

Minutes of the Meeting No. 09/09
Board of Directors of the IDB Retirees Association
Wednesday, July 22, 2009
Room: NW-469 - Time: 10:30 a.m.

Present: Saúl Hanono (10), President
Nohra Rey de Marulanda, (10) Vice-President
Federico Germán Klein (10), Secretary
Paula G. Verdun (10), Treasurer
Marie-Joëlle Haas (10), Deputy Secretary
Fausto Medina-López (11), Deputy Treasurer
Asunción Aguilá (11), Director
Ciro de Falco (11), Director
Isabel C. Larson (10), Director
Gabriela Sotela (10), Director
James R. Taylor (10), Director

Absent: Ira Kaylin (10), Director
Alfred Thieme (10), Director

The quorum was verified.

The agenda for this meeting as well as the Minutes for the previous Board Meeting were approved unanimously.

The following retirees have become members of the Association since the June 24 meeting: José Baiao, Marta Mejía-Zampieri, Tomás Engler, María Marta Armistead, Carlos Eduardo Velez-Echavarría, Esther Lawrence. Two members cancelled their membership: Robert S. Clark, in April and Luz María Nasser, in June.

The Board discussed at length the importance of requests made by retirees living outside the United States that other type of domestic parameters be applied to pensions denominated in US dollars instead of US CPI. There are no provisions in the Plan, estimates of the actuarial costs that would accrue to the Plan, nor analysis of the complexity, variability and impact that would occur to the Plan in the case of establishing different regional or national adjustments to the pensions, based on local cost of living expenses. There are no precedents of this practice in any comparator plans. At a moment when the global financial crisis is negatively affecting both the Bank and the Pension Fund finances it is unlikely that a practice of using regional or national adjustments for inflation to the pensions denominated in US dollars would be acceptable to the Board of Directors of the Bank, which would be responsible for any changes of that nature.

Reference was also made to the modification of local staff salary scales based on the fact that in some countries sections of the previous scales were no longer competitive. It was reported that according to this the base for calculating the retirement of such employees could bring differences among local retirees pensions in each country were the scale was modified. The matter will be the subject of a study requested by the Executive Secretariat of the Retirement Plans which will be presented to the LRP Administration Committee.

Reference was made to possible cultural and social activities to be carried out by the “Comisión de Actividades Culturales y Sociales”. It was pointed out that the Bank has at present two facilities where these activities are carried out: the Cultural Center and the Staff Association. It would be interesting however to make available other sites and other possible activities for the retirees, by informing through the retirees website of other facilities and other activities that are available in the Washington area. This webpage could be updated every 3 or 4 months and could also include information on activities that would be exclusively for retirees, such as excursions and vacation plans. Additionally, conferences could be organized to include experts on these topics, for instance twice a year, to promote and inform the retirees on these subjects, and to the possibilities available.

Regarding the Review Committee of the Life and Medical Insurance Program of the Bank, mention was made that elections will soon take place to select a representative of the retirees to this Committee. It was decided that efforts should be made by the Board to insure that either the candidates in general or the elected official in particular are well aware of all the life and medical insurance issues and of the aspirations of the retirees regarding these issues. It was also pointed out that it would be important to establish a strategy vis-à-vis the Administration to try to ensure that some of the retirees’ aspirations in this field are achieved.

The Website Committee will be formed by Asunción Aguilá (Coordinator) and Marie-Joëlle Haas and will coordinate its activities with Mauricio Thomae to avoid overlapping.

It was agreed that Saúl Hanono would send a draft of the issues paper under preparation for comments by the Board in the next couple of days for its further distribution to the membership.

It was announced that the World Bank’s Retirees Association has organized a workshop for next September and members of the Board were invited to assist.

Mention was made of the fact that the Board has not yet received a copy of the report of the Retirement Funds investment performance for the first semester of this year. These reports have become particularly interesting for the membership following the financial crisis that took place last year.

Regarding the formation of focus groups to discuss local currency option it was reported that a communication was sent to the Executive Secretary requesting that the Administration Committee provide guidance as to which alternatives the discussions should be concentrated on but no answer has yet been received. It was therefore decided that the Board should go ahead and decide on a proposal for the composition of the focus groups as well as the corresponding questionnaires to be utilized.

A study prepared by Rodolfo La Maestra of June 28, 2009 relating to CPI pension adjustments was mentioned. Jim Taylor prepared a draft review on the study which should be distributed shortly for the Board's consideration together with Rodolfo's study. On the subject of cost of living, mention was made that the cost of living from last November to last June has increased by 1.5%.

A proposal was made to hire someone to be available several working hours weekly to assist, especially the retirees from the Bank's country offices, in all matters relating to health insurance, i.e. to help prepare claims, assist with follow ups, etc. regarding these claims. A counterproposal suggested requesting volunteer time from retirees to provide this service. No decision was adopted.

It was agreed that the budget would be discussed at the next Board meeting and that observations and comments should be sent to the Treasurer before the meeting. It was also agreed that the procedures to pay invoices should be approved by short procedure by July 31st., if possible.

It should be noted that the June 2009 financial reports, distributed by the Treasury before the meeting, were unanimously approved. Given the number of important issues facing the Board, it was decided to have a meeting in August which could take place either on the 12th. or the 19th of the month.

The Board was informed on the discussions at the Bank's Tribunal related to pension adjustments in a claim presented by Teodoro F. Etienne. The Tribunal will reconvene in a future date to present its decision. The Tribunal published its decision on the demand presented by Christophe Guillemin related to the cancellation of the Local Currency option in 2001. The Tribunal rejected the demand but ordered the Bank to pay \$15,000 to the demanding party due to the immaterial damage caused to him.

The meeting was adjourned at 12:45 pm.

Federico G. Klein
Secretary