



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

Fifty-second session of the FAFICS Council

18 – 21 July 2022

ABBREVIATIONS

ACABQ	Administrative Committee on Administrative and Budgetary Questions
ASHIL	After-service health insurance and Long-term Care
CCISCUA	Co-ordinating Committee for the international Staff Unions and Associations of the UN system
CE	Certificate of entitlement
CEB	UN System Chief Executives Board
CEPA	Chief Executive of Pension Administration
CET	Central European Time
FICSA	Federation of International Civil Servants Association
FSALM	Fund Solvency and Assets and Liabilities Monitoring Committee
GA	General Assembly
GWG	Governance Working Group
HLCM	High-level Committee on Management
IAEA	International Atomic Energy Agency
OIM	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
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCU	United Nations Federal Credit Union
UNICEF	United Nations Children's Fund)
UNISERV	United Nations International Civil Servants Federation
UNJSPB	United Nations Joint Staff Pension Board
UNJSPF	United Nations Joint Staff Pension Fund
UNOV	United Nations Office at Vienna
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization

Appendices

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REPORT OF THE 52nd COUNCIL

(Hybrid session both in-person and remote)

Introduction

1. The fifty-second session of the Council of the Federation of Associations of Former International Civil Servants (FAFICS) took place both in-person and virtually (a hybrid session) from 18 to 21 July at the Vienna International Center in Vienna, Austria. The hybrid meeting was enabled by the programme WEBEX. Conference services were provided by UNOV.
2. The plenary session opened on Tuesday afternoon, 19 July. Prior to that, the FAFICS Bureau met on Sunday afternoon, 17 July. The Standing Committee on Pension Issues (SCPI) under the Chairmanship of Mr. Gerhard Schramek had convened in the morning of 18 July, while the Standing Committee on After-Service Health Care and Long-Term Care (ASHIL) under the Chairmanship of Mr. Georges Kutukdjian met on the same day in the afternoon. The list of participants can be found in Appendix 1. The Standing Committee sessions had been announced as without intervention by remote attendees, but thanks to the assistance provided to the chairs by ARICSA, full participation in the discussions by remote participants was possible.

Opening session

3. The President, Mr. Marco Breschi, formally declared open the 52nd Council session 14.30 CET. He announced that the first order of business would be the Welcoming Remarks of Ms. M. Doane, Deputy Director-General for Management, IAEA and Mr. John Lewis, CEO of UNFCU, via video.
4. Ms. Doane praised FAFICS and especially ARICSA for their important role in helping new retirees. She then outlined the many areas of collaboration between IAEA and FAFICS.

She said that in many ways current staff were walking in the footsteps of the retirees and thanked them for the accomplishments they have achieved over the years. She concluded by wishing success to all during this session.

5. In his video presentation, Mr. John Lewis stated that it was his honour to be able to speak at FAFICS 52nd session and praised the exceptional services provided by both FAFICS and UNFCU to the retiree community. He spoke of how the lines of communication between the two organizations remained open even through the pandemic.
6. He noted that UNFCU's recent new security guidelines were on both websites and praised the enduring partnership of both entities which he hoped would continue to remain strong in the future.
7. The President thanked Ms. Doane for her warm welcome to FAFICS members and thanked her for all that is done to support both FAFICS and ARICSA. He told her that FAFICS was always ready to help the system and told her how much he appreciated her remarks on future UN staff walking in the footsteps of past staff. He also thanked Mr. Lewis of the UNFCU for his remarks as well as the recent contribution UNFCU had made to FAFICS for which he was very grateful.
8. The Secretary, Mr. Jay Sundaresan, announced that the required quorum under Rules 3.11 had been reached. As more delegations were still joining by video, he expected a full Council meeting. At the end of the session, it was confirmed that this session was truly a "hybrid" event, with twenty-five associations present in Vienna and about twice that many people participating virtually, for a total of 118 people attending.

Agenda item 1: Adoption of the agenda

9. After receiving some comments regarding the organization of the agenda items and their relation to the programme of work, and specifically noting some of the discrepancies between the programme of work and the provisional agenda, the Council adopted the agenda. (Appendix 2)
10. The President confirmed that any omissions in the programme of work would be corrected by the Presiding Officer during the course of the session. The list of documents can be found in Appendix 3.

Agenda item 2: Election of the Presiding Officer and Rapporteur

11. Council elected Mr. Alan Prien (FFOA-Rome) to preside over the session. Ms. Nancy Hurtz-Soyka (AFICS-NY) was elected Rapporteur.
12. However, the President noted that since the Rapporteur was attending the session remotely, Ms. Theresa Panuccio (FFOA-Rome), who was in-person at the meeting, had agreed to provide support.

Agenda item 3: Election of the President of FAFICS

13. The Presiding Officer informed Council that there was only candidate, Mr. Jerry Barton (ARICSA) for the position of President. He then asked the Council to proceed with the election of Mr. Jerry Barton by acclamation.
14. **The Council elected Mr. Jerry Barton as the next President of FAFICS by acclamation for a two-year period.**
15. The President-elect then spoke about his UN background and history and his service to the retiree association of Austria as well as his service to FAFICS. He promised to work to strengthen trust with the FAFICS' network and to work with transparency, inclusiveness and straight forwardness relying on his Bureau and pledging to work closely with it. He thought that FAFICS' three main objectives were :
 - To promote and defend the interests of the community of former international civil servants.
 - To be the binding and enabling ligament that brings close contact and sharing among Member Associations; and
 - To represent the community of former international civil servants on appropriate organs of the UN system.
16. He expressed his hope that the time was ripe to turn attention to fulling these objectives with a new team to build consensus and communicate with the larger membership and to establish openness. As a first step, he had created a new email address for all to use to communicate with him which was President@FAFICS.org. He also stated that he believed in the confidentiality of personal information and in the privacy of ongoing negotiations. He concluded by saying that he believed in the statements in the "Declaration of Principles" which he would sign and abide by.
17. A number of delegations congratulated the incoming President and promised him their support and collaboration.

Agenda item 4: Elections

Agenda item 4 a: Election of FAFICS Secretary and Treasurer

- 18. Regarding the election of the Secretary and Treasurer, the Presiding Officer noted that there was only one candidate for each of these positions: Mr. Jay Sundaresan for Secretary and Mr. Romesh Muttukumar for Treasurer.
- 19. **As a result, both the Secretary and Treasurer were elected by acclamation for a period of two years.**

Agenda item 4 b: Election of FAFICS Vice-Presidents

- 20. Since remote voting via the Internet requires advance preparation, the FAFICS Bureau had earlier designated Ms. Veronique Whalen (ARICSA) as the e-voting Polling Officer. The Presiding Officer requested Ms. Veronique Whalen to explain the details of the e-balloting as a vote would be needed for the positions of vice-president. As to a question of allowed time for voting as this item was taken up earlier than expected, Ms. Whalen replied that the poll would remain open as originally scheduled which would be more than the twenty-four hours originally announced.
- 21. The Presiding Officer requested the eight candidates running for the position of vice-president to introduce themselves to the Council with a time limit of two minutes. The following candidates introduced themselves by providing a short statement as their full candidature could be found in document 52/2022/D.4 Cor. 1.
- 22. The eight candidates were:

- Ms. Odette Foudral AAFI-AFICS Geneva
- Ms. Jennifer Ashton AAFICS-Australia
- Mr. Michael Atchia AFICS-Mauritius
- Ms. Deborah Landey AFICS-NY
- Mr. Juan Casas-Zamora AFICS-Panama
- Ms. Delia Barcelona AFICS-Philippines
- Mr. Abdou Khadre Diakhte ASAFI-Senegal
- Mr. Marashetty Seenappa AFUNPI-India
-

- 23. Once all the delegations had voted, the Polling Officer forwarded to the Secretary the results which were as follows:

Name	Number of votes
Odette Foudral	24

Jennifer Ashton	16
Michael Atchia	10
Deborah Landey	24
Delia Barcelona	17
Juan Casas-Zamora	23
Abdou Khadre Diahkte	16
Marashetty Seenappa	18

24. The Presiding Officer announced the new vice-presidents having received the most votes as Odette Foudral, Deborah Landey, Juan Casas-Zamora, Delia Barcelona and Marashetty Seenappa.
25. The Presiding Officer thanked Veronique Whalen for the work she carried out for the benefit of FAFICS before and during the election process.
26. The Presiding Officer in response to a question stated that the vice-presidents had been elected for two years, except for Odette Foudral who had already served three years out of the maximum four-year term.
27. The President-elect thanked Jennifer Ashton who served as vice-president for the past year for her work, devotion and dedication to bettering the federation through her perseverance as a member of the Working Group on the revision to the Rules of Procedure as well as their implementation.

Agenda item 5 a: Past and Current FAFICS delegations to the Pension Board and other Bodies

28. The Presiding Officer introduced this report which was an informative note on past and current Pension Board representatives which was issued under document number 52/2022/D.5.a. The Presiding Officer explained that this was a historical review for information purposes.
29. **The Council took note of this report.**

Agenda item 5 b: Appointments of FAFICS representatives on the Pension Board and other subsidiary bodies for 2022/2023

30. The President-elect introduced the report on FAFICS representatives on the UNJSPF Pension Board and Committees found under document number 52/2022/D.5 b. He noted that this was the first year under the new Rules of Procedure where candidates were submitted by member associations to the Expertise Pool from where the President

chooses candidates for the Pension Board and committees. In so doing, he said, the focus was on the objectives of competence and trustworthiness, as well as the objectives of diversity, gender balance and geographical distribution. He also noted that this was one use of the Expertise Pool but there would be other uses in the future, and he reminded member associations to encourage their members to submit candidates to the pool. He also noted that his proposals were reviewed by the Bureau as required under the new rules and the Bureau had concurred with his proposals.

31. He also explained that according to the rules this document should be sent out to all member associations three weeks in advance of the meeting. However, the advance rule was not possible to attain as this year it was not clear who would be the candidate for President. The Bureau then had to figure out how to access the pool and review the twenty candidates. He remarked that he had an excellent discussion with the Bureau on this matter as he wanted to ensure that FAFICS would have trustworthy and competent representation on the Pension Board and its committees.
32. As the first ever time to make use of the new Expertise Pool, the President-elect reviewed the process noting that the request for applications for the Pool was sent out in March 2022. By early July, there were only about 20 submissions received. Of these, half were male and half female. Only 25% were from the global south and only 15% from the global east. There were no submissions from Africa and only two from Latin American member associations. So, from the 20 submissions he made his proposal with an eye to succession planning and capacity building.
32. He then thanked the outgoing representatives who have served a long and distinguished tenure on these committees, in particular, Linda Saputelli, Adriana Gomez Saguez and Mohammed Sebti, and especially Marco Breschi. He indicated that the proposal for new members would be effective as of the end of the July 2022 UNJSPF Board meeting. Exchanges between the current delegation and the new delegation would occur over the next six months and as there were no meetings between August and December, the new delegation would be ready for the first 2023 session in February.
33. The President-elect then presented his proposals and rationale for the four members and two alternates to the Pension Board and other committees as follows:

Pension Board:

- President Jerry Barton (ex officio - President)
- Suzanne Bishopric (ex officio as Chair of the Standing Committee on Pension Issues)
- Gerhard Schramek (ARICSA)
- Theresa Panuccio (FFOA– Rome)
- Alternate - Alnoor Nathoo (BAFUNCS)
- Alternate – Marlene Arduo (AFICS-Philippines)

Standing Committee of the Pension Board

- President Jerry Barton
- Theresa Panuccio
- Alternate – Suzanne Bishopric
- Alternate – Gerhard Schramek

Audit Committee

- Marco Breschi (former President, and FFOA)

Fund Solvency, Assets and Liabilities Monitoring Committee (FSALM)

- Suzanne Bishopric
- Marashetty Seenappa (AFUNPI-India)

Budget Committee

- Kumiko Matsuura-Mueller (ARICSA)
- Carlos Santos-Tejada (AFICS-Panama)

Succession Planning and Evaluation Committee

- President Jerry Barton
- Theresa Panuccio

Plan Review Group

- Gerhard Schramek
- Suzanne Bishopric

34. The Presiding Officer opened the floor for discussion. One delegation noted that in the Expertise Pool there were no candidates from Africa and, suggested that the invitation to apply for the pool did not reach the African associations. He requested the Secretary to resend the invitation for candidates to be submitted to the Expertise Pool.
35. Many delegates supported the President-elect's proposals and called them sound with good geographical and gender balance. Many delegations were heartened by the incoming President's transparency in his selection process and felt that a better attempt at communications was being made and they felt that this was a very necessary and welcome development and improvement for FAFICS. Others commended the President-elect for implementing so quickly the new rules of procedure and using the Expertise Pool so effectively. One delegate noted that better communications was the key to reducing friction and misunderstandings.
36. The President was also thanked for bringing this item forward so these decisions on representation could be given the treatment that it deserved as it is the heart of the

organization to represent the interests of our members in the Pension Board and subsidiary bodies. The transparency of the paper, the discussion of the whole process was a welcome development. The current proposals were clear and made a lot of sense and provided a good balance between change and continuity.

37. A new discussion started when the Council had before it the nominees for the Budget Committee. While the new rules state that nominations are for two-year terms the document stated that the members of the Budget Committee would serve for a minimum of three years. Some delegates thought that the terms should be aligned with those of the Pension Board and its committees. However, others felt that there was no contradiction if the terms were different from those of the Pension Board as long as the Pension Board accepts, from the three groups that make up the Board, representatives that have differing terms. Others felt that it took some time to learn and be fully acquainted with the work of the committees and therefore sufficient time and terms should be given for new committee members to fully understand the subject and procedures. The President elect said that he would prefer to have terms according to the new rules, if, he noted, the terms could be extended and as a result FAFICS would not necessarily be constricted to two-year terms.
38. The President-elect stressed the need to balance continuity with change and with that there would be a mix of knowledge, experience and skills attributable to the FAFICS representatives. All of this together would help FAFICS in meeting the goals of succession planning and good representation.
39. **The Presiding Officer then confirmed the agreement of Council that the term of office would be two years.**
40. Several delegates brought up the situation on the use of other languages besides English for both oral and written statements and interventions. One delegate reminded Council that at the last Council session in February 2022 that this same subject was discussed, and it was concluded that this issue was a priority for FAFICS and would be looked into. One delegate mentioned that there were now new tools like computerized interpretation that, while not yet perfect, were being used by other European organizations with good results. Further to what had been recommended at the previous Council meeting in 2021, It was agreed that a working group would be established to research and develop how best to have multi-lingual meetings for the benefit of all participants, and that this task could be carried out by the Working Group on Communication and Information.
41. **The Presiding Officer thanked the delegations for their concrete and important points raised during the discussion and concluded that the Council should approve in a consensus manner, the full package of proposals that the President-elect had made for the participation on the UNJSPF Board and its committees.**

42. **Council then approved by consensus the package of proposals for the FAFICS representatives to the Pension Board and committee as proposed by President-elect, Mr. Jerry Barton.**

Agenda item 6: Report of the 51st (Special Session) Council for approval

43. **The report of the 51st (Special Session) was approved unanimously by the Council.**

Agenda item 7: Report of the President

44. The President welcomed the Council to the first hybrid (in-person and remote) session. In presenting his report (the full text can be found in Appendix 4), President Marco Breschi, shared his personal feelings as he retired from the position. He spoke of the rebalancing of the reputation of the Federation bringing it back to its well-established and recognized high standards during his four years and the various issues that he dealt with over those years, especially dealing with external political issues which sometimes threatened the very existence of FAFICS.
45. He paid tribute to colleagues with whom he served with over the years. That included Warren Sach , Gerhard Schramek and Linda Saputelli, among others. He noted with sadness Warren Sach’s resignation, while it would be difficult to replace him but noting that FAFICS must retain the inheritance of his knowledge and wisdom. He referred to the proposal to honour Warren Sach with the title of emeritus which was before the Council for approval.
46. Returning to the work and accomplishment of this past year, he made mention of several areas which showed the depth of FAFICS interventions and the significance of the Federation’s actions. In this regard, he spoke of FAFICS’ relevance at the Pension Board beginning with the greatest importance for retirees which were the results from the Governance Working Group. (GWG) in which FAFICS played a significant role. Important areas addressed included the size and composition of the Board in which FAFICS was instrumental in the adoption of a balanced approach envisaging a limited reduction in the size of the Board. Other important subjects on which the GWG reached consensus were the frequency of meetings, the terms of reference, ethics policy and improving the working methods of the Board. The President also stressed the situation with the alternates to the Pension Board who are not allowed to speak or travel to the meeting, but should as there could be a situation where one of the representatives would be unable to fulfill their role at the meeting and then the alternate must step in. Therefore, the alternates should be on site at the meeting as well.
47. The President then recapped the various committees of the Pension Board and the

accomplishments of each these committees.

48. In closing the President wished all his colleagues the best for the future and was certain that FAFICS would continue on its positive way forward and thanked the Associations for the opportunity given to **keep strengthening** a prestigious and respected federation in the best interest of all retirees.
49. AFICS-Switzerland took the floor to thank the President for his clear and exhaustive statement. However, he did wish to have added to the work of the Federation the Pension Board Standing Committee as it was a very important committee for retirees as it deals with the appeals and recourses by retirees regarding their rights. This committee has been meeting more often to help diminish the accumulated backlog. The Committee's more frequent meetings contributed to its progress and to resolving the cases and reducing the backlog, especially since the Standing Committee's meetings were now aligned with the Pension Board.
50. **The President concurred and requested that an addendum be added to his report to so reflect the work of the Standing Committee of the Pension Board.**
51. In discussion of the President's report delegations thanked the President for his leadership and wholeheartedly appreciated his work as well as other colleagues in the Bureau, especially since they have all been assigned work responsibilities. The delegate of AFUS wished to include Mr. Pierre Sayour, former Secretary of FAFICS in this tribute to the outgoing team.
52. The delegate from FFOA-Rome recalled that the work accomplished over the last four years by President Breschi had been challenging not only for the political scenario but also for the Covid-19 situation and all that these issues entailed. The FFOA delegate suggested that in future reports of the President that the activities of the vice-presidents be included. The President replied that this suggestion could be taken up by the new leadership and concurred that it would be useful for the vice-presidents to report on their activities over the course of a year. He hoped the new leadership would take this suggestion under review.
53. At the request of the delegate from AFICS-Senegal, Federation members gave President Breschi a standing ovation.
54. **The Presiding Officer noted the statements and suggestion concerning future reports and declared this item closed.**

Agenda item 8: Adoption of the "Declaration of Principles" for all elected officers

55. The President-elect introduced the report on the "Declaration of Principles" which was the last request to be accomplished under the revised Rules of Procedure. He reviewed

the five guiding principles of the Federation which all appointees and elected officials would be required to sign. The five guiding principles are:

- ✓ The upholding of UN values
- ✓ Loyalty to FAFICS
- ✓ Respect for necessary confidentiality
- ✓ Conflicts of interest
- ✓ Promotion of FAFICS

56. **The Council adopted by consensus the “Declaration of Principles” for all elected officials. The Declaration is given in full in Appendix 5.**

57. With the adoption of this declaration, Jerry Barton reported that the work of the Working Group on the revision to the Rules of Procedure was formally closed.

Agenda item 9: Pension Issues

Agenda item 9 a: Report of the Standing Committee on Pension Issues

58. The Chair of the Standing Committee, Mr. Gerhard Schramek, gave an overview of this report under document 52/2022/D. 9 a and highlighted key issues. He also thanked the Rapporteur, Ms. Linda Saputelli, for her work in preparations of the Standing Committee’s report.

59. One delegation requested that para. 14 be revised as follows:

One delegation noted that DOC/3 asked about including a brief description of the key economic and demographic assumptions used for the regular valuation, as well as the results for the other parallel valuations performed by the Consulting Actuary, employing sets of assumptions that differed from those used for the regular valuation. That delegation also expressed concern about the USD 10 billion nominal loss incurred during the first five months of 2022 and the potential significant negative impact on the next actuarial valuation results if the required 3.5 per cent real rate of return on the Fund’s investments continued not to be met.

60. One delegation requested a slight change to para 32. At the end of the sentence the words ‘not yet in payment’ be added.

61. One delegation requested that para 52 be revised to read as follows: With respect to the Core Team, it would include individuals from the Expertise Pool to facilitate capacity building, knowledge-sharing and succession planning. To enable this, the maintenance framework of the Expertise Pool should be finalized by the new Bureau

and should include a provision for the Chair of the Standing Committee to be able to access the Expertise Pool.

62. **The Council approved the document (Appendix 6) and recommendations as amended.**

63. A brief discussion took place on the timing of the late release of documents to FAFICS and the Chair explained how difficult it was as the Pension Board's document come out very late and that Board documents are confidential. It was also noted that there would be three Standing Committee meetings each year following the Pension Board's meetings, and these would be held in February and April virtually with one meeting prior to the July Board held as an in-person/hybrid meeting.

64. The Chair of the Standing Committee on Pension Issues then went on to give a few comments as this was his last year as Chair of this committee. He noted the importance of this committee, and he was particularly pleased that the FAFICS Standing Committee would continue to be open to all participants/associations as this helps in further building expertise and knowledge of pension issues.

Agenda item 9 b: Situation of the former UNJSPF participants in the former USSR, Ukrainian SSR and Byelorussian SSR

65. In Council document 52/2022/CRP.2, regarding the situation of retirees in the former USSR, Ukrainian SSR and Byelorussian SSR, Katia Chestopalov who introduced this report, produced by herself, Andres Castellanos and Linda Saputelli, explained, that this paper became a conference room paper as it was extremely difficult to be in contact with Presidents of AFICS-Moscow and AFICS-Ukraine. She noted the dire situation of these associations and members. She felt that FAFICS needed to continue to communicate and keep in touch with them and see in what way the associations could help them.

66. She suggested that this group continue to monitor the situation and to convey to them FAFICS concern and willingness to help alleviate their problems. She said she would follow up with the Ms. Rosemarie McClean of the Pension Fund and believed that FAFICS should keep this as a priority concern and continue to do whatever possible to assist these pensioners.

67. Linda Saputelli in taking the floor said that that this situation had now evolved and FAFICS was now dealing with retirees who had different issues, such as returning their Certificate of Entitlement. She was glad to hear that Katia Chestopalov would continue to pursue, document and draw attention to the plight of these retirees. It had been made clear in the conference room paper that this small committee would continue to maintain communication with these retirees and serve as a channel for their urgent calls for assistance.

68. **The Presiding Officer recommended that FAFICS takes note of the paper and thanked the group for continuing to monitor the situation and report to FAFICS**

Agenda item 10: Presentations by:

- a) **RSG for investments – Mr. Pedro Guazo**
- b) **CEPA of the Pension Fund – Ms. Rosemarie McClean**
- c) **CFO of the Pension Fund - Mr. Karl-Ludwig Soll**

Representative of the Secretary-General – Mr. Pedro Guazo

69. The Representative of the Secretary-General, Mr. Pedro Guazo, enhanced his presentation with slides that can be found in Appendix 7.
70. He began his presentation by stating that the Pension Fund was both strong operationally and financially. He also added that the governance was sound, robust and multilayered. In the chart he demonstrated that there were many oversight layers over the investments of UNJSPF. This multi-layer review was carried out through internal, external and governance layers which included two risk management committees, the UNJSPF Board and Committees – audit, actuaries and FSALM - as well as the Board of Auditors and the Office of Internal Oversight Services and finally the General Assembly itself. He stressed that these multilayers should provide all members with peace of mind as all decisions are verified and challenged.
71. He then spoke of how the investments of the Fund were measured noting that the long-term objective was an annualized 3.5% real rate of real return (after inflation) and that currently the Fund had 17% more assets than liabilities. He also mentioned that the same amount that is contributed to the Fund each year was the same amount that was paid out to retirees and their beneficiaries. He provided details on the current allocation of funds as well as future allocations which would be moving more to real assets and private equity and decreasing from global public equities but always doing so by comparing results against established benchmarks.
72. The Fund performed extremely well in 2020 and 2021 and as such performed above benchmarks. He said that the market value as of 30 June 2022 was 30 times the market value in 1990. The market value of assets as of 31 December 2021 was \$91.5 billion and the funding ratio was at 117% which was a very strong result. However, now in 2022, the Fund had to deal with new crises of a global nature. Those included the Ukrainian situation, inflation, economic slowdown and the uncertain recovery from Covid-19. However, FAFICS should feel comfortable and secure in the decisions that the OIM has taken with the good oversight mechanisms, and he concluded by saying that the ship

was in great shape with good governance, good operations and amazing investment teams.

73. Several delegations had questions about the strategy currently in place and whether there should be extraordinary measures to mitigate the global problems currently facing the world and its impact on the Fund. As regards the fixed income assets several delegates noted that there had been a lot of concern by many retirees and staff regarding fixed income performance and related staffing issues.
74. The RSG noted that in order to deal with the crises currently challenging the global markets his team has both tactical and strategical measures in place. Recently, the team limited the exposure to emerging markets and fossil fuels, as they have a greater risk in economic downturns, and about 6% of cash has been accumulated. These are both long and short-term measures which have proven very effective, especially during the current volatility in the market. As for the fixed income concerns, he noted that this issue had been blown out of proportion, and much of the information on social media was not accurate. He also mentioned the online video sessions that had been prepared on different topics that provided a better understanding of the Fund's investment strategy which could be found on the UNJSPF's website.
75. The Presiding Officer thanked Mr. Guazo for his presentation which provided much assurance to member associations. He then introduced Ms. Rosemarie McClean, the Chief Executive Officer for Pension Administration of the Pension Fund to make her presentation with slides that can be found in Appendix 8.

Chief Executive Officer of the Pension Administration – Ms. Rosemarie McClean

76. Ms. McClean began her presentation by referring to the RSG's statement that the current market value of the Fund had decreased by \$10 billion from 2021, but she confirmed the good financial health of the Fund. She also said that the Fund was adopting to the 'new normal' after Covid-19 and that the Fund was experiencing constant growth in service demands from its clients. As a result, modernization of the Fund was continuing even faster with new major digitalization projects coming up by year end 2022 and 2023.
77. She provided some statistics on the continuation of the Fund's growth and mentioned that the number of participants was up by 2 percent from 2020 with benefits also up by 2.4%. However, it was interesting to note that the contributions received – some \$2.97 billion from employers and participants equaled the benefits paid out – some \$2.97 billion. Another interesting statistic was that the Fund's population was aging, and she pointed out that the number of retirees over the age of ninety increased from 509 participants in 2,000 to over 3,800 in 2021. She noted that the monthly pension payroll was always issued on time and that participants had received a cost-of-living

adjustment of 8.6% for the 2021-2022 period which was the highest adjustment since 1980.

78. As far as client services were concerned, she pointed out that all services to clients continued to be delivered with targets achieved. The Geneva in-person service had reopened since May 2022 and the NY Centre had reopened in June 2022. The Call Center was experiencing higher workloads (email and calls) than in previous years and this was being addressed through the possibility of expanding Call Center services to twenty-four hours five days a week.
79. She provided some statistics on the submission of certificates of entitlement (CE). She said that currently 50% of retirees and beneficiaries are using the two computer-based ways of submission, that is the download/upload function in MSS and the use of the Digital CE app. She emphasized that the paper certificate would never be disbanded but would always be available for those wanting to submit their certificate by paper. Additionally, she noted that the Digital CE had won the Secretary-General's award for innovation and sustainability. She also made mention of the new and improved website with much easier and better navigation tools along with eleven new e-learning modules.
80. In 2023 she was looking at more ways to leverage technology to drive efficiency and improve service. In this connection, she said the Fund was looking at ways to digitally capture pension forms in the Member Self-Service portal with the system pre-populating data which the individual would verify. The Fund was also looking at the automation of signature-recognition on forms and new financial interfaces with employing organizations was being planned. On the operations side, she said that service was never compromised during the pandemic and a cost-of-living adjustment (8.6%) had been made earlier and that this was the highest adjustment since 1980. She also added that payments to Russian colleagues continued to be a challenge, but her team was working hard to get these retired staff their pensions.
81. As for the 2021 suspension exercise, she confirmed that the benefits of retirees and beneficiaries who had not submitted their 2021 certificate of entitlement or another valid signature had pensions suspended effective June 2022. She thanked FAFICS for help in finding retirees who had not returned their CE and requested FAFICS and member associations to continue to help those retirees and beneficiaries who may find themselves in this situation. She confirmed again that there were three ways for retirees to submit their CEs. They were:
 - 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 certification of entitlement (DCE) app

82. Ms. McClean then requested the Chief Financial Officer, Mr. Karl-Ludwig Soll to provide his presentation which is included in Appendix 9. He was pleased to report that there were no worries as regards the cash situation as it was sufficient with more cash continuing to be available. He also emphasized the fact that the UNJSPF was a well-funded Fund with over \$91 billion in assets and \$66.6 billion in liabilities at the end of 2021. However, since then he remarked that the world had changed but he felt that the cushion for 2022 could easily deal with the ravages of Inflation and foreign exchange rate fluctuations.
83. He provided details on how inflation and the foreign exchange rates impact adjustments to pensions. He also confirmed that there was only one source of data for such measurements and that was the monthly bulletin from the UN Statistical Office. No other measurement could be used as it is codified in the UN system. He reminded members that there was a semi-annual track for inflation which was followed for both local and dollar tracking. The other item, the currency devaluation, also impacted pensions and was adjusted on a quarterly basis. He noted that few countries had two track acceptances which was only those countries where there was stable currency which included Austria, France, UK, Italy, Spain and Switzerland.

Chief Financial Officer – Mr. Karl-Ludwig Soll

84. CFO Soll provided information on the payment situation which had become more problematic in 2021 and gave the example of three countries whose turmoil had affected payments, namely Afghanistan, Mali and now Russia. He said many things had unraveled recently but the Pension Fund has been able to deal with turmoil and has managed to use alternate payment channels. Many times, he said, the Fund must contact beneficiaries directly and if there was no useful information on file it makes payments more difficult. As for check payment which are not used in many countries but is used for Chile, Ethiopia, Dominican Republic, Paraguay, El Salvador, Egypt and Peru, check payments did not always arrive due to limited mail service during the pandemic. He requested delegates to ask pension participants to update their check payment information, so a similar situation would not occur in the future.
85. He requested help from FAFICS in finding payment channels with Russia as there is currently no mail service in Russia so the only way to contact retirees and beneficiaries is through their email. However, he noted the low percentage of emails on file with the Pension Fund. Only 70% of the 67,000 beneficiaries have registered their email with the Fund. Even without this information, the Fund tries to make alternative payment channels, like piggy-backing on UN channels but contacting beneficiaries became more and more difficult especially during the pandemic but requested member associations to make a specific point of reminding members to include or update their emails through the Pension Fund's MSS portal.

86. Many delegations commented on the useful presentations and expressed appreciation of the work done by the Fund to update and modernize systems and processes. Much appreciation was also noted for the outreach to the associations for their help in contacting people whose pensions were in danger of being discontinued as they had not yet submitted their CE. It was also noted that FAFICS had played a useful part in trying to find those retirees and their beneficiaries who had yet to return the CE. Concern was also raised as to security and liabilities for the Fund and if a risk assessment had been carried out. A question was raised about whether or not there would be any special consideration for special circumstances due to Covid-19 and about the opening of the Geneva and New York centres. Another question was raised about whether the CE submission process could be better aligned with a simpler deadline of 1 January instead over the summer months when beneficiaries tend to be away from their home base and may have difficulty in returning their signed CE document over the summer months.
87. In their responses, Ms. McClean and Mr. Soll reaffirmed many points on the Fund's operations and practices assuring the Council of the following:
- a. that the Fund considered itself a financial institution and as such followed best practices of the industry to safeguard personal information of retirees. Further assurances were given about the use of best practice cyber security measures and industry standards.
 - b. that the Fund could start meeting participants and beneficiaries again in person but as there were still people teleworking two days a week, the call center was trying to optimize their work time to meet the increase in calls and emails but to also handle the growing demand for in-person meetings.
 - c. that as there was a decline in the number of people who retired in 2020-21 and a higher number in 2022-23 and this explained the higher outflow of cash. A point to keep in mind regarding exchange rate loss and the two-track system was that there were two factors, one was that the trend was that fewer people take the two-track system and that while people in the UN work all over the world, the reality was that they retire around and near the main capitals of the world such as Paris, New York, Geneva, or Vienna.
 - d. that for those retirees in conflict and crisis countries the Pension Fund was doing all that they could do to reach out to retirees to ensure that they were receiving their pensions. Afghanistan proved particularly challenging, and the Fund had to piggy-back on the UN to use their payment channels.
 - e. on the question of entry into UNOG building - that this was an ongoing discussion on re-establishing access after Covid-19 and was work in progress. As to the vacant post in Geneva in the Pension fund, Ms. McClean

said that the filling of the post was going through the normal process, and it was hoped that the post would be filled shortly.

- f. regarding the timeline needed for the first pension payment to be made - that this was a joint team effort with the organizations involved and she was pleased to report that there was continued improvement.
- g. on the Plan Review Group and the proposals for simplification Ms. McClean committed to reviewing the status of these recommendations with a view to submitting an interim list of proposals to the Plan Review Group.
- h. regarding timing of the issuance of the certificates of entitlement during the summer when people could be away and the suggestion to issue them earlier or later, Ms. McClean promised to look at the timing of their issuance.
- i. regarding pension payments to Russia and Ukraine colleagues, Ms. McClean confirmed that there was no problem with effecting payments to Ukraine.

88. In concluding, the representative of AMAFINU-Mali noted with appreciation both FAFICS and the Pension Fund for their actions vis-a-vis retirees in Mali. The Presiding Officer thanked both Ms. McClean and Mr. Soll for their clear presentations and informative responses to the many questions raised by the FAFICS' delegations.

Agenda item 11. Report of the Standing Committee on After Service Health Insurance and Long-term Care (ASHIL)

89. The Chair of the Standing Committee, Mr. Georges Kutkdjian provided an overview of this document (52/2022/D.11 Corr.1) which provided summaries of the discussion in the Standing Committee. He noted the paragraphs that contained conclusions and recommendations as follows:

- **Update on After-Service Health Insurance (ASHI)**

In para. 25 of the report there were four recommendations

- a) the President of FAFICS should write to the Secretary-General expressing our regret that FAFICS was not involved in the formulation of recommendations to the General Assembly on managing after-service health insurance.
- b) a further communication to the Under-Secretary-General for Management Strategy, Policy and Compliance should also indicate a number of priority areas of concern or disagreement regarding the report of the SG on managing ASHI to the 76th session of the GA (document A/7/373) since the subject matter concerns primarily

present and future retirees, and their dependents represented world-wide by FAFICS and on the issue of after-service health insurance which is a priority concern to them.

- c) The Standing Committee on ASHIL should follow closely this matter and coordinate a strategic concerted effort with all FAFICS ASHIL focal points to engage global and local staff representatives' groups to pursue this matter in a proactive manner and with the support of FAFICS Officer located in NY who will also engage with the staff associations of the UN and its Funds and Programmes located in Headquarters.
- d) FAFICS should also write to CCISCUA, FICSA and UNISERV to ensure that they are fully engaged in this important issue which will also impact current staff members when they retire

UN Medical Insurance Plan (MIP)

In para.39 there was one recommendation

- The Standing Committee on ASHIL recommends to the Council to request that AFICS-NY, on behalf of FAFICS, continue to pursue the matter with the UN Health and Life Insurance Section, along the proposed actions articulated in paragraphs 35 ,36 and 37 of the report.

• Long-term Care

In para 48 there was one recommendation

- If Council decides that Long-Term Care (LTC) should be a priority of FAFICS activities, the Standing Committee on ASHIL, with the assistance of member associations, should map the organizations that have included LTC in their health insurance coverage schemes, with indication of the conditions to be filled, percentage of coverage, daily ceilings, etc. On the basis , it should be presented to the next regular Council session in 2023, an advocacy paper on LTC, aimed at Administration.

• Composition and functioning of the FAFICS Standing Committee on ASHIL In para. 58 there were two recommendations

- The Chair and the Vice-Chair of the SC on ASHIL would create a small group of knowledgeable and involved colleagues in health insurance on the basis of particular of candidates in the Expertise Pool. The constitution of this small group would be carried out in consultation with the President and the Bureau.

- The Chair, Vice-Chair and the group would have periodic virtual meetings, to discuss the issues at hand and formulate courses of action for FAFCS. The preparation of forthcoming SC on ASHIL would be the result of a collaborative teamwork.
90. **There was a general consensus on the recommendations and the report (Appendix 10) was adopted. The network of focal points for ASCHIL matters, established in many associations at the initiative of the chair of the Standing Committee, was also praised. The Chair of the Standing Committee encouraged FAFICS members to take part, whenever feasible, in discussions on ASHIL matters during sessions of their respective agencies' governing bodies to inform them of FAFICS' positions.**
91. The Chair of the Standing Committee gave a special thanks to Katia Chestopalov who served as Vice-Chair for many years and was also thanked for her excellent work given to the committee over the years. He also thanked Jay Karia for his role as Rapporteur for the Standing Committee's session this year.

Agenda 12: Note on the Implementation of Procedures according to new Rules of Procedure

92. The President-elect, as chair of the Rules Implementation Group, in introducing this note (document 52/2022/D.12) on the implementation of the newly approved Rules of Procedures gave an overview of the points presented in the document and noted that implementation was still a work in progress.
93. However, he was particularly pleased at the implementation to date and the support that the Council had given him on this matter. He noted that the Working Group had concluded its work and the remaining items to be implemented would be taken up by the new Bureau. The work programme would be shared with member associations and progress reported on through Bureau minutes and other methods of communication. He remarked that the Working Group's work would not cease to exist and all elements of the new Rules of Procedure requiring implementation would be embedded in the annual work programme and budgeted accordingly.
94. **The Council noted the report and the overview provided by the incoming President.**

Agenda 13: FAFICS Communications

95. Before starting this agenda item, the Presiding Officer called for a minute of silence to honour those FAFICS colleagues who died over the past year. He made note especially of those who passed from Covid-19.
96. The Presiding Officer requested Ms. Odette Foudral, Chair of the Working Group on the Website and Communications, to make her introduction of Council's report number 52/2022/D.13 Corr. 1. She outlined the changes proposed for the FAFICS website, especially since the web page was created twenty years ago. The Working Group members had decided to approach the existing webmaster to make some incremental improvements to the website as the WG had taken no decision on potential service providers. These changes included a direct search function, more access to the public area on the website and to ensure that the website became an important tool for retrieving past information as well as for day-to-day records. She noted that one key element would be the rapid inclusion of information on the website which was currently done by the webmaster under the overall responsibility of the Secretary of FAFICS. She then demonstrated changes in the language and areas covered, making it more user-friendly especially for colleagues not familiar with pension fund or insurance issues.
97. The Presiding Officer opened the floor for comments stating how well prepared the WG document had been with many useful suggestions.
98. There were many comments on this agenda item. Below are some points made during the discussion:
- The focus of the Group was principally on the website and noted that overall communications had a much larger scope as the website was only one means of communications.
 - Documents are complex and long and Council might wish to consider other more 'flashy' types of communications limiting to one page
 - Photos would add some life and light to the website and updates of FAFICS news would help member associations
 - A general notice board for all associations to include some information would make it more interesting for all to share information.
 - As the Secretary of FAFICS was too busy with a myriad of other responsibilities, a focal point would be a helpful addition.
 - Caution was raised with the use of Facebook unless there was a full-time person for monitoring; LinkedIn was a better site.
 - A broader communication strategy was needed including from FAFICS down but also from member associations to FAFICS
 - An information strategy should have four dimensions - a space where true information which was of concern for retired UN staff, pensions and health care, one page only; a commons where all associations could participate where activities could be pinned on issues of common

concern; a cultural space for competitions or zoom conferences; and a space to counter disinformation

- Use of French and Spanish would be important for a better understanding of FAFICS' documents and to help increase its membership; within the regions support could come from associations
- Linkages to the FAFICS website on the UNJSPF needed to be reset
- Communication strategy should be primarily for support to FAFICS member Associations and not just for public information
- Suggestion made for an editor not just a webmaster
- A continuous update of the website sections needs the attention of all FAFICS committees
- Could try to gather volunteers to assist for content and editing
- Cannot just be pro bono work as good communication cost money

99. The President-elect presented his views on the report and on improved and expanded communications for FAFICS. He said that communications were everyone's business. He noted that there was still a lot of work to be done in this area. He thanked the working group for their efforts and hard work. As regards the idea of creating a Standing Committee more work needed to be done on this important issue and would be a top priority of the Bureau.

100. The Presiding Officer in concluding the discussions reviewed the four recommendations of the Working Group and ascertained, after a long and fruitful discussion, that there was broad consensus on the four recommendations, with some changes as found below:

- Recommendation 1 New wording for recommendation one from the incoming President: "The Council approves that Council documents not containing confidential, sensitive or private information should be available on the FAFICS website without restriction".
- Recommendation 2– no change
- Recommendation 3 - There was a change to the last sentence of this recommendation as follows "These should be addressed to a content manager to be designated" not 'to the Secretary'.
- Recommendation 4: changed to "The Bureau to review and propose terms of reference to develop the mandate for a permanent working group on the website and communications. In addition, this Working Group, whether it is permanent or not, would study the question of multilingualism, including its budgetary aspects, and present a study to the next Council session in 2023."

101. **The Presiding Officer declared that the above-listed recommendations had been approved by the Council, as amended.**

Agenda 14: Administrative and financial questions

Agenda item 14 a: Report of the Auditor for the accounts ending 2021

102. The Presiding Officer requested the Treasurer to introduce the Report of the Auditor found under document number 52/2022/D.14 a. In so doing, the Treasurer noted that the Auditor, Mr. Ambi Sundaram, had reported that the books of FAFICS were correctly kept and results of the year, shown in the balance sheets and the Statement of Income and Expenditures as of 31 December 2021, gave a true and fair view of the affairs of the Federation.
103. For 2021, the Treasurer noted that expenditures had been minimal due to the pandemic as most activities were done virtually. Thus, there was an additional excess of income over expenditures of \$45,695.18 which resulted in an increase in the fund balance of an amount of \$147,695.18. The Treasurer also thanked Mr. Wolfgang Milzow who was FAFICS' former Treasurer who handled the 2021 accounts and supported the new Treasurer, Mr. Romesh Muttukumar, as he took over from Mr. Milzow.
104. **The Presiding Officer interrupted the Treasurer stating he had concerns with the fact that the Treasurer was introducing the Report of the Auditor while the Auditor had overseen the work of the Treasurer in 2021. The Presiding Officer stated that he had a problem with this scenario and suggested that the new Bureau should arrange for one of the vice-presidents to report on this item on behalf of the Council instead of how this report was being presented at this session.**
105. AFICS-NY thanked the Treasurer for this report and was glad to see that it was a clean opinion. However, he noted that there were no comparative figures from previous years, and he felt that going forward this was something that should be provided. In addition, he noted that several associations had not paid their dues and it might be necessary to write off these amounts as they were moving higher and higher. In his connection, he asked the Treasurer what was being done about these arrears.
106. This discussion continued under agenda item 14.b. below.
107. **The Council took note of this report requesting the Bureau to consider these suggestions and to further review the non-payment situation of member associations.**

Agenda item 14 b: Interim report on the management of the budget for 2022

108. The Treasurer introduced this item under document 52/2022/D.14.b and added that the revised budget was presented on current available information through June 2022

and projections for July to December 2022 for Council 's approval. It totaled \$37,450. He stated that certain requirements had been achieved through redeployments. In addition, he noted the potential charge by UNOV for holding this Council on their premises. For that reason, he stated that while FAFICS could manage through redeployment within the \$37,450, but it might be necessary to rely on the contribution of UNFCU towards any additional costs that may occur.

109. AFICS-NY and AFICS-Argentina made similar comments regarding the travel costs for special advisors. According to the new Rules of Procedure, special advisors should attend meetings virtually with no travel unless approved by Council. Both delegations were seeking clarification on this point.
110. The Presiding officer clarified that there were old procedures still in effect, but FAFICS was now moving to the new procedures which would be further discussed in item 14.e.
111. The President-elect returned to the question of special advisors and referred to para.7 of document 52/2022/D.14 c. In order to follow the new rules, he proposed to strike the words 'and any Special Advisors' from the first sentence of the paragraph. He added that there was no intention to have expenses associated with special advisors in 2023.
112. Returning to the issue of arrears, some delegations noted the outstanding and pending contributions from some member associations and queried how this situation came about.
113. There was a long discussion on the pros and cons of trying to ensure payment noting that some amounts were relatively small and for others the amount was increasing making it harder for colleagues to make their dues payments. Some delegates volunteered to follow up with these associations regarding the reason for non-payment and to encourage payment. One delegate thought more linking associations with UN Headquarters or regional centres would help in connecting the associations to the UN and making payment easier.
114. The President hoped the President-elect and the new Bureau would take up this issue. He noted that FAFICS was not a commercial entity but an entity of volunteers. FAFICS' interest was to maintain the membership and not remove anyone but retain them. The President-elect agreed with the President's points and believed that FAFICS needed to find ways to bring those with debts back into the community and be active participants with money being a secondary issue.
115. However, other delegations felt that more financial discipline was needed and there was no justification for non-payment, especially since dues were mandatory. Others thought at least some partial payments should be made.

116. The Treasurer announced that Thailand had paid up its outstanding dues and that Kenya had paid back its arrears not including dues for 2022.
117. Another delegation brought up the situation where two member associations existed in one country and the difficulties that represented and wondered how that had happened. However, for the information of the Council, President Emeritus Castellanos recalled that there were also two other FAFICS member Associations in one country (India) but also two member Associations in another country (Italy). However, when the Rules of Procedure were amended in 2006, it was decided that there would not be any other acceptance of a similar situation if it every arose again with any other member Associations. However, and for historic reasons, the Council accepted such unusual situation since it dated from many years before.
118. **The Presiding Officer declared that the interim budget for 2022 had been accepted.**

item 14 c: Proposed budget for 2023 and proposals for reserves

119. The Treasurer introduced this item under document number 52/2022/D.14.c. This report was divided into two parts. The first part concerned the proposed budget for the year 2023 while the second part concerned proposals to establish FAFICS-related reserves.
120. He said that this was a provisional budget proposal for 2023 in the amount of \$37,850. However, income estimates would amount to \$38,150, for preliminary Council approval. Based on strategic priorities of the new Bureau a revised budget would be presented to the Council virtually for final approval.
121. There was a lengthy discussion on this budget item with particular attention paid to the line item on communications. BAFUNCS requested that an amount of \$3,500 be transferred from co-funding for delegates travel to the item on Communications and Outreach. However, others suggested taking a similar amount from the available funds. Many asked that some of these funds be used to raise the multilingualism within FAFICS.
122. **The Presiding officer summarized the action to be taken by the Council to which it subsequently agreed by consensus as regards the 2023 provisional budget in document 52/2022/D.14 c as follows:**
- a) **agreed to delete the words ‘any special advisors’ in para. 7**
 - b) **agreed to maintain the budget line for co-funding of travel of Council delegates as indicated in the document and add \$1,000 from the reserves to Communications and Outreach increasing this line item to \$7,000 for a total 2023 budget of \$39,850**
123. The President-elect said a new document reflecting these changes would be issued.

124. The Presiding Officer then turned the Council's attention to the second part of the document and the proposal to set up four reserves from the unspent monies.
125. The Treasurer explained that reserves for non-profit agencies were considered to be not part of the entity's regular budget. The Bureau's objective with this proposal was to have the Council be in the driver's seat as far as the parameters for these reserves which at the end of 2021 amounted to \$147,769.18.
126. He proposed to use \$50,000 for two years of activities for the reserves leaving \$97,000 for any contingency requirements
127. The four reserves that were proposed to be established were:
 - a) a reserve for bad debts which would enable the write-off of prior year membership dues deemed uncollectable to date. An amount of \$10,000 was recommended.
 - b) a reserve for the establishment of new FAFICS member associations. This would enable the FAFICS' Bureau together with its current member associations to carry out the necessary outreach activities. An amount of \$10,00 was recommended .
 - c) a reserve for humanitarian hardship situations for member associations and their members. An amount of \$20,000 was recommended, and;
 - d) a reserve for significant capital investments in particular for overhauling the website and other communication initiatives. An amount of \$10,000 was recommended.
128. In response to a question on UNFCU's contribution, the Treasurer said that the 2022 contribution had been received and was used for the co-funding of delegate travel and the possible UNOV charge for the use of the premises. For 2023, while it was hoped that UNFCU would make another contribution, he would not like to commit FAFICS resources before that contribution was secured.
129. Some of the points that emerged were:
 - a. the establishment of the reserves was a good idea, but the President and the Bureau should work on procedures for how the money could be utilized.
 - b. the levels of some of the reserves were higher than needed with a recommendation for the reserve on bad debts not to exceed \$5,000
 - c. that it was important to help in the creation of new associations
 - c. the humanitarian fund was not a primary function of FAFICS

- d. for the capital reserve the amount should be increased to \$20,000 reflecting the previous discussion on multilingualism and the use of technology in translations and interpretation
 - e. the creations of reserve funds help to protect available monies if new situations might unexpectedly occur
 - f. encourage the adoption of these reserves
 - g. the Bureau should come back with a more specific outline
130. The President-elect thanked all for the very interesting discussion. He noted that FAFICS had about \$50,000 in the bank and as there were no real rules on how the money was to be spent there was a need to establish guidelines. This proposal was an attempt to earmark some of the monies so it would not be used for something else that was not planned for. As there was no pressing need to decide today, the Bureau could come back with more detailed project plans. What he would like would be guidelines for the appropriate use of these monies.
131. Based on the Presiding Officer's summary, the **Council agreed to the proposal in principle but looked forward to guidelines on their establishment and disbursement and reporting procedures.**
132. The President-elect said a new document reflecting these changes would be issued.

Agenda item 14 d: Appointment of the Auditors

133. The Presiding Officer requested the Secretary to introduce the report on the appointment of Auditors which can be found in document 52/2022/14. The Secretary informed the Council that this year there were two names put forward for auditors as last year there was only one. The two names were Mr. Ramanathan Sundaram and Mr. Mohammed Bachiri. Mr. Sundaram was fully qualified and had served in this capacity last year. Before his retirement he served as Assistant Director General responsible for the Administration and Management Sector of the World Intellectual Property Organization (WIPO) in Geneva, Switzerland.
134. Before concluding, the Secretary thanked Ambi Sundaram for the excellent work done during the 2021-2022 year for the Federation.
135. The Secretary then turned to the next proposal for auditor who was Mr. Mohammed Bachiri, also deemed fully qualified. He served in diverse management services with UNESCO. He has had broad responsibilities across management missions holding operational, financial and accounting functions as well as audit reporting in the Bureau of the Controller, Bureau for Financial Management, Bureau for Field Coordination and

as Director in Field Offices. He also served as Secretary of the Finance and Administrative Commission for numerous sessions of the governing bodies of UNESCO.

136. Additionally, he thanked the other two auditors, Ms. Ventura Garcia and Mohammed Rharha, who had served the Federation from 2010 through 2021, for their unstinting prompt and ready support, during this eleven-year period.
137. **The Council approved both Mr. Sundaram and Mr. Bachiri as auditors for the accounts of FAFICS.**

Agenda item 14 e: FAFICS subsidies for increasing attendance at Council sessions

138. The President-elect introduced this document numbered 52/2022/D e. This report had two requests. The first one was a request for \$7,500 as a subsidy for five associations to attend the 52nd Council session, namely, Chile, Mali, Cuba, Ethiopia and Senegal. The President had requested the Bureau to review this proposal. In the past subsidies had been geared towards small to medium size associations (less than 200 members) who have not previously received a subsidy. The Bureau had approved the granting of a subsidy to the five associations named above. The President-elect stated that even though there were no rules on how expenditures could be made, the Bureau felt that these subsidies were in order.
139. The second part was a request for a \$1,000 subsidy for two individuals who would be attending the Pension Board as well as the Council session. While their travel would be paid by the Pension Fund as members of the FAFICS delegation to the Pension Board, a fixed subsidy equal to the in-continent travel subsidy (presently \$500 per person) was proposed for them to attend the 52nd Council session as it would be very valuable for them to attend the Council meeting in advance of the Pension Board meeting.
140. The President-elect stated that it would be a good idea if the Bureau were to set up criteria based on the size of the association and what FAFICS was trying to encourage. These amounts for in-continent and inter-continent travel had not been changed in ten years and reflected that it might be time to reevaluate these levels. He suggested that a small group within the Bureau could be set out to determine what criteria could be used.
141. The Presiding Officer summarized the actions to be taken in regards of document 52/2022/D.14.d Rev 1. by Council as follows:
 - a) The Council would note and approve subsidies for the five countries as approved by the Bureau, based on criteria from previous history and as provided by the contribution of UNFCU (para 7)

b) request the Bureau to develop a policy for all future subsidy requests as soon as feasible. (para. 10)

c) Approve, on an exceptional basis, subsidies in the amount of \$500 each for the two individuals who would be attending the Pension Board meeting of 2022 (para. 11)

142. **Council took note of the decision and approved them by consensus.**

Agenda item 15: Election and Appointment of Standing Committees

143. The Presiding Officer gave the floor to the President-elect to introduce his proposals for the chairs and vice-chairs of the two Standing Committees, namely the Standing Committee on Pension Issues (SCPI) and the Standing Committee on After-Service Health Insurance and Long-term Care (ASHIL). The President-elect noted that his proposals were an outcome of the reform process and he noted that his proposals were reviewed and vetted by the Bureau. He also noted that the proposals for membership came from the Expertise Pool and were a mix of long-standing members and new members.

144. His first proposal dealt with the Standing Committee on Pension Issues, and he thanked the outgoing Chair, Gerhard Schramek, for his longstanding service and dedicated work as he would be stepping down from this position. The President-elect then proposed that Ms. Suzanne Bishopric (AFICS-NY) be approved as Chair and Mr. Alnoor Nathoo (BAFUNCS) as Vice-chair.

145. The second proposal was for the Standing Committee on After-Service Health Insurance and Long-term Care (ASHIL). The President-elect proposed the continuation of the current Chair, Mr. Georges Kutukdjian with Ms. Nancy Raphael (AFICS-NY) as Vice-Chair.

146. **The Council approved the proposals of the President-elect.**

147. The delegate from AFICS-Panama supported the nominations for both committees and as regards ASHIL highlighted the good practice of this Committee which has a network of focal points from each member association and keeps active communication with all. He hoped that both committees would continue to do this and congratulated Georges Kutukdjian for the work he was doing on health insurance and long-term care.

148. The representative of AAFICS-Australia wished to thank Katia Chestopavlov for the enormous amount of work she has done in the past and acknowledge that she has played a tremendous role on the ASHIL committee.

149. However, the President-elect learned after the announcement of his proposal that Ms. Nancy Raphael had declined this position. Jerry Barton informed the Council that he

would revert again to the Expertise Pool to propose another candidate for this position and would return to them with his proposal requesting their approval.

Agenda item 16. Date and place of the 53rd session of the Council

150. The President-elect stated that the next meeting of the Council would follow the decision taken by the Pension Board at its upcoming session and that there may be a need to hold virtual Council meetings during the year (two or three to be aligned with those of the UNJSPF).
151. **The Council took note of his response.**

Agenda item 17: Other business: Honours for Mr. Warren E. Sach

152. Under this item, the President, in document 52/2022/D.17.a, made a recommendation to Council in compliance with Rule 14.1 of the Rules of Procedure, to award special recognition to Mr. Warren Sach for his years of service to FAFICS.
153. The President recommended that FAFICS award the title of ‘Emeritus’ to Mr. Warren Sach in recognition of his many years of dedicated, distinguished and invaluable service to FAFICS. He added that Warren had a unique range of budgetary, civil service and financial skills which were a gift to FAFICS which strengthened not only FAFICS, but the entire pension system of the UN for all participants. He stated that he was grateful to have benefitted from his leadership and thanked Warren again for his generous service.
154. **The council wholeheartedly approved the awarding of the title Emeritus to Mr. Warren Sach.**

Appreciation and conclusion

- 155 The Council expressed its thanks to the outgoing President, Marco Breschi.
156. The President-elect and ARICSA thanked the Presiding Officer and the participants for their contribution to the success of the meeting. He placed on record his gratitude to the host association and the hospitality extended to the participants by the ARICSA and UNOV team. He noted that the hybrid meeting had worked well, given the extra support provided to the Presiding Officer in monitoring remote participation.
157. The Presiding Officer reiterated his wholehearted thanks to everybody for having contributed so effectively to the debate and declared the session closed at 13.00 on Thursday, 21 July 2022.

Appendices

- 1. List of participants**
- 2. Approved agenda**
- 3. List of documents**
- 4. Report of the President**
- 5. Declaration of Principles**
- 6. Report of Standing Committee on Pension Issues**
- 7. Presentation of the Representative of the Secretary General for the investments of the assets of the UNJSPF**
- 8. Presentation of the Chief Executive of Pension Administration**
- 9. Presentation of the Chief Financial Officer of the Pension administration**
- 10. Report of the Standing Committee on After-Service Health Care and Long-Term Care**

Appendix 1: List of participants				
Association	Country	First Name	Last Name	Attendance
1. AAFI Niger	Niger	Hadiza	Gado	Remotely
	Niger	Boureima	Diallo	Remotely
	Niger	Ari Toubo	Ibrahim	Remotely
	Niger	Amadou	Maiga	Remotely
	Niger	Kadri	Tankari	in-person
	Niger	Jean-Marie	Trapsida	Remotely
	Niger	Rene	Wright	Remotely
2. AAFI-AFICS Switzerland	Switzerland	Odette	Foudral	in-person
	Switzerland	Mohammed	Sebti	in-person
	Switzerland	Katia	Chestopalov	Remotely
	Switzerland	Pierre	Sayour	Remotely
3.AAFIB Brazil	Brazil	Joao Carlos	Alexim	Remotely
	Brazil	Maria Angelica	Gomes	in-person
	Brazil	Milton	Nogueira	in-person
	Brazil	Giovanni	Quaglia	Remotely
4. AAFICS Australia	Australia	Jennifer	Ashton	Remotely
	Australia	Mary	Johnson	Remotely
5. AAFNU-BF	Burkina Faso	Azara	Bamba Louguet	Remotely
	Burkina Faso	Sidiki Marcel	Bonzi	in-person
	Burkina Faso	Julien	Daboue	Remotely
	Burkina Faso	Leonard	Tapsoba	Remotely
6. AAFU/AFUS-Paris	France	Georges	Kutukdjian	in-person
	France	Jacques	Rao	in-person
	France	Josiane	Taillefer	in-person
7. AEFENUC-Cuba	Cuba	Elisa	Panades Ambrosio	in-person
8. AFICS Argentina	Argentina	Alexander	Henning	Remotely
	Argentina	Isabel	Kantor	Remotely
	Argentina	Jose Antonio	Pages	Remotely
	Argentina	Mirta	Roses	Remotely
9. AFICS Chile	Chile	Carol	Chatterton	Remotely
	Chile	Adriana	Gomez	in-person
	Chile	Maria Teresa	Vergera	Remotely
10. AFICS Ethiopia	Ethiopia	Afework	Ayele	Remotely
	Ethiopia	Tedla	Teshome	in-person
11. AFICS Japan	Japan	Noriko	Nagayoshi	Remotely
	Japan	Junko	Sato	Remotely
12. AFICS Mauritius	Mauritius	Michael	Atchia	in-person
	Mauritius	Yousuf	Maudarbocus	in-person
13. AFICS Netherlands	Netherlands	Lucien	Back	in-person
14. AFICS Pakistan	Pakistan	Shahida	Fazil	Remotely

15. AFICS Panama	Panama	Marisabel	Aramburu-Porras	in-person
	Panama	Juan Antonio	Casas-Zamora	in-person
	Panama	Carlos	Santos	Remotely
16. AFICS Paraguay	Paraguay	Bonny Brit	Berger	Remotely
	Paraguay	Juan Carlos	Espinola	Remotely
	Paraguay	Luis	Talavera	Remotely
17. AFICS Peru	Peru	Rosario	Guevara	Remotely
	Peru	Haydee	Olcese	Remotely
	Peru	Amalia	Oroza	Remotely
18. AFICS Philippines	Philippines	Maria Magdalena	Arduo	Remotely
	Philippines	Delia	Barcelona	in-person
	Philippines	Francisco	Cardenas	in-person
	Philippines	Maria Abrera	Mangahas	in-person
	Philippines	Lydia	Ontal	in-person
19. AFICS Senegal	Senegal	Abdou Khadre	Diakhate	in-person
20. AFICS Sri Lanka	Sri Lanka	Tilak Dias	Abeyasinghe	Remotely
	Sri Lanka	K M D	Gunaratne	Remotely
	Sri Lanka	Nimal	Hettiaratchy	Remotely
21. AFICS Uruguay	Uruguay	Gustavo	Casas	Remotely
22. AFICS/Ecuador	Ecuador	Ximena	Andrade	Remotely
	Ecuador	Durval	Martinez	Remotely
23. AFICS/Myanmar	Myanmar	Sandra	Chit Hpo	Remotely
	Myanmar	Kathleen	Khin San Aye	Remotely
	Myanmar	Kyi Kyi	Nyein	Remotely
	Myanmar	Aye	Win	Remotely
24. AFICS/NY USA	USA	John	Dietz	Remotely
	USA	Jay	Karia	in-person
	USA	Deborah	Landey	in-person
	USA	Darshak	Shah	Remotely
	USA	Suzanne	Bishopric	in-person
25. AFIJUB Spain	Spain	Angel	Escudero de Paz	in-person
	Spain	Enrique	Yeves Valero	Remotely
26. AFPNU Mexico	Mexico	Maria Luz	Diaz-Marta	Remotely
	Mexico	Adriana	Romero	Remotely
27. AFUNO New Zealand	New Zealand	Jennifer	Ashton	Remotely
28. AFUNPI India	India	Magdalena	Chand	in-person
	India	Girija	Devi	in-person
	India	Shrinivasan	Nanjundappa	Remotely
	India	Shankar	Narasimhan	in-person

	India	Marashetty	Seenappa	in-person
29. AFUNSOB Bangladesh	Bangladesh	Mashud	Ahmed	Remotely
	Bangladesh	Kazi	Ali Reza	Remotely
	Bangladesh	Tim	Nurunabi Khan	Remotely
	Bangladesh	A.K.M	Sharfuddin	Remotely
30. AMAFINU-Mali	Mali	Mariam	Coulibaly Ndiaye	Remotely
	Mali	Penda	Ndiaye	Remotely
	Mali	Oumar	Sako	Remotely
	Mali	Bokar Garba	Toure	Remotely
	Mali	Christine	Traore	in-person
31. ARICSA Austria	Austria	Jerry	Barton	in-person
	Austria	Rosemary	Orkan-Lecki	in-person
	Austria	Gerhard	Schramek	in-person
	Austria	Olaf	Stefanov	in-person
	Austria	Veronique	Whalen	in-person
32. ASOPENUC-AFICS Colombia	Colombia	Helene	Hasselbalch	in-person
	Colombia	Jorge	Rincon Mantilla	Remotely
	Colombia	Enita	Zirna	Remotely
33. BAFUNCS U.K.	U.K.	Robert	England	Remotely
	U.K.	Alnoor	Nathoo	Remotely
	U.K.	Claudine	Pichon	Remotely
34. CAFICS-Canada	Canada	Roy	Croxen	Remotely
	Canada	Jacques	Daoust	Remotely
	Canada	Jean-Pierre	Mercier	Remotely
35. FFOA Rome	Italy	Marius	de Gaay Fortman	in-person
	Italy	Theresa	Panuccio	in-person
	Italy	Alan	Prien	in-person
	Italy	Edward	Seidler	Remotely
	Italy	Angelika	Wolf	Remotely
	USA	Suzanne	Bishopric	in-person
36. RUNSAN Nepal	Nepal	Bhai Raja	Shakya	Remotely
	Nepal	Leela	Sthapit	Remotely
	Nepal	Radhika	Tumbahangphey	Remotely
Emerita President	USA	Linda	Saputelli	in-person
Emeritus President	USA	Andres	Castellanos del Corral	in-person
Presiding Officer	FAFICS	Alan	Prien	in-person
President	FAFICS	Marco	Breschi	in-person

Secretary	FAFICS	Jay	Sundaresan	in-person
Treasurer	FAFICS	Romesh	Muttukumaru	in-person
Rapporteur	FAFICS	Nancy	Hurtz-Soyka	remotely

Appendix 2: Agenda

1. Adoption of the Agenda
2. Election of the Presiding Officer and the Rapporteur
3. Election of the President of FAFICS
4. Election of FAFICS Officers 5 Vice-Presidents, Secretary, Treasurer
- 5 (a) Current FAFICS delegations to the Pension Board and other bodies
(b) Appointment of FAFICS representatives on the Pension Board and other bodies in 2022-23
6. Report of the 51st (Special session) Council.
7. Report of the President
8. Adoption of “Declaration of Principles” for all elected officers
9. Pension issues
 - (a) Report of the Standing Committee
 - (b) Situation of the former UNJSPF participants in the former USSR, Ukrainian SSR, and Byelorussian SSR
10. Meetings with the CEPA, CFO and RSG of UNJSPF
11. Report of the Standing Committee on After Service Health Insurance (ASHIL)
12. Implementation of Procedures according to new Rules
13. FAFICS Communications
14. Administrative and financial questions
 - (a) Report of the Auditors for the accounts ending 2021
 - (b) Interim report on the management of the budget for 2022
 - (c) Proposed budget for 2023
 - (d) Appointment of the Auditors
 - (e) Subsidies for Council attendees
15. Elections and Appointments of Standing Committee
16. Date and place of the 53rd Session of the Council
17. Other business

Appendix 3 : List of documents

D.1	Provisional agenda
D.1.a Rev.3	Work Programme
D.1 a	FAFICS 2022 Elections
D.1.b	Agenda and documents
D.4 Corr.1	Nominations of FAFICS officers for elections
D.5.a	Past and Current FAFICS Representatives on the UNJSPF Pension Board and Pension Board Committees
D.5.b	FAFICS Representatives on the UNJSPF Board and Pension Board Committees: President's Proposals
D.7	Fifty-second Session of the FAFICS Council – July 2022 Report of the President
D.8	Declaration of Principles for all FAFICS Officers and Appointees
D.12	Note on the Implementation of Newly Approved FAFICS Rules of Procedure
D.13 Corr.1	Report on the FAFICS website and Communications
D.14.a	Report of the Auditor
D.14.b	Interim Report on the Management of the Budget for 2022
D.14.c	Proposed budget for the year 2023
D.14.d	Appointment of the Auditors
D.14.e Rev.1	FAFICS subsidies for increasing attendance at Council sessions
D.15.a	Chairs and Vice-Chairs of FAFICS Standing Committees: President's Proposals
D17.a	Recommendation that FAFICS award a special recognition for the services of Warren Sach

ASHIL - Standing Committee on ASHIL

ASHIL – Doc. 1	Agenda
ASHIL – Doc.2	Managing ASHI
ASHIL - Doc.3	Update on Medical Insurance Plan (MIP) in relation to the UN Health insurance Schemes
ASHIL – Doc.4	Health Insurance for Long-Term Care
ASHIL – Doc.5	Composition and functioning of the FAFICS Standing Committee on After-Service Health Insurance and Long-Term Care

SCPI – Standing Committee on Pension Issues

SCPI – Doc 1	Agenda
SCPI – Doc 2	Investments of the Fund
SCPI - Doc.3	Thirty-sixth actuarial valuation of the UNJSPF
SCPI – Doc.4	Report of the Plan Review Group
SCPI – Doc.5	Provisional payments
SCPI – Doc.6	Changes to UNJSPF Regulations, Rules and Pension Adjustment
SCPI- Doc.7	Status report of the Emergency Fund
SCPI- Doc.8	Report of the Office of Internal Oversight Services
SCPI - Doc.9	The Standing Committee on Pension Issues

In-Session Documentation

CRP.2	Situation of the former UNJSPF participants in the former USSR, Ukrainian SSR and Byelorussian SSR
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Appendix 4: Report of the President

Dear Colleagues,

It is with great pleasure that I address the Council for the first in-person session after over two years of remote sessions where we could not see each other face to face. I am convinced that virtual communication is not the same quality experience as when we communicate in person in a much more natural way. We have gone through very strong emotions when we organized the first virtual Council and e-voting modalities back in 2020. Since then, we have gained significant knowledge and expertise in conducting our business without being physically present in the same room.

At the same time, I'd like to stress that we still have a lot to learn. Simply ask our host, Jerry Barton, about the ordeal he went through with his Vienna colleagues as well as the Secretary and myself in trying to coordinate an hybrid session like this, combining the physical presence here in Vienna of many colleagues with the virtual participation of many associations especially those in beautiful countries far away from here. Just think of the possible need of combining paper voting with e-voting. Not easy. In fact, as you know we decided in the end to go for e-voting for all.

Before we review together the work done this year, please allow me to make a passing reference to the past four years of my tenure. In this regard, I would like to share with you my personal feelings and emotions as this is my last presence at the Council as President. I wish to tell you what a great experience it was to accompany you, the members of this prestigious Federation, through the ordeals of protecting the interests of all UN retirees at a time when, back four years ago, we were under multiple attacks by the usual suspects as well as new detractors who populated the scene of the UNJSPF. United we managed to rebalance the reputation of the Federation and bring it back to its well established and recognized high standards. I am confident that the new leadership of FAFICS will recognize how well our influence is accepted by all the key stakeholders and key players in the Pension Board and the General Assembly bodies, primarily the ACABQ and Fifth Committee.

At this point, I would like to inform you that based on proposals I have received from Associations and for the first time, the entries in the new expertise pool, I have proposed in full consultation and agreement with the Bureau, to nominate Alan Prien from FFOA Rome as the Presiding Officer. Alan does not need an introduction as he is so well known to most of us as a long-time participant in the life of FAFICS and a leading expert on pension matters. Equally Nancy Hurtz-Soyka, nominated by our New

York colleagues via the expertise pool, is by now our well-known Rapporteur and I am pleased that Council endorsed both my proposals.

Before we enter in the substantive discussion of several important matters before us, I'd like to pay tribute to an outstanding colleague of ours, somebody who has been a prominent figure in the world of pensions and investments and a well-recognized high-ranking officer in the UN and in more recent years a most valued Vice-President and member of the FAFICS delegation to the Pension Board including as Vice-Chair of the Standing Committee on Pensions, representative on important Committees such as the Financial Solvency and Assets and Liabilities Monitoring Committee (FSALM), Succession Planning and Evaluation Committee, and lately the Governance Working Group. You will have realized that I am talking about our esteemed colleague Warren Sach. Warren, together with other officers of the caliber of Gerhard Schramek and Linda Saputelli was a key figure during my tenure. Without Warren it would have been impossible for me to handle the difficult relations FAFICS had when I was appointed for the first time. Thanks to numerous contacts we activated in the New York scene, we managed to reestablish the good reputation of the Federation regaining our ability to influence in a very positive way the direction and substance of the Pension Board decisions. Warren's contribution to our work was always characterized by a profound sense of the institutional responsibilities we had as a retiree Federation and within the Pension Board, as members representing key stakeholders. His motives were always in the defense of our interests and never of his own personal advantage.

It was with sadness when I had to accept his resignation at the end of last year due to a combination of personal reasons. It will be difficult to replace Warren while I think we should retain the inheritance of his knowledge and wisdom.

I could elaborate further to explain why I think so highly of Warren, but I trust you will agree with me in acknowledging the great added value he represented for us. It is because of these reasons, that I have proposed that Warren Sach should be awarded an honor designation (Distinguished Service Award). An ad-hoc paper has been presented to you and I trust Council will endorse my proposal. You will recall when, for the 50th meeting of the Federation, I expressed gratitude to those officers who came before us. I would like to confirm my gratitude to them, therefore please allow me to quote myself. "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 ambitions and goals. My wish is that we will demonstrate to be able to continue in this avenue." FAFICS relevance at the Pension Board.

FAFICS relevance to the Pension Board

Turning to the work and accomplishments of this past year, there are several areas which I would like to briefly illustrate to help us visualize the depth of our intervention and the significance of our action inside and outside the Federation.

As I mentioned on several occasions in the past, the relevance of FAFICS action can be best appraised by looking at the work of the Pension Board committees and working groups which are its essential components entrusted with the most sensitive and pervasive initiatives in the various areas of its governance.

I would like to point your attention to the areas that I consider of greater importance for us.

Governance Working Group (GWG)

Council was fully informed of the progress and achievements of the GWG by way of a comprehensive report presented at its last session. Without repeating any detail of that report, I would like to stress a few aspects that in my view give us the sense of the extensive work carried out by our two representatives in this group and their ability to influence the work and the conclusions of the Group. The report, and I am quoting, stated that the GWG met virtually thirteen times and took into consideration input received from thirteen Staff Pension committees. FAFICS representatives supported the Chair of the WG while meeting with other constituencies to seek additional comments and recommendations. FAFICS was a relevant player in this key area of work of the Pension Board.

Important areas addressed by the GWG included firstly the size and composition of the Board in which FAFICS was instrumental for the adoption of a balanced approach envisaging a limited reduction of the size of the Board. As we all know, this responsible position eventually brought the debate on this item to a satisfactory conclusion.

Other important areas under scrutiny by the GWG included the attendance at Board meetings in which the emphasis was to reduce the numbers of representatives attending meetings in person. As we all know, FAFICS managed to retain its original number of representatives but only four members allowed in presence and the remaining two as alternates attending meetings only virtually and without the right to intervene. In this connection I would like to stress that we made an effort to enable our two alternates to join us physically here in Vienna because an alternate can be allowed to attend in presence when one of the four members cannot attend. Our alternates need to be always au-fait with all the subject matters of relevance to FAFICS.

Other important subjects on which the working group reached consensus and of which you were previously informed include the frequency of meetings, the terms of reference, ethics policy and improving the working methods of the Board.

One last thing which I would like to quote for your full information is that many delegations expressed their gratitude to the two influential members of the FAFICS delegation to the GWG, Gerhard Schramek and Warren Sach for their hard, quality work in the GWG. The Chair of the GWG himself recognized the excellent work of the FAFICS representatives and in particular retaining four member representatives in the Board was considered a very good result. We must be thankful to Gerhard and Warren for this.

The Financial Solvency and Asset and Liabilities Monitoring Committee

The Financial Solvency and Asset and Liability Management Committee (FSALM) monitors the soundness of the Fund, with careful attention to assets, liabilities, economic conditions and Fund demographics. Warren Sach and Marashetty Seenappa have been our appreciated representatives in this important Committee for a number of years and their participation was key to many important developments and successful financial analysis. To both of them goes our gratitude for their excellent contribution. Following the resignation of Warren Sach, Ms. Suzanne Bishopric, former head of the Fund's Investment office, was appointed last year to replace him. She provides an update on the latest activities of the Committee.

In the past year, the FSALM Committee has met virtually, except for the recent meeting which was held 15-17 June. In each meeting, Investments results have been presented by the RSG, with additional economic perspectives contributed by the Chairman of the Investments Committee. From the UNSJPF side, The CEPA (Chief Executive for Pension Administration) reviews the changes in participation and payments, together with trends in the utilization of features such as spousal benefits, disabled children's benefits and the two-track system.

In the most recent meeting, the actuaries presented the Thirty-sixth actuarial valuation of the Fund as of 31 December 2021, showing the Fund to be in sound condition. To put this status into perspective, it should be highlighted that an actuarial valuation represents the status of a fund at a single point in time and that the high market value at year-end contributed to the positive results.

The FSALM is developing a Funding Policy, to ensure proper action is taken should deviations from the desired funded status ever occur. Incorporating the guidance of the Committee of Actuaries, the FSALM will monitor the funded status based on an agreed range (probably a two per cent "corridor") above or below the actual contribution rate. The Funding Policy will be presented to the Board in 2023.

The FSALM suggested parameters for the next Asset and liability study (ALM), for which the Fund will engage the services of an external consultancy. The results of the next ALM study will be based on year-end 2021 results and will be presented to the Board in 2023.

The Budget Committee

The Budget Committee was called until last year Budget Working Group. The name was changed by the Board to reflect the increasing importance of its work. The Budget Committee reviews and makes recommendations to the Board on the budget proposals made by the two branches of the Pension Fund, namely the Pension Administration and the Investment Office. In their participation to the work of the Committee, the FAFICS representatives Linda Saputelli and Adriana Gomez have demonstrated clear leadership in defending the interests of our retiree community. Traditionally FAFICS has sustained positions in favor of providing the Fund with adequate resources (permanent staff and temporary assistance) to carry out its work in an effective and productive manner.

The Succession Planning and Evaluation Committee (SPEC)

As reported to you in the past, this Committee has worked well in securing high caliber candidates for high level positions in the Fund. At its initial stages, the SPEC was able to identify and raise proposals to the Pension Board of candidates for short term managerial positions who were key in keeping the Fund under secure leadership. Warren Sach and I were the two FAFICS representatives with Warren now replaced by Linda Saputelli. This included the selection of the acting Chief Executive of Pension Administration (CEPA) while a more comprehensive search was conducted to identify the current CEPA. Subsequent recruitment efforts included the selection of the current Secretary of the Pension Board, a new key figure introduced following a specific deliberation by the General Assembly to improve independent relations between the Board, the Fund and its stakeholders. As you may know, a new search is being conducted following the resignation of the current Secretary. Once again, the SPEC is demonstrating to be able to act effectively and expeditiously to propose a suitable candidate to the July session of the Board.

The Standing Committees on Pensions and the Standing Committee on Health Insurance (ASHIL)

We have heard of the achievements of these two crucial Standing Committees chaired by Gerhard Schramek and Georges Kutukdjian respectively. I am not referring back to the presentations made yesterday, here I would simply express our gratitude to our colleagues, including the Vice Chairs, for again an outstanding contribution to the work of the Federation. The Working Group on new Rules of Procedures.

The Working Group on new Rules of Procedures

Last but not least, after highlighting the work FAFICS has conducted in the Pension Board and its committees, we turn to the key activity of the Federation this year, the finalization and approval of the new Rules of Procedures. As you may recall, the work of this group initiated back in 2018 at the Rome Council session. This means it took us a long time to arrive at its final successful conclusion with Council approval this year.

Given the significance of this work, many colleagues are anxious to see the implementation of the new Rules as soon as possible. I can reassure you that the convener of the Working Group Jerry Barton and I have carefully reviewed this aspect and are convinced that we are already implementing the new Rules, for example if one considers the use of the new Expertise Pool in particular with regard to the appointment of the future delegation to the Pension Board. We are also convinced that it will take some time to see all the facets of the new Rules to come fully into effect.

For example, should we consider the Expertise Pool to remain fully confidential with very restricted access, or should we open the pool to a wider community. Some see it one-way others the other way. I kept rigorously distant from the development of the new Rules but perhaps at this stage I can point to an important aspect we should consider and resolve. When candidates are encouraged to enter the pool, they are asked to sign a disclaimer statement (by FAFICS) in which they declare to understand that their information (their CV) could become accessible to a well-defined audience (FAFICS Presidents, FAFICS president etc) and not to a wide public. Work ahead includes the fine details of defining this qualified audience. I think the new leadership will address this point in the coming months.

Turning to the achievements of the new Rules, we can say that the basic structure of FAFICS has been strengthened and that it is still an elected representative democracy. The Bureau has been strengthened with a better definition of its role. I wish to encourage the new President to critically review his relationship with the Bureau, vis-à-vis his own clear leadership role substantiated by his clear reporting line to the Council. The flip side of the changes is that Vice-Presidents will have to be more active than perhaps in the past. This is already visible with the implementation of the Bureau workplan which attributes to its members specific fields of responsibilities, timelines, cost if any, and reporting requirements.

The Expertise Pool is a valid attempt to attract more interest in representing FAFICS, but it is in its early days. This Council makes a start, but it will take time to really attract a lot of interest. Another advantage is that we should look at the two-year terms as a real win. Furthermore, the equality of the associations is maintained, i.e., no regional or other 'over groups'. Finally, to respond to some associations interested in this field, there is not a WG to review the submissions to the Expertise Pool. That task was left to the submitting association for their submissions. The details of pool members will not be discussed at Council - they are confidential.

In conclusion, the year behind us has been a very productive one, full of positive achievements in the various fields of the Pension Board and its Committees. We can be proud of the respected position FAFICS fills in the Pension Board arena. The new Rules are a major achievement within the internal scenarios of the Federation, and we all look forward to seeing their potential fully realized. As this is my last address to Council as President, I wish the best for all of you, for your personal success and good health. I

am grateful for the opportunity you gave me four years ago to work for this prestigious and respected federation in the best interest of our retirees. I wish the future leadership an even greater success in all fields.

Marco Breschi, 8 July 2022

Appendix 5: Declaration of Principles

As an existing or prospective official of FAFICS, whether elected or appointed, I freely commit to the following basic principles which will, at all times, guide my work for the Federation:

1. UN Values: I will respect and uphold the principles set out in the UN Charter, including faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women. I will exhibit respect for all cultures and not discriminate against any individual or group of individuals or otherwise abuse the power and authority vested in me. I will act with integrity, honesty and impartiality.
2. Loyalty to FAFICS: I will exercise loyalty and discretion in the discharge of my functions with the interests of FAFICS as my priority. I will act independently and will place the activities of the Federation above activities on behalf of any FAFICS Member Associations. I will not seek or accept instruction from any Member Association or other source external to FAFICS.
3. Confidentiality: I will respect and maintain the necessary confidentiality of the internal deliberations of the Federation. I will respect the privacy and confidentiality of individuals' information and not share it with anyone unless the individual concerned has waived this right or it is required by law.
4. Conflicts of Interest: I will disclose all potential and actual conflicts of interest, including institutional affiliations which might possibly involve a conflict of interest. In such instances I will recuse myself from the decision-making process. I will not participate in deciding a matter directly impacting me as an individual.
5. Promotion of FAFICS: I will do my best to ensure a sound understanding of, and support for, the objectives and the work of the Federation. I will uphold the FAFICS objective to promote and defend the interests of the community of former international civil servants.

Signature: _____ Date: _____
Print Name: _____
Member Association: _____

Appendix 6 Report of the Standing Committee on Pension Issues

1. The Chair of the Standing Committee, Gerhard Schramek, opened the meeting at 10:00 am. As some of the issues before the Committee required special scrutiny and deliberation he trusted that members had familiarized themselves with the documents so that meaningful discussion could ensue.

2. The Chair was pleased to introduce his Vice Chair, Suzanne Bishopric, to the Committee. Many already know her from her time as the Director of the Investment Management Division in the Pension Fund; she is the current Co-Chair of the AFICS/NY Pension Committee and member of the FAFICS delegation to the Pension Board. She is highly qualified to provide the Committee and FAFICS with her expertise and advice in investment and related pension matters.

Agenda item 1: Adoption of the agenda (SCPI/2022/DOC/1)

3. The agenda was adopted as submitted.

Agenda item 2: Appointment of a Rapporteur

4. The Chair proposed Linda Saputelli as Rapporteur for the Standing Committee report. He stressed the importance of having a rapporteur who was fully au fait with the issues and documents before the Pension Board.

The Committee approved the appointment of Linda Saputelli as Rapporteur.

Agenda item 3: Review of the items on the agenda of the 72nd session of the Pension Board of particular interest to FAFICS

(a) Investments of the UNJSPF (SCPI/2022/DOC/2)

5. The Vice-Chair Suzanne Bishopric introduced the document which she had prepared for the meeting of the Standing Committee. She stressed that the Pension Fund had ended 2021 on a strong note, achieving returns above the actuarial requirement. At year end, the balance stood at some USD \$91 billion, \$10 billion more than last year's balance, and had met its performance objective of 3.5 per cent real return over the long term. The asset allocation figures were clear, though they would likely be influenced by the findings of the next Actuarial Study, with the next ALM report due in 2023. The Office of Investment Management (OIM) had made progress also in implementing and closing recommendations from OIOS and the Board of Auditors. In 2021 there had been a focus on climate change. Global equities had done well, but private equity was the star performer, earning over 35% in 2021. The chronic underperformance of the Fixed Income

Portfolio had come at considerable cost to the Fund. It would be interesting to be informed of the extent of the opportunity cost to the Fund over the past ten years so as to place the cost of any needed consulting or outside management into perspective. FAFICS would encourage the prompt implementation of measures to improve the performance of the Fixed Income Portfolio in order to meet or exceed benchmark returns. Lastly, she cautioned that benchmark changes should be rare, yet in recent years they had frequently been shifted. Moreover, the changes were so drastic that few precise comparisons could be made. FAFICS recommended that to restore credibility to performance reporting, performance data be compared against previous benchmarks as well as with the new benchmarks.

6. In response to a question about the extent to which investments had been diversified lately, given that most investments appeared to be in the US, the Vice-Chair replied that the Fund was one of the most diversified in the world. This was achieved in part by the Fund's having partnered with outside managers including the IFC/World Bank that allowed more diversification into private equity investments.

7. A FAFICS member of the FSALM Committee mentioned the need to watch out for the inflation factor and the current strength of the USD. Further, he cited the need for more expertise in fixed income investment from within the Fund and therefore the need to support the RSG on the measures he intended to take to address it. Ms. Bishopric agreed and also complimented the RSG on the tactical moves he wished to take in this respect. A former member of the FSALM committee agreed with the need to reinforce expertise with both additional staffing and external support. The RSG's intention to recruit for this purpose is supported by FAFICS.

8. In response to a query about whether the actuarial results that had been reported could be trusted in light of the benchmark changes, she replied that they were not affected by benchmark changes as they were based on smoothed actual financial data over a five-year period.

9. Some consternation was expressed over the loss of some USD 10 billion over recent months of this year, a result that had been brought about by a number of external factors and, as a result, concern over what the future might look like. Ms. Bishopric explained, that the current strength of the US dollar might not continue indefinitely. Consistency in contributions and steady investment monitoring were some of the factors that enabled the Fund to maintain its strength and she reiterated that despite the short term valuation loss, the Fund was in very good shape.

10. Mention was made of a global petition that had been circulated on the internet and social media about the alleged outsourcing to Wall Street of a portion of the chronically underperforming Fixed Income portfolio. Many retirees had signed the petition, believing that such measures would jeopardize their pensions. Satisfaction was expressed with FAFICS reports which provided important clarification about the underperformance of Fixed Income and the need to take remedial action. Delegations could be encouraged to share this information with their constituents.

11. The Committee took note of the report as well as of the various questions that had been raised and the answers provided. It further noted the intention of FAFICS to raise the issue of the too frequent benchmark changes at the upcoming Board.

(b) Thirty-sixth actuarial valuation of the Fund as of 31 December 2021 (SCPI/2022/DOC/3)

12. The Vice-Chair introduced her paper explaining that the asset valuations are based on a weighted average of investment gains and losses over a five-year period, smoothing the effects of shifts in market valuations. At the time of this valuation the Fund had reached USD 91,482 billion. The annualized nominal rate of return for the 50-year period ending 31 December 2021 was 8.60 per cent, an annual real rate of return of 4.52 per cent. On both the closed group and open group valuations, the actuaries calculated the Fund to be in a surplus position. Her conclusion and recommendation was that the Fund is in a sound actuarial condition for the next 50 years.

13. A FAFICS member of the FSALM Committee confirmed that the funding ratios had been excellent, especially for a mature fund like the UN Pension Fund. It had been fully funded even in its worst years. He said that the Fund relies on the actuarial value and should not be affected by market values.

14. One delegation, concerned by the loss of some USD 10 billion, wished to see the key demographics that had been used by the actuaries, whether they used a range of assumptions instead of the standard ones alone, and what different scenarios they had envisaged. That delegation also pointed out that the losses had occurred over a recent five-month period and if they were to continue, the impact could be considerable.

15. The Vice-Chair assured the Committee that the actuaries had indeed analysed many scenarios, but did not mention all of them. It would have been premature to make assumptions given a number of factors, including the fact that COVID mortality rates were still in flux. The actuaries would look at the impact of the pandemic again next year when more data would be available.

16. The Committee took note of the report, noting in particular that pensions were fully funded and in accordance with the pension adjustment system.

(c) Report of the Plan Review Group (SCPI/2022DOC/4)

17. In introducing the document the Chair recalled that at its February 2022 session, the Pension Board considered a proposal by the Chief Executive for Pension Administration (CEPA) to establish a Working Group to undertake a comprehensive review of the UNJSPF plan design and make recommendations for simplification of UNJSPF Regulations, Rules and Pension Adjustment System.

18. The initial position of FAFICS was that there is no pressing need for a review of the plan design. Concern was expressed that a review of the Fund's plan design and in particular of the Pension Adjustment System may lead to a reduction of benefits. Participants' Representatives and FAFICS were of the opinion that a comprehensive review of plan design and the simplification of the Regulations, Rules and Pension Adjustment System are two different issues and should be addressed separately.

19. After consultations among the constituent groups and FAFICS, the Board reached a consensus to establish a Plan Review Group. The plan review would take into account the long-term sustainability of the Fund and be without prejudice to the defined benefit nature of the Fund, the two-track system which will not be within the scope of the review group and without impacting negatively existing benefits under the Fund Regulations.

20. At its April 2022 session, the Board approved the Terms of Reference for the Plan Review Group and the composition of the Group. The FAFICS representatives on the Plan Review Group are Gerhard Schramek and Suzanne Bishopric.

21. A top priority for FAFICS representatives on the Plan Review Group was the elimination of the 0.5 per cent reduction in the first cost-of-living adjustment due after retirement. This had been approved for implementation by the General Assembly, but which has not been implemented absent a trend of actuarial surpluses.

22. The Chair reported that the Plan Review Group has agreed that the first priority would be given to the economy measures – a) elimination of the 0.5 per cent reduction in the first cost-of-living adjustment (COLA) due after retirement; and b) commencement of cost-of-living adjustments for deferred retirement benefits as from age 50 (a change from the current age 55).

23. In response to a question as to why the effective date of the cost-of-living adjustments was delayed until April when the CPI movements had already become known after the first month of the year, the Chair explained that there were both procedural and substantive reasons for this. While it was true that national CPI data may become available by January/February, they were often preliminary and had to be confirmed later. The Fund has to wait for the CPI data published in the United Nations Monthly Bulletin of Statistics; this takes time to obtain.

24. Another delegation suggested that the Plan Review Group recommend elimination of the 0.5 per cent reduction, given that the General Assembly had approved doing so if there were actuarial surpluses, with the argument that it would reduce administrative cost. The Chair explained that the Review Group will consider all arguments in addressing the restoration of the 0.5 per cent reduction. However, it remained a question whether the actuarial surplus would last. In any event, recommendation by the Board for elimination of the 0.5 per cent reduction could not take place this year as it would need the support of all constituent groups on the Board and also by the actuaries.

25. Another delegation suggested use of a mechanism that had been adopted by some governments which was payment of a so-called thirteenth month when extra funds were available. If the Fund was performing well, why not add a month. The Chair replied that such a mechanism could not work in the UN system as it would require fundamental changes to the benefit system.

26. When another delegation referred to the elimination of the 0.5 per cent reduction as a benefit improvement, the Chair replied that it was in fact the restoration of a benefit that had been taken away, it was not an improvement.

27. **The Committee took note of the Report of the Plan Review Group and recommended that the FAFICS delegation to the Pension Board take up the issue of the restoration of the 0.5 per cent reduction in the first cost-of-living adjustment (COLA) due after retirement.**

(d) Report on Provisional Payments (SCPI/2020/DOC/5)

28. In introducing document SCPI/2022/DOC/5, the Chair recalled that the Board at its 69th session in July 2021, had granted discretionary authority to the Chief Executive of Pension Administration (CEPA) to advance periodic payments in respect of financial hardship in cases lacking the full set of documents and not exceeding 50 per cent of the estimated monthly periodic benefit.

29. The Board requested that, in such cases, the CEPA first confirm with the member organization that the participant has been duly separated or that the survivor is the eligible spouse. The authority was renewable for a period of one year, and the Chief Executive of Pension Administration was requested to provide an update thereon to the July 2022 session of the Pension Board.

30. The United Nations Staff Pension Committee submitted to the July 2022 Board a note on provisional payments. The Committee requests the Board to take note of the progress that has been made by the Pension Administration and the member organizations as well as the ongoing initiatives, and recommends that no change be made at this time with respect to provisional payments, but that the Chief Executive of Pension Administration continue to have authority to issue such payments in cases of financial hardship and report back to the Board on the use of the provisional payments mechanism on an annual basis.

31. **The Committee took note of the report on provisional payments and supported the recommendation that the Chief Executive of Pension Administration continue to have the authority to issue provisional payments in cases of financial hardship.**

(e) Changes to the UNJSPF Regulations, Rules and Pension Adjustment System (SCPI/2022/DOC/6)

32. The document provided the background on and excerpts from the CEPA's proposal for an amendment to Article 1 of the Regulation and the adoption of a new Article 24 *bis* in the Regulations and related amendments to Section F of the Administrative Rules to allow for restoration of prior contributory service in the case of deferred retirement benefits.

33. In document JSPB/71/R.4, the CEPA also proposed an addition to the introduction in the Administrative Rules to allow the use of electronic forms in cases where the Regulations and Rules require participants, retirees and other beneficiaries to submit instructions, requests and appeals in writing. In such cases, electronic submissions shall have the same authority as those submitted in writing.

34. In the context of electronic submissions of personal data, FAFICS had expressed concern that while the UNJSPF may be equipped and staffed with computer security and protection against hacking when transmitting personal financial data, retirees generally do not have access to such security protections. Cybercrime is a growing business worldwide. In this regard, FAFICS would be concerned to see retirees without computer fraud protection sending bank account information over insecure communications media. The Secretariat was requested to ensure that banking information should only be communicated via secure means.

35. The Secretariat responded that the Fund is aware of the problem and provided assurance that cybersecurity support will be provided.

36. Discussion centred on the use and security of electronic forms. There was a common view in the Committee that electronic means could not be imposed on retirees and that written forms should continue to be accepted. One delegation pointed out that while the Fund might provide assurances that banking information, for example, might be secure, this was not necessarily the case for individuals using private personal computers. There was a suggestion to introduce a dual authentication system by using two different channels, similar to the system in use by the UN Federal Credit Union. Another delegation suggested the possibility of using the Fund's member self-service tool as a channel for authentication. An important point made by another delegation was who would assume liability in the case of fraud.

37 The Committee supported the proposed amendments to Articles 1 and 24 of the Regulations and Section F of the Administrative Rules.

38. The Committee also supported the proposed amendment to the Administrative Rules to allow for submission of electronic forms which shall have the same authority as those submitted in writing. However, the FAFICS Board delegation should raise the issue of cybersecurity and who would assume liability in the case of fraud.

(f) Status report on the Emergency Fund (SCPI/2022/DOC/7)

39. FAFICS had been following and reporting on the use of the Emergency Fund for a number of years. The document at hand provided the status report on the Emergency Fund for the period 1 January 2021 to 31 December 2021.

40. The Chair pointed out that there was currently no information on the Emergency Fund on the FAFICS website. He proposed that it be added and that, if possible, member associations also add information on the Emergency Fund to their websites as well.

41. The Committee took note of the Status Report of the Emergency Fund and supported the suggestion that FAFICS post information on the Emergency Fund on its website.

(g) Report of the Office of Internal Oversight Services (SCPI/2022/DOC/8)

42. The Committee had before it excerpts from four of the eight internal audit report by OIOS to the UNJSPF management. The excerpts before the Committee were from audits of particular interest to FAFICS: an audit of client services in the pension administration of the Fund, an audit of the two-track system in the pension administration of the Fund, an audit of external managers in the Office of Investment Management (OIM) of the Fund, and an audit of investment risk management in OIM. In these four cases the Pension Administration or OIM had accepted the recommendations and initiated action to implement them.

43. In the ensuing discussion, in response to a delegation's remark that the reports overall were rather negative, the Chair concurred, but pointed out that whereas in the past OIOS reports had been more sporadic, they were now annual, facilitating acceleration of the implementation of recommendations. It was noted that the Audit Committee had noted that most recommendations were less than one year old and were now implemented more rapidly. Another delegation noted that a number of client services posts were still vacant and further noted that moves by individuals on the two-track track system took months until proper administrative changes were put in place.

44. The Committee took note of the report of the Office of Internal Oversight Services and noted with appreciation that the Pension Administration and the Office of Investment Management will implement all audit recommendations.

(h) Standing Committee on pension issues (SCPI/2022/DOC/9/Rev.1)

45. The Chair introduced his document with apologies for the late submission. He considered that the newly revised FAFICS rules of procedure had consequences that required consideration by the Committee. Furthermore, the change by the Pension Board from one annual meeting to three meetings, two virtual and one in-person, impacted the way the Standing Committee on pension issues would function in future.

46. Before that he briefly summarized the history of how the FAFICS Standing Committees came into being, recalling that prior to 2011 there had been complaints about insufficient time to discuss pensions at Council meetings. The Standing Committee was at first envisaged as a technical body with a limitation of one member per Association.

47. However, given that the Standing Committee usually meets immediately prior to the Council, Council participants requested that they be able to participate in its meetings. Hence, Standing Committee meetings were open to all Council participants with no limit on the number of participants per Member Association.

48. Granting Standing Committee access to all Council participants has the advantage of ensuring that all delegations are part of the discussion in arriving at a common position on pension issues on the Pension Board agenda. A further advantage is that given the limited time available for the Council, Council considers and approves only the report of the Standing Committee, thus avoiding lengthy discussions on pension matters in plenary.

49. Discussion ensued on working procedure with the overall comment by delegations that hybrid meetings seemed to work well. A suggestion was made to shorten the submission time for documents from three weeks to ten days.

50. In summary, the Chair recommended that the Committee adopt the following recommendations:

a) Participation in the meetings of the Standing Committee continue to be open to all Council participants.

b) Members of the FAFICS delegation to the Pension Board and FAFICS representatives on Board Committees who have access to the confidential Board documents constitute the Committee's Core Team in assisting the Chair and Vice-Chair in their functions.

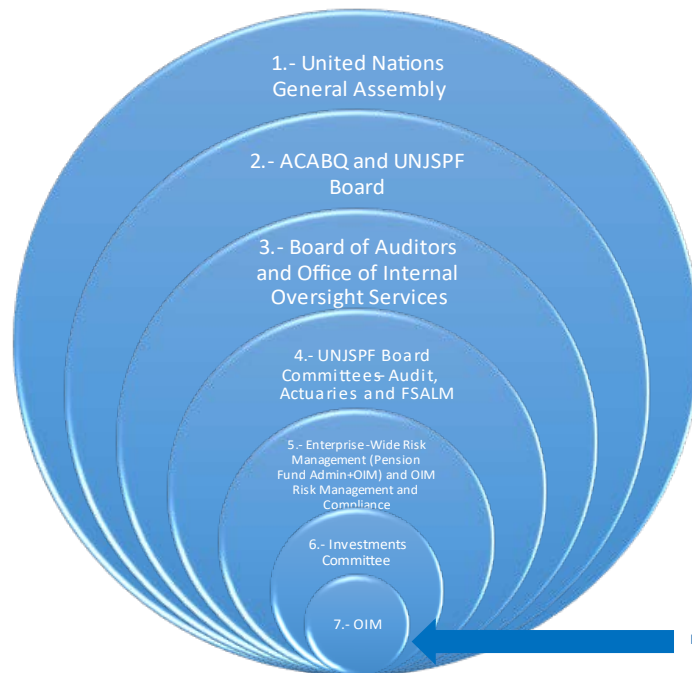
c) The Standing Committee on pension issues meet prior to Board sessions. The meetings in February and April would be virtual, while the meeting prior to the July Board would be an in-person/hybrid meeting.

51. The Committee approved the recommendations

52. With respect to the Core Team, access to the Expertise Pool should be provided to the Standing Committee Chair so as to facilitate capacity building and succession planning. Detailed procedures would need to be worked out by the Bureau in consultation with the Standing Committee.

Appendix 7

Presentation of Mr. Pedro Guazo Representative of the Secretary-General for Investments



OIM Management + Internal
Investments Committee + Private
Markets Committee

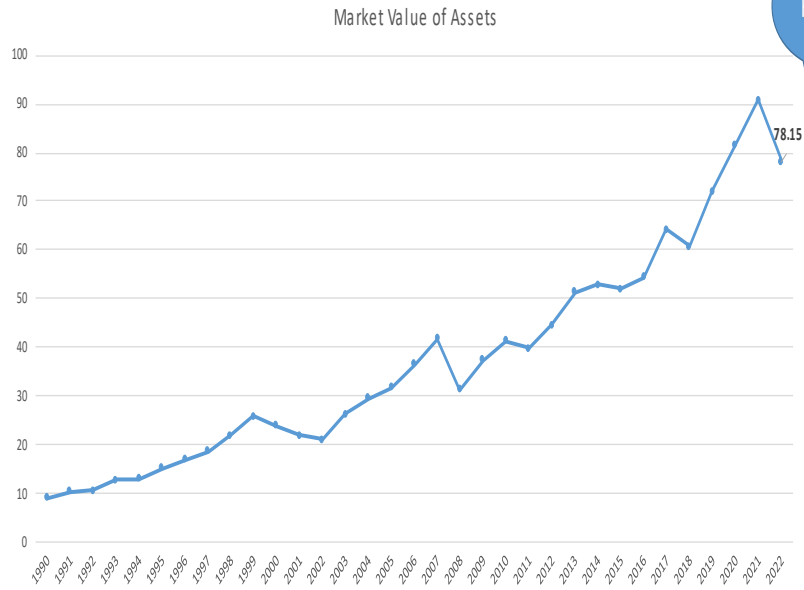
How do we invest and how do we measure our performance?



Long-Term Objective:
Annualized 3.5% real rate of return

Asset class	Allocation		Benchmark
	Implementable	2 years	
Global Public Equities	53%	43%	MSCI All Country World Index (ACWI) Investable Market Index
Global Fixed Income	29%	31%	
Developed Markets	28%	27%	Bloomberg Barclays U.S. Aggregate Bond Index
Emerging Markets	1%	4%	Bloomberg Barclays EM Local Currency Government (10% Country Capped)
Real Assets	9%	14%	
Real Estate	8%	10%	NCREIF Open-End Diversified Core Equity (ODCE) Index+100 bps
Infrastructure	1%	4%	CPI+4% per year
Private Equity	7%	10%	MSCI All Country World Index (ACWI) Investable Market Index+200 bps
Cash and equivalents	2%	2%	Bloomberg Barclays U.S. Treasury Bills: 1-3 month index
Total	100%	100%	

Market Value of Assets as of 30 June 2022



117%
Funding
Ratio

Appendix 6

Presentation of Ms. Rosemarie McClean



**UPDATE ON PENSION
ADMINISTRATION**

FAFICS COUNCIL

20 July 2022

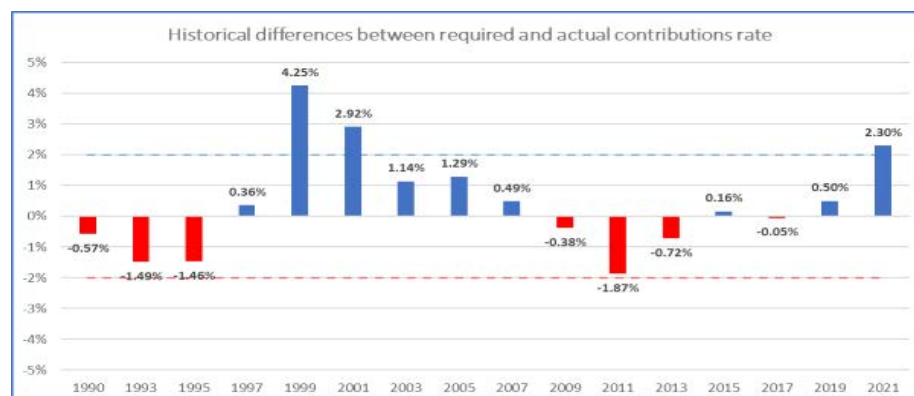
Rosemarie McClean,
Chief Executive of Pension Administration

2021-2022 in brief

- The last actuarial valuation has confirmed the good financial health of the Fund
- The Fund's client base is still growing
- The Fund is adapting to the "new normal", and experiencing constant growth in service demand from its clients
- All core functions have continued to be delivered on time, and targets achieved
- Modernization has continued with new major digitalization projects coming up by 2022 year-end/in 2023

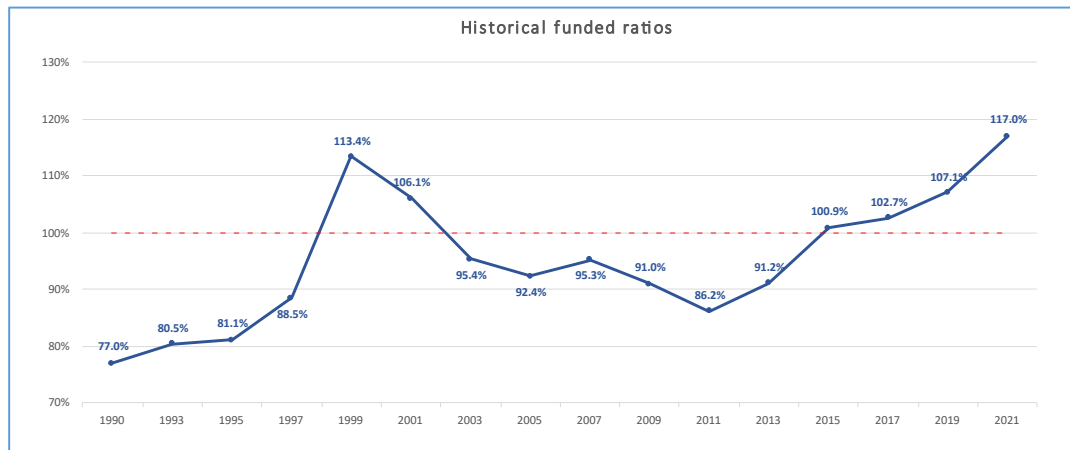
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2021 Actuarial Valuation



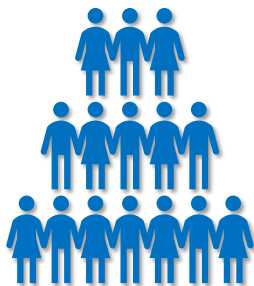
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2021 Actuarial Valuation



5

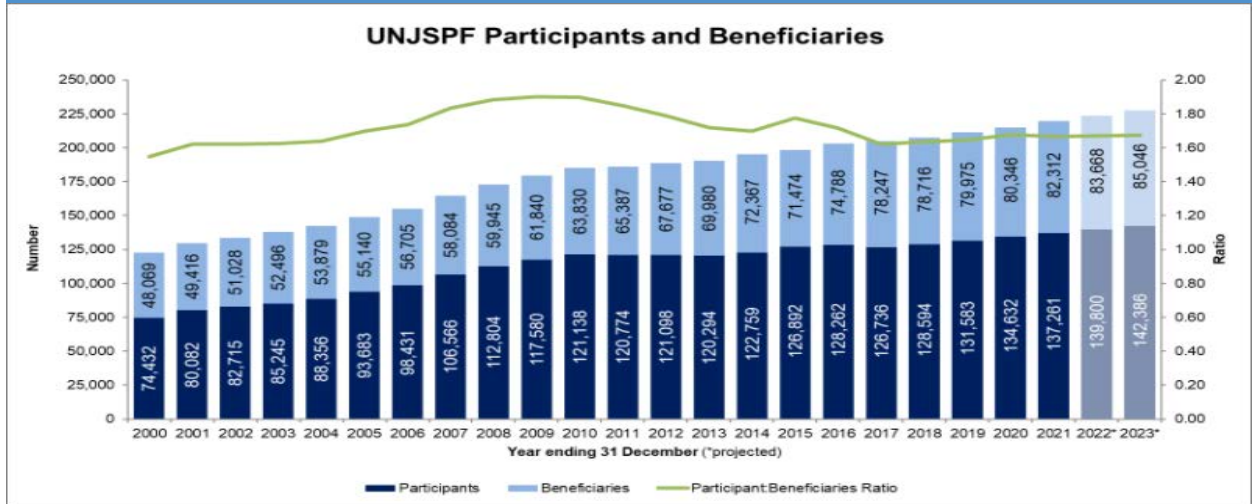
The Fund continues to grow



- 137,261 participants (+2% from 2020)
- 82,312 benefits in payment (+2.4% from 2020)
- US \$ 2.97 billion of periodic benefits (US \$ 2.79 billion in 2020)
- US \$ 2.97 billion of contributions from employers and participants (US \$ 2.85 billion in 2020)

6

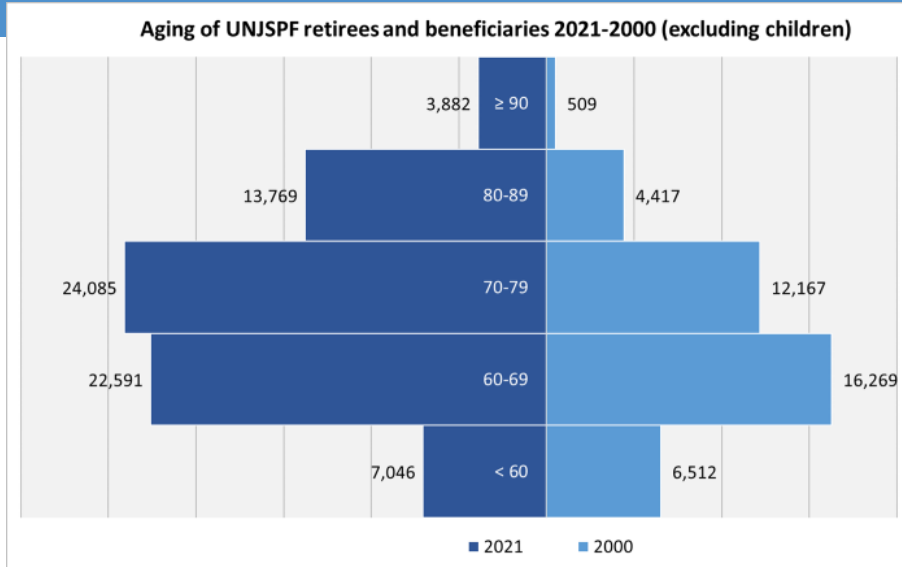
Growth - Trends and Projections



The * refers to estimates

7

The Fund's population is aging



8

Vision of the 2021-2023 Strategy



To be a pension fund that provides outstanding service globally.

The goal is to have a service-oriented Fund that provides the same high -quality services for all of our member organizations, participants and beneficiaries wherever they may be.

9

Some achievements of the Strategy In 2021-2022



Pillar 1: to simplify client experience

- Certificate of Entitlement download/upload function in MSS and the Digital CE app (early 2021) used by about 50% of retirees/beneficiaries: DCE won SG award for innovation and sustainability
- 11 pension e-learning modules (May 2022)

Pillar 2: to modernize pension services

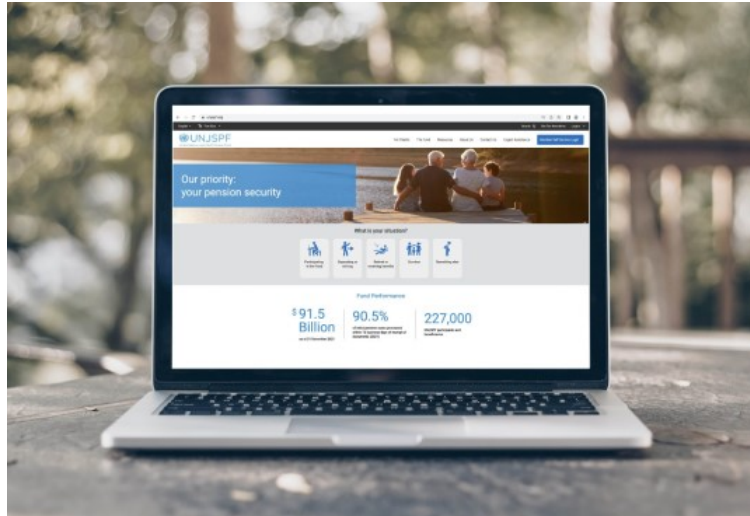
- COLA letters only available in MSS for registered retirees and beneficiaries since April 2021 – 43% reduction in printed and mailed letters (April 2021)
- Successful centralization of the finance function and redeployment of concerned Geneva staff to client services and pension entitlement functions
- Joint PA-OIM Business Support Services Unit, HR and gender strategies (2021 -2022)

Pillar 3: to build a strong global partnership

- New integrated OIM/PA website (June 2022); new extranet for Board members and Committees, new intranet for PA staff (September 2021)
- Chief Executive’s meetings held with member organizations either in person in Europe or virtually in the past months

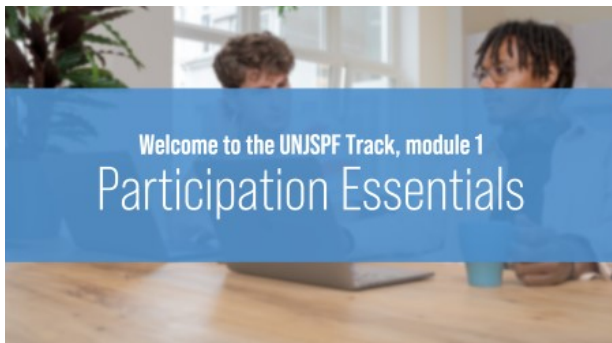
10

The new UNJSPF website



11

11 eLearning modules



12

Strategic projects for 2023

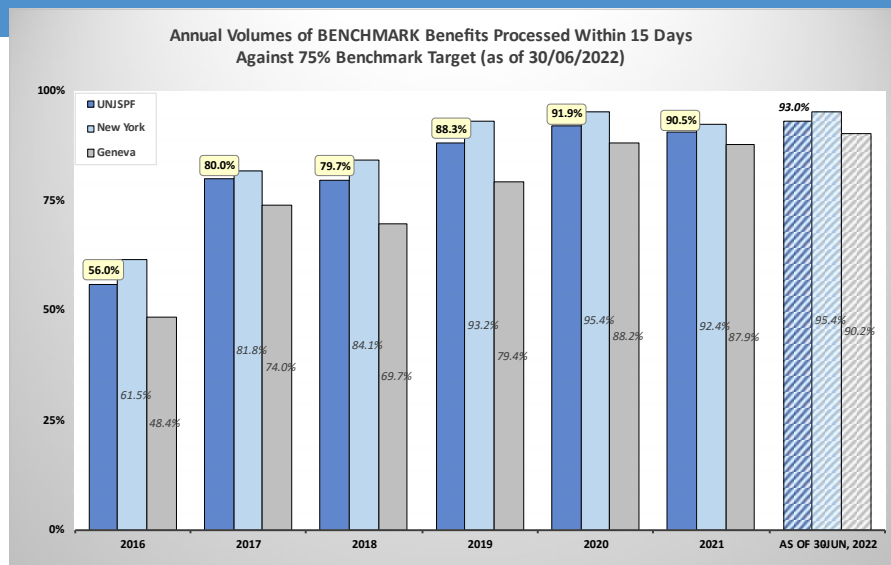


Leverage technology to drive efficiency and improve service:

- Deployment of the Customer Relationship Management System
- Digital capture of pension forms in Member Self -Service
 - the system will pre-populate data which the individual will verify
- Separation Notification Pilot Interface Project with the UN
 - automatically transfer separation data from UN Secretariat to UNJSPF
- Automation of signature recognition on forms
- New financial interfaces with employing organizations planned

13

Operations Update



14

Client Services Update



- All services to clients continue to be delivered and targets achieved
- Geneva in-person service reopened since May 2022 and New York in-person service re-opened since June 2022
- The Call Centre is experiencing higher workloads (email and calls) than in previous years and we are addressing this issue with a range of options, including the possibility of expanding Call Center services to 24 hours/5 days a week

16

Payments Update



- Monthly pension payroll issued on time
- Cost-of-Living Adjustment: +8.6% for the 2021-2022 period, highest since 1980
- Notification of cost-of-leaving adjustment through emails went to MSS subscribers (38,000+ retirees/beneficiaries); however, it was also sent by postal mail to 28,000+ others for whom the Fund has no email contact
- Issues with payments into/through Russian banks partially resolved – check our website for updates

15

The 2021 CE suspension exercise



- The benefits of retirees and beneficiaries who have not submitted their 2021 Certificate of Entitlement (CE) or another valid signature document will be suspended effective June 2022 payroll
- **We're grateful to FAFICS/AFICS for their help in finding retirees who did not send back their CE; if you know ex-colleagues who have not submitted their CE, please ask them to contact the Fund as soon as possible**
- 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
- For more information about CEs, kindly check the dedicated pages www.unjspf.org

17

72nd Board session – 25-29 July 2022



Topics where Pension Administration will provide inputs:

- Update on Pension Administration
- Actuarial valuation
- Financial statements for the year ended 31 December 2021
- Budget estimates for the year 2023
- Status of GA Requests
- Emergency Fund
- Implementation of the Board of Auditors recommendations
- ICT Systems and Initiatives
- Changes to UNJSPF Regulations, Rules, and Pension Adjustment System
- Discussion regarding membership in the UNJSPF by ICCO and IRENA
- UNAT Judgements of interest to the Board

18

Appendix 9

Presentation of Mr. Karl-Ludwig Soll Chief Financial Officer of the UNJSPF



UNJSPF

United Nations Joint
Staff Pension Fund

FAFICS Counsel 2022

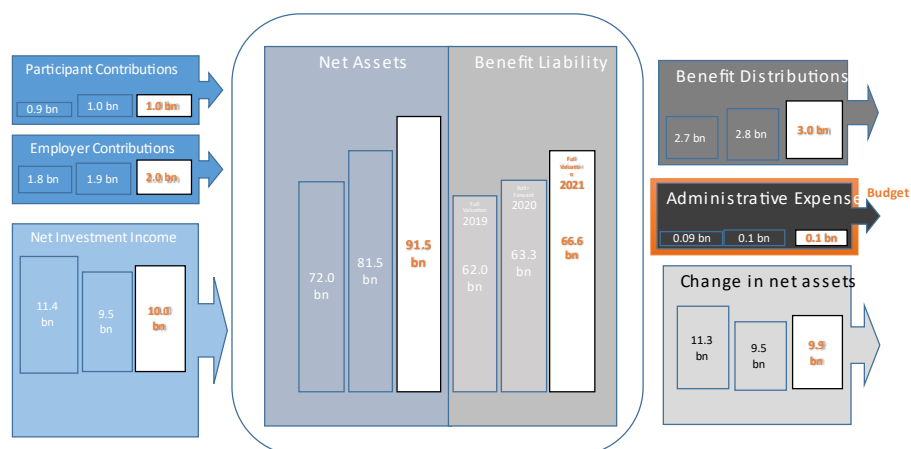
Update by the Chief Financial Officer

Karl-Ludwig Soll

2021 Financial Statements on one page

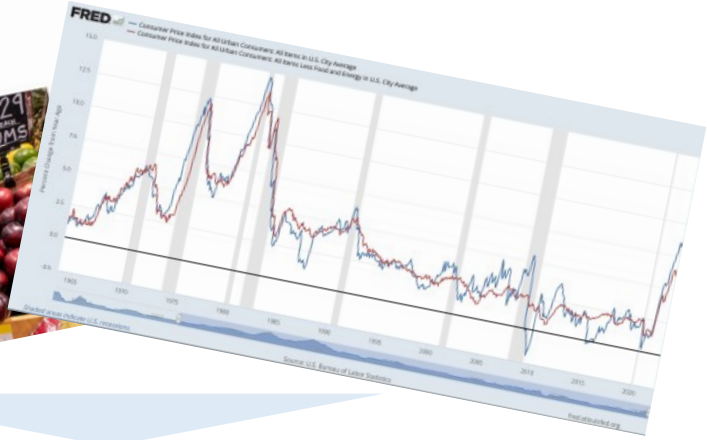


31-12-2019 / 31-12-2020 / 31-12-2021



Latest Developments on Inflation

In the U.S. and around the world,
inflation is high and getting higher



Cost of Living Adjustment (COLA) Update on Periodic Pension Benefits

3

Measuring changes in the CPI

Because of the time lag between the date when the CPI is published in the United Nations Monthly Bulletin of Statistics (MBS) and its effective date, a CPI movement is measured in the fourth month after the effective date.

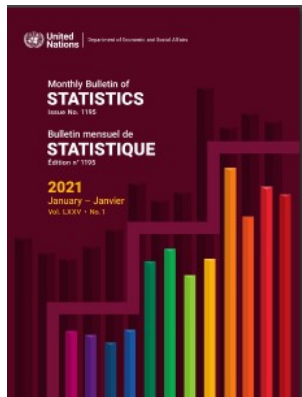
Adjustment cycle	CPI eff. date	Threshold	Adjustment date	Lagging update*
Annual	December	2%	1 April	July (retroactively effective from 1 April)
Semi-annual	June	10%	1 October	January (retroactively effective from 1 October)

* When December (or June) CPI is not available even in the fourth month after the effective date.

4

CPI Data Source

The official CPI for the country as a whole is issued by the national Government and published in the UN MBS. The Fund uses the MBS as a sole data source for CPI measurement.



5

COLA Update for US Dollar Track Alone (Single Track)

Pension dollar entitlement is adjusted by the ratio of the US CPI applicable on the date of the adjustment to the US CPI last utilized.

	Apr 2020	Apr 2021	Apr 2022
December CPI	117.8	119.5	127.9
Last impl. CPI	113.1	117.8	117.8
CPI movement	4.2%	1.4%	8.6%
COLA Update	4.2%	0%	8.6%

6

Update on Payment Channels



Payments in 17 currencies through 3 Banks (JPMCS., UBS-Switzerland, SCB-UK)

Currently 277 periodic benefits paid via checks- limitations of postal services during COVID crisis

Country	# of check payment
CHILE	119
ETHIOPIA	37
PERU	21
DOMINICAN REPUBLIC	17
PARAGUAY	15
EL SALVADOR	12
EGYPT	11

New local payment channels through UN treasury introduced in 2021 in Chile and Peru

Ad-hoc payment channels through UN treasury for Afghanistan, Mali, Russian Federation in 2021/22

Extension of the program for more countries with larger beneficiary populations

9

We need your help!



Only 70% of 67,000 beneficiaries receiving periodic benefits registered their email with the Fund

MAILING COUNTRY	As of JUNE 2022 payroll (ALL EFT types)		EMAIL??		Grand Total
	N	%	Y	%	
Grand Total	19410	29%	47678	71%	67088
FRANCE	2739	40%	4167	60%	6906
UNITED STATES OF AMERICA	2632	25%	7833	75%	10465
SWITZERLAND	1958	43%	2613	57%	4571
AUSTRIA	1221	36%	2131	64%	3352
ITALY	1140	32%	2477	68%	3617
UNITED KINGDOM	633	30%	1489	70%	2122
CANADA	398	20%	1609	80%	2007
CHILE	368	35%	672	65%	1040
ETHIOPIA	363	47%	403	53%	766
THAILAND	354	27%	947	73%	1301
SPAIN	302	30%	689	70%	991

If payment channels fail, Fund may need to communicate directly to beneficiaries

Contact data can be updated in MSS, or through signed PF23 (mail, MSS upload)

UNJSPF will reach out to retiree organizations and beneficiaries with registered email with new learning module 3 in the fall

10

Appendix 10

Report of the Standing Committee on After-service Health Care and Long-Term Care

REPORT

FAFICS STANDING COMMITTEE ON AFTER-SERVICE HEALTH INSURANCE AND LONG-TERM CARE (ASHIL)

Vienna, Monday, 18 July 2022

By *Georges Kutukdjian*, Chair of the Standing Committee on ASHIL,
Katia Chestopalov, Vice-Chair of the Standing Committee on ASHIL &
Jay Karia as Rapporteur of the Standing Committee on ASHIL

NOTE: The present Report was prepared based on input of the following participants: Marco Breschi (FAFICS President), *Marlene Arduo* (AFICS Philippines), *Michael Atchia* (AFICS Mauritius), *Lucien Back* (AFICS Netherlands), *Giovanni Quaglia* (AAFIB Brazil), *Gerhard Schramek* (ARICSA), *Alexander Henning & Isabel Kantor* (AFICS Argentina), *Marashetty Seenappa & Shrinivasan Nanjundappa* (AFUNPI India), *Edward Seidler & Alan Prien* (FFOA, Italy), *Deborah Landey, Suzanne Bishopric & Andres Castellanos* (AFICS/NY) and *Odette Foudral & Mohamed Sebti* (AAFI-AFICS Geneva). They made comments during the discussions on the various items of the Agenda of the Standing Committee on ASHIL.

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A. Adoption of the Agenda

1. The Standing Committee adopted the Agenda presented in document SC-ASHIL/2022/Doc.1.

B. Nomination of a Rapporteur

2. The Standing Committee on ASHIL agreed to nominate Mr. Jay Karia of AFICS/NY as Rapporteur of the Committee by acclamation.

C. UPDATE ON AFTER-SERVICE HEALTH INSURANCE (ASHI)

3. Mr. Georges Kutukdjian introduced the report as contained in document SC-ASHIL/2022/Doc.2 dated 1 July which is copied below and updated as per discussions during the ASHIL Standing Committee meeting.

4. At its 45th, 46th, 47th and 48th, 49th and 50th sessions¹, the FAFICS Council was informed about:

- a) The relevant resolutions of the UN General Assembly, in particular A/RES/68/244, requesting *the Secretary-General to undertake a survey of current health-care plans for active and retired staff [...]*;
- b) The work carried out by the Representatives of FAFICS (Georges Kutukdjian and Katia Chestopalov, Chair and Vice-Chair of the Standing Committee on ASHIL, Gerhard Schramek and Warren Sach, Chair and Vice-Chair of the Standing Committee on Pensions) within the Working Group on ASHI, under the aegis of the inter-agency Finance and Budget Network (FB), and the successive reports of the WG presented to the FB Network, the High-Level Committee on Management (HLCM) and the Chief Executives Board (CEB), and their submission to the Advisory Committee on Administrative and Budgetary Questions (ACABQ), to the Fifth Committee and to the UN General Assembly;
- c) The Resolutions of the UN General Assembly adopted at its 69th, 70th and 71st and 73rd sessions.

.As requested by the Council, FAFICS representatives pursued their participation on the WG and have already reported that the General Assembly at its 73rd session decided that:

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

¹ Respectively documents SC/ASHI/2016/DOC/.2, SCHI/2017/DOC/2, SC/ASHIL/2018/DOC/2, SC/ASHIL/2019/DOC/2 & Council 49/2020/D.5.

5. In its Resolution 73/279 B, the General Assembly requested the SG to present to its 75th Session comprehensive proposals incorporating the following:

- a) Further details about the proposed change to the funding model for future recruits;
- b) A mechanism that would associate the ASHI insurance premiums paid by the agency and the staff member's period of service;
- c) Information on how an entitlement accrual mechanism would be applied to staff members;
- d) Projections on the proportion of staff in peacekeeping operations that would be entitled to ASHI benefits.

6. However, the Report of the SG was not ready for the 75th Session of the GA, for many reasons: the COVID pandemic and its repercussions on the several aspects of the work-load of the staff; recruitment freeze introduced in 2020; etc. Hence, the Report of the SG was prepared for the 76th of the GA.

7. It should be recalled that FAFICS has not been involved in the consultation process since 2019. This would have been necessary in order to comply with the requests contained in part II of the 2019 GA Resolution 73/279 B. Indeed, an insurance working group had been envisaged since a further Report was expected to be presented to the General Assembly at its 75th session. Since 2019, the President of FAFICS wrote in this connection to the Secretary-General of the UN as well as to other relevant senior UN officials with no avail.

8. The discussions related to the seven reports of the SG on managing ASHI (the 3 most recent ones reflecting the work of the Inter-Agency Working Group comprising 18 system entities)² focused on two areas:

- a) Health-care insurance plans, with a view to increasing efficiency and containing costs;
- b) ASHI liability, involving actuarial valuation, funding and investment proposals.

Report of the Secretary-General to the 76th GA – Agenda item 137

9. The Report of the SG on managing after-service health insurance, presented at the 76th Session of the GA (document A/76/373) is dated 30/09/2021.

10. The Report of the SG provides an analysis of the facts and figures requested by the 73rd GA. In particular, it stresses that the accrued ASHI liability is of 7,528 million US\$ on 31/12/2020. This has led the Board of Auditors to repeatedly caution that the liability is likely to consume an increasing portion of the regular budget over time. Similarly, the Independent Audit Advisory Committee, in its recent document A/76/270, reiterated its previous observation that *maintaining the pay-as-you-go approach poses a significant risk and recommended that the General Assembly consider alternative after-service health insurance liability funding strategies to mitigate this risk.*

11. In relation to efficiency and cost-containment measures, the Report mentions steps taken towards: Medicare part B requirement for eligible retirees residing in the USA; upgrading preventive care and wellness initiatives; telemedicine features, including for retirees covered by

² See above paragraphs 1 & 2.

the Medical Insurance Plan (MIP); expansion of medical provider networks; and, communication campaigns to help active staff and retirees to better utilize health plan options.

12. The Report highlights the health-care expenses that increase much faster than inflation rates all over the world. It also provides for the UN several tables that indicate the increase in the number of ASHI participants in the years to come. Hence, the projections indicate that the number of retirees will double between 2019 (12.172 retirees) and 2031 (25.115 retirees) and will triple between 2019 and 2047 (38.101 retirees). An increase of 1.000 ASHI participants is projected per year 2021 and 2039.

13. The Report converges towards an ASHI liability funding policy that gradually transitions from the present pay-as-you-go approach (maintained for ASHI benefits for eligible staff recruited prior to 1 January 2023) to a pay-as-you-accrue one (introduced for ASHI benefits for eligible staff recruited as on 1 January 2023). The Report further underlines that a payroll charge to a level 6 per cent is already levied on extrabudgetary salary costs, with investment returns that top up the liability reserve.

14. The Recommendations of the SG are provided in the following concluding two paragraphs of his report.

“Recommendations:

77. The Secretary-General makes the following recommendations with respect to funding the after-service health insurance liabilities pertaining to the United Nations:

- a) That the pay-as-you-go funding of the United Nations after-service health insurance obligation in respect of staff members recruited before 1 January 2023 be maintained;***
- b) That the funding of obligation in respect of officials recruited from 1 January 2023 be achieved through the implementation of a payroll charge corresponding to a level 6 per cent of salary costs and the establishment of a dedicated financial reserve;***
- c) That the payroll charge be reviewed every three years and adjusted to accommodate variances against the projected accumulation of the dedicated reserve.***

VIII. Action to be taken by the General Assembly:

78. The General Assembly is requested to take note of the recommendations in the present report and to approve the funding of the after-service health insurance obligation in respect of officials recruited from 1 January 2023 through the implementation of a payroll charge against salary costs.”

Report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)

15. The observations and Recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the Report of the SG are contained in document A/76/579 (dated 03/12/2021).

16. On Medicare part B in the USA and leveraging national health insurance plans at other duty stations, the ACABQ Report notes that savings resulted from the requirement that retirees living in the USA enrol in Medicare part B coverage. It also notes that the Secretariat took steps in order to contain costs related to coverage for retirees who live outside the USA. For example, the UN reached an agreement with the Government of Austria to allow UN retirees living in that country to participate in the national insurance plan. Hence, the ACABQ recommends that the GA: ***“Request the Secretary-General to renew efforts to explore such opportunities [...], including the possibility of introducing further incentives or mandating retirees to participate in national plans [...].”***³

17. On funding of ASHI liability at the UN Secretariat, the ACABQ notes that the new funding proposal presents significant differences with prior proposals that are not identified in the SG’s Report. It further indicates that this new funding proposal lacks clarity and consistency. For example, how would the two funding streams (pay-as-you-go funding of ASHI benefits for eligible staff recruited prior to 1 January 2023 and pay-as-you-accrue funding of ASHI benefits for eligible staff recruited as of 1 January 2023) work side by side?

18. The ACABQ refers to the concerns expressed by the Board of Auditors on the current management of the extrabudgetary ASHI reserve funds and the lower rates of investment return within the short- and medium-term portfolio. It is therefore not convinced by the proposal to initially invest ASHI funds accumulated from regular and peacekeeping budgets in the existing pool managed by the UN Treasury.

19. While noting that the GA has not taken a decision on the funding of ASHI liability for the UN Funds and Programmes, the ACABQ maintains its view that the role of the United Nations Joint Staff Pension Fund to provide a cost-effective solution in terms of investing assets (to fund future ASHI benefits) could be explored by the UN system organizations that have approved such funding. Hence, it recommends that:

“Options for the management of a potential ASHI reserve, in particular by the Pension Fund, should be further explored”,
and concludes that:

“More information and clarification are required in order for the General Assembly to consider the proposals of the Secretary-General”.

20. The ACABQ hopes that future actuarial valuations will reflect accurate census data and projections and notes that the 2020 actuarial valuation retained some of the assumptions that can have a high level of error.

21. The ACABQ concludes by recalling that system-wide organizations have complied with the IPSAS standards which stipulates the recognition of financial statements of liabilities related to employee benefits, but leaves it at the discretion of organizations to determine the optimal approach to ensure how adequate resources should be made available and stresses that it continues to believe that the objective of ensuring adequate resources to settle recognized benefit liabilities

³ Paragraph 15 of document A/76/579.

can be achieved without necessarily and/or immediately creating a reserve. Under paragraph 51 of the document, it further:

“a) Reiterates its recommendations to continue with pay-as-you-go approach at the present time as endorsed by the Assembly, in its resolutions 73/279 B, 71/272 B, 70/248 B and 68/244;

b) Recommends against the approval of recommendations b) and c) contained in paragraph 77 of the report of the Secretary-General.”⁴

Decision of the GA

22. At its 76th Session the GA reached no decision on this item and decided that further consultations were required among Member States. The fact that no decision has been reached on the report of the SC and the observations and recommendations of the ACABQ thereon, indicates that there are opposing positions that do not yield the way to finding at present a consensus

Summary of discussions by participants at the Standing Committee on ASHI

23. A number of participants expressed concerns on continuing lack of funding of ASHI liabilities at many UN system organizations. It should be emphasized that the lack of funding the ASHI liability is debt of the organizations concerned, including their member states, as ASHI benefits have to be provided to the eligible retirees based on contractual obligations and acquired rights. It was also noted that a number of UN system organizations had taken positive steps in funding their ASHI liabilities, some were already 100% funded and others had established process for funding such liabilities.

24. Concerns were also expressed on possibly reducing ASHI benefits with use of national health insurance schemes where available. It was clarified that in the past when requests by the Interagency Working Group on managing ASHI were made to member states on possible use of national health insurance schemes, only 9 member states had responded, some of which would not provide the full benefits currently covered by ASHI and there was no universality in such coverage amongst various national schemes nor equality of rights among the retirees that had served the same organization. There were no plans by the UN SG to replace ASHI with a national scheme as even with the use of Medicare Plan B for eligible retirees in the USA, ASHI was still available as the secondary insurance plan for retirees. In addition, the coverage of UN retirees and their dependants by the Austrian National Health Insurance has always been the case and is in no way a new feature.

CONCLUSIONS AND RECOMMENDATIONS ON ASHI

25. The SC on ASHI recommends to the Council that:

a) The President of FAFICS writes to the Secretary-General expressing our regret that

⁴ See above paragraph 12.

FAFICS was not involved in the formulation of recommendations to the General Assembly on managing after-service health insurance:

b) A further communication to the USG for Department of Management Strategy, Policy and Compliance should also indicate a number of priority areas of concern or disagreement regarding the report of the SG on managing ASHI to the 76th session of the GA (document A/76/373) as the subject matter concerns primarily present and future retirees and their dependents represented world-wide by FAFICS and on the issue of after-service health insurance which is a priority concern to them c) The Standing Committee on After-Service Health Insurance and Long-Term Care (SC/ASHIL) follow closely this matter and coordinate a strategic concerted effort with all FAFICS ASHIL focal points to engage global and local staff representative groups to pursue this matter in a proactive manner and with the support of a FAFICS Officer located in New York who will also engage with the Staff Associations of UN and its Funds and Programs located in Headquarters.

d) FAFICS should also write to CCISCUA, FICSA and UNISERV to ensure that they are fully engaged in this important issue which will also impact current staff members when they retire.

D. ASHI COVERAGE UNDER THE MEDICAL INSURANCE PLAN (MIP) Prepared by Giovanni Quaglia, AAFIB-Brazil

26. Mr. Giovanni Quaglia introduced the report as contained in document SC-ASHIL/2022/Doc.3 dated 24 June which is presented below and updated as per discussions during the ASHIL Standing Committee meeting.

I. BACKGROUND.

27. The UN Medical Insurance Plan (MIP) is a Health insurance scheme provided to locally recruited active and former staff members (and their eligible family members) serving or residing at designated duty stations away from UN Headquarters. Enrolment in the MIP is automatic for locally-recruited staff holding appointment of 3 months or more and is voluntary for their eligible dependents. It is also voluntary for retirees who meet the eligibility criteria for after-service Health insurance coverage and their eligible family members.

28. MIP is designed and priced for local use and does not provide worldwide coverage. The only exceptions to this rule are the following:

- a. • Medical emergency when an active staff member is on official business travel outside of the country of duty station;
- b. • Medical evacuation approved by the UN to a recognized regional medical centre;
- c. • In case of countries with inadequate medical facilities for whom a regional area of care has been approved.

29. The present Third-Party Administrator (TPA) of the plan is CIGNA that provides administrative services which include processing claims, issuing letters of guarantees to health care institutions, negotiating with health care providers for preferential rates and direct payment of expenses, customer service and other related services.
30. At the 47th, 48th, 49th, 50th and 51st Council sessions, AAFIB (Brazil) has drawn the attention of the Standing Committee on ASHIL about the difficulties encountered by retirees under the MIP who have served in the field in particular in UNDP, UNEP, UNFPA, UN Women, UNOPS, UNICEF, UNDSS, UNHCR, etc.

II. PRESENT SITUATION

31. The annual individual reimbursement limit for medical expenses is US\$25,511.54, for 2022, equivalent to 6 times the MIP reference salary of US\$4,251.92. The yearly limit would neither be enough, at least in Brazil, for an emergency surgery followed by a 20-30 days hospitalization or an intensive care stay, nor to cover any other expenses such as regular medical assistance, medication, dental and mental health treatment. There is a “stop loss clause” which is an out-of-pocket amount of co-payment paid by all family members in a calendar year. Once the out-of-pocket maximum for covered treatment and service has reached the stop loss limit, the MIP will start reimbursing an additional 80% of the out-of-pocket expenses.
32. These figures make it clear that the Medical Insurance Plan - notwithstanding the fact that it meets normal situations - is insufficient in case of medium and more serious health problem events, and cumbersome in the application of the “stop loss clause” in the period of hospitalization. Furthermore, many MIP users are low income persons receiving less than US\$700 per month (widows in particular) with several limitations due to age, language barrier, residing away from UN based Offices, unfamiliarity with internet, etc.
33. AAFIB did a study in September 2021, on the beneficiaries worldwide under the ASHI-MIP Plan, which is presented in the attached table (A). It showed that out of the approximately 68,000 ASHI Beneficiaries, 13,408 were individuals enrolled in the MIP, i.e. 20% of the total. In Brazil, 30% of the AAFIB Associates use the MIP and in some other locations (AFICS Pakistan) this reaches 70%.
34. For Field based Associations a rapid improvement of the MIP is both necessary and pressing. AAFIB has also prepared a comparative table (B) showing Health Insurance main coverage and limits for locally recruited staff. Best practices exist in the UN System; WHO is a reference since the Staff Health Insurance Fund (SHI) does not discriminate in-service or after-service between international and local staff, and has a governance structure that accept retirees with full voting rights. Several other UN agencies are in similar positions, UNESCO and FAO, just to mention two.
35. It should be noted that some international staff, who are covered by the UN Worldwide Plan (UNWWP), have opted during their active period, to pay for a Major Medical Benefits Plan (MMBP) in addition to the Basic Medical Plan (BMP). This practice could also be

considered for the MIP giving flexibility in the level of reimbursements and payroll deductions during the active period as well as during retirement.

III. PROPOSED ACTION

36. Besides advocating a higher insurance coverage ceiling, the SC on ASHIL proposes that Council agrees that steps are taken to recommend to the UN system to negotiate with insurance companies the possibility of a complementary voluntary individual health insurance, designed to meet the needs highlighted in the present paper and attached annexes A & B. That complementary voluntary individual health insurance would guarantee stability to the retiree in especially dire but frequent situations. Many of our members are already paying for different and often very expensive complementary insurance plans. If negotiations on behalf of a group take place with CIGNA (the TPA for MIP) they might provide a better alternative, not only for retirees but also for active staff.
37. Although the UN Health & Life Insurance (HLIC) in New York is not involved in the review of the MIP issues, AFICS-New York has raised the matter with the UN Insurance Section. Nevertheless, the SC on ASHIL recommends that Council agrees that it should continue to pursue this matter of improving the MIP, since local staff of many Organizations using the MIP, are on the front line of the work of the UN System in difficult and often dangerous field situations and deserve a better treatment.

Summary of discussions by participants at the ASHIL meeting on MIP

38. The participants at the Standing Committee on ASHIL meeting fully supported the issues raised and agreed with the conclusions and recommendations below on MIP.

CONCLUSION AND RECOMMENDATION ON MIP

- 39. SC on ASHIL recommends to the Council to request that AFICS NY, on behalf of FAFICS, continue to pursue the matter with the UN Health & Life Insurance Section along the proposed actions articulated in paragraphs 35, 36 and 37 above.**

E. Health Insurance for Long-Term Care

40. Mr. Georges Kutukdjian introduced the report as contained in document SC-ASHIL/2022/Doc.4 dated 5 July, which is copied below and updated as per discussions during the ASHIL Standing Committee meeting.

A. BACKGROUND

- a) At its 35th session (2006), the Council stressed the importance of long-term care due to the general ageing process, in particular in Countries of the North, and also considering

the needs of UN retirees. At its 36th session (2007), Council agreed that long-term care should be a necessary part of the social security obligations of the organizations and should be built into current health insurances schemes and not set up as separate schemes.

- b) Health insurance plans providing for long-term care existed in the following organizations, Bonn-based entities, CERN, IAEA, ILO/ITU, ITC, WHO, WIPO, WTO, UNESCO⁵ and UNOG. Furthermore, data over 2000-2010 had shown that long-term care accounted for only 3-5 per cent of all health-insurance reimbursements in all organizations of the UN common system. It was thus felt that the universal introduction of long-term care would not give rise to a sudden explosion of costs.
- c) Council agreed that the overall objective remained that of introducing long-term care into all organizations. Council further noted that in some instances the long-term care scheme developed by CERN had been taken as a role model.

41. At its 37th session (2008), Council adopted a Policy Statement on Long Term Care⁶ that was recalled at the 47th session (2018) of the Council. For a number of years, the focus of FAFICS had been on the issue of After-Service Health Insurance (ASHI) in view of the setting up, by the HLCM Finance and Budget Network, of an inter-agency Working Group on Managing ASHI and its deliberations for about four years⁷. To some extent, Long-Term Care was set aside, but revived and treated by the Standing Committee on ASHIL as a matter of priority as on 2018⁸ and Member Associations provided important up-dates that were brought to the attention of the Council.

42. At its 50th Session in 2020⁹, the information gathered by the Standing Committee on ASHIL through Focal Points revealed a standstill situation on discussions about long-term care. For example, AFICS-New York reported that discussions on this issue had been taking place over the years: *“However, due to the significant impact on overall costs of providing such benefit in the US based plans, it (was) decided not to include this benefit”*.

43. AFICS Association in Chile, where several organizations are represented, had indicated that regarding FAO, *“Hospice Care is foreseen for palliative patients with a prognosis of terminal status (...), but approved on a case by case basis. Expenses for custodial care such as home health aide or nursing at home are not covered under the BMIP (but) are covered under MMBP. Expenses incurred by the terminally-ill patient that are not medical, (...)are covered”*. AFICS-Chile had further indicated that regarding retirees from ECLAC: *“Home Health Care can be approved if it is provided as an alternative equal in cost to, or cheaper than, a medically required inpatient hospitalization.”*

⁵ The UNESCO health insurance scheme used to cover food and housing, as well as medical expenses, for inmates of medical nursing homes. The food and housing component was discontinued around mid-2010 following various reports. This decision was not retroactive. Since, AFUS negotiated with a French complementary insurance company a coverage of 77€/per day for inmates of medical nursing homes, the monthly premium being 145.04€

⁶ Annexed to the present document for easy reference.

⁷ See SC-ASHIL/2022/Doc.2.

⁸ See SC/ASHIL/2018/DOC.5.

⁹ See SC/ASHIL/2020/Doc.1 – Section F.

B. UPDATE ON LONG-TERM CARE

44. In spite of a message to all Associations to provide an update on possible discussions about extending present health insurance schemes to long-term care, no new developments were brought to the attention of Bureau of the Standing Committee. Indeed, the current drive for cost containment in Organizations of the U.N. Common System has not been conducive to discussing this aspect of health insurance that is important both for active staff and their dependants and for former staff and their dependants. However, this should not discourage FAFICS from addressing the question of long-term care.

45. The SC on ASHIL could:

- a) Update and expand the facts and figures provided in the *Policy Statement on Long-Term Care*;
- b) Provide examples of National Health Care systems that cover (to a some extent) Long-term Care;
- c) Develop the arguments provided in favour of taking into account the need for Long-Term Care and Dependency both for active staff and their dependants and for former staff and their dependants.

Such an advocacy paper on long-term care should be prepared aimed at administrations.

46. This advocacy paper should take into account the data available to FAFICS Member Associations or that could be collected by them, possibly with the collaboration of active staff associations or unions and/or the support of FICSA.

C. Summary of discussions by participants at the ASHIL meeting on Long-Term Care

47. The participants at the Standing Committee on ASHIL meeting fully recognized that long-term care is an important element of overall health care system which should be provided but also recognized that due to costs involved as well as current funding issues, it will be difficult to get this included in all UN system health insurance programmes. In order to get better support, perhaps FAFICS could try to get support on this issue using the argument that it is a moral responsibility of international organizations to provide adequate long-term care support to the retirees of the UN system organizations. It should also be recognized that long-term care does not only impact retirees only but also active staff and their dependents in case of any medical issues requiring long-term care.

48. Some participants indicated that there were a variety of long-term care practices that were presently used at various UN system organizations and they could provide support in preparing a comprehensive questionnaire to gather current status of practices in the UN system. AFICS/Geneva proposed to make available its expertise on this issue. Overall the participants supported the issues raised Long-term care and agreed with the conclusions and recommendations below.

D. CONCLUSION AND RECOMMENDATION ON LONG-TERM CARE

49. **If Council decides that Long-Term Care (LTC) should be a priority of FAFICS activities, the Standing Committee on ASHIL, with the assistance of Member Associations, should map the organizations that have included LTC in their health insurance coverage schemes, with indications of the conditions to be filled, percentage of coverage, daily ceilings, etc. On that basis, it should present to the next Regular Council Session in 2023, an advocacy paper on LTC, aimed at Administrations.**

F. Composition and functioning of the FAFICS Standing Committee on After-Service Health Insurance and Long-Term Care (SC-ASHIL)

50. Mr. Georges Kutukdjian introduced the report as contained in document SC-ASHIL/2022/Doc.5 dated 5 July which is copied below and updated as per discussions during the ASHIL Standing Committee meeting.

A. BACKGROUND AND PRESENT SITUATION

51. Since its creation by the 40th FAFICS Council in 2011¹⁰, the Standing Committee on ASHIL had a Bureau composed of a Chair, a Vice-Chair and a Rapporteur. The Standing Committee at the close of its discussions selected the Chair, the Vice-Chair and the Rapporteur, and as a Bureau they were presented to the Council for designation for a period of two years¹¹. This is no longer the case according the Rules of Procedure adopted by the 51st FAFICS Council.

52. In practice, the Standing Committee, composed by representatives of Member Associations without limitation, met once a year, for half a day before the opening of the Council, on the basis of an Agenda and documents produced by the Chair and the Vice-Chair. The Chair moderated the discussions on the documents prepared and related subject and the Vice-Chair very often acted as Rapporteur.

53. The Standing Committee formulated recommendations submitted to the Council. The Report of the Standing Committee giving the gist of the discussions with proposed recommendations was presented to the Council for approval. This Report became an integral part of the Council's Report as an Annex.

¹⁰ The Working Group on ASHIL, presided over by Roger Eggleston, proposed the transformation of the Working Group into a Standing Committee. This was first presented to Bureau that approved it in January 2011. It was then presented to FAFICS Council in July 2011 for adoption (see Council 40/2011/D.6).

¹¹ This periodicity of two years was also applied to the designation of the Bureau members of the Standing Committee on Pensions Issues. The rationale set forth in 2011 was: *Since (on PI and ASHIL) matters technical competence and continuity are important, the officers of the Standing Committees should be appointed for a period of two years.*

54. Because of the pandemic and sanitary restrictions, the Council met for a couple of years remotely. The time differences between continents and the need not to extend over a long period the Council session, led the Council to have half-day meetings and to consider issues related to ASHIL during its plenary meetings.

55. In order to up-date and present concise terms of references of the two Standing Committees, Gerhard Schramek, Chair of the Standing Committee on Pension Issues, and Georges Kutukdjian, Chair of the SC on ASHIL proposed in December 2021 the following to the Working Group on the Rules of Procedure:

4. (...) the Standing Committee on Pension Issues should review relevant Pension Board documents and review working papers on pension issues submitted by the officers of the Committee and/or Member Associations and to provide Council with comments/recommendations relating thereto. The same applies mutatis mutandis to the Standing Committee that reviews UN-wide ASHIL documents, produces working documents thereon as well as on items on the agenda of the Council, taking into account observations of and in consultation with Member Associations, with comments/recommendations to the attention of the Council. (...).

B. ASPIRATIONS AND INVOLVMENT OF MEMBER ASSOCIATIONS

56. Recently, Member Associations have expressed the wish to be more involved in the analysis of topics of direct concern to retirees. Constituencies themselves often formulate innovative proposals and wish to participate in the search of solutions of questions that concern them. In a nutshell, they want to be actors in the way solutions are sought and applied and not be passive spectators. This is a general trend, not only within FAFICS.

57. In order to respond to these expectations, in the framework of the 50th Council (2021), the Standing Committee on ASHIL was prepared in consultation with Focal points on health insurance questions designated by Member Associations. The Focal points, representing around 30 Member Associations, were consulted on the Provisional Agenda and all the documents (in particular the document reviewing the situation created by COVID-19) were prepared with inputs from all Focal points.

58. For the present 52th Council, it was difficult to apply the same pattern as to the preparation of the Standing Committee on ASHIL for the following two reasons:

- A Working Group designated by the Council, presided by Jerry Barton, was reviewing the Rules of Procedure of FAFICS, and it would have been awkward to pre-empt proposals related to the functioning of FAFICS yet to be approved by the Council.
- The 51st Council approved the creation of an Expertise Pool that could have guided the Chair of the SC on ASHIL in selecting knowledgeable colleagues with experience in health insurance systems. But this Expertise Pool being set up for the first time in 2022, left no time in involving such experts in the preparation of the 2022 ASHIL Standing Committee.

C. Summary of discussions by participants at the ASHIL meeting Composition and functioning of the FAFICS Standing Committee on After-Service Health Insurance and Long-Term Care (SC-ASHIL)

59. The participants at the Standing Committee on ASHIL fully agreed with the conclusions and recommendation of SC-ASHIL and requested the Chair and the Vice-Chair to go forward in selecting additional members from the Expertise Pool.

D. CONCLUSION ON COMPOSITION AND FUNCTIONING OF THE FAFICS STANDING COMMITTEE ON ASHIL

60. Soon after the 52nd Session, the Chair and the Vice-Chair of the SC on ASHIL would create a small group of knowledgeable and involved colleagues in health insurance matters on the basis in particular of candidates in the Expertise Pool. The constitution of this small group would be carried out in consultation with the President and the Bureau.

61. The Chair, Vice-Chair and the group would have periodic meetings virtually, to discuss the issues at hand and formulate courses of action for FAFICS. The preparation of forthcoming Standing Committees on ASHIL would be the result of a collaborative team work.

G. OVERALL CONCLUSIONS AND RECOMMENDATIONS OF ASHIL TO THE COUNCIL

62. This Section F repeats the conclusions and recommendations that have been reached under the various part of this document:

Section B: After Service Health Insurance (ASHI)

25. The SC on ASHIL recommends to the Council that:

a) The President of FAFICS writes to the Secretary-General expressing our regret that FAFICS was not involved in the formulation of recommendations to the General Assembly on managing after-service health insurance.

b) A further communication to the USG for Department of Management Strategy, Policy and Compliance should also indicate a number of priority areas of concern or disagreement regarding the report of the SG on managing ASHI to the 76th session of the GA (document A/76/373) as the subject matter concerns primarily present and future retirees and their dependents represented world-wide by FAFICS and on the issue of after-service health insurance which is a priority concern to them;

c) **The Standing Committee on After-Service Health Insurance and Long-Term Care (SC/ASHIL) follow closely this matter and coordinate a strategic concerted effort with all FAFICS ASHIL focal points to engage global and local staff representative groups to pursue this matter in a proactive manner and with the support of a FAFICS Officer located in New York who will also engage with the Staff Associations of UN and its Funds and Programs located in Headquarters.**

d) **FAFICS should also write to CCISCUA, FICSA and UNISERV to ensure that they are fully engaged in this important issue which will also impact current staff members when they retire.**

Section C: After-service health insurance coverage under MIP

39. SC on ASHIL recommends to the Council to request that AFICS NY, on behalf of FAFICS, continue to pursue the matter with the UN Health & Life Insurance Section along the proposed actions articulated in paragraphs 35, 36 and 37 above..

Section D: Health insurance for Long-term care

49. If Council decides that Long-Term Care (LTC) should be a priority of FAFICS activities, the Standing Committee on ASHIL, with the assistance of Member Associations, should map the organizations that have included LTC in their health insurance coverage schemes, with indications of the conditions to be filled, percentage of coverage, daily ceilings, etc. On that basis, it should present to the next Regular Council Session in 2023, an advocacy paper on LTC, aimed at Administrations.

Section E: Composition and functioning of the FAFICS Standing Committee on ASHIL

60. Soon after the 52nd Session, the Chair and the Vice-Chair of the SC on ASHIL would create a small group of knowledgeable and involved colleagues in health insurance matters on the basis in particular of candidates in the Expertise Pool. The constitution of this small group would be carried out in consultation with the President and the Bureau.

61. The Chair, Vice-Chair and the group would have periodic meetings at distance, to discuss the issues at hand and formulate courses of action for FAFICS. The preparation of forthcoming Standing Committees on ASHIL would be the result of a collaborative team work.

63. The Vice-Chair of the SC on ASHIL, Ms. Katia Chestopalov while participating virtually appreciated the constructive suggestions made by various participants and acknowledged that the conclusions and recommendations being made to the Council would have positive results on ASHIL going forward.

64. The SC of ASHIL and the Council thanked Ms. Katia Chestopalov for all the work that she has done for ASHIL over the past many years.

ANNEX to SC-ASHIL/2022/Doc.4
5 July 2022

FAFICS Policy Statement on Long Term Care

Directly or indirectly long term care does or will affect us all.

The need for long term care is, increasingly, a global phenomenon.

FAFICS is committed to:

ensuring appropriate insurance coverage for long term care;

enhancing consumer choice and

Some years ago, FAFICS adopted the following definition of Long Term Care:

Long Term Care is taken to mean care provided to persons suffering over an extended period from some physical or mental disability preventing them from attending to the essential activities of daily life. The care is determined by the degree of dependency on others for personal hygiene, dressing, feeding, mobility and daily attendance to the household. The inability to perform these activities and thus to establish

the need for LTC, should be certified by a medical practitioner. Treatment requires personal care services provided in a setting other than in an acute care unit of a hospital, such as a nursing home, in the community or in the home.

Recent global demographic and epidemiological shifts are startling. By 2050 over 25% of the populations of most countries in Europe and North America will be over 65 years old. Even more staggering are the estimations for countries in the developing world – 20% for Brazil, 21% for Chile, 23% for China, 22% for Lebanon, 21% for Thailand, 22% for Tunisia and so on.

At the same time, by 2050, medical science will have made even greater strides in warding off diseases - thus enhancing longevity. But frailty is too often the price of longevity. Hence the need for long term care EVERYWHERE.

We, in FAFICS, are committed to working with Organizations of the United Nations system to ensure the introduction and, where such schemes exist, the strengthening of appropriate long term care insurance coverage through their normal social security provisions.

We are also committed to enhancing consumer choice and in that context underlining the truism that “there is no place like home” when it comes to long term care. An OECD 2005

policy brief states that “providing the support which enables older persons with care needs to stay at home as long as possible can help greatly to improve their situation and it is what most want”. What is more, it generally costs less than residential care.

And in those cases where home care is possible, FAFICS is also committed to supporting the provision of a broad range of services including professional guidance to families and respite care for informal care givers.

Data on the costs of long-term care insurance coverage are encouraging. In those organizations which have introduced coverage, the costs, over five years, have ranged between 1% and 2% of all insurance benefit expenditures. This may, in part, reflect the sad reality that long term care needs, unlike chronic illness or permanent disability, are relatively short in duration.

Taking all these considerations into account, FAFICS will continue to fight for the introduction of long-term care as an essential, but normal, element of the social security obligations of all Organizations of the United Nations system.

**Report is complete
(with 92 pages)**