

FICSA CIRCULAR



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To: Chairs, Member Associations/Unions
Members of the Executive Committee
Chairs, Members with Associate Status
Chairs, Associations with Consultative Status
Presidents, Federations with Observer Status
Chairs and Vice-Chairs of Standing Committees

From: Diab El Tabari, President

**INTERVENTION BY
THE FEDERATION OF INTERNATIONAL CIVIL SERVANTS' ASSOCIATIONS (FICSA) TO THE
62ND SESSION OF THE UNJSPB**

*Delivered on Thursday, 23 July 2015 in Geneva (UNOG)
by its representative, Mr. Brett Fitzgerald*

Mr. Chairman,

Members of the Board,

I have been attending meetings of this Board for at least six years now, firstly as a Board member myself representing participants and more recently as a representative of FICSA. I have always been impressed by the knowledge and dedication of members of this Board, and I have always looked forward to fruitful dialogue.

I must say that this is the first Board meeting where FICSA has felt so unwelcome and this is most regrettable. Efforts by the Fund's Secretariat and some members of the Board to prevent FICSA from speaking until the final hour of the meeting when nearly everything has already been decided is not in accordance with past practice nor, in our view, with proper etiquette, but more importantly than that, such actions work against Mr. Takasu's calls for building trust and confidence. For the sake of clarification, we would like to rectify some information provided to this Board earlier today with regard to the timing of FICSA's interventions which, in fact, have traditionally been delivered mid-week under the agenda item "Benefit System", and not at the end of the session as reported to the Board earlier today by the Legal Adviser.

In any case, FICSA believes that this has been a useful experience because, if what we observed this week is a sample of how the Fund's Secretariat deals with its staff, then FICSA

can better understand the strains in staff/management relations at the Fund's Secretariat. In our view, and with all due respect, the Legal Adviser's presentation on the HR Framework Review on behalf of the CEO only served to confirm some of the concerns expressed by the Fund's staff representatives.

This having been said, and despite the clearly strained relations, FICSA continues to hope that the issues can be resolved in the interest of participants, retirees and the Fund, but regrets to have to say that some of the positions taken during this week are, in FICSA's view, shortsighted, and will not be helpful in resolving these matters.

On the substance of the Memorandum of Understanding (MoU) FICSA would like to put this issue in its proper context.

It should be recalled that the Board, at its session in 2013, "...requested the CEO and the RSG to review and, if necessary and appropriate, update the current MOU with OHRM/UN."

At the Board's annual meeting in 2014, FICSA stated that it supported the CEO's request for an updated MoU which would allow for four exceptions in the Fund's use of the United Nation's administrative services. It should be made clear that FICSA had supported the request for an updated MoU because the CEO had stated that it was necessary. At the same time, FICSA also stated that such modifications to the MoU should be without prejudice to the rights of currently serving and future Pension Fund staff and called on the Fund's Secretariat to enhance communication and consultation with its staff and also with the members of the Board.

In view of the Board's earlier decision, FICSA was deeply disappointed to note that when this item was presented by the Fund's Secretariat in Plenary earlier this week, only one party to the MoU, namely the Legal Adviser on behalf of the CEO, provided views on the podium. FICSA would like to hear the views of the RSG and OHRM.

In view of the information now contained in the present document JSPB/62/R.24 regarding the HR Framework Review in which it is written that "OHRM clarified, among other things, that *the existing (2000) MOU already provides the CEO (and RSG) with appropriate authority to make human resources management decisions,*" and considering that the Board had mandated the CEO and RSG to update the current MoU only if necessary and appropriate, it is no longer clear to FICSA whether an updated MoU is, in fact, necessary. To assist FICSA in drawing the appropriate conclusions it would be helpful if the Fund's Secretariat would provide FICSA with all draft versions of the CEO's and/or OHRM's proposed updates and modifications to the MoU. This would also be useful in determining what went wrong, where and at what stage.

To prevent the further spread of false information, and in response to a most unpleasant remark made to FICSA by a member of the Fund's Secretariat earlier this week in her personal capacity, FICSA would like to make it very clear that when it formulates a position it takes into account the views expressed by all parties. It has become clear to FICSA that the lack of transparency and clarity with regard to this issue and the manner in which it has been handled by the management of the Fund's Secretariat has caused great concern.

With regard to some of the other issues discussed here this week, FICSA does find it worrying that one-half of the 20 new posts approved by the Board in 2014 have still not been

filled, that the Chair of the Investments Committee has not yet been replaced and that the position of Chief Financial Officer is still vacant. It was somewhat disconcerting to hear some Board members state that there is an investment policy while others stated that there is none. It would seem that there is, in fact, an investment policy document but which needs to be updated following decisions taken at the previous meeting of the Board, and we trust that the policy will be promptly updated to include a policy governing alternative investments, especially in view of the fact that this category of investments will be gradually increased.

We have noted the reported real rate of return on investments and sincerely hope that the return rate will not only increase next year but surpass the target of 3.5%. Given the massive size of the value of this Fund, our constituents continually express their surprise that the target is not higher. Therefore, it could be useful for the Fund's management to communicate with and explain to the participants how the target of 3.5% was decided upon.

The flexibility demonstrated at this week's meeting with regard to the Emergency Fund is appreciated, and FICSA would be pleased to make some concrete proposals thereon through the Participants' Group should our input be welcomed.

In listening to the interventions made this week on the numerous agenda items, it has become increasingly clear to FICSA that there is a need for enhanced transparency and communication between the CEO, the Fund's Secretariat, its staff, the RSG and the members of the Board. This is even more necessary in light of concerns with regard to the management of the Fund.

FICSA would like to wish the new RSG much success in her new role, one which will clearly be a challenging one, and FICSA would like to extend its heartfelt appreciation to the staff of the Pension Fund, many of who clearly perform above and beyond the call of duty. This appreciation is even greater after having listened to the interventions made here in this room this week. To the Pension Fund staff, please accept our gratitude for your hard work.

Thank you.