in earnings and when these earnings are below the threshold, or when work stops, the disability benefit should be reinstated
- The Task Force also would like to encourage Member Organizations to undertake every effort to reassign or make necessary workplace arrangements to enable the continued employment of staff or reemployment of former staff with disabilities.

105. The Task Force proposed a new text of amendment 33 (g) as follows:

*'The Board may prescribe the extent to which and the circumstances in which payment of a disability benefit may be suspended when the beneficiary, although remaining incapacitated within the meaning of this article, is nevertheless engaged in paid activities. In cases where a beneficiary is engaged in paid activities at the time, he/she reaches the age at which incapacity shall be deemed permanent under Article 33(b), the Board may require continued reporting of earnings and authorize the suspension of the payment of the disability benefit up to the age at which the beneficiary would have been entitled to receive a normal retirement benefit at which time the disability benefit may be reinstated.'*

106. In conclusion, Mohammed Sebti stated that FAFICS played an important role in developing this framework which not only protected but improved the conditions under which the beneficiary exercises activities. It is therefore in the FAFICS representatives' views that the Task Force accomplished a number of improvements and proposed a fair, equitable and simple mechanism to handle the application of Article 33 of the Regulations. It is therefore recommended that the Council support the recommendations of the Task Force.

107 One delegation congratulated the Task Force representatives who were an integral part of developing the framework and, if adopted by the Board, would in fact make it possible to make adjustments for those whose benefit was suspended rather than eliminated making reinstatement possible as soon as changes occurred. This same delegate urged the Council to approve the recommendations of the Task Force.

**108. Council thanked Mohammed Sebti and Gerhard Schramek for their extensive work on this matter and approved as a whole the recommendations of the Task Force as outlined in document 50/2021/D.5.c which includes a new Article 33 (g) and changes to Section H.11, H.12 and H.13 under the Administrative Rules.**

109. Mohammed Sebti asked to take the floor again to provide some good news on the work of the Standing Committee of the Board whose FAFICS members include Linda Saputelli, Adriana

Gomez Saquez, Gerhard Schramek and Mohammed Sebti. The Standing Committee deals with appeals from decisions taken by the CEPA or the Special Pension Committees. Now instead of meeting once a year, the Committee meets twice a year which had already make an impact on the backlog of cases and would provide the possibility of quicker decisions on appeals under review.

**110 Council took note with appreciation the work done by the Standing Committee members and welcomed the change in the frequency of its meetings which should alleviate the long wait time experienced by retirees/beneficiaries in their appeals.**

111. One delegation called for the floor and referred to the comments made by the Secretary of the Board regarding changes to the Regulations of the Pension Fund. He questioned whether the Council, or perhaps the Bureau, was able to see the documents that were going forward to the Board. For instance, he said, he would have liked to have read the report of the Task Force.

112. The Presiding Officer in response said that this was a procedural issue and he understood that only if you were attending the Board were the documents available. The Chair of the Standing Committee on Pension Issues explained that for confidentiality purposes only those who were declared representative members to the Board were able to review the documents. He further stated that this made it difficult for him and others and to circumvent this situation he provides excerpts in the reports to the Council. He further stated that the non-access to reports was reconfirmed by the Legal Office who stated that only those who were participating in the Pension Board or a SPC or a representative of FAFICS to the Board could have access to the documents.

113. The first delegate stated that at least the members of the SPC should have access to the documents of the Board. This situation must be emphasized by FAFICS representatives especially since documents, in the past, were accessible to all SPC members and wondered how participants could properly interact during the meetings when they are denied access to the documents. The Presiding Officer said that during the next item on pension matters, which would be the report of the Governance Working Group, members of the Council could reflect further on this situation.

114. Another delegate stated that in general, although these documents were confidential, the fact that excerpts were provided to the Council in its report was an acceptable work-around.

115. The delegate that brought up this subject stated that he found it strange that in the name of transparency all documents that go to the Fifth Committee were in the public domain and any citizen of the world could read the documentation, as well as view the meetings of the Fifth Committee. In his opinion, the Pension Board seems to keep a level of secrecy by calling the documents highly confidential when really, they were not, so perhaps only some investment information/documents should remain confidential.

116 Another delegate agreed saying it was time to reassess and reevaluate Pension Board matters vis a vis the idea of confidentiality of documents and calling documents confidential should be the exception not the rule. This issue should be raised in the Board on the basis that there should be transparency and not obfuscation.

#### *5 (d) Report of the Governance Working Group*

117. Gerhard Schramek and Warren Sach submitted a note which comprised the Report of the Governance Working Group. (GWG) under document Council 50/2021D.5.d. By way of background, it should be noted that at its sixty-eighth (Special) Session in February 2021, the Pension Board considered the progress report of the Governance Working Group (GWG) and requested it to present detailed proposals on its overall functioning and governance, following the recommendations formulated by Mosaic and prior requests of the Board and the General Assembly. In particular, the Board requested the GWG to focus on: concrete options regarding

size and composition of the Board; options regarding frequency, schedule and length of meetings; terms of reference (or comparable documents) for working group and committees which do not have them, while updating existing terms of reference and keeping under review the balance of responsibilities between the Board and Committees. The GWG was also tasked to develop procedures for the implementation of and adherence to the code of conduct, including through the development of a draft ethics framework (GA resolution 74/263 and 75/246). Finally, the Board instructed the GWG to look at the overall efficiency of the Board in areas such as the role and responsibilities of the Chair and improving the understanding of the fiduciary role of Board members.

118. In this connection, the GWG met virtually thirteen times and received input from thirteen Staff Pension Committees and took them into consideration in an effort of transparency. The Chair of the WG met with other constituencies including representatives of FAFICS to brief them on the work and to seek additional comments on the proposed recommendations. Recommendations of the Governance Working Group are outlined below.

#### *Size and composition of the Board*

119. It was proposed, after much consideration of the FAFICS document and other options presented by the Governance Working Group, that the option of reducing from a 33-member Board to a 24-member Board with members from each of the constituency groups be submitted for consideration and final approval by the General Assembly at its 76th session. This would be the preferred option on the grounds that it would yield a reasonable sized Board thus making for greater efficiency and effectiveness. It was felt that this balanced approach took into account the views of Board, the General Assembly and the SPCs of Member Organizations.

#### *Attendance at Board meetings*

120. The GWG, as requested, studied the related issue of attendance at Board sessions of participants (alternates, representatives, observers and ex officio participants) who were not voting members of the Board. Many SPCs and all constituent groups attached great importance to this topic. Some felt it was through this wide participation that the tripartite nature of the Board was safeguarded. Others opined that the traditionally large number of participants that attend the Board's sessions hindered effective decision-making, focused discussion, and in-depth exchanges.

121. The GWG recommended that the Board change its Rules of Procedure (A.9 and A.10) to ensure that alternates other than alternates from the General Assembly, representatives from Member Organization with one or two members on the Board, representatives from Member Organizations with no voting members on the Board, as well as SPC secretaries and alternate representatives from FAFICS only attend Board sessions virtually. Representatives of FAFICS could continue to attend in-person. It should be noted that a representative of the Participants (Agencies) and Executive Heads (Agencies) stated that they could not agree that representatives under A.9(b) only attend Board sessions virtually.

#### *Frequency of meetings*

122. The GWG recommended that the Board hold a minimum of three meetings per year: one virtual meeting in February, another virtual meeting in April and one in-person meeting in July. Having an annual cycle of Board sessions would allow it to better discharge its mandates and functions. Maximizing the use of IT platforms would also enhance efficiency.

#### *Terms of reference*

123. In view of the mandates given to it by the Board, and after thorough analysis, the GWG proposed updated Terms of Reference for the Fund Solvency and Assets and Liabilities Monitoring



(FSALM) Committee, the Budget Working Group (now Budget Committee) and the Succession Planning Committee (now Succession Planning and Evaluation Committee). The GWG also proposed updated Terms of Reference for the Board Chair, as well as revised responsibilities of Board members. The overall objective of these revision was to strengthen the role of Board Members and further professionalize the Board's work.

#### *Ethics policy*

124. The GWG proposed that the Board adopt an ethics policy for the implementation of its code of conduct, as requested by the General Assembly in its resolution 75/246. In that regard, the GWG also proposed that the Board recommend to the General Assembly an amendment to Article 6 of its Regulations to read as follows:

#### Article 6

##### Staff Pension Committee

- i. Staff members of the Board secretariat, Pension Administration and the office of Investment Management of the Fund, and staff members of the Secretariat of each Staff Pension Committee shall not be eligible to be elected or appointed to represent any constituent group in the Staff Pension Committee of any Member Organization of the Fund, and consequently to serve on the Pension Board.

125. It should be noted that the representative of the UN Participants on the GWG disagreed with the consensus to amend Article 6 and adopt certain provisions of this ethics policy.

#### *Improving working methods of the Board*

126. The GWG also recommended measures to improve the working methods of the Board, particularly enhanced inter-sessional co-ordination among Groups, clearly indicating decision-making points in reports, and the option to reflect outcomes in a summary of proceedings, instead of a lengthy sessional report.

127. In summary, the FAFICS representatives on the GWG requested the Council to support both the GWG report, and the recommendations set forth therein.

128. Warren Sach provided some additional comments, but before doing so applauded Gerhard Schramek for his hard work in dealing with this difficult work. He then said that in the seven recommendations enumerated in the report, the key one was the size and composition on the Board and once there was agreement on this item, the other items would more or less fall into place. He cautioned that these new proposals, once adopted by the General Assembly, would need to be tested as sometimes things change once enacted and there may be unintended consequences and as such the recommendations should be reviewed by the Board at its session in July 2024.

129. Many delegations expressed thanks to both Gerhard Schramek and Warren Sach for their work. Other comments on the Working Group report were mainly on the proposals on frequency and size of the Board which was said to be the key issue in these overall recommendations. The Chair stated that just the fact that FAFICS was able to maintain its four member representations was very good. One delegation wanted to know if there was a plan B, if the proposal on FAFICS representation was not agreed to, noting that the proposal was in contradiction to the Mosaic and OIOS recommendations. The Chair stated that there was no plan B.

**130. Council took note of the report and thanked Gerhard Schramek and Warren Sach for the comprehensive review and the work that had gone into the report and**

**(a) supported both the GWG report and the recommendations set forth therein.**

**(b) suggested that the implementation of the above recommendations, if endorsed by the Board, be reviewed by the Board at its session in July 2024.**

## **Agenda Item 11 (a) - Arrangements for e-Elections of FAFICS Officers**

### **Election results**

131. Marco Breschi was elected President by acclamation.

132. Jayaraman Sunderesan was elected Secretary by acclamation.

133. Romesh Muttukumaru was elected Treasurer by acclamation (see para. 27 in this regard).

134. Given that the number of candidates outstripped the number of Vice-President posts, an electronic vote was held under the supervision of Polling Officer, Véronique Whalen. The Presiding Officer reported the election results communicated to him by the Polling Officer as announced in the paragraph below.

135. The results of the election were announced by the Presiding Officer:

- Deborah Landy – AFICS/NY (28 votes)
- Carlos Santos Tejada – AFICS/Panama (27 votes)
- Odette Foudral – AAFI-FICS/Switzerland (26 votes)
- Jennifer Ashton - AAFICS/Australia (23 votes)
- Jerry Barton - ARICSA/Vienna (18 votes)
- A.K. Masood Ahmed – AFUNSOB/Bangladesh (16 votes)

136. The Presiding Officer declared the five elected Vice-Presidents to be: Deborah Landy, Carlos Santos Tejada, Odette Foudral, Jerry Barton and Jennifer Ashton.

137. The Polling Officer then explained that 39 associations were eligible to vote but that only 37 had voted. Due to technical difficulties Israel and Myanmar were unable to vote.

138. The Presiding Officer congratulated all those elected and announced that as a result of the election the team was now complete. He thanked Polling Officer, Veronique Whalen, for her able assistance in handling this complex electronic balloting.

139. He then turned to the agenda for the next day which would be agenda item 10 - Rules of Procedure - the report of the Working Group and in this regard asked Jerry Barton, the Chair of the Group, to introduce the report when it would be taken up on Saturday.

140. One delegation requested that the pension item on the situation of the former UNJSPF participants in the former USSR, Ukrainian SSR, and Byelorussian SSR also be on Saturday's agenda, and it was confirmed by the Presiding Officer that this would be the case and that Katia Chestopalov would introduce the item.

## **5(d) – Governance Working Group (con't from previous day)**

141. The Presiding Officer requested the Council take up the next agenda item on the situation of the former UNJSPF participants in the former USSR, Ukrainian SSR and Byelorussian SSR and requested Katie Chestopalov to update the Council on the current situation.

142. A point of order was called by FFOA/Rome on agenda item 5 (a) on the Report of the Governance Working Group. The delegate said that FFOA/Rome had a problem about which alternates could participate and which ones could not. The Rapporteur was requested to record this reservation. However, the Chair of the Working Group in reply noted that the General Assembly had already decided on this point and the Working Group had to keep that fact under consideration at all times.

143. Another delegate raised a point of order and reminded the Presiding Officer that due to the shortness of time given to this item AFICS/NY reserved the right to speak on this item and requested the item to remain open.

144. The floor was then given to the delegate from AFICS/NY. He stated that the Working Group had a very difficult task: that was to find a workable balance drawing on the recommendations from the Mosaic Report, requests emanating from the Pension Board and the UN General Assembly, and the interests and views of all the constituent groups represented on the Pension Board: Governments, Administration, active Pension Fund participants and UNJSPF retirees. The recommendations made in the Report were clearly the result of serious discussions and negotiations, well thought out and workable, and should they be approved by the Pension Board and adopted by the General Assembly, then the adoption of the required amendments and changes to the Fund's Regulations and Rules should be approved as well.

145. He also spoke to several of the recommendation stating that the key objective of reducing the size of the Board was met by reducing the Pension Board to 24 members (8 each from Governments, Administrations, and active Participants), plus 4 representatives from FAFICS, with all the rights of members except the right to vote. It would, however, remain to be seen whether the Pension Board and then the General Assembly would accept that the UN should go from 12 seats on the 33-member current Board to 9 seats on the new 24-member Board - not a very substantial difference but still a minority of the total seats.

146. He continued to note that the Working Group also recommended significant changes in the Pension Fund's Rules of Procedure, to reduce the number of persons who could attend physical meetings and those who would have the right to speak, whether at physical or at virtual Pension Board session. As to the size and composition of the Pension Board, and the limits on participation in its meetings, if adopted, this should be subject to review by the Pension Board in July 2024. Also, AFICS/NY noted and supported the new working methods for the Pension Board that were recommended by the Working Group: virtual meetings each February and April and a shorter in-person Pension Board meeting in July.

147. In concluding, AFICS/NY approved the new working methods being proposed by the Working Group for the Pension Board and AFICS/NY had been making very similar proposals to modernize and improve its own operations and strongly advocated that FAFICS should do the same. Also, the new criteria and requirements for Pension Board members should be incorporated into the criteria in the FAFICS Rules of Procedure for the selection or election of the members of the FAFICS delegation to the Pension Board.

**Agenda item 5 (b) Situation of the former UNJSPF participants in the former USSR, Ukrainian SSR, and Byelorussian SSR**

148. The Presiding Officer requested Katia Chestopalov to provide Council with an update on agenda item 5(b).

149. Katia Chestopalov admitted that she was surprised to have to report when there was no mandate to deal with this matter and, in fact, she only dealt with this item on a personal basis trying to keep in touch with the three AFICS associations but noted that recently she did not have frequent responses from them which could be due to health problems, or covid related reasons. In her personal capacity, she had been assisting until 2019 these associations with writing documents for the Council, but regrettably, she did not receive contributions from these associations and wondered what, if any follow-up action, was being taken at the level of the Bureau.

150. A discussion ensued as to how to deal with this situation in light of the fact that past history did not give rise to a positive outcome. It was stated that FAFICS was the only forum where the issue was still discussed. It was closed by the General Assembly and, therefore FAFICS would need to tread carefully overcoming obstacles, but if there was a way forward FAFICS should surely continue to seek out a solution. The President concurred but cautioned that it was a risky step for FAFICS to go against the United Nations, but as other delegates stated, this was a moral issue and new avenues needed to be found to help bring this matter to a positive conclusion.

151. The President then summed up the discussion and noted that there was overwhelming consensus in the Council to keep the matter open, that there should be a summary of past actions taken, which he believed had already been done, and that there was agreement to add Andres Castellanos del Corral, as a full member, on the team already in place and hoped that they would be successful in developing new means to find a possible solution as this issue cannot just be left to wither away.

**152. It was agreed that a committee comprising Katia Chestopalov, Linda Saputelli, Andres Castellanos del Corral and Marco Breschi would continue to work on this matter**

**153. It was also agreed that the Federation would be kept informed of any developments in that regard and the item would be kept on the agenda of the 51st Council session.**

#### **Agenda item 10: Revision of the Rules of Procedure – Report of the Working Group**

154. The Report on the Revision of the Rules of Procedure – Report of the Working Group – found under document number 50/2021/D.10 was presented by Jerry Barton, the Chair of the Group.

155. The Chair provided a brief background of this group's history which began at the 47th Council (2017) when proposals were presented by the Bureau for revision to the FAFICS Rules of Procedure, but due to procedures the Bureau's proposals were not considered. As a result, the Council established a Working Group to pursue the revisions to the FAFICS Rules of Procedure with the following mandates:

*Revisions must meet at least one of the criteria of increasing efficiency, enhancing the impact of FAFICS activities, and improving transparency and due process for elections and appointment.*

156. The Working Group presented its recommendations to the Bureau in February 2020. However, due to the pandemic the proposals could not be discussed and were further postponed to the Council for 2021.

157. The Chair added that over the last year the work of the Group continued despite the pandemic, first in person, then by blogging and then by virtual meetings. He thanked the members of the Group for their diligence as this work was important for the future of FAFICS. It should be recalled that all Member Associations were requested to provide inputs, and many had been received and, in this question, he assured the Council that all comments had been reviewed even though they might not have found their way into the report.

158. The Working Group marked in document 50/2021/D.10 those proposals that received consensus, and where there was no consensus, it was so noted. One major concern of the Working Group was the rights and responsibilities of the Council, the President, and the Bureau. The Working Group's main goal was to clarify the rights and responsibilities without being overly prescriptive, especially as concerns the Bureau and President, and as such there were no dramatic changes proposed only those that provided more clarity.

159. The Chair also stated that the Working Group decided not to address any changes to the Rules of Procedure for the appointment of the FAFICS delegation to the Pension Board, until a decision on the size and composition of the Board was made.

160. He also noted that the change to a two-year term limit was sensible and would lead to more efficiencies. As to the request by the Council to include virtual meetings in its review, the Working Group did so but felt that it would be better to provide separate guidelines and not spell out specific rules in the document. However, the Group did consider that the existing Financial Rules should continue to be included. As regards the creation of a Code of Conduct, time did not permit this document to be prepared for this year.

161. In conclusion, the Chair said he and the members of the Working Group would be pleased if the Council approved the proposals in the document and mandated the Group to continue as more time was needed. However, he pointed out, that there was no urgency in the matter. What, however, was most important was that the Council should feel, as the Working Group did in making these proposals, confident that the proposed changes would improve the functioning of FAFICS. A long but fruitful discussion on this item ensued with every delegate congratulating the Chair and the Members for their diligence and success in what they had so far achieved especially, as they were able to meet seventeen times, despite the pandemic and did so virtually and through an electronic platform. The ensuing debate evolved into three areas of concern. (See para 154 below). Some oral and written detailed comments on specific rules were also provided by Member Associations. These detailed comments can be found in Appendix 8 to this document.

162. One delegation felt compelled to remind the Federation that FAFICS was an international NGO, an organization with an incredibly important mandate to advocate and act on behalf of retirees and in a world in which all aspects of ageing were considered to be one of the key global challenges of our time. Therefore, the elaboration of a set of rules for the way FAFICS operates was critical and would help to ensure that the Federation was an organization operating in an open, transparent, accountable and inclusive way.

163. All delegates touched on many of the same points of concern which have been categorized into three groups as outlined below:

- a. Should the Working Group be expanded and if so by how many and should there be a regional representation in the Working Group?
- b. Should there be a special session and, if so, when, or should the Working Group only hold meetings when a face-to-face option is possible?
- c. When should the Pension Board members be elected for the 2024 session?

(a) Expansion/regionalization of the Working Group

164. Most delegations felt it was necessary to expand the Working Group believing that the wider participation and perspectives could help to overcome possible impasses and ensure adequate capacity to get the job done. Since some delegations had already conveyed their inputs to the Group and had been active in its discussions it was felt that these delegates should be added to the Group. Other delegations thought that the idea of a better regional balance would be helpful in bringing in new ideas while others felt that both Africa and Asia should become members balancing the geographical representation. Others thought a larger group of twenty would not be helpful to facilitate the work of the Group. Some names of those that had already contributed inputs and were active in the discussion were mentioned as possible new members.

(b) Special session

165. Several delegates including those from the Latin American group saw the need for a special session, as it was felt that it was time to bring this review to an end as it has been ongoing for a number of years. In addition, a special session would allow for a focused review of some proposals which did not receive consensus and on others that were not clear. It was also recommended that the special session be completed in a period of three months. Another delegate thought that the date for conclusion should be no later than the end of October.

166. Still others believed that there was no urgency, and this matter could wait until regular face to face meetings could be held.

(c) Pension Board delegation

167. As noted previously by the Chair of the Working Group, it had been decided by the Working Group not to address any changes to the Rules of Procedure until a decision on the size and composition of the Board was made by the Pension Board and the General Assembly. In this respect, it was strongly recommended that no decision be taken on the 2022 Pension Board delegation by the Council until the new Rules of Procedure had been discussed and adopted at a special session of the Council to be held within the next three months.

168. One delegation spoke strongly against this stating that it was not necessary to wait for the decision on the Pension Board's size and composition as the size had no bearing on procedures for designating representatives of FAFICS to the Board. However, as the Pension Board would be meeting shortly, the position of the Board would soon be known. Recognizing that it would still be subject to a decision by the General Assembly, there was still no reason to keep postponing this matter as this issue was mainly related to a process which would apply no matter what the end number of delegates for FAFICS was agreed on.

169. The establishment of the FAFICS delegation to the Pension Board should be explicitly covered in the revised Rules of Procedure. It should be a process of nomination by associations with the screening of candidates based on established criteria and, then election/appointment by the Council. Whatever the new provisions of the Rules of Procedure were regarding the Pension Board delegation, they should be put into effect for 2022 immediately after the special session of the Council. The current Pension Board delegation should continue until end 2021.

170. In reply to the points raised in the discussion, Jerry Barton said that he had noted the names that were mentioned as possible new members and would be contacting them directly to ensure that they were in fact interested. He pointed out that the current Working Group, consisting of Deborah Landy, Katia Chestopalov, Adriana Gomez, Linda Saputelli and Gerhard Schramek, replaced by Makane Faye until his death last year, were assigned to the Group as individuals and not as a representative of regions or associations, but individuals because of their expertise. The

current list that he was getting in touch with included Juan Casas of Panama, Jennifer Ashton of Australia, Robert England from the UK, Edmund Ortega from the Philippines and Michael Atchia from Mauritius. He also pointed out that there was nothing in the Statutes about regionalization adding that this aspect would be a huge change if it were to be codified. In light of the comments made, the Working Group would now be discussing the process of designating delegates to the Pension Board. He also referred to the question of whether a special advisor on a Working Group could be considered in a conflict-of-interest situation and said this was definitely not the case as again they were working in their individual capacity.

171. A point of order was raised by one delegate saying that the Council had taken a decision on the new members, and it was for the Council to decide on who the new participants would be. It should not be left to the discretion of the Chair.

172. The Presiding Officer said the Chair would contact every member on the list, but the delegate still requested that formal action be taken by the Council and not left to the Chair to informally make the contacts.

173. The Presiding Officer continued stating that the Chair had taken notes and was going right into action and not rejecting anyone. So, it was clear that the Council had taken a decision and it was already being acted upon.

174. Jerry Barton said he already had positive indications from two of the names mentioned as new members and wanted to wait for replies from others. In a reply to a suggestion that a report be issued, he had a problem with issuing a report to be reviewed by the Council before a special session as that would add work and if the Council was going to review a preliminary draft for further comments, then he offered why have a Working Group.

175. A delegation raised an issue about what was in the President's report about the newly elected officers being commended for creating unity and harmoniously working with the "permanent members and special advisors" of the Bureau. The delegate wanted it to be very clear that there were no Permanent Members of the Bureau, and that Special Advisors should not attend Bureau meetings as it seemed they now do and on a permanent basis. As the issue of Permanent Members has been included as part of the official records of the Council via the President's report, it was requested that this characterization be stricken from the record.

176.. The President in addressing the above commented stated that this was an oversight and would be struck out of his report.

177. The President was able to say that consensus had been reached on proposals which would be taken up by the Working Group, but the expansion of the Working Group should be done with some caution, as too many would so broaden the discussion that much could be lost, but that those who had made efforts of writing and providing inputs should certainly be included in the Working Group. He then talked about the issue of trust and that the Chair deserved trust but added that the direction of many comments went in the direction of lack of trust. He said he did not envy the next President because guidance would be given on everything undertaken by rule or demand. And in this way, now the focus was on internal matters – not on substantive work. He especially liked the tack that the Chair was taking, that was viewing the Regulations and Rules as a framework, not a solid block. He asked the Council not to demand that work be concluded in three months but consider one special session in February because by then the Working would have the deliberation and decisions of the General Assembly before them. In conclusion, he said that the Council members should reflect on the need for flexibility with trust otherwise called reciprocal trust.

178. The Presiding Officer followed by stating that the Chair of the Working Group understood the need for expansion and reiterated the importance of trust. In that regard, the Council would request the Chair to contact all those mentioned and move forward with its work.

179. One delegate raised a point of order stating that this preciously showed the intention to deviate and not accept a decision taken after deliberations. Two decisions had been taken and it was not a question of trust. The Council had the right to take decisions and the fact that it had been more than three years since there had been any progress on his item, went to the heart and function of FAFICS going forward in the future. The expansion by five members, whose names were already mentioned which by coincidence also covered geographic representation, was the way forward. He said that there needed to be a special session within no more than three months and requested that these decisions be made formal in the report.

180. The Chair then added that he would do his best to reflect on these matters and would try to confirm the five individuals already named, along with Tedla Teshome whom he also wished to include in the Group. In addition, he added, that a short deadline would mean working hard for two months (August and September) and submitting a report for an October special session. The other way forward would be to continue to work until the Working Group was satisfied and had reviewed all that was discussed in this session as well as those items that had not yet received consensus. He hoped the Council would place their trust in the Working Group as it had already made much progress and he hoped it would continue to do so.

181. Again, a point of order was raised requesting that progress reports be issued if there was a need for a postponement of a special session.

182. The Presiding Officer thanked everyone for the good discussion in which everyone had a chance to participate and from the discussion he understood that the Working Group would be very busy. In this connection, he requested the Council to give a round of applause to the Working Group.

183. Before the Council took up agenda item 7, several delegates took the floor concerning the conclusion of the debate on the revisions to the Rules of Procedure.

184. The Presiding Officer in summarizing the debate stated tht the Chair and his team would be expanded and that the Chair would contact the individuals previously named as possible new members to the Working Group. It had also been suggested that a revised report could be circulated before the special session, but this might be too ambitious. If the special session was planned for February 2022, then the revised document could be produced and presented to all members of FAFICS.

185. A point of order was raised taking exception to the summary put forward.

186. The President said the meeting should go forward with the agenda as planned in the spirit of consensus with the majority agreeing to the summary with few dissenting voices. He concluded saying that this agenda item should be closed.

187. It was suggested that this item should continue under 'Other Business' planned for the last day of the session with a one-page document prepared by the Rapporteur which should contain a summary of the conclusions of the discussion on the Rules of Procedure.

**Statement by John Lewis, President and Chief Executive Officer of UNFCU**



188. The Presiding Officer and President both thanked the President and Chief Executive Officer of UNFCU, John Lewis, for his willingness to come before the Federation and provide a brief overview of the relationship between FAFICS and UNFCU.

189. John Lewis noted that he began his role as President as of January 2021, but even in his previous roles with UNFCU, he was always aware of the common goal between UNFCU and the UN's retiree community which was to support others around the world. He counted on the retiree community to provide the feedback for better service. Currently, UNFCU is valued at \$7 billion US dollars, with 170,000 members in over 200 countries with 13,000 retirees.

190. He spoke about the new client services which included:

- The digital transformation of the members' self-service platform, significantly expanding tools for wire transfers and card management
- Expansion of member loan eligibility to almost every country around the world
- Significant expansion of US mortgage production capabilities

191. He also outlined UNFCU's commitment to social responsibility with the launch of UNFCU Foundation, as well as the UNFCU Global Sustainability, and Diversity, Equity & Inclusion programs.

192. The Presiding Officer and President thanked the CEO for his words, but more importantly the support the UNFCU had shown towards FAFICS, hoping that it would continue in the months and years ahead.

#### **Agenda item 7 After-Service Health Insurance (ASHI) 7 (a) Update on After-Service Health Insurance (ASHI) (con't)**

193. Georges Kutukdjian, Chair of the Standing Committee on ASHIL introduced the report on an Update on After-Service Health Insurance (ASHI) which can be found in document 50/2021/D.7.a. This report was issued under the names of both Georges Kutukdjian as Chair, and Katia Chestopalov, Vice-Chair, and provided updates on decisions taken by FAFICS at its last five sessions.

194. The updates concerned the following decisions:

1. AFICS should pursue their participation on the Working Group.
2. FAFICS representatives should take up the issue of the recognition of Third-Party Administrators so that insurance providers are current with the local standards of health insurance.
3. FAFICS representatives should secure the inclusion in the work programme, the question of the representation of retirees on health insurance executive/management committees of the United Nations and common system agencies and requested the Bureau to follow-up on this matter with the UN administration.
4. The Standing Committee on ASHIL should compile information from Member Associations on the issues of Medical Insurance Plan (MIP) in order to decide the proper course of action.
5. The Standing Committee on ASHIL should collect information from Member Associations on long-term care.

195. The Chair pointed out that no updates were available for items four and five due to the Covid pandemic as information compilation only started in 2021. As for item three, this was objected to by other participants of the Working Group as being outside of its mandate.

196. He reported that item two had been fulfilled and as concerns item one the General Assembly had decided that:

- The pay as you go system for the after-service health insurance system should be maintained, the entitlement accrual mechanism proposed by the Working Group, but opposed by FAFICS and FICSA, could be applied to staff recruited after 1 January 2022;
- Projections would be provided for staff in peacekeeping operations who might be entitled to ASHI benefits;
- Consideration should be given to other cost containment proposals expected at the 75<sup>th</sup> General Assembly.

197. Mention was also made of the focus of FAFICS on long-term care. However, with cost containment in the agencies, this would be a difficult matter to deal with. It was noted, however, that FAFICS should not be discouraged from addressing this issue.

198. The Vice-Chair, Katia Chestopalov, thanked all associations for their inputs and requested others that had not yet submitted any comment could still do so. Their comments and inputs would be very much welcomed both for this report and the second report on the agenda - Update on Covid-19.

199. Delegates responded to the report and note was taken in particular on the proposal that there be an expansion of the Standing Committee. It was noted that there were 34 focal points, but it was suggested that there should be a full-fledged committee. There was a need to have five or six more individuals to support both the Chair and Vic-Chair as there was much work to be done, and as a result, the Working Group should be strengthened.

200. The Chair concurred with this proposal and thought that a small list of people knowledgeable and qualified in the insurance world, could be drawn up and the Council could entrust the Bureau which could agree or disagree with the formation of this expanded group.

201. However, it was pointed out that the Standing Committees had been approved by the Council in 2011, and was open for participation by all, so those that were interested, have competence would be welcome to join. It would not be necessary to change established procedures, because when the meetings were held prior to the Council session there were always a good number of members participating. As established by the Council in 2011, it was not necessary to establish a list of names. If this proposal were to be approved, then the establishment and rules of committees would have to be changed as well.

202. The Chair in reply stated that the idea was different as there were focal points that were consulted, but the Standing Committee needed to be larger than just the Chair and Vice Chair. He reminded all that for the last two years there had been no meeting of the Standing Committee prior to the Plenary Council, hence the Standing Committee was in a way reduced to the Chair and Vice-Chair and focal points. The idea now was to open the group up and invite those persons who were knowledgeable and who would like to participate more actively.

203. Further comments by delegates touched on the need to map provisions for insurance care as several national schemes were hampered by the lack of transparency in the United Nations provisions. Others were pleased to be able to have this ASHI discussions especially in regard to the difficult years dealing with the covid situation. However, there was a problem with the guarantee of payments which has not been accepted in some hospitals and what was needed was

an improved and standard procedure for guarantees of payment. The discussion then continued focusing on n two main areas of concern:

- a) Expanding the Standing Committee
- b) Long- term care

204. On the expansion of the Standing Committee some delegates admitted to being confused as there were already a number of focal points and it was thought that they were meeting over the year, but it was further explained that the Standing Committee met before the Plenary once a year, but that was not what was being proposed by the Chair. What was meant was that the Standing Committee be expanded to include five or six new members besides the focal points who would meet on a regular basis, not just once a year. Another delegate stated that this would also be helpful when it came to succession planning - an important aspect for FAFICS. However, one delegate said that the mandate for the group had to be clear as the UN system had so many different health plans leading to undue complexities, its mandate would need focus and direction in order for the Group to have its intended impact.

205. The Chair in reply said that the idea was to have the Chair and Vice-Chair be supported by a small group of people who could meet or correspond by email and that it was important to not only have a meeting prior to the plenary but to be able to exchange information and have a better understanding of the problems and situations in other institutions and in other parts of the world. He did not think it should be a big issue, but if the Council agreed, the Bureau could be entrusted to further discuss this matter to see if it were in line with the rules of procedure and then decide. The advantages of more support outweighed any other concerns and the support from a small group in this important area of insurance plus the focal points would be a key component in dealing with the myriad of issues surrounding the complicated subject of health insurance.

206. As for long-term care, it was carefully explained that this had been discussed for many years. It became an important issue in the 1990s. At that time, a long-term care programme had been identified for international staff of the common system. The proposed programme was sent to all Member Organizations and as it turned out the UN active staff came out against it as they did not want to add to their health costs. However, other administrations took the initiative in this regard and for one Member Organization it was initiated on a ten-year trial basis, and it now exists in the Organization and is mandatory for staff, thus keeping the high cost of long-term care on a low cost basis. As the UN system has 23 different health insurance schemes, it is very difficult to attempt to have a common approach as each organization did not want to give up its rights or join any other system. In addition, there was a misconception that long-term care only applies to the elderly making it difficult to have consultations with active staff who do not want added health costs. But this is exactly what needs to be done. Consultations and discussions with active staff must be the way forward as it is important to advise them that they will also be affected sooner or later. Only when it can be impressed on them that this would be an important need to fulfill for all, will it be possible to bring this discussion to fruition.

207. **The Council took note of the report and the discussion therein.**

#### **Agenda item 7 (b) - Update on Covid-19**

208. The Chair of the Standing Committee on ASHIL introduced the next document on the agenda, document 50/2021/D.7.b, entitled Update on Covid-19.

209. In introducing the report, he said that the information therein was very much needed because at the last Council session only ad hoc information was known. Now many associations were inquiring into how the vaccines would be rolled out to retirees, especially since as

international civil servants many of them were not enrolled in their own national insurance programs and, as such, felt anxious about how they would receive the vaccination.

210. He outlined each section of the report as follows:

- Section A included background information on what was discussed at the last Council session including the action taken by the President of FAFICS who wrote to the UN Secretary-General requesting him “as Chair of the Chief Executives Board what initiatives he [intended] to take to ensure that governments or the UN itself adopt appropriate measures to ensure that COVID vaccinations were available to UN retirees and less privileged communities in those countries where governmental vaccination campaigns did not exist or may be not as far reaching as necessary”.
- Section B was a detailed review about the actions taken by the UN and UN agencies to mobilize staff and how they were becoming involved with vaccination campaigns. He noted that the UNJSPF assistance had been very welcome and referred to the letter sent by Rosemarie McClean, Chief Executive of Pension Administration, to the President of FAFICS informing him of the programme for eligible UN retirees in affected countries who could receive Covid-19 vaccinations through the UN system-wide initiative. In terms of eligibility, as per UN instructions, it was specified that only former UN system staff who were retirees and in receipt of a periodic benefit payment from the UNJSPF were eligible to be vaccinated through this initiative.
- Section C was an overview of the pandemic country wide as submitted by Focal Points to the Standing Committee. This information provided another view of the current situation in various countries with a special focus on retirees.
- Section D contained the conclusions and recommendations stemming from the Focal Points of the Standing Committee on ASHIL from February to June 2021. The overall conclusion was that former staff, and active staff should be treated by UN bodies and Organizations on an equal basis as far as health-related matters were concerned. In addition, their eligible dependents should also be considered when health services were offered.

211. The Vice-Chair reiterated her request that while a lot of work was done, not all inputs from associations were received. She requested those who had not yet responded do so in order to have the most comprehensive reporting possible.

212. Many delegates agreed with comments made by the Presiding Officer that this was the first time FAFICS had a comprehensive report which was a useful document as the world was now being threatened with new variants and shortages of vaccines. Not only was Covid-19 not yet obliterated but there was always the risk of another pandemic. The question was also raised as to royalties that companies were receiving and how countries could deal with that situation. It was mentioned that perhaps this could be discussed in the Standing Committee and then in the FAFICS Council. It was also mentioned that the Secretary-General had made a call to these companies asking them to renounce the royalties so that other countries could themselves produce the vaccines. In this regard, it was also mentioned that as far as the possibility of licenses to other countries, UNICEF was the procurer for the UN system and as such it was a very complex situation, but they have been able to provide assistance to some 93 countries

213. As for the issue of spouses and family members receiving the vaccine this was a *sine qua non*. Many delegates wondered what the thinking was behind the idea to only vaccinate the UN retiree and not the spouse and family members. The Chair reminded the Council that the CEPA said she would be working on these issues.

214. The delegate from AFICS/Peru brought the Council’s attention to the need to remind all FAFICS members that it was incumbent on them to make sure that they members were aware that

they must be registered with the Pension Fund, meaning they must enroll in MSS and update their personal information. She explained that in Peru where there were 426 members only 331 had received an email from the Pension Fund meaning that only the 331 had properly registered their email. She pleaded with all associations to make it their business to contact their members to ensure that they keep their information up to date in the Fund's MSS portal. She said that a campaign should be started among retirees to properly update the information in the MSS system.

215. The Presiding Officer thanked the delegate for her important point of information and said that it was essential that every retiree register in the Fund's Member Self Service portal (MSS) and also for each association to have a directory of names and other pertinent data. In this regard, another delegate spoke of the older retirees who did not have email and had no way to be contacted. It was suggested that a central email should be arranged for them at each association's location so the information could be provided to them by follow-up calls or other means. The Presiding Officer said that this was a good idea and suggested that arrangements be made to use the country's AFICS email.

216. **Council thanked Georges Kutukdjian and Katia Chestopalov for their work on the reports and took note of the report and the discussion therein.**

#### **Agenda item 7 (c) – Effects on the ASLI - the switch of the UN Group Life Insurance from AETNA to The Hartford in June 2020**

#### **4 Notes from AFICS/Philippines**

#### **Document 50/2021/D.7.c — Life insurance**

#### **Document 50/2021/D.7.c2 - The Free UN After Service Life Insurance**

#### **Document 50/2021/D.7.c2 - Presentation from AFICS –**

#### **Document I 50/2021/D.7.c.2.Rev.Annex - Note from AFICS/ Philippines**

217. The delegate from AFICS/Philippines, Marlene Arduo, provided a detailed account (see document 50/2021/D.7.c.2) of the Life Insurance programme that active staff can apply for, and which can be continued as a retiree, through a conversion privilege, however at reduced benefit levels.

218. All of this information is available on the UN's website at the following link—[www.un.org/insurance](http://www.un.org/insurance). It should also be noted that the UN Group Life Insurance was recently changed from Aetna to The Hartford with no change in benefits.

219. The delegate provided some proposals that FAFICS could promote concerning this continued life insurance programme for retirees including

- Survey member retirees
- Assist retirees obtaining the ASLI Certificate of Entitlements while they are still alive
- Assist beneficiaries in filling past claims

She also said that AFICS/Philippines offered to prepare for new UN staff and agencies' staff a booklet and other information that could be shared during onboarding and during the exit interview. This information should also be used not just for those retiring but also for those that are transferring from one organization to the other as the life insurance enrollment is not automatically transferred to the new office and the staff member has sixty days to reenroll or the benefit lapses.

220. AFICS/NY clarified that the switch from Aetna to The Hartford was the result of The Hartford having bought the life insurance portfolio from Aetna, who had decided to focus solely on health insurance. Also underlined was the importance, as noted by AFICS/Philippines, of obtaining the certificate of entitlement for those who were part of the voluntary life insurance programme, which should be kept together with other important papers like wills, etc. and should one need to be obtained from the UN Insurance Section, despite system changes, a record could still be found. Other delegations thanked Marlena Arduo for this information which was not well known and stressed the importance of sharing this information with Member Associations who should find ways to communicate this important point to individual members and beneficiaries.

221. In reply to a query on how to contact the UN focal point on this issue, the email address given was [ASLI@UN.ORG](mailto:ASLI@UN.ORG).

222. The Presiding Officer thanked Marlene Arduo and AFICS/Philippines for this important presentation on life insurance and the information shared in this connection and in so doing the Council took note of the four reports.

### **Agenda item 8 – Communications and website**

223. The Chair of the Bureau Working Group, Odette Foudral, introduced two reports entitled Communications and Website (Council document 50/2021/D.8) and Summary results of request for inputs from Member Associations (Council document 50/2021/D.8.a). She reported that the Working Group focused, as a matter of priority, on the work to be done regarding revamping the website. A number of organizations were contacted with a view to identifying possible web designers. Seven people were contacted and invited to express their interest in undertaking the assignment. As a result, three web designers responded with an expression of interest and proposals were currently under review. However, she said that the selection could not be made as the three proposals were quite different in their outlook and content and therefore the Working Group would request more details.

224. On the issue of communications, Member Associations were contacted by the President of FAFICS to ascertain expectations of Associations and the responses received were found in document 50/2021D.8.a which is a summary of inputs from Member Associations.

225. Many delegates participated in the discussion that followed stating that the website must contain up to date information on matters of interest to all UN retirees. Some requested that the site be available in English, French and Spanish. Many offered advice as to how they were able to set up their own websites thanks to recent retirees that were brought in for such a purpose.

226. AFICS/Argentina offered the following points

- The new website should contain **up-to-date information on matters of interest to all UN retirees in the world**, with a link to each topic on the UNJSPF website (regarding pensions, entitlement certificate, digital certificate, survivors, authentications, options for beneficiaries, among others), and with direct updated information on ASHI, Emergency Fund, and other direct services FAFICS offers.
- It must be in at least **three languages: English, French and Spanish**.
- There should be a section of *Frequently Asked Questions*, with guidance for each of them.
- It should inform about news of the different member associations, with direct links to the publications and websites of each one of them.
- Should contain an updated Directory, not with personal but institutional email addresses, including FAFICS and member Associations.

- Facebook and Twitter could facilitate communication back and forth, from retirees and associations with FAFICS.
- Information on meetings of the Pension Board, FAFICS Bureau, and FAFICS Council, should be presented in full and in three languages (if possible), before each meeting, with documents and agendas, and afterwards with the presentations and reports.
- To be able to keep it updated, and with a friendly and attractive design, the website must have an **adequate budget**, with those responsible for maintenance. The website is the fundamental link between FAFICS and the Member Associations, and through them, with all UN retirees around the world. Currently, and possibly increasingly, this virtual link would become the fundamental one.
- To achieve this, an adequate budget is needed, a technical manager and one or more responsible for design, layout and selection of content, including the translations.

227. AFICS/Canada offered to give a demonstration of their new website. Another delegation suggested that focal points from each association be identified to help the Working Group with all the suggestions and to provide their expertise that they already gleaned from setting up their own individual websites. The issue of translations was debated with some saying that there would be a need for a committed group of volunteers and others saying that a software programme could be the answer. Many requested the FAFICS website be linked to Member Associations. In that way, FAFICS could attract new associations and be more relevant to the others.

228. The Chair of the Working Group was very impressed by all the comments, suggestions and interest in these two items. She noted that everyone seemed to be interested in improving communications, but the website was not enough, a good communications strategy was needed as well. She called on the European AFICS Associations to provide their written comments as they had not yet done so, but she had heard such good ideas and suggestions from them in this discussion and in this regard the deadline would be extended. She did note that if the Working Group were to implement all the comments and suggestions heard today that would require someone who could work twenty-four hours a day every day. She said that FAFICS by itself was only FAFICS, but what was needed was a link to all associations which then would link to active staff which would give visibility to local associations. She also hoped that there would be some good news from UNFCU which would help in modernizing the website, but resources should not be the main goal, results should. Through results FAFICS would become the hub of information and the link between local associations, active staff, and retirees.

229. In closing the discussion on this item, the President referred to a comment concerning the identification of responsibilities of Vice-Presidents and added as there was a new Bureau, these responsibilities would now need to be realigned and that would be accomplished by the newly established workplans which was the framework for all the activities of FAFICS.

230. As regards the discussion on communications and the website he reminded the Council that the focus should not just be on the website but, more importantly, on strategic communications, that is, the needs of the target audience with emphasis on the future not constantly reporting on past activities. It would be in this way that FAFICS would be seen as relevant, interesting, and involved.

### **Agenda item 9 - Administrative and financial questions**

231. Before reporting on this agenda item, Wolfgang Milzow, the current Treasurer, said that this would be the ninth time he would be presenting the accounts to FAFICS. It had been a rewarding time and thanked all the Presidents and Secretaries that he worked closely with for their support and understanding. He regretted that he could not say thanks to everyone personally but due to the pandemic he could only do so virtually.

## **Agenda item 9 (a) Report of the Auditors for the accounts 2020**

### **Council document 50/2021/D.9.a**

232. The Treasurer begin his introduction of Council document 50/2021/D.9.a, stating that the amounts in receivable stood at around \$6,000 and was a number that was difficult to reduce. He also said that the auditors were not standing for election this year, even though, he tried to convince them otherwise. They said as long serving auditors of FAFICS it would be a good time to step down. However, the auditors asked that their concern about their recommendation to write off the receivables, that was not acted on by the Bureau, was a concern for them. This outstanding amount was the result of non-payment by Member Organizations' outstanding contributions. However, one delegation brought the attention of the Council to the fact that the fees while small for some associations were for newly created associations and perhaps, they just did not have the resources to make their contributions.

233. In the discussion that ensued many delegates were concerned by the situation of the receivables. It was important to follow the recommendations of the auditors. and to do so otherwise was not in the interest of FAFICS. With this amount increasing each year something had to be done to follow the auditors' recommendations. Some questioned whether this was the reason behind their relinquishing of their position. Other delegates expressed the idea that with current savings in the accounts why could this not be used to help those small associations unable to pay or help others to create their own website. Others hoped that the Secretariat was doing enough to research why payments were not being made. And one delegate suggested that guidelines should be developed on the issue of outstanding contributions and then write-offs could be carefully considered and documented in the accounts of FAFICS for fully transparency.

234. Since the auditors reported that the financial accounts were correct and that the report gave a fair and true view of FAFICS finances in 2020, **the Council approved the 2020 balance sheet and the income and expenditure statement by acclamation.**

## **Agenda item 9 (b) - Interim Report on the management of the budget for 2021**

### **Council document 50/2021/D.9. Rev.1**

235. The Treasurer reported that for the current year (2021) the finances were not that different from the previous year. Income for this year was budgeted at \$37,250 and to date \$34,590 had been received which was 90% of the total expected, consisting mainly of contributions. Planned expenditures were \$37,250, but currently at only \$109. However, other expenditures would still be forthcoming. Currently, there was \$130,000 available and another \$10,000 in income was expected from UNFCU.

## **Agenda item 9 © - Proposed budget for 2022**

### **Council document 50/2021/D.9.d.Rev.1**

236. The proposed budget for 2022, found in document, 50/2021/D.9.d.Rev.1, as reported by the Treasurer was difficult to develop in the current environment of the coronavirus, so the same assessments and budget lines were used based on prior years' experience, i.e. before Covid. It was noted that, with the move to more virtual meetings, more flexibility could be built into the budget. This should help to cope with all unknowns as noted in para. 17. The Treasurer brought Council's attention to para. 10 regarding co-funding of travel of Council delegations which was a



new budget line. The Treasurer thought that it might be difficult for Council to accept such vague budget estimates, but it was the best way forward at this difficult time.

237. The delegate of AFICS/Argentina began the discussion by asking for a reconsideration of the proposed budget in light of the change in the travel costs and offered a new set of allocations. Other delegates concurred with revisions to the proposed budget but continued their focus on the travel line which should be allocated for officers but not those whose focus was on one item only. Their full-time presence at meetings was not warranted. Also, some delegates questioned FAFICS dependency on UNFCU's contribution.

238. As the debate continued the discussion veered into setting up reserve funds with the funds currently available which could be used to assist new associations with their legal costs, assistance in helping new associations attend Council meetings or helping them pay off past due contributions. It was also suggested that the budget was not aligned with the newly created workplans and that should be reviewed as well.

239. The Presiding Officer said that the new Bureau could review all of these suggestions, but in order for them to start work, they would need some sort of budget outline and recommended that the proposed budget be approved but with reservations until the proposed revised allocations of AFICS/Argentina could be reviewed and other suggestions discussed. He proposed then that the Council approve the budget with reservations. One delegate suggested that there be a time frame of one or two months to review the revised budget proposals.

**240. The Council provisionally approved the budget for 2022 with the expectation that a revised budget, after consultations with the Bureau, would be circulated to the Council Members within a period of one or two months from the closing of this 50th Council session.**

#### **Agenda item 9 (d) – Appointment of the Auditors**

241. As regards the situation of the appointment of auditors and in light of the previous discussion on this item one of the Vice-Presidents said that a candidate had been identified and he was the other candidate put forward for treasurer - Mr. Ramanathan Ambi Sundaram.

242. The President, in recognizing that it was difficult to find auditors, suggested the Council agree to the appointment of Ramanathan Sundaram as one auditor and continue to look for another.

**243. The Council approved and appointed one auditor - Mr. Ramanathan Ambi Sundaram - and requested the Bureau to continue to look for other candidates whose credentials could be reviewed by circulation to all Council members for final approval.**

#### **Agenda items 10 and 13 – Revision to the Rules of Procedure (Con't) and Other business**

244. One delegate requested the Presiding Officer to not move ahead with the next agenda item – appointment of FAFICS representatives on the Pension Board and other Bodies in 2022 – until the Revisions of the Rules of Procedure were brought back to the table, as it was previously suggested, under agenda item 10 – Other Business.

245. The President agreed that it was perhaps the best way forward to continue with the discussion on the Rules of Procedure because if names were put forward for the delegation to the Pension Board now and then it was decided to move to elections it could be an embarrassment for all and not the best action to take at this time. While he said this might seem like a delaying

technique, in reality there could be a Council session during the first ten days of March 2022, after the meeting of the Pension Board in 2022, and the issues, the rules of procedure and the delegation could all be determined. He then proposed to review the summary of discussion and consensus points that was prepared by the Rapporteur.

246. It was decided to review the summary as requested by Council and prepared by the Rapporteur (Annex 9). The Presiding Officer reviewed each paragraph and changes were prescribed for paras. 3 and 6.

247. A question was raised as to the names the Chair had on his list for the expanded Working Group. The Chair provided the following information:

- |                   |                   |                               |
|-------------------|-------------------|-------------------------------|
| • Jennifer Ashton | AAFICS/Australia  | agreed to serve               |
| • Juan Casas      | AFICS/Panama      | agreed to serve               |
| • Edmund Ortega   | AFICS/Philippines | agreed to serve               |
| • Roger England   | BAFUNCS/UK        | interested but no contact yet |
| • Michael Atchia  | AFICS/Mauritius   | agreed to serve               |
| • Tesla Teshome   | AFICS/Ethiopia    | not yet confirmed             |

248. The discussion continued with many requesting revisions to certain paragraphs of the summary imposing certain points that were more of future wishes than an actual mandate. However, in the end, the President stated that while there was a sense of importance to impose a deadline the Council must let them do their work.

249. The Chair stated that Council was sovereign, but it would be his intention to continue the work of the Working Group and to consider the proposals that had already been put forward and to work on the items that were omitted by the Working Group, including the code of conduct and procedures for naming the delegation to the Pension Board. He urged the Council to not reopen items that had already reached consensus by the Working Group, and which were already in front of the Council otherwise it would be impossible to reopen everything and be ready for February or so. The focus of work would be on the issues raised by the Council during this session including all the proposals submitted during the session and the two omitted items, which was the procedure for determination of the delegation to the Pension Board and items where there was no consensus.

250. As the discussion continued, it was finally agreed that a target date of the end of the year would allow for latitude and not imposition, The Chair said that the Working Group would continue to work hard with this date in mind.

251. With the discussion concluded, **Council approved the summary of conclusions as revised and found in annex 9.**

## **Agenda item 10. Other Business**

### **Granting of Emeritus title**

252. The Presiding Officer and President introduced the subject of naming of emeritus members. This subject had recently been a subject of discussion in the Bureau which recognized the need to designing some policy guidelines on this matter with a view to avoiding proliferation. Nevertheless, the President requested the Council to approve the granting of the emeritus title to Tedla Teshome of AFICS/Ethiopia. The Council approved and Tedla Teshome gratefully spoke of the honour he felt in receiving this title.

253. One delegate brought the Council's attention to another name that he wanted to put forward for the emeritus title and that was for Mr. S.Janikarim, a former UNESCO staff member.

He had been one of the pillars of FAFICS since 2000 and he deserved the emeritus honour for the years of hard work and dedication to FAFICS.

254. The Council fully supported this recommendation and approved the granting of the emeritus title to Mr. S. Janikarim.

#### **Tribute to Johannes Wortel**

255. A moment of silence was held in honour of Johannes Wortel, former President of AFICS/Mexico, who passed away on 4 July 2020. He did much in the way of initiatives for travel for those associations who had difficulty in participating in meetings. Condolences would be sent to his family through AFICS/Mexico.

#### **Thanks to Pierre Sayour and Wolfgang Milzow**

256. Further thanks and appreciation for the dedication to FAFICS were offered for the outgoing Secretary, Pierre Sayour, and Treasurer Wolfgang Milzow. The President added that he enjoyed working with Pierre even despite some disagreements on issues, they always managed a laugh. Their loyalty and commitment to FAFICS was shown time and again and their hard work would leave a legacy that would be hard to replicate.

#### **Special Advisors**

257. The President proposed two special advisors for the period up to March 2022. The first one was Warren Sach for investment issues and the second one was Linda Saputelli for matters of the Pension Board, especially budgets, and for the work to be done on behalf of the retirees from the former-USSR, Ukrainian SSR and Byelorussian SSR.

#### **Formal request to create priority programme**

258. One delegate proposed that for those many retirees who do not have a local association to belong to, the Bureau should create, as a matter of priority, a policy on developing new associations. Such outreach would go a long way to help fellow colleagues who are unable to be part of an association and the greater federation of FAFICS.

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

259. The President thanked the Council and all colleagues joined together to thank the Presiding Office, Marashetty Seenappa, for the wonderful job he did in presiding over the session and keeping the meetings moving forward. In thanking everyone, the President noted that even though the Council did not discuss some of the substantive issues like the Rules of Procedure, progress was made, and changes would be occurring by the end of the year and beginning of next year. He also noted that proposals under item 8 (date, place, and mode of meeting) had been extensively discussed, but was left open. He imagined that the next session would still be a virtual one but hoped that by next year the Council could meet once again in person and as the Pension Board would be having two virtual sessions in 2022 followed by an in-person meeting, FAFICS may wish to follow this pattern as well.

260. The Presiding Officer thanked in advance the work of the Rapporteur and asked for a round of applause for her work on the report.

261. Before the session concluded AFICS/Japan reminded the Council of the opening of the Olympics scheduled to start at the end of the current week and asked all FAFICS members to support the Olympic games being held in her home country during the coronavirus pandemic.

262. **The Presiding Officer declared the 50<sup>th</sup> Council session closed at 6.07 CET.**

**Appendix 1**  
**List of Participants**

<b>Title</b>		<b>Name</b>
President		Marco Breschi
Presiding Officer		Marashetty Seenappa
Secretary		Pierre Sayour
Treasurer		Wolfgang Milzow
Rapporteur		Nancy Hurtz-Soyka
NB. Attendance limited to 3 participants per delegation on a given day.		
<b>Association</b>	<b>Country / City</b>	<b>Name</b>
<b>AAFI-AFICS</b>	Geneva	Samuel Mbele-Mbong
		Jean-Paul Menu
		Barbara Fontaine
		Abdulaye Diallo
		François Kientzler
<b>AAFIB</b>	Brazil	Maria Angelica Gomez
		Jacques Schwarzstein
		Giovanni Quaglia
<b>AAFICS</b>	Australia	Jennifer Ashton
		Mary Johnson
<b>AAFNU-BF</b>	Burkina Faso	Azara Bamba Louguet
		Leonard Tapsoba
		Julien Daboue
<b>AAFNU-N</b>	Niger	Ari Toubou Ibrahim
		Amadou Maiga
		Jean-Marie Trapsida
<b>AAFU/AFUS</b>	Paris	Georges Kutukdjian
		Jacques Rao
		Josiane Taillefer
<b>AEFNUP</b>	Peru	Amalia Pecos Oroza de Cuba
		Rosario Guevara
		Haydée Olcese
<b>AEFSNU-AFICS</b>	Ecuador	Ximena Andrade
<b>AFICS</b>	Addis Ababa	Tedla Teshome
		Ayele Afework
	Argentina	Mirta Roses

		Isabel Kantor
		Alejandro Henning
		Tony Pages
	Chile	Adriana Gomez Saguez
		Diane Almeras
		Mario La Fuente
	Japan	Junko Sato
		Noriko Nagayoshi
	Mauritius, Seychelles, Comoros	Michael Atchia
	Myanmar	Kyi Kyi Nein
		Kathleen Khin San Aye
		Nyunt Nyunt Yi
	Netherlands	Lucien Bäck
		Kees Tuinenburg
	New York	John Dietz
		Deborah Landey
		Jayantilal Karia
	Panama	Juan Antonio Casas-Zamora
		Miguel Cuellar
		Carlos Santos Tejada
		Nancy Andrade Castro
	Philippines	Edmundo Ortega
		Marlene Arduo
		Ruth Batten
		Delia Barcelona
	Sri Lanka	Nimal Hettiaratchy
		Tilas Dias Abeysinghe
		George Anthony Michael
	Uruguay	Jan Steverlink
		Gustavo Casas
		Annie Bourgeois
<b>AFIJUB</b>	Spain	Angel Escudero de Paz
<b>ANFNU</b>	Madagascar	Farah Juliette Razafiarisoa
<b>AFPNU</b>	México	Adriana Romero
		Maria Luz Diaz-Marta

<b>AFUNO</b>	New Zealand	Gillian Mellsoy
		Doug Higgins
		Andrew Bruce
<b>AFUNPI</b>	India	Marashetty Seenappa
		Nanjundappa Srinivasan
		Magdalene Chand
<b>AFUNSOB</b>	Bangladesh	Kazi Ali Reza
		Ahmed Hussain
		Tim Nurunabbi Khan
<b>AMAFINU</b>	Mali	Bokar Touré
		Mariam Coulibaly
<b>APEFONU/AFICS</b>	Paraguay	Luis Talavera
		Fabio Arrua
		Carolina Pedro
<b>APNU</b>	Costa Rica	Jorge Rivera
		Enrique Bru
		Yves de la Goublaye de Menorval
		Carol Vlassof
		Hilda Monge
<b>ARCISA</b>	Vienna	Jerry Barton
		Elisabeth Swaton
		Manijeh Torabi
<b>ASAFI</b>	Senegal	Abdou Khadre Diakhate
		Djibril Ndiaye
<b>ASOPENUC</b>	Colombia	Helene Hasselbalch
		Jorge Rincon Mantilla
		Enita Zirniz
<b>BAFUNCS</b>	United Kingdom	Claudine Pichon
		Alnoor Nathoo
<b>CAFICS/ACAFI</b>	Montreal	Jacques Daoust
		Nayiri Dolabian
		Roy Croxen
<b>FFOA</b>	Rome	Edward Seidler
		Alan Prien
		Angelika Wolf
		Mariam Ahmed
		Marius Gaay Fortman
<b>IAFICS</b>	Israel	Michael Suess

<b>PAFICS</b>	Pakistan	Shahida Fazil
		Shabbir Ahmed
		Dil Nawaz Khan
<b>RUNSAN</b>	Nepal	Bhai Raja Shakya
		Narenda P. Shrestha
		Prem B. Shrestha
<b>Title</b>		<b>Name</b>
<b>President emeritus</b>		Andrés Castellanos del Corral
<b>President emerita</b>		Linda Saputelli
<b>Secretary emeritus</b>		Jay Sundaresan
<b>Assistant secretary emerita</b>		Lydia Ontal
<b>ExOfficio Bureau members</b>		Werner Blenk
		Odette Foudral
<b>Standing Committees</b>		Gerhard Schramek
		Warren Sach
		Katia Chestopalov
<b>Pension Board Representative</b>		Mohammed Sebti
<b>Polling officer</b>		Véronique Whalen

## **Appendix 2 Agenda**

1. Adoption of the Agenda
2. Election of the Presiding Officer and the Rapporteur
3. Tribute to the late Makane Faye
4. Report of the President
5. Pension issues
  - (a) Update on Pension Board matters, including the Emergency Fund, Pension Adjustment System, Disability Benefit and Working Group on Governance
  - (b) Situation of the former UNJSPF participants in the former USSR, Ukrainian SSR and Byelorussian SSR
6. Presentation by the Chief Executive of the Pension Administration (CEPA) and the Representative of the Secretary-General on the investment of the assets of the UNJSPF (RSG) and the Secretary of the Pension Board
7. After-Service Health Insurance (ASHI)
  - (a) Update on After-Service Health Insurance (ASHI)
  - (b) Update on Covid-19
  - (c) Philippines – Effects of the ASLI switch of the UN Group Insurance from AETNA to The Hartford in June 2020
8. Communications and website
9. Administrative and financial questions
  - (a) Report of the Auditors for the accounts ending 2020
  - (b) Interim report on the management of the budget for 2021
  - (c) Membership dues
  - (d) Proposed budget for 2022
  - (e) Appointment of the Auditors
10. Revision of the Rules of Procedure – report of the Working Group
11. Elections and Appointments – FAFICS Officers
12. Date, place and mode (virtual, in-person or hybrid session) of the 51<sup>st</sup> session of the Council
13. Other Business



## Appendix 3

### List of documents

#### Pre-session documents (D series)

Council 50/2021/D.1.rev.3	Provisional agenda
Council 50/2021/D.3	Tribute to the late Makane Faye
Council 50/2021/D.4	Report of the President
Council 50/2021/D.5.a	Status Report on the Emergency Fund
Council 50/2021/D.5.b	Application of paragraph 26 of the Pension Adjustment System
Council 50/2021/D.5.c	Disability Benefit – Application of Article 33
Council 50/2021/D.5.d	Report of the Governance Working Group
Council 50/2021/D.7.a	Update on After-Service Health Insurance (ASHI)
Council 50/2021/D.7.b	Update on Covid-19
Council 50/2021/D.7.c	Note from AFICS/Philippines on Life Insurance
Council 50/2021/D.7.c.2	Note from AFICS/Philippines on the Free UN After-Service Life Insurance
Council 50/2021/D.7.c.2/Rev.Annex	Presentation from AFICS/Philippines on the Free UN Life Insurance
Council 50/2021/D.8	Communications and website
Council 50/2021/D.8.a	Communications and website: Summary results of Requests for inputs from Member Associations
Council 50/2021/D.9.a	Report of the Auditors
Council 50/2021/D.9.a.An.1	Statement of income and expenditure for the year ended 31 December 2020
Council 50/2021/D.9.Rev.1	Proposed budget for the year 2022
Council 50/2021/D.10	Revision of the Rules of Procedure; Report of the Working Group
Council 50/2021/D.10.a	Revision of the Rules of Procedure; Document from AFICS/Panama
Council 50/2021/D.11.a.Rev.4	Election of Officers; Candidates nominated for Election to the Officers of the Federation
Council 50/2021/D.11.b	Elections and Appointment: Appointments of FAFICS representatives on the Pension Board and other bodies in 2022

**Appendix 4**  
**Tribute to the late Makane Faye**

Dakar, 15 July 2021

CONTRIBUTIONS ASAFI SENEGAL  
REPRESENTED BY MR ABDOU KHADRE DIAKHATE  
SECRETARY GENERAL  
AND MR DJIBRIL NDIAYE, SG IN CHARGE OF COMMUNICATION  
AT THE 50th SESSION OF FAAFI

Mr. President,  
Members of the Board of Directors,  
Honorable members and dear colleagues,

We would have failed in all the conveniences of benevolence if we were to remain insensitive for the opportunity that you give us to participate in this extraordinary virtual meeting marking the 50<sup>th</sup> Session of the FAFICS.

Thus, on behalf of the Vice-President of the Senegalese Association of Former International Civil Servants (ASAFI) Mrs. Awa Thiongane, who is unable to attend, and whom we represent as Secretary General, accompanied by my colleague Mr. Djibril Ndiaye, in charge of communication, we would like to express here the happiness and satisfaction of participating in these meetings, but also to express to you the satisfaction of an entire association for the tribute you have paid to its President Makane Faye.

We also bow to the memory of five other colleagues who have passed away in addition to Makane over the past three years.

Makane was a professional who always excelled in excellence and who had also rendered immense services to his professional family. After serving his country at the Délégation à la recherche scientifique et technique, Makane distinguished himself at the international level by his competence, his responsibility and his unparalleled self-sacrifice.

He has, in particular, left an indelible mark on his time at the United Nations Economic Commission for Africa, which he joined in November 1998, as head of the Knowledge and Library Services Section, moving on to various other departments until his retirement in April 2016.

Right after his election as head of our association in October 2016, he unfolded his roadmap with our membership in FAAFI as his first goal.

And it is on this, that we came as SG to defend our application and participate in the 46th summit held in Vienna in 2017.

And it is the occasion for us to pay here a vibrant homage to our late Adama Pierre Traoré from Burkina Faso who had spared no effort to make our candidature succeed.

The combined efforts of Makane and Adama associated with other goodwill of some associations had resulted in the acceptance of the application of ASAFI SENEGAL as the 60<sup>th</sup> member of FAAFI in this memorable day of July 18, 2017 at 09:48 minutes exactly in Vienna.

We came back in 2018 again but this time with President Makane to attend together the 47th Session in Rome, Italy.

This is to tell you Mr. President, the importance we attach to the work and success of FAFICS.

Mr. President, we would first like to salute your leadership through the vision you have for the well-being of our United Nations retirees.

The spirit of excellence that has always prevailed among the participants is to be commended and perpetuated. As you all know, retirement should be a positive constancy and one should refuse to stand still.

It is about maintaining independence and control over one's life. Financial security and good health are essential to maintain this independence.

The retiree must make his or her health his or her priesthood and that is why we would like to salute and encourage the rich and useful work of the ASHIL Commission Experts who have done a remarkable job.

Today, our will is to raise, maintain and improve the objectives of our late President but also to accompany and contribute to the challenges set by FAAFI.

We remind you our promises of 2017 namely, to give us body and soul to achieve with you the goals of our corporation.

The massification of our association continues and we currently register 85 members against 50 last year.

We wish all the participants good exchanges during this 50th Session and hope that all the decisions that will come out of it, will be beneficial and useful for our dear FAAFI.

Thank you for your kind attention.

## Appendix 5

### Report of the President – Mr. Martin Breschi

Dear Colleagues it is again a great pleasure to convene, albeit virtually, for what we should regard as the main event in the life of our Federation, the Council. This session is a very special one marking a crucial crossroad full of challenges and promise, the 50th session! We could ask ourselves why not organizing a special celebration like others have done this year and the previous one. I would say not this time but let's commit ourselves for a meaningful not expensive anniversary, at the next in-person occasion. Perhaps July next year? It's a hope and a promise.

In the next few days we will review and debate a number of subjects of great importance for all of us in the Federation and in all the 63 country associations. It will be as usual a lively exchange of views and confrontation of differing positions, sometimes very significantly. Our system has been conducive for the past 50 years of producing effective and positive outcomes. Today, thanks to our democratic and inclusive governance structure, rules and practices, and equally important the good work conducted by generations of colleagues before us, our Federation is a respected and influential organization that solicits the appreciation and esteem of key players within the UN Pension System and the retiree community at large. A small complement of detractors, less and less influential in their derogatory campaigns, continues to try and undermine us with no success. Our officers in the front line continue to remain vigilant and all of us should continue to ignore preposterous, gratuitous and false accusations we receive in the social media. As I said several times before, we should remain en garde but raise above and avoid responding in the net. Our battle field is the institutional camp where our analysis, studies, positions and proposals will continue to speak for us and constitute our sole response.

For the second time in a row, I have to refer to one of our esteemed colleagues in the Bureau, Mr Makane Faye whose tragic demise came as a sudden loss for all of us. Makane was admired for his commitment to the good of the Federation and I wish to reassure you that the Bureau has taken upon itself the continuation of his plans of action.

In this 50th Anniversary, we should be grateful to those that came before us, I won't mention any names here, but you know that a good number of them is present in this virtual room today. A wholehearted thank you colleagues for your exemplary conduct based on cooperation with one another, good intentions and goodwill, harmony, professionalism and friendship in conducting our business always placing the overall interest of the Federation over and above all, leaving aside personal ambition and goals. My wish is that we will demonstrate to be able to continue in this avenue.

In this vein, I have asked very qualified colleagues, with solid knowledge and experience to be Presiding Officer and Rapporteur of this Council session. I am grateful for your endorsement of my proposals which, I am convinced, will bring to a successful conclusion of our meeting and a proper record of our debate. Our main challenge for the Presiding Officer will be sponsoring and encouraging team work.

In December last year, we set up the start of a new era of virtual FAFICS meetings which were very unusual for most of us certainly as a way of conducting our business if not on a personal basis where we became used to distance communication tools (ZOOM, TEAMS) to connect with family and friends. One could say that a positive effect of the pandemic has been to force us into the use of technology. After a period of a few months in which we debated if it was better to

postpone the Council or to venture into the unknown field of virtual meetings and more importantly, virtual elections, we finally and wisely decided to go electronic. It was a long process, some of you complained that it took too long to decide but I wanted to make sure that all voices were heard and all solutions carefully reviewed and evaluated. I think we can now say that the outcome has been a positive one.

Of course, we all remain convinced that nothing can be better than face-to-face contact especially when dealing with difficult technical or political subjects. To this end, I will encourage for the future a new hybrid solution made of a combination of at least one main in-person event every year and possibly one or two short ad-hoc virtual sessions if and when necessary. This scenario will go along with possible similar developments in the Pension Board. You will hear later about this.

I would like now to turn to the Bureau and its shorter than usual life this year. With the first operational meeting last January, this office has had a life of less than eight months. Yet we managed to create unity between the cadre of newly elected officers and the permanent members and special advisers. An harmonious and collaborative atmosphere was the norm in Bureau meetings. Indeed, it was a very productive atmosphere as you will be able to appreciate during the debate in the next few days. For the first time in FAFICS history, and thanks to the newly introduced technology, the Bureau met very frequently almost by weekly at times. We have been setting up new trends which will remain with us as a new way of working as a team, which, as you will see later, will match usefully with the new patterns of the Pension Board reflecting a better use of technology.

I am proud to mention some of the major accomplishments of which you will hear in more detail by the protagonists of the projects.

The Bureau has finally addressed the need to improve its communication strategy and capabilities, to this end, a working group was created internally to focus on an action plan comprising the identification of a professional web designer and a content manager to enhance our web page and better define our communication targets. Terms of reference were designed and approved and a search was launched both internally and externally. The Bureau decided to consult Afics associations who were successful in developing new communication strategy and in particular managed to significantly enhance their web page and in general communication tools. Some cost will be involved in this project and you will hear later directly from the Chair of the working group, Ms Odette Foudral, about the future steps.

For the first time in our history, the Bureau has launched a new internal mechanism to plan its work, assign responsibilities to individual Vice-Presidents, establish some way of monitoring performance linked to results. A new workplan has been created linked to budget and results monitoring. It is a new field which we venture cognizant of the fact that we are not a major corporation but rather a small volunteer not-for-profit association. This new venture is on a trial basis, the current Bureau did not have much time to put it at test but it is proud of passing the tool to the new Bureau and we seek your endorsement.

Among the most prominent subjects for review, Council will hear about the significant progress made by the Governance Working Group of the Pension Board directly from our esteemed colleagues who are permanent and respected members of this working group, Gerhard Schramek and Warren Sach. They will not be able to disclose all the details as they are still under obligation of confidentiality but they will be able to give us the sense of what the Pension Board will most likely conclude and propose to the UN General Assembly. I leave it to them to enlighten us on the subject.

Other important working groups and committees of the Pension Board include the Succession Planning Committee which, after completion of the recruitment of the CEPA, the deputy CEPA and

the new Pension Board Secretary, devoted its attention to the development of a new evaluation methodology for these managerial figures. Warren Sach and I continued to be the representatives of FAFICS in this Committee. The proposals will be reviewed by the Board and we will soon hear the outcome.

Another key area of work is carried out by the Budget Working Group, likely to be upgraded to committee, in which our representatives are Linda Saputelli and Adriana Gomez. As some of the Pension Fund detractors are part of this group, the work was not facilitated and reaching meaningful and constructive conclusions was problematic. In the end we hear that the group will go with positive recommendations to the Board regarding the budget proposals made by the Fund.

Finally, other committees in which FAFICS is represented include, FSALM previously known as the Asset and Liabilities Committee which continues in its crucial role of providing reassurance on the financial health of the Fund by performing comparative analysis of its Assets and Liabilities,

Lastly, I am the representative of FAFICS in the Audit Committee and while I have just started afresh at the end of last year, I intend to reinforce our role in this vital control mechanism. I have only participated in virtual meetings in my first six months but we hope to be able to resume in-person discussions fairly soon. This Committee reviews regularly the financial situation of the Fund, examines the annual financial reports and the audit opinion thereon. It also reviews the Audit Plan of Work of the Office of Internal Oversight Services (OIOS) and receives updates from both the internal audit function (OIOS) and the External Auditors. We were satisfied of the unqualified opinion that the Fund receives on its accounts and on the statement of Internal Control. Some improvements were identified in this area and debated in the meeting. In particular the Committee reviewed with the external auditors the need to provide the Pension Board more time to review the audited accounts which usually reach the Board at the very last minute. A report by the Audit Committee is going to the Pension Board together with the Committee's self-evaluation.

To conclude, I would like to stress the wide presence of FAFICS in the ongoing work of the Pension Board, its very positive impact on its committees throughout the year not only in the one week when the Plenary meets. FAFICS puts together a tremendous amount of work and its ability to influence solicits appreciation, and sometimes jealousy.

Another subject of paramount importance for the Federation is the revision of its Rules of Procedures. As you know a dedicated working group comprising a wide spectrum of officers designated by associations from all regions, has been working extensively on the subject and a first, significant round of recommendations was presented to the Bureau in its last in-person meeting in Paris in February last year. The recommendations of the Bureau could not be presented to Council last year as it was felt that an in-person session would be more appropriate for a difficult technical subject like this. Since then, the working group, chaired by Jerry Barton President of ARICSA has further analyzed matters of significance also with the assistance of new members of the w/g and managed to reach consensus on many of them. You will hear from the Chair about progress made since last year.

My role in this regard was to overview the process and ensure inclusion and comprehensiveness. I did so by facilitating the entry of additional officers from the Americas and it is gratifying to see that even this enlarged group managed to reach consensus on a wide scale. In the same spirit, I have accepted the presentation of last-minute contributions outside the framework of what was accomplished by the body appointed for this purpose. However, I do not encourage the duplication of work that a detail analysis of the extra-institutional initiative will entail. We simply do not have time for this and I encourage Council to focus on the work presented by its Bureau. Why should we not do so? For the good of the Federation or else only for individual convenience. I leave the judgement to you.

A significant development took place in the administration of the Fund this year. I refer to the implementation of the digital Certificate of Entitlement. The first thing I'd like to say in this regard is that transition to the new system is purely on a voluntary basis and the Pension Fund is committed to keep alive the traditional paper-based certification of existence in life for all UN retirees who choose it. Accordingly, there is no need to panic. I have obtained personal reassurance by the CEPA, Ms Rosemarie MacClean, that the manual process will remain and during Council there will be an opportunity for you to ask questions in this regard.

What are the advantages and disadvantages of this new system? The one and only disadvantage will be that IT unsavvy retirees like many of us are will have to learn a not-so-easy new electronic process, but I can tell you based on my personal experience, it is a lot of fun! There are many advantages for the Fund and indeed for us retirees, which will be able to simplify CE processes, save time, money and human resources. Advantages for ourselves will also include a safer and more reliable certification process. Lastly, this move from paper-based to digital processes meets fully with specific requirements by the Member Nations who expect modernization and automation of the administration of the Fund.

You will recall that at its last session the Council instructed me to write to the Secretary-General to solicit intervention by the UN and its Specialized Agencies providing Anti-COVID vaccination facilities in favor of UN retirees in countries where government programs were not readily available. I wrote to the Secretary-General along these lines adding the need to also reach out to non-UN retirees communities in countries where there was a clear need. We obtained reassurances in this regard and indeed we have seen that various international actions are being taken in this respect.

I am pleased to inform you that also the UN Pension Fund has taken upon itself to join in these concerted efforts and FAFICS was formally requested to be a key partner in coordination with our national associations. I am proud to say that our Chair of the ASHI Standing Committee, Mr Georges Kutukdjian President of AFICS Paris has bought in this initiative and together we will work to make FAFICS effective and relevant in these initiatives.

In the last few weeks as we were finalizing preparation for the upcoming session, it became apparent that we had difficulties in filling the positions of Secretary and Treasurer following resignations by both incumbents. Through an exceptional extension of the timeline for the nominations for the two positions, we have now received nominations to consider. An ad-hoc panel was set up to conduct interviews of the two candidates for the Treasurer position. As one of the nominee was unable to attend we can only appraise Council with regard to one candidate, Mr Romesh Muttukumar who was evaluated by the panel and found to be extremely well qualified and suitable for the job.

With regard to the candidate to the post of Secretary, Mr Jay Sundaresan, no interview took place as we all know Jay so well. Welcome back Jay!

I wish to extend our wholehearted thanks to the outgoing Secretary Mr Pierre Sayour for the excellent contribution to the administration of the Federation. Working together with Pierre was a real pleasure and I am going to miss him. Pierre indicated he will remain in service to see the conclusion of the works of the Council including finalization of the Report. We will work together with Pierre and Jay to ensure a smooth transition.

With regard to the outgoing Treasurer Mr Wolfgang Milzow, I have the pleasure to thank him on two counts. First for having served the Federation so well in the past several years stressing the fact that under his tenure we always had clean audited accounts without exception. Secondly for having volunteered to continue its work until the closure of the current year accounts. This not only

provides reassurance on the continuity of the job but also will provide an opportunity for a smooth transition with the new Treasurer. Thank you, Wolfgang.

In concluding my remarks, I would like to thank the Council for the understanding of the need to allow the current delegation to the Pension Board to conclude its work on the many outstanding matters under the Board's review and eventually presented to the General Assembly.



**Appendix 6**

**Presentation by Ms. Rosemarie McClean**

**Chief Executive of the Pension Fund Administration**



**UNJSPF**  
United Nations Joint  
Staff Pension Fund



**UNJSPF**  
United Nations Joint  
Staff Pension Fund

**Update on Pension  
Administration**

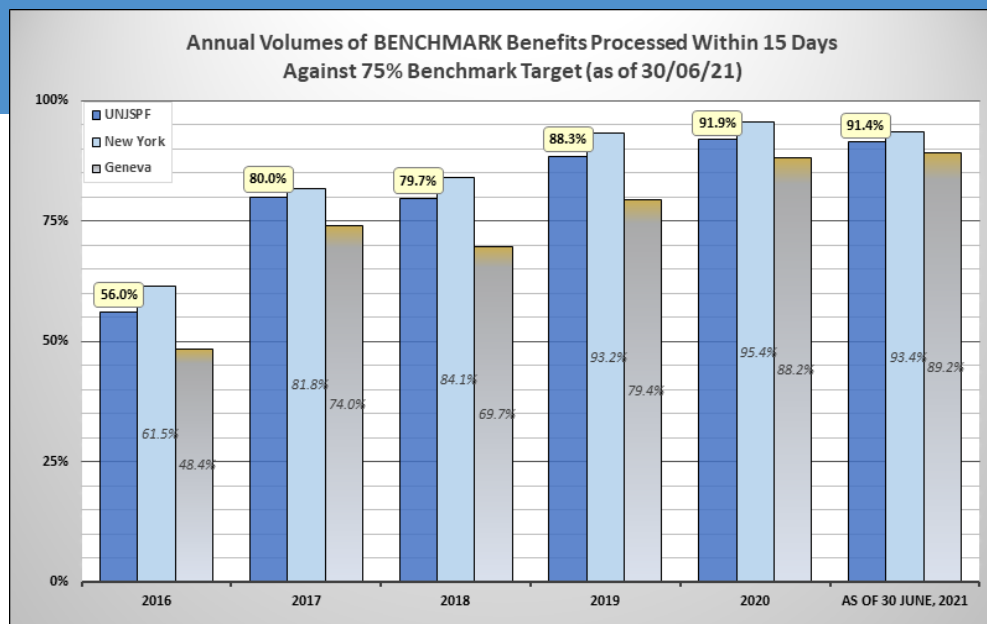
**Meeting with FAFICS  
16 July 2021**

**Rosemarie McClean, Chief Executive  
of Pension Administration**

## THE FUND'S PERFORMANCE IMPACT OF COVID-19

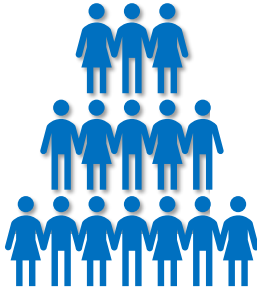
- All staff have been successfully working remotely since March 2020
- Performance maintained at a high level - 2020 best year ever – over 90% of new pension cases are processed within 15 business days of receipt of all documents; high performance has continued over the first months of 2021
- Pension payrolls have been processed and distributed on time
- The Fund has continued/initiated modernization initiatives

3



4

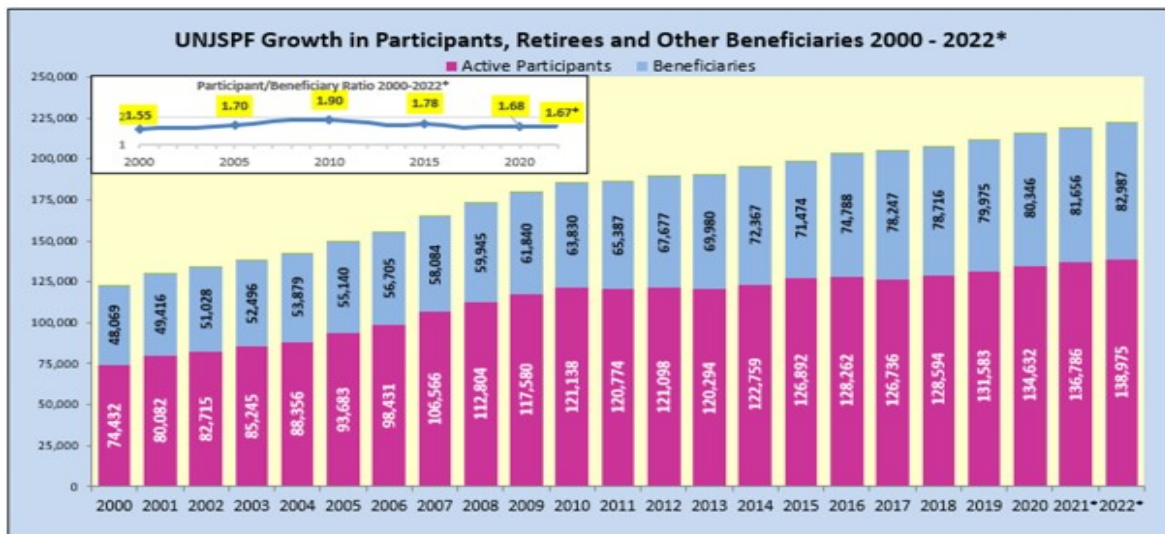
# The Fund is growing – 2020 figures



- 134,632 participants (+2.3% from 2019)
- 80,346 benefits in payment (+0.5% from 2019)
- USD \$2.8 billion of periodic benefits (\$2.7 billion in 2019)
- USD \$2.9 billion of contributions from employers and participants (\$2.7 billion in 2019)
- Value of the assets: USD \$ 81.5 billion as of 31 December 2020

5

# The Fund is growing - trends and projections



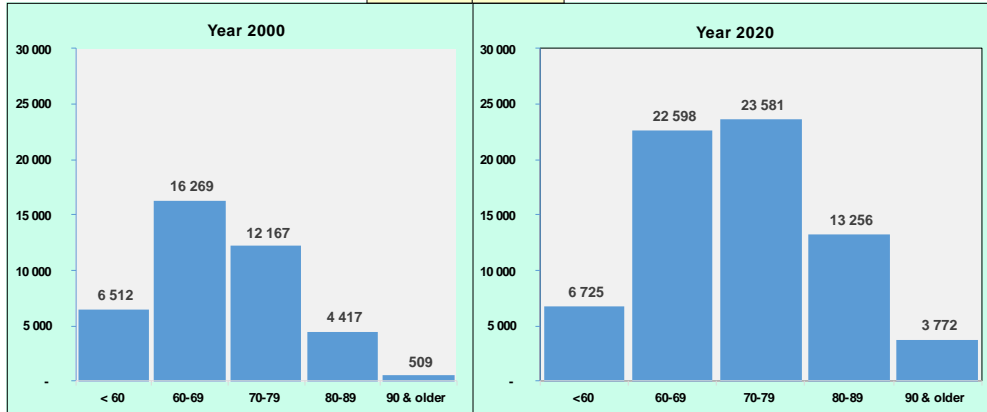
6

# Aging of Retirees/Other Beneficiaries (w/o Children) 2020 vs. 2000



UNJSPF  
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Staff Pension Fund

Age	% Change in Counts
<60	3%
60-69	39%
70-79	94%
80-89	200%
90 & older	641%



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# Pension Administration's Strategy 2021-2023



UNJSPF  
United Nations Joint  
Staff Pension Fund



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## Pillar 1: SIMPLIFY CLIENTS' EXPERIENCE (1/2)



- **The Fund is moving to becoming paperless**
  - E-transfer of separation documents from employing organizations operational since mid-2020
  - Upload functionality in Member Self-Service (MSS) enabled in December 2020 allowing participants, retirees and beneficiaries to submit documents to the Fund through MSS – 3,587 CE uploaded since December 2020
  - Launch of the **digital certificate of entitlement app** in January 2021; more than **11,000 requests** already received from retirees/beneficiaries, **4,000 DCE issued**

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## Pillar 1: SIMPLIFY CLIENTS' EXPERIENCE (2/2)



- **The Fund steps up its efforts to make pensions clearer**, working with the UN System Staff College (UNSSC) since December 2020 to develop e-learning modules for clients and member organizations, and with OIM to merge OIM and PA websites
- **The Fund expands its global presence** to better serve its clients worldwide, with the Bangkok liaison office operational since November 2020
- **New payment method** via UN treasury has been introduced to lower the cost of banking fees for beneficiaries/retirees in two pilot countries Chile and Peru

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## Pillar 2: MODERNISATION OF PENSION SERVICES



UNJSPF  
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Staff Pension Fund

- **Business transformation:** creation of a Business Transformation and Accountability Unit, a Data Analysis Unit (DAU) and a Project Management Function in January-February 2021
- **Strategic Development Framework** developed, new set of KPIs developed.
- **Staff learning and development strategy** developed with UNSSC in March 2021
- **New joint PA-OIM HR Strategy** adopted in June 2021.
- **New systems are being explored**, including a modern customer relationship management (CRM) system, a 2022 Budget priority

## Pillar 3: A STRONG, GLOBAL PARTNERSHIP



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- **External:** communication master calendar operational since February 2021, individual meetings with all SPCs, joint PA-OIM communication strategy being finalized based on input from stakeholders
- **Internal:** launch of **leadership culture assessment** initiative with the UNSSC in April 2021 to improve management practices based on a staff survey and workshops

# UN COVID-19 Vaccination Programme

## What we've done



Programme led by the UN rolled out in 105 countries to provide vaccines to retirees who are not covered by host country programme



The Fund uploaded data of more than 13,000 pre-registered retirees for which it had an email address



The Fund posted a web article about the program and responded to questions from local focal points



The Fund sent 8000+ registration emails (for the 60 countries in phase 1) & helped validate data of self-registered retirees

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# THE 2021 PENSION BOARD main items on the agenda

- **Governance**: Size and composition remain on the agenda and a complex issue.
- **2022 Budget proposal**: increase of +3.5% on Pension Administration side, to strengthen client services, especially in Geneva, and to invest in a new CRM
- **Actuarial matters**: the Board will be presented valuation methodology and actuarial assumptions for the 2021 actuarial valuation
- **Transfer agreements** with the European Investment Bank and European Investment Fund

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## 2022 Budget Priorities (1/2)



### Address the increase in workload

Anticipated increase in workload projected in 2022 due to post COVID catch-up effect, increase in plan membership and impact of the change in NRA from 62 to 65 years old



### Strengthen Client Services

Focus on strengthening Client Services through the redeployment of an existing D1, restructuring of Client Services in New York, and an increase in Client Services (P3 + 3 x GS) and Pension Entitlement Services (P-3 + 1 GS) in Geneva through the reassignment of finance resources



### Invest in a CRM system

Invest in a critically needed Customer Relationship Management system to improve reporting, to offer new channels of communication and to enable clients to track their interactions with the Fund

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## 2022 Budget Priorities (2/2)



### Convert GTAs

Review of GTA as requested by the UNGA is completed. Propose to convert a significant number of GTAs (41) to long-term and core work positions



### Creation of the Business Support Services Unit

Business Support Services Unit (BSSU) to provide human resources and training support for the Office of Investment Management, the Pension Administration and the Secretariat of the Pension Board



### Increase budget by 3.5%

Increase in budget of 3.5% (\$2.1M), before re-costing, primarily attributed to a new Customer Relationship Management system. Total PA posts/GTA to increase by 6 from 250 (2021) to 256 (2022)

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## THE 2021 CE EXERCISE



UNJSPF  
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Staff Pension Fund

- The first mailing of the 2021 Certificates of Entitlement (CE) is in the process of being dispatched. A total of 60,201 CE forms is being sent to beneficiaries worldwide
- Retirees have three ways to submit their CEs:
  - In electronic format by uploading their duly dated and hand signed CE to their Member Self-Service (MSS) account; or
  - By postal mail; or
  - provide their 'proof of life' in biometric format through the Digital Certificate of Entitlement (DCE) app
- **Reminder:** The benefits of retirees and beneficiaries who have not submitted their 2020 Certificate of Entitlement (CE) or another valid signature document were suspended, effective with the June 2021 payroll **If you know ex-Colleagues who have not submitted their CE, please ask them to contact the Fund as soon as possible**
- For more information about CEs, kindly check the dedicated pages [www.unjspf.org](http://www.unjspf.org)

## Answers to Questions sent in advance



UNJSPF  
United Nations Joint  
Staff Pension Fund

### *On the Digital CE*

- Some of the challenges are caused by the large variety of devices in use; continuous improvement will address issues over time with periodic upgrades
- The most demanding (for security purposes) and challenging phase of the Digital CE system is the initial enrollment. Once the enrollment is successfully completed, users will not be required to perform this process again until they replace their devices
- With regard to the geo -location, an upgrade will address this issue, end of July 2021
- The paper -based CE will continue to co -exist with the DCE
- Retiree Associations can support UNJSPF by encouraging enrolment and pointing to instructions on the UNJSPF website

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## Answers to Questions sent in advance



### *On the Covid vaccination programme*

- The Fund does not determine the eligibility criteria, this is in the hands of the UN
- The Fund has been advised that the UN is in discussions to revise this approach and may extend vaccine eligibility to eligible retirees PLUS ONE

### *Fraudulent cases and collection of the spouses' signatures*

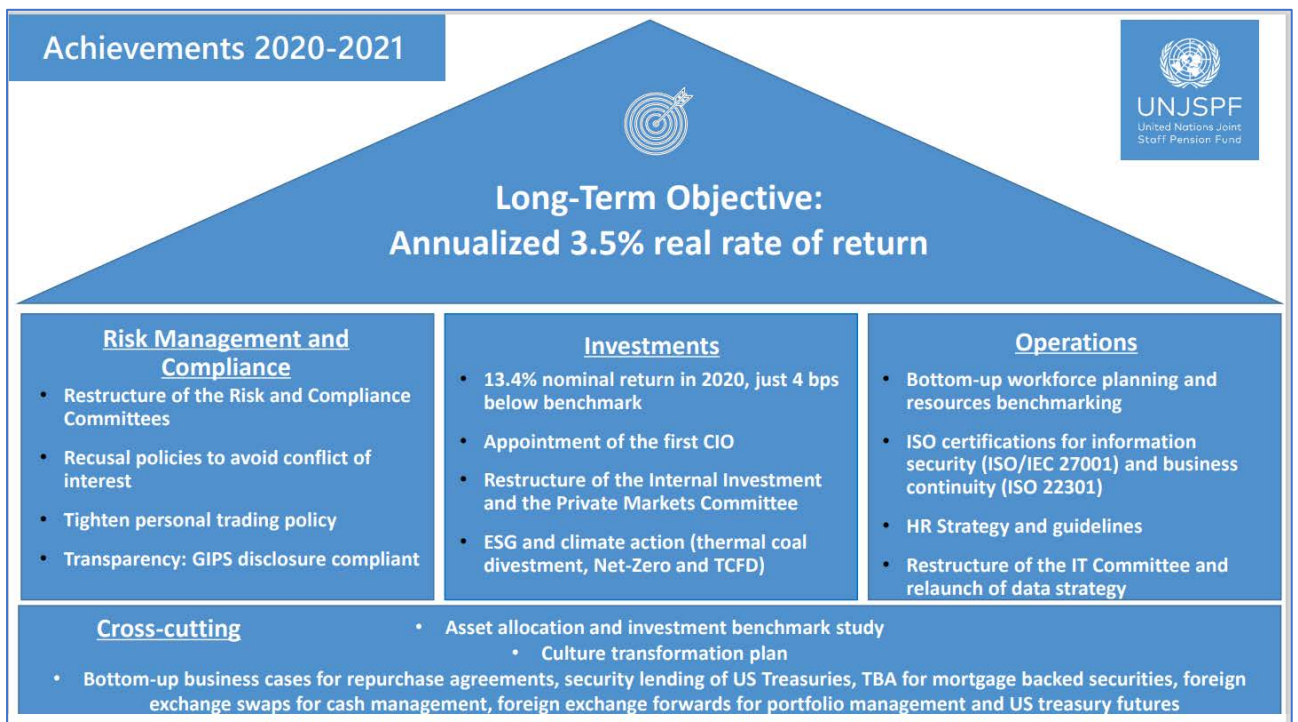
- The Fund does not see retiree associations have a role in collecting signatures or assisting with investigation into potential fraud cases. However, the Fund is always grateful for support from retiree associations in the context of providing support to beneficiaries locally for CE related matters and when possible to help connect the Fund with a beneficiary
- The suggestion of collecting spouse's signature is duly noted and will be discussed internally

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**THANKS FOR YOUR ATTENTION!**

## Appendix 7

Presentation by Mr. Pedro Guazo, the Representative of the Secretary-General for the Investment of the assets of the UNSJPF



## Market Value of the portfolio US\$87.4 billion (9-Jul-21)



UNJSPF  
United Nations Joint  
Staff Pension Fund



Report: Total Fund MV\_Weekly Website Report  
Benchmark: Primary Benchmark

Title: Daily Returns

Reference Date: 7/9/21

Last Refreshed: 07-12-2021 10:01:34 AM

Group/Account	MV Latest Date	% of Total Latest Date	ROR			
			1 Week	MTD	QTD	YTD
United Nations (63843)	87,382,236,667	100.00	-0.10	0.27	0.27	6.96
Total Public Equity (1073865948)	51,829,148,105	59.31	-0.20	0.39	0.39	11.98
Private Equity (88033)	5,017,479,311	5.74	-0.03	-0.07	-0.07	7.09
Real Estate (1073907692)	5,689,369,678	6.51	0.00	0.03	0.03	1.60
Real Assets (1073846784)	164,167,975	0.19	-0.37	-0.37	-0.37	-4.67
Total Fixed Income (63868)	22,899,709,177	26.21	0.09	0.15	0.15	-2.04
Investment Cash (157973)	1,550,598,296	1.77	-0.00	-0.00	-0.00	0.03
Treasury & Operational Cash (1073898798)	231,767,398	0.27	0.01	0.01	0.01	1.13

**Long-term rate of return** for 15-year period is **4.87%**, well above the minimum 3.5% required to fund the liability

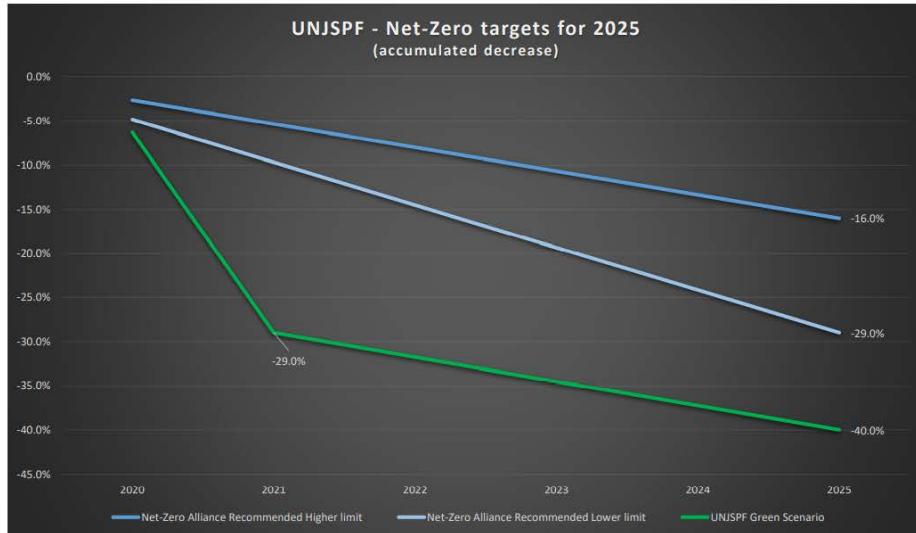
Assets (market value) / Liabilities (actuarial value) = **138%**

## Use of derivatives in the UNJSPF



UNJSPF  
United Nations Joint  
Staff Pension Fund

- General Assembly allows the use of **derivatives** for two years on a trial basis as a **risk management** tool
- OIM cross-functional teams (**Investments + Risk Management and Compliance + Operations**) proposed **four projects**:
  1. **"To Be Announced" for mortgage-backed-securities** to provide additional sources of market liquidity and inventory of securities
  2. **Foreign exchange swaps** to manage cash efficiently on the Fund's pension payments in currencies different from the US dollar
  3. **Foreign exchange forwards** to reduce currency risk on the Emerging Markets Fixed income portfolio
  4. **US Treasury Futures** to reduce the interest rate risk and price volatility and as an additional source of market liquidity
- They are simple, safe and will improve the management of the portfolios



## Conclusion



Our Fund is financially sound,  
responsible, sustainable,  
efficient and prudent

## Appendix 8

### Specific comments under agenda item 10 - Revision to the Rules of Procedure Document 50/2021/D.10 and D.10.a

1. Four delegations – AFICS/Panama, FFOA/Rome, AFICS/NY and AFUS/Paris - raised specific concerns on a number of points in the report on the Revision to the Rules of Procedure.
2. AFICS/Panama produced a comprehensive overview comparing the newly proposed Rules of Procedures with their set of parameters of what was expected from FAFICS. They submitted their proposed changes which is now incorporated into document 50/2021D.10.a. That document should be read in conjunction with the points included in this appendix.
3. The FFOA/Rome delegation had five specific concerns as listed below:
  - Paragraph 7 of the report: Concerned that the Working Group decided not to address any changes to the Rules of Procedure for the appointment of the FAFICS delegation to the PB until a decision on the size and composition of Board is determined.
  - Proposed Rule 3.7 b - Concerned with the proposal that the agenda should be approved by the President. What would be the situation if the President did not wish to include a proposed item. Member Associations should be able to have an item placed on the agenda. Which the Council should be responsible for approving before the start of the session.
  - Proposed Rule 5.3 - Supports the term limits as proposed.
  - Proposed Rule 5.6 - Responsibilities of Vice-Presidents – this revision could be further clarified when the Council discusses the communication strategy. It was the understanding of FFOA that the Vice-Presidents had been assigned responsibilities, but Member Associations should be so informed.
  - Proposed Rule 6.4 – Concerned with the proposal that nominees should be supported by a Member Association. Candidates for nominations should be supported by their own associations and queried as to what would be the impact of that as pertains to support by a Member Association.
4. The AFICS/NY delegation had the following concerns on the proposed revisions:

*On the issue of officers*

  - Proposed rule 5.3 - Supports term limits for Officers, they should be elected for two-year terms up to a maximum of four years; term limits are critical; turnover of officers is important to the organization, so it is constantly invigorated with new thinking and approaches, and involvement of people from across all Associations.
  - Proposed rule 6.4: Concern with the proposed amendment to change wording “Support of **their** Associations” to Support of **a Member** Association” If an Association and or Bureau puts up a candidate for an officer position, it must have the support of their own parent Association

- The parent organization knows how that individual is performing, or not, in its own Association
  - The Association in question may have a candidate from its ranks to put forward who it considers to be better suited to drive the kinds of changes it wants to see in FAFICS
  - Under the current proposal, if the parent Association does not agree, the alternative way of operating can be used to perpetuate individuals in positions in FAFICS as well as individuals that the parent association may not believe that the profile is what is needed and in addition turnover and change is what is beneficial; if the candidate is not supported by the parent association, it raises questions as to how democratic it is to potentially have the votes of other sometimes smaller associations outweigh those of larger associations making the possibility that weighted voting might need to be introduced. At this stage, it may not be necessary to change the voting system, but it does raise a question. In short, it is not accepted that a candidate can be proposed by another association or the Bureau without the backing of the main parent association. The original language in Rule 6.4 must be retained and not changed to any other formulation.
- Proposed Rule 6.5: Do not support any changes and this rule should be subject to Rule 6.4

*On the issue of the Bureau*

- Rule 5.6 – Concern with terms of work methods, the idea of an annual Bureau Work Plan, which the Bureau has now introduced in its working methods, is supported. This would mean that work responsibilities for FAFICS Bureau members would be clear and transparent from year to year with a framework of what the Bureau would achieve and who would lead each work stream.
  - The formation of Working Groups to drive the work forward with clear detailed Terms of Reference is supported. These Groups could include people from across the associations who have expertise and experience in the area of work at hand, it should not always be the same people who are involved in various WGs.
  - Attendance at Bureau meetings should be limited to elected officers. Certainly, the President can invite others to participate but that participation should be for specific items on the agenda, not the entirety of the meeting, and virtual for budget reasons.
- Proposed Rule 5.9: The Secretary should also function as the Rapporteur for Bureau meetings
  - Meetings of the Bureau should be frequent and usually virtual with maybe one mid-year in-person meeting in Geneva
  - The idea that participation of others should be embedded in the budget is not supported. Such participation should be exceptional not the norm and should not have any impact on the budget by having such participation remotely

- Proposed Rule 5.11 – Concern with the use of Special Advisors, the use of advisors should be extremely limited and for highly unusual situations where special advice and expertise is needed and with specific Terms of Reference approved by the Council. This does not mean as a way to perpetuate the presence of any individual or individuals in the ongoing management of FAFICS and ongoing participation in all Bureau business and other Committees
  - Advisors’ presence in Bureau meetings should be limited to items on the agenda concerning their Terms of Reference, they should be encouraged to submit written reports and their attendance should be virtual and for the items on the agenda specific to their Terms of Reference **not** for the entirety of the Bureau meeting

*On the appointment of the Pension delegation*

- It is not deemed necessary to wait for the decision on the Pension Board on the size and composition of the Board. However, as the Pension Board will be meeting shortly, the position of the Board will be soon known. Recognizing that it will still be subject to a decision by the General Assembly, it does not mean that there is a need to keep postponing inclusion of this important item in discussions on the Rules which is mainly related to a process which would apply no matter what the end number of delegates for FAFICS is agreed to.
- The establishment of the FAFICS delegation to the Pension Board should be explicitly covered in the revised Rules of Procedure; should be a process of nomination by associations; screening selection of candidates based on established criteria; and, then election/appointment by the Council

5. AFUS/Paris had the following comments:

- 1) Article 3.1: (new proposed last sentence) “Council sessions may be held in person and/or via technology platforms as required.” This is a good proposal that would allow flexibility without entering into details. However, one word could be added to that sentence as follows: “Council sessions may be held in person and/or *online* via technology platforms as required.”
- 2) Article 3.11: (presiding officers) The election of the Presiding Officer and of the Rapporteur, rather than their mere designation would be preferable. This is usual practice in international bodies and endows the legitimacy, the authority and neutrality required to conduct the Council. Moreover, the proposed alternative procedure is not very clear: the Presiding and Rapporteur must formally be given their offices (?) by the Council.” This should be spelled out if it is not an election.
- 3) Article 5.2: (new rule) There are some repetitions in this new rule. In Article 5.4, is it necessary to repeatedly overemphasize the role of the President: lead, leading, leadership. In addition, in Article 5.2 (b) the word “support should be replaced by “assist”: not support but assist the President in implementing the decisions or recommendations of the Council” which would be more appropriate.
- 4) Guidelines for virtual meetings and elections: Are these Guidelines an integral part of the Rules of Procedure or should they be considered as an annex?  
The rationale for limiting to three or four hours a day of online meetings for differences in time zones should be indicated and also applied to hybrid meetings (in person and online): virtual meetings should normally be scheduled for three to four hours daily, in accordance with the agenda/work plan **and keeping in mind the differences in times zone of FAFICS members”**.



## Appendix 9

### **A summary of the conclusions of the discussion on the Rules of Procedure to be reviewed and agreed by the Council on Tuesday, 20 July 2021**

1. There was consensus regarding the expansion of the Working Group.
2. There was consensus around the need for a dedicated special session of the Council to discuss and finalize the Rules of Procedure.
3. With regard to the timing of the special session, the Presiding Officer mentioned the date of February 2022. However, several delegations were of the view that an earlier date, e.g., October 2021, was desirable and possible, while several others felt that there was no need to impose a deadline on the work of the Working Group.
4. Irrespective of when the special session of the Council is held, there was a recommendation that interim reports be provided by the Working Group (through the Secretary) to the Council on progress being made.
5. A draft of the revised Rules of Procedure would be provided to Member Associations in good time before the special session of the Council.
6. Several delegations indicated that if the Pension Board delegation for 2022 is to be decided at the special session of the Council, the revised Rules of Procedure would need to be approved before the special session, at the latest by the end of the year. The President agreed that a target date of end of the year for a draft of the revised Rules of Procedure to be circulated to Member Associations was a good goal to work towards.