REMARKS TO THE ANNUAL MEETING

ASSOCIATION OF FORMER INTERNATIONAL CIVIL SERVANTS (AFICS)

New York, 22 May 2025

Mr. Darshak Shah, *President of AFICS/NY,*

Members of the AFICS Governing Board,

Honorable former staff members of the United Nations System,

Dear Colleagues,

Ladies and Gentlemen,

It is a true honor and pleasure to join you today at the Annual Assembly of the Association of Former International Civil Servants here in New York.

I bring warm greetings on behalf of the Secretary-General and Under-Secretary-General Catherine Pollard. Ms. Pollard has asked me to convey her deep appreciation for all that you represent and to express her sincere regret for not being able to be here with you in person – she holds this community in the highest regard and always values the opportunity to engage with you directly.

This year is especially very meaningful to all of us as **we celebrate the 80th anniversary of the United Nations** – a major milestone that marks not only the enduring values of our Charter, but also of the remarkable contributions by generations of international civil servants like you. You have helped to build the foundation on which the UN stands today.

Born from the ashes of the Second World War, the United Nations has over the past eight decades remained a central pillar of the multilateral system—working to prevent conflict, promote human rights, foster international development, and respond to the evolving needs of our complex and interconnected world.

Let me take a moment, on behalf of the Secretary-General, to sincerely thank all of you for your dedicated service to the United Nations, and for the lasting contributions you have made to advancing its principles and mission. To the AFICS Executives, it is truly impressive to see the dedication and tireless efforts you continue to invest on behalf of retirees.

I recently had the opportunity to meet with you, and I was inspired by the ideas and plans you have developed and are working on to mark this important 80^{th} anniversary.

As you all know, in March this year, the Secretary-General also launched the UN80 Initiative – also in line with our anniversary and yet another bold agenda aimed at making the UN even more agile, coherent, and responsive to the complex challenges of our time.

The initiative also responds to the Organization's persistent liquidity crisis and the growing need to operate more efficiently while staying true to the principles of the Charter.

Without going into so much details but to give you a sense of where we are and what is already underway: the Secretary-General's UN80 Task Force is focused on three main areas— (1) cost-saving efficiencies and operational improvements; (2) a review of mandate implementation; and (3) structural changes and programme realignment across the UN system.

Under the leadership of USG Pollard, a Working Group is developing a Secretariat-wide strategy to consolidate administrative structures, streamline operations, relocate services from high-cost duty stations, centralize support services, and expand automation and digital platforms.

These efforts are essential to ensuring that the UN remains effective, sustainable, and fit for purpose in a rapidly changing world. At the same time, we aim to achieve measurable reductions in the 2026 revised programme budgets.

Also, with over 3,600 mandates identified across the UN system, efforts are underway to reduce duplication and improve delivery. This work is being developed in close consultation with staff and Member States, grounded in shared ambition, accountability, and collective ownership.

Overall, we are now in the proposal development phase, with a view to presenting concrete recommendations to Member States in fall and we will continue to share updates on the process as we continue.

With that, ladies and gentlemen, let me now turn to a few other key issues of immediate interest to the AFICS membership, on which we understand you are seeking updates and their possible linkages and impacts from the ongoing UN80 initiative.

With respect to questions around anticipated downsizing and its potential impact on pensions, I wish to underscore that we are still very much in the **proposal development phase** of the UN80 initiative. At this stage, **no decisions have been made**, and any future action will be subject to further consultation and the approval of the General Assembly.

That said, we are fully aware of the concerns these discussions may raise. Should any structural changes be proposed, they will be carefully assessed within the framework of existing policies, with due consideration for staff welfare, organizational integrity, and the long-term sustainability of the United Nations.

While you will hear directly from the Chief Executive of Pension Administration and the Chief Investment Officer, I would like to briefly note that the Pension Fund remains in a strong operational and financial position. The Fund is well-equipped to manage any increased separations – if that becomes necessary and to ensure the timely delivery of benefits.

The Pension Board continues to oversee the Fund's solvency and performance, while advancing modernization to improve efficiency and access. I am also pleased to highlight ongoing efforts to strengthen transparent, proactive communication with retirees, especially in these uncertain times.

In addition to pensions, the After-Service Health Insurance (ASHI) continues to remain a vital part of the UN's social protection for retirees. While ASHI is funded through annual budgets, the Secretary-General remains committed to working with stakeholders on a long-term solution for its liabilities. Amid rising healthcare costs, it's important to remember that ASHI is jointly funded – by the UN, active staff, and retirees – making cost-conscious use a shared responsibility.

On the matter of U.S. immigration, regarding adjustment of G-4 visa status, I wish to note that while there have been no significant developments since our last update, this remains a priority issue. The administration will continue to give it the attention it deserves, and we welcome continued engagement with AFICS and other stakeholders on it.

Before I conclude, I know that some of you may also be interested in knowing about our financial situation, especially given the liquidity challenges we continue to face.

We started 2025 with a significant cash deficit of $135 million and $760 million in unpaid contributions, severely depleting our liquidity reserves. With the United States and China now accounting for 42% of total assessments – and both contributing late or partially – our financial position remains precarious and a concern for the Organization

To avoid default by September, we are implementing a $600 million spending reduction, or 17% of the budget. This obviously will have a serious impact on programme delivery and risks deepening the liquidity crisis in 2026 and beyond. Unless this cycle is broken, we will face even greater financial strain in 2027, as unspent funds must be returned as credits. This is why it has become urgent for us to work collectively in helping to stabilize the Organization's finances.

I want to however assure you that the Controller's Office is regularly monitoring the situation, and anyone interested in further information on this issue, is more than welcome to contact our department for additional information.

Ladies and Gentlemen,

Once again, on behalf of the Secretary-General, USG Pollard and myself, I extend our sincere appreciation to the AFICS leadership and to all of you for your steadfast commitment to the retiree community.

Your legacy of service continues to inspire those of us still serving – especially as we mark our 80th anniversary. I wish you a successful and productive assembly.

Thank you