

ASSOCIATION OF FORMER UNESCO STAFF MEMBERS (AFUS)

Ordinary General Meeting

Thirtieth Ordinary Session, 17 May 2022

(Room IX and hybrid)

Draft minutes

President: Jacques Rao
Vice-President: Pierre Sayour
Rapporteur: Georges Poussin

Item 1: Opening of the session by the President

As the quorum was not attained by 2:30 p.m., Georges Kutukdjian, President of AFUS , adjourned the meeting for ten minutes.

During the interval, he drew the attention of the members to the following four essential elements:

1° The Pension Fund Certificate of Entitlement (CE) which has been sent to all or will be sent shortly in paper form, must absolutely be signed, dated and returned promptly the in order to ensure that no one is deprived of their pension. This annual certificate can now be numerical (ELD) to reduce management costs as requested by the United Nations General Assembly. You should follow the instructions on the Fund's website. AFUS is available to assist you, if necessary.

2° The Pension Fund's annual letter, to be sent in June will contain vital information. Any queries should be e-mailed to AFUS.

3° The utility of subscribing to complementary insurance schemes in order to increase reimbursement of medical expenses by the MBF can be very substantial in respect of heavy bills.

4° The of practicality of consulting the AFUS website, which is regularly updated.

The President of AFUS then declared the thirtieth session of the Ordinary General Assembly officially open.

Item 2: Election of the General Committee of the General Assembly

The President of the AAFU introduced the candidates: Jacques Rao as President, Pierre Sayour as Vice-President and Georges Poussin as Rapporteur. The three candidates were elected unanimously by acclamation.

Georges Kutukdjian then handed over the Presidency to Jacques Rao.

Mr. Rao underlined the symbolic nature of the moment: AFUS has just reached its thirtieth anniversary and UNESCO its seventy-fifth – which gives rise to a very moving ceremony. 2022 also marks the half-century of the World Heritage Convention and the MAB Programme amongst other

events. He expressed pleasure that the General Assembly can once again be held face-to-face while allowing those unable to be in Paris to participate in virtual mode, sometimes from a great distance. He expressed a special thought for those colleagues who have departed since the last General Assembly and offered, on behalf of all, his sympathy to the families of the deceased.

Item 3: Speech by the Director-General or her Representative

The Director-General, Ms. Audrey Azoulay, is represented by the Deputy Director-General, Mr. Xing Qu, who is participating for the fourth time in the work of the AFUS.

Mr. Xing Qu said that he always had great pleasure in standing up in front of UNESCO former officials to whom UNESCO owes what it has become today. He quotes Edgar Morin who said: "*To be a humanist is to feel deep within oneself that each of us is an ephemeral moment and an extraordinary adventure*". In this respect, international civil servants are the most formidable of humanists, they who hand on the torch from generation to generation in order to lead the adventure of peace that is ours. That is, to carry out a mandate which has not changed since creation: to build peace by culture and dialogue among peoples. But a mandate which responds to constantly renewed challenges requiring all our collective expertise and experience. In this regard, your commitment to UNESCO, even after your departure, has never ceased. Because if you no longer work within its walls, we continue to benefit from your experience and advice. This experience has been invaluable to us especially during the health crisis, which has been a real organizational challenge for UNESCO. And if we are here gathered today, it is so that you can continue to guide our Organization, in order to guarantee its sustainability in the long term. I am thinking, in particular, of your deliberations concerning medical care which were submitted to the Executive Council.

Mr. Xing Qu expressed admiration for the commitment and dedication of former officials from all parts of the world, speaking different languages. He notes that we are a real team; we represent a diversity which UNESCO should always encourage, this precious Organization which embraces all kinds of subjects, from ancient history to contemporary innovations. Finally, the DDG stresses the importance of inter-generational cooperation. UNESCO helps the youngest to reach high levels of knowledge and the eldest to live a well-deserved retirement while continuing to be part of a real family.

The Chairman of the meeting thanked the Deputy Director-General very much.

Georges Kutukdjian in turn thanked him on behalf of AFUS and stressed how invaluable is his encouragement to keep the link with UNESCO and active international civil servants.

Mr. Xing Qu took the floor again to stress how much he appreciated this regular exchange with all, to whom he felt very close.

Jacques Rao added that the General Assembly would be grateful if Mr. Xing Qu could convey to the Director-General, Ms. Audrey Azoulay, a message of friendship and success following her brilliant re-election. It also emphasizes the quality of relations with the various units of the Organization.

Item 4: Election of tellers

The Chairman of the session introduced the candidates for the posts of tellers: Aimée Ravonison and Wolfgang Vollmann. They are elected unanimously by acclamation.

Item 5: Adoption of the agenda (doc.30 A/1)

As no additions to the agenda were proposed, it was adopted unanimously by acclamation, as it stood.

Item 6: Approval of the Summary Record of the Twenty-ninth Regular Session (doc.30 A/2)

This Record was adopted unanimously by acclamation. Warm thanks are conveyed to the Rapporteur, Georges Poussin.

Item 7: P of candidates to the Executive Committee (doc. 30 A/3) and Item 12: Result of the election of four members to the Executive Board

The Chairman of the meeting presents the candidates to the Executive Committee.

Four statutory posts are to be filled for a three-year term.

In addition, following the resignation of a member during his term of office, a fifth position should be filled for the remaining two years.

The candidates are Odile Blondy, Raul Boyle and Josette Erfan, for re-election, and Ana Dumitrescu and Birgitte Moeller, new candidates. Josette Erfan announced that she would accept the position on the Executive Committee for a period of one year.

After giving the floor to the candidates who express their motivations, all present physically or remotely, except Josette Erfan excused for personal reasons, Jacques Rao submits these candidatures to the approval of the Assembly.

Since the number of candidatures corresponds to the number of places to be filled, the five candidates shall be immediately elected or re-elected, according to the required conditions, by unanimous acclamation in accordance with the rules of procedure. Their term will begin on July 1, 2022.

Finally, the Chairman thanked the two outgoing members of the Executive Committee who did not stand for re-election, Ms. Nguyen Thi Phi and Ms. Vèrène Seret Mukamusoni, for their past contributions.

Item 8: Annual report of the Executive Committee

a) Presentation of the Annual Report (doc.30 A/4)

1° The President of the AFUS indicates that the written report being quite complete, it will be limited to two observations:

- The first concerns an important activity that has not been mentioned in this document. This is the request made by the Executive Committee to the Chairperson of the Executive Board to give the floor to the President of AFUS for a tribute to former and current international civil servants, in December 2020 (text published in LINK), and, at the 214th session, in respect of the item on the Long-term Funding Plan that the Director-General presented preliminarily. AFUS prepared a document on this subject which was circulated to its members.

This Plan will be the subject of Item 10 of the agenda of this General Assembly with the participation from the Directors of BFM and HRM. However, Georges Kutukdjian draws attention to a crucial point: the Director-General has been invited by the Executive Board To present a document with proposals not at the next session but for that of spring 2023. The document to be presented today under agenda item 10 provides an outline of how the Secretariat thinks it should address this issue. Between now and the spring 2023 session, it is important to work, hand in hand with the Secretariat, to ensure that the proposals are ethically and legally acceptable. In addition, it will be necessary for pensioners to participate in the next MBF General Assembly which will also deal with the subject.

- Georges Kutukdjian warmly thanks all the members of the Executive Committee whose great qualities, intelligence, dedication and team spirit he highlights. This was followed by loud applause.

2° The Vice-President, Josiane Taillefer, evokes taxation and pensions.

She indicates that in addition to the Thursday afternoon sessions with many visits, she advised AFUS members by phone and email. In addition to the points raised in the Report, she wished to add a few remarks on issues which had been mentioned frequently. She indicated, in advance, the visit to Paris in two days of Mrs. Rosemarie McClean, Executive Head of the United Nations Joint Staff Pension Fund (UNJSPF), with her deputies. She hoped that members would indicate before the following evening those issues they would like to see raised for the meeting scheduled with the COMEX.

She then referred to a petition that had been circulated concerning an alleged outsourcing of the management of the Pension Fund's assets. This is "fake news". The Fund has diversified its investments in accordance with the laws of the financial markets. The Investments Committee, under the direct authority of the UN Secretary-General, has indicated a 30% growth in the UNJSPF portfolio between March 2020 and March 2022, which is considerable in the current circumstances. 18% of the portfolio is for new products that are at fixed income. However, if this fixed income is not insured, it can cause a decline in the return of the entire portfolio. The Committee specifically realized that there was a lack of profitability on these investments, which would normally guarantee substantial interest. The problem stems from a lack of competent staff within the Pension Fund for this generation of investments. The necessary recruitment has been authorized by the United Nations General Assembly. In the meantime, as a transitional measure, the Committee has decided to have external agents manage all of these 18%. This means that the funds remain well within the Pension Fund's portfolio and that all protocols will be followed. Investments, on the other hand, will be made more profitably. There is therefore no question of outsourcing the Pension Fund, which is doing very well.

Josiane Taillefer adds that the Pension Fund participates in efforts to preserve the climate by having reduced 35% of carbon products in its investments.

The Vice-President also pointed out that the adjustment of pensions had taken account of the consumer price index (CPI) communicated by all the Member States.

Finally, she raised the issue of the numerical Certificate of Entitlement (DCE) and the reluctance of some retirees to hand over their photographs for archiving by the UNJSPF.

Pierre Sayour, Vice-President of the GA, invited to speak by Jacques Rao, adds that the Pension Fund has never had the competence, internally, to manage certain aspects of the assets held by the Fund, such as real estate, which however only represents a small percentage of these assets. In doing so, he wants to stress the need to call on external expertise as much as necessary, which is not really new and is all the more essential since it is recommended not to invest only in stocks and bonds. He also stressed the importance of the issue of health protection for expatriates, anticipating Agenda Item 10.

3° The Vice-President, Patrick Gallaud, evokes cultural activities.

Without repeating everything contained in the Report, it highlights a few initiatives:

- Visits to exhibitions organized by Josette Erfan who were able to continue virtually during the pandemic and resume on site since last September. Members are invited to make proposals;
- Ta Chi classes that are again organized;
- the Club "One author, one work, one hour" by video-conference which should still receive a novelist before the holidays, perhaps face-to-face or hybrid;
- The "Memory and Future" Club, led by Neda Ferrier, whose video-conference meetings are accessible on the site. Suggestions will also be welcome;*
- The AFUS website completely re-designed with a new section on the history of UNESCO which includes some unpublished documents. Patrick Gallaud insists on the ease of access to this site which contains three news items of the Organization, updated daily; he adds that this site, which is widely frequented, reaches a much wider audience than AFUS members and insists that the latter do not hesitate to consult it even more;
- The magazine "Link", under the responsibility of Monique Couratier, three issues of which were published and distributed online, the last one being for the 75th anniversary of the Organization with a message from the Director-General, thus testifying to her attachment to former staff.

b) General discussion

A speaker indicated that civil servants who receive their pension according to the dollar track had received an 8.6% increase as of April 1, 2022, unlike retirees receiving their pension under the dual track. Georges Kutukdjian points out that the reason for this is the high inflation in the United States, which has repercussions on the consumer price index.

Another speaker also stressed the importance of organizing the celebration of the Centenary. Of Mr. M'Bow that must not be forgotten. It is approved by the GA.

The Vice-President added information on the deadlines for sending tax returns and how to complete this insisting on the extent of fines when taxes were not paid.

c) Approval of the Report

The Report was adopted unanimously by acclamation.

Item 9: Report of the Treasurer for 2021 (doc.30 A/5a)

Christine Bruyère indicates that the credit balance is due to the donation that a very old colleague made from her SEPU account, amounting to €12,127. UNESCO's dollar grant remains unchanged. The credit balance is therefore about € 5,000 but it is necessary to take into account invoices that are always sent at the end of the year. There were high expenses at the beginning of the year, as UNESCO changed its computer system, forcing AFUS to renew four obsolete computers. The compensation came from the absence of some meetings that took place in virtual mode, saving on mission expenses.

The solidarity account has increased, with no requests for help from colleagues in difficulty. The credit balance is € 41,000 which will make it possible to respond to subsequent requests.

The leisure account is balanced.

The AFUS reserve would provide an opportunity to deal with possible difficulties.

a) Report of the Statutory Auditors for 2021 (30A/5b)

This report is favourable. Mohammed Bachiri also confirms the need to replace computers and recommends that this should be extended to include «software" to adapt working methods.

The Treasurer requests the External Auditor to assist her in this search for resources.

b) Discharge

This is given to the Treasurer by acclamation.

c) Provisional budget for 2023 (30A/6)

Christine Bruyère presents this balanced budget, which should be considered only as approximate.

It is approved.

The President of the meeting recalled the need to pay the membership fees.

Mohammed Bachiri recommends doing it via the Internet to simplify the process

Item 10: Plan of long-term funding of after-service health insurance (ASHI)

a) Presentation by Ms. Magdolna Bona, DIR. BFM of document 214/EX 16, with the participation of Ms. Kazumi Ogawa, DIR. HRM

MS Magdolna Bona presented the measures submitted for consideration by the Executive Board at its 214th session (214 EX/5.III document and Addenda) whose importance she stressed, as well as the decision taken by this Council after examination by the Finance and Administrative Commission.

To do this, she makes use of a Power Point accompanying her remarks in detail.

She recalled that, since 2014, the United Nations has been seeking to achieve harmonization between agencies having different systems. This is difficult because those who grant the most do not want a reduction, while those who grant less, do not want an increase.

The working group meeting that year showed that there was no common or harmonized vision, nor a central supervisory authority: there was no harmonized vision: each Organization established its own health insurance system

This harmonization has therefore not been achieved, but efforts must be made to achieve this.

Most organizations have adopted measures for long-term funding and there is on-going work in the Finance and Budget Committee (CBF), under the supervision of the Inter-Agency Coordination Committee, to establish an adequate reserve level, which has been authorized by the UN General Assembly.

In any event, it would be necessary to establish a system whose long-term sustainability is ensured, which implies thinking about the financing process.

In this respect, it is clear that, for all active or retired officials of the Agencies, acquired rights cannot be called into question. However, the eligibility conditions to benefit from these rights are not the same according to each Agency: in some, it is necessary to have completed only five years of active service, whereas at UNESCO, it is ten years.

With regard to UNESCO in particular, following the 2019 recommendation of the External Auditors which stressed the importance of planning and ensuring that UNESCO can meet its fiduciary responsibilities – which was already leading to the development of a long-term sustainable financial strategy, the Executive Board in its Decision 210/EX 32, taken in November 2020, requested the Director-General to submit an updated analysis and financing plan – confirming the need for the above-mentioned strategy.

In 2021, at its 41st session, by its 41 C/Resolution 62, the General Conference, in the context of the examination and approval of the annual financial statements, invited the Director-General to present long-term financing options and a timetable for such a strategy.

With regard to a long-term funding plan for after-service health insurance, DIR. BFM highlights three elements that need to be taken into consideration: the future costs of medical benefits for retirees and their dependents, the right acquired and accumulated during the active service in the Organization of these retirees and UNESCO's obligation to pay for those who are eligible.

It indicates that the funding is not aligned, in fact, with the commitment. This long-term funding represents 3.9 per cent of after-service health insurance (ASHI) liabilities - as of June 2021 \$21.30.1 million. At the end of 2020, \$48.99 million remained unfunded. It is clear that the current funding mechanism (1% of staff costs per biennium is insufficient and that it would take more than a century to reach the level of commitment required).

DIR. BFM indicates that the main determinants of ASHI commitments are:

- The ratio of active staff to retirees: it appears that, at UNESCO, the contribution of active participants is higher than that of voluntary participants, while the benefits paid to active participants are generally lower. It should be noted that the proportion of active staff compared to retired staff is much better in most other United Nations organizations. At UNESCO, there is a real problem of ratio; the number of retired civil servants is constantly increasing while that of new recruits is decreasing (a preference being given to short-term contracts).

- vesting period: it is observed that: longer vesting periods tend to exert downward pressure on ASHI liabilities; ASHI commitments are much lower for organizations with large staff; Any increase in the vesting period could thus reduce liabilities; however, this measure could affect UNESCO's attractiveness in terms of employment;
- the transfer of risk to a third party: the profile is different depending on whether it is a self-insurance mechanism or a transfer of risk via a third-party insurer or a national social security system; in this regard, the use of national insurance schemes could reduce the risk of 62% of UNESCO's reimbursements made in France;
- The level of benefits to be paid to eligible participants: this determines the total cost of commitments under the ASHI. It should be noted that the benefits currently paid by UNESCO are already less generous than those of other United Nations organizations.

In its decision approved at its 214th session, the Executive Board:

1. **Notes the** evolution of after-service health insurance (ASHI) liabilities, funding approaches across the United Nations system, and factors determining the level of ASHI liabilities;
2. **Requests the** Director-General to consider possible changes to the main determinants of after-service health insurance (ASHI) liabilities, with a view to reducing the overall level of such liabilities, paying particular attention to the opportunities offered by the host Government, at Headquarters, for UNESCO staff and retirees; and to report to the Commission at its 216th session on its assessment and the results of its efforts;
3. **Also requests the** Director-General to provide, in her report to the Commission at its 216th session, a detailed proposal based on the above-mentioned assessment for the funding of future after-service health insurance (ASHI) liabilities, taking into account the discussions held on this item at the present session.

Ms. Bona also referred to contacts with the host country to see how it would be possible to eliminate the 30% surcharge that AP-HP establishments charge active staff and retirees covered by the MBF.

Finally, she strongly insists on the preliminary nature of the reflections and proposals intended to guide the elaboration of the proposals to be submitted to the 216th session of the Council. To that end, it stressed the importance of the consultations to be held in the meantime, as Georges Kutukjian had already said before item 10 was discussed.

b) Questions and answers

The President of the AAFU asks several questions:

- a. How does the Secretariat envisage its further work based on the decision of the Executive Board to develop proposals to be submitted to this Executive Board at its spring 2023 session? Has a roadmap been developed?
- b. For a staff member who worked for UNESCO for a number of years as a member of MBF, the challenge was to accumulate his health insurance entitlement after separation. How can what has been attained be preserved without risk of retroactive change?

- c. Will the new system to be put in place, possibly with the support of the host state, be optional or mandatory? This is also important for future candidates for positions at UNESCO and in the United Nations system in general.
 - d. What would be the impact of a new system on MBF funding? Is there not a risk that the proliferation of short-term jobs at UNESCO and the United Nations will have adverse consequences in this regard?
1. Ms. Bona replied that all those issues would have to be considered from a long-term and precautionary perspective. They are very complex. All aspects must be examined in detail. Member States will have to continue to contribute to their financing. There will be no retroactivity; it is a question of acquired rights. These rights concern the principle of coverage of medical expenses. However, the level may change, go up or down. There is a clear link with the recruitment policy. The tendency to prefer short-term contracts that do not generate the same rights but reduce contributions should be taken into account. This trend is linked to financing capacity: governments are keen on zero growth and donors are not necessarily in favour of paying staff in the long term. We need to see how we can get more with limited means. Nothing is decided. Hypotheses are being examined to see what may be best for UNESCO's active and retired staff. There must be a great deal of consultation and discussion within the time allotted.
 2. One speaker considers that the transfer of risks to the French State would be a step backwards and a denial of acquired rights at the very time when we have just recovered the exemption from social contributions on our income from assets. Joining the French Social Security would lead to the payment of compulsory contributions (CSG, CRDS, CAPA,...) calculated on pension income. It also disputes certain approximations in the Secretariat's document and considers that the case law of the Council of State and other courts would not be respected.
 3. Another participant asked for clarification on the concept of "eligibility".
 4. Another speaker mentioned the case of individuals and their families who returned to their country of origin and could not use the French system. She specifies that she must pay for the system in her country in addition to the contribution to the MBF.
 5. Josiane Taillefer notes that in her presentation Ms. Bona made no mention of the agreement signed between the Organization and the French authorities concerning social security schemes and family benefits for staff employed in France by UNESCO. In the light of the definitions contained in this agreement, it appears that only permanent and temporary members with more than one year's contract would be covered by the social security scheme established by the Organization.
 6. At the request of DIR. BFM, the President of the meeting gave the floor to Mr. Immo Welter, Secretary of the MBF, who discusses the legal aspects of the issues raised. The examination of these is entrusted to a specialist. It stresses the need to respect texts that must be taken into consideration. He added that the use of the French system for French officials and former officials and those residing in France could only be envisaged if it appeared that such an option would not cost UNESCO more.

7. Ms. Bona concludes that there are two processes to be identified:

- the first, which relates to dialogue with Member States, which aims to provide for how to ensure that their contribution will be sustainable through long-term commitment;
- the second deals with the means that should be adopted to contain the costs of MBF expenditures. For this, it is necessary to establish a sustainable mechanism, which requires time and consultation and which could involve an agreement with the French system.

She stressed that there were not the active on the one hand, the retirees on the other and the Organization on the other, but a system to be found collectively which meets all the requirements.

8. In a final round of discussions:

One speaker returned to the difficulty of cooperation with the French system, which involves obtaining a *carte vitale*.

One speaker wondered, in line with a previous intervention, about the case of UNESCO officials who retired in their country of origin and could therefore not be covered by the French scheme.

Mohammed Bachiri stresses that the new rules to be established should apply to all UNESCO staff regardless of nationality. He indicated that the evolution was taking place within the United Nations system thanks to the introduction of new accounting methods to which UNESCO must seek to adapt. The principle of solidarity must continue to apply above all else. He calls for continued dialogue between the Secretariat and all relevant stakeholders.

9. M. Immo Welter confirms that the system must in practice be equal for all. Some should not obtain additional refunds by using several systems in a complementary way, which would be illegal.

Item 11: Election of Statutory Auditors

The President of the session introduced the two candidates: Mohammed Bachiri and Rosa Primois. They were unanimously re-elected by acclamation.

Item 12: Result of the election of four members of the Executive Committee for three years and one member of the Executive Committee for a term of two years

Not applicable, as the two elections concerned were obtained by acclamation

Item 13: Other business

No issues are raised.

Item 14: Closure of the session

After the thanks from the President of the AAFU and the President of the session, Jacques Rao concluded it with an appeal for Peace in the World and two quotes: Albert Einstein: "*I do not know how the third world war will be but I know that there will not be many people to see the fourth*" and John Fitzgerald Kennedy: "*Humanity will have to end war or war will end humanity.*"

The General Assembly was declared closed at 6 p.m.