

FEDERATION OF ASSOCIATIONS
OF FORMER INTERNATIONAL CIVIL SERVANTS
(FAAFI/FAFICS)

MINUTES OF THE SIXTH MEETING OF THE COUNCIL
(New York 29-30 May 1980)

1. The sixth meeting of the Council of the Federation of Associations of Former International Civil Servants was held on Thursday and Friday, 29 and 30 May 1980 at United Nations Headquarters, New York.
2. The following member Associations of the Federation were represented:
 - Association of Former International Civil Servants, Geneva (AAFI/AFICS)
Mr. Jean-René Rivet, First Vice-Chairman of the Committee of AAFI/AFICS
 - Association of Former International Civil Servants, New York (AFICS (New York))
 - Mr. Myer Cohen President of AFICS (New York)
 - Mr. Alfred Landau)
 - Mr. Henri Reymond)
 - Mr. Robert L. Smith) Members of the Governing Board of
 - Mr. Frank Weisl) AFICS (New York)
 - Association of Former FAO and World Food Programme Civil Servants, Rome (FFOA)
Mr. Emmanuel Abensour, Honorary Chairman of FFOA
 - Committee of Former UNESCO Civil Servants established within the UNESCO Civil Servants, Paris.
Mr. Jean Guiton, Chairman of the Committee of Former UNESCO Civil Servants
3. Mr. Jean Guiton, Chairman of the Council of the Federation, was Chairman of the meeting.
4. Agenda item 1: Adoption of the agenda
The Council adopted the following agenda:
 1. Adoption of the agenda
 2. Approval of the minutes of the last session of the Council (Geneva, 25-26 October 1979)
 3. FAFICS: internal matters (1)
 - 3.1 Amendment to the Statutes
 - 3.2 Financial Report
 - 3.3 Budget for 1980/1981
 4. Defence of common interests
 - 4.1 Pensions: Present situation; reports of the FAFICS observers at the last meetings of the organs mandated for re-examining the pension system;
 - 4.2 Position of FAAFI/FAFICS: review of the "Guidelines for observers representing FAFICS", in the light of the decisions taken by the General Assembly at its last session and of the proposals now being studied by the competent organs; instructions to be given to the FAFICS observers;

5. Development of solidarity and co-operation between member associations
 - 5.1 Extension of FAFICS: applications for membership, if any; admission of new members;
 - 5.2 Supporting United Nations' action: can member associations play a part in this respect?
6. Programme of FAFICS for 1980/1981: main lines, priority order, suggestions
7. Any other business
8. Elections (President, Vice-Presidents, Secretary, Treasurer).

(1) Adding to Article 1 of the Statutes the following sentence:
"It is governed by articles 60 et seq. of the Swiss Code of Civil Law".

5. Agenda item 2: Approval of the minutes of the last session of the Council (Geneva, 25-26 October 1980)

The Council approved the minutes of the last session of the Council with some slight drafting changes.

6. The Council decided that the present record of the meeting should be as brief as possible and should record only decisions and the positions taken up.

7. Agenda item 3: FAFICS: internal matters

- 3.1 Amendment to the Statutes

The Council decided that Article 1 of the Statutes should be amended by adding the following sentence:

"It is governed by articles 60 and seq. of the Swiss Code of Civil Law".

- 3.2 Financial report

In the absence of a proper statement of accounts, the Council decided to request the Geneva member association to communicate to the Chairman an account of expenditure charged against the Federation's account in 1979. On that basis, a financial statement could be prepared and circulated by the President of FAFICS.

- 3.3 Budget for 1980/1981

The Council decided to request that a draft budget be prepared on the basis of the statement of accounts for 1979 drawn up by the Geneva AFICS and on the assumption that it might be slightly higher for 1980, and that the President should circulate it to the member associations for approval. It was suggested that a small reserve fund should be established to cover unforeseen expenditures.

8. Agenda item 4: Defence of common interests

- 4.1 Pensions: Present situation; reports of the FAFICS observers at the last meetings of the organs mandated for re-examining the pension system;

4.2 Position of FAAFI/FAFICS: review of the "Guidelines for observers representing FAFICS" in the light of the decisions taken by the General Assembly at its last session and of the proposals now being studied by the competent organs; instructions to be given to the FAFICS observers.

The Council noted, on the basis of the observers' reports, that the certain ideas of a scheme for initial adjustment of pensions had been favourably received but that no commitments had been made. It decided that the main points to be borne in mind in considering any scheme proposed were as follows: 1. Any new system that was introduced must apply to existing as well as to new pensioners; 2. There must be no reduction of pensions in payment and no freeze of adjustments; 3. Nothing should be done to change the present system of adjustments by modifying the pensionable remuneration; 4. The cost to Governments must be no higher than at present; 5. The cost of any new scheme must be considered in the light of the financial position of the Fund.

The Council expressed its concern at the Fund's financial position, resulting from the pressure of new demands and particularly from poor returns on its investments.

The Council felt, nevertheless, that steps should be taken to increase pensions paid after age 75, which could be done at little cost to the Fund and for which sympathy and support had been expressed in the Fifth Committee.

The Council therefore regretted that the JSPB was being asked to postpone consideration of that question (item 12(e) of the Board's agenda). It decided that the observers should support any proposals for the improvement of pensions paid after age 75 and the retention of the item on the Board's agenda.

The Council noted that one way of increasing benefits and at the same time protecting the interests of pensioners who retired many years ago was the recalculation of pensions in payment on the basis of present final average pensionable remuneration.

Views were expressed on the question of lump sum payments: two representatives were in favour of limiting the rapid growth of the lump sum or to freeze at present levels through application of up-to-date rates of interest, while others considered a limitation of the amount would be preferable.

The Council briefly discussed the question of widow's benefits for the survivors of pensioners who married after retirement. One representative suggested that the paper on that subject which had been prepared for the last session of the Council should be presented to the Board as an official document.

The Council was of the opinion that taxation should be taken into account when calculating initial pension adjustments, although it recognized the complexity of the calculations involved, and expressed interest in the study being prepared for submission to ICSC at its next session. Whatever the formula that emerged, adjustments for taxation would have to be made on a continuing basis.

The Council adopted the following guidelines at the end of its afternoon meeting on Thursday, 29 May:

GUIDELINES FOR OBSERVERS REPRESENTING FAFICS

1. Pensionable remuneration should reflect the principle of mutuality which already characterizes to a certain degree some of the present provisions of the Fund. It is considered that the final objective should be to establish initial pensions at levels which provide comparable standards of living in the different countries of retirement. FAFICS considers this a long-term objective which should be reached step by step.
2. Fully aware of the necessity of giving precedence to pension matters, particularly pensionable remuneration, FAFICS noted with concern the decision of the Standing Committee to propose to the Board postponing consideration of items dealing with improvement in benefits. In view of its social aspect, the question of special provisions for pensioners of 75 years and older should, in the view of FAFICS, be considered at the XXVII session of the Board. In addition, noting the questions raised in the Fifth Committee at the last session of the General Assembly concerning the possible recalculation of the benefits of pensioners having retired a long time ago, the FAFICS observer should express the hope that the matter be studied with a view to a discussion at the next meeting of the Board.
3. Application of New Scheme to Existing Pensioners. FAFICS welcomes the understanding reached in the Standing Committee that the application of the four-band system, or any alternative system, for fixing initial pensions, should neither lead to a reduction in pensions for existing pensioners nor to a reduction in their pensions through a suspension of the CPI adjustments. For countries where the new scheme leads to an improvement in pensionable remuneration for purposes of fixing the pensions of future retirees, a procedure should be developed for passing on similar improvements to existing pensioners.

4. CPI Adjustments of Pensions. FAFICS considers that the present scheme of adjustments of pensions in payment is an essential feature of the system and should be maintained. It already has a built-in lag of four months, and any diminution of the conditions of application of the CPI would be regretted. If some change were considered necessary as an internal move to produce funds for other purposes, the FAFICS position would be that an acceptable alternative would be that the CPI adjustments be made at the beginning of the quarter when

- (a) the index has moved by 5%, or
- (b) in any event, after an elapsed period of six months, whatever the movement of the index.

5. Lump Sum. If additional financing should become necessary, to seek compensatory savings to finance any new provision in the pensions adjustment system, FAFICS considers that some of this might be found by using more realistic interest rates in the calculation of the lump sum.

6. Investments. As regards investments, FAFICS, as the representative of the recipients of benefits from the Fund, reiterates its concern with the sound investments of the Pension Fund money and in the adherence to the four principles agreed by the General Assembly.

Agenda item 4: Defence of common interests (continued)

4.2 Position of FAAFI/FAFICS: review of the "Guidelines for observers representing FAFICS" (continued)

The Council discussed a proposal of Mr. Abensour to add two paragraphs to the Guidelines (which would form paragraphs 7 and 8) dealing respectively with the Emergency Fund and information to pensioners.

Emergency Fund (para. 7)

The Council decided that the observers should be instructed as follows:

The Federation

Noted the report of the Secretary on the use of the Fund;

Noted with interest the improvement in recourse to the Fund;

Recommended that specific guidelines or criteria should be established by the relevant authority for the use of the Fund and publicized in the form of a letter to each pensioner; and

Expressed the hope that such criteria would be broad enough to cover a wide range of emergency cases.

The Council further proposed that the question of recourse to the Emergency Fund should be included in the agenda of the next Board meeting and that the Board, if it deemed necessary, might establish a working group which would redefine and make more specific the criteria for recourse to the Fund.

Once those criteria had been firmly established, the Council would discuss them and make a recommendation to all member associations to exert every effort to inform their members with regard to the use of the Emergency Fund.

Information to pensioners (para. 8)

The Council noted that the Pension Fund was providing insufficient information to pensioners concerning individual pension adjustments, that it frequently failed to explain apparent discrepancies in the calculation of those adjustments and that the absence of satisfactory explanations sometimes hampered the taking of important decisions by pensioners.

The Council urged that each individual adjustment of pension be accompanied by a short note indicating how it was calculated. Some strengthening of the Pension Fund secretariat might be necessary for that purpose.

The Council decided that FAFICS should express concern on the issue and stress the need for clear information on pension adjustments by means of a circular letter to pensioners to explain changes of importance to all pensioners and by means of specific explanations in response to enquiries from pensioners in urgent and exceptional cases, showing the basis for calculating periodic adjustments.

The Council agreed that the question of additional staff to discharge that task should be raised by the observers in connection with the discussion of the budget of the Pension Fund secretariat.

9. Agenda item 5: Development of solidarity and co-operation between member associations

5.1 Extension of FAFICS: applications for membership, if any; admission of new members;

The Council considered the attitude it should adopt towards the establishment of national associations of former international civil servants not affiliated with FAFICS. It decided that it could not oppose the establishment of such associations to meet the special needs of the national groups concerned, provided that they did not usurp FAFICS' role as spokesman for all international civil servants on matters of concern to them. One representative suggested that such associations might be accorded a liaison status similar to the consultative status of Non-Governmental Organizations.

The Council felt that it should maintain the principle that member associations should be prepared to make appropriate financial contributions to the Federation in accordance with article 7 of the Statutes. Accordingly, BAFUNCS and the

Danish Association of Former International Civil Servants, which had expressed interest in association with FAFICS but had not yet met the financial requirement, should be invited to consider applying for full membership, it being specified that they would be expected to meet that requirement eventually. The Council decided that all applicant associations should be told that FAFICS would welcome applications for membership on the understanding that they would meet the financial requirement established in the Statutes. The terms and conditions of membership would be jointly discussed.

5.2 Supporting United Nations action: can member associations play a part in this respect?

Asked to comment on the proposal and questionnaire concerning support of United Nations action developed by Mr. Julian Behrstock of the former civil servants group within the UNESCO Staff Association, the Council expressed the view that although the questionnaire was unfocussed and the effect of replies might be dubious, it deserved further study. It might be transmitted to member associations with a request that they suggest ways of contributing to support for United Nations action.

The Council decided that member associations should be asked to support and participate actively in United Nations Associations and all local United Nations-affiliated groups.

The Council considered the advisability of requesting member associations to take action in cases of the arrest, disappearance or death of active or former staff members while on United Nations missions in performance of their duties.

Opinion was divided between AFICS (New York) on the one hand and FAIFI (Geneva), FFOA and the UNESCO group, on the other. The New York association held that it was a moral obligation for member associations to support United Nations efforts to defend the interests of international civil servants. The other associations contended that they should not take any initiative or intervene directly in such cases; the issue should be dealt with by the Secretary-General or Director-General of the organization employing the staff member in jeopardy. The Council took no decision concerning action to be taken by FAFICS in such cases. It was generally recognized that member associations would decide on action, if any, to be taken in individual instances.

10. Agenda item 6: Programme of FAFICS for 1980/1981 (suggestions, priorities)
The Council decided to call on member associations to intensify their efforts to improve the situation with regard to the participation of former staff members in, and having recourse to, social services provided by their former organizations (legal protection, medical insurance) and in the preparation of active staff members for retirement.
11. Agenda item 7: Any other business: time and place of the next session of the FAFICS/FAAFI Council
The Council decided to defer a decision on the time and place of its next session until it knew when and where the next Pension Board meeting would be held. It would meet before the Board convened.
12. Agenda item 8: Elections (President, Vice-Presidents, Secretary, Treasurer)
The Council decided to re-elect all the present officers by acclamation. The Council further decided to elect M. Rivet as a Third Vice-President, a new and additional post on the Bureau of the FAFICS Council.

The meeting rose at 1.15 p.m. on 30 May 1980