



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA  
BY H.E AMBASSADOR PETER THOMSON, PERMANENT REPRESENTATIVE OF  
FIJI TO THE UNITED NATIONS AND CHAIR OF THE GROUP OF 77, ON AGENDA  
ITEM 133: AFTER-SERVICE HEALTH INSURANCE BENEFITS, AT THE FIFTH  
COMMITTEE DURING THE MAIN PART OF THE 68TH SESSION  
OF THE GENERAL ASSEMBLY  
(NEW YORK, 31 OCTOBER 2013)**

Mr. Chairman,

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 133: After-service health insurance benefits (ASHI).

2. The Group of 77 and China wishes to thank the Deputy Controller, Mr. Chandru Ramanathan, for his introduction of the Secretary-General's report on liabilities and proposed funding for after-service health insurance benefits, and the Chairperson of the Advisory Committee on Administrative and Budget Questions, Mr. Ruis Massieu, for his introduction of the related report of the ACABQ.

Mr. Chairman,

3. The Group of 77 and China attaches great importance to the welfare of the UN staff members and is genuinely sympathetic with the settlement of their end-of-service liabilities including those related with ASHI as many of them cannot benefit from the national social security schemes of Member States owing to their service with the United Nations.

4. The Group of 77 and China remains of the view that, after-service health insurance liabilities is an issue with long-term implications for both the Members States and the UN staff and deserves therefore careful consideration of this Committee. The Group notes that different approaches to funding ASHI liabilities have already been adopted within the United Nations system. The Group of 77 and China concurs with the ACABQ that the Secretary-General needs to address ASHI liabilities and the impact of the growth of ASHI liabilities on a system-wide basis and wishes to hear from the Secretariat on the measures to be taken in this regard.

5. The Group of 77 and China notes that the projected actuarial value of United Nations ASHI liabilities as at 31 December 2012 was \$3.9 billion, which represented an increase of nearly \$1.5 billion in just 5 years' time as compared with the accrued liabilities as at 31 December 2007 for the United Nations ASHI benefits across all funding sources amounting to \$2.43 billion. We also note that the liabilities and their presentation in the financial statement have been validated and confirmed by the Board of Auditors.

6. While noting that the pay-as-you-go approach is suggested to have led to the accumulation of the almost current \$4 billion in unfunded financial liabilities related to ASHI benefits, the Group would like to seek more information and clarification from the Secretariat on how pay-as-you-go

approach has been functioning since then and its correlation with the accumulation of ASHI liabilities. The Group would also like to receive more detailed information on the options for a judicious use of reserves in excess of reasonable industry and United Nations standards, in the context of the analysis of pay-as-you-go and long-term funding strategies for ASHI liabilities

7. While it's actually a common practice in the Funds and Programmes implementing IPSAS, the Group is seriously concerned that the United Nations Secretariat, in preparation of its full implementation of IPSAS by 1 January 2014, does not have currently any funding plan for its increasing unfunded portion of end-of-service liability, including ASHI. The Group notes with concern that, given the important number of projected retirement of United Nations staff, the growth in liabilities and in expenditures to cover ASHI costs for current retirees will continue to accelerate in future biennia. Despite this situation, the United Nations Secretariat current financial statements indicate that no specific assets exist to settle the unfunded liabilities. Taking into account IPSAS 25 for the recognition in the financial statements of liabilities related to employee benefits, we will seek additional information to the Secretariat and to the Board of Auditors, on how the Secretariat can adequately anticipate this situation which could hamper its ability to become fully IPSAS-compliant.

Mr. Chairman,

8. The Group concurs with the ACABQ that the funding of ASHI benefits is an issue of system wide concern, and that, in the long-term, this issue will best be resolved by adopting a system wide approach similar to that currently employed by the United Nations Joint Staff Pension Fund (UNJSPF) for retirement and disability benefits. Taking into account the recommendation of the ACABQ to the General Assembly to have the Secretary General propose options for including in the mandate of the UNJSPF the administration of ASHI benefits on a system wide basis, the Group would like to receive more information from the UNJSPF on the feasibility and impact of this approach on the management of the ASHI liabilities.

9. The Group of 77 and China will further examine the Secretary General proposals before us bearing in mind the important number of United Nations staff which will retire in the next coming five to ten years.

10. The Group of 77 and China would participate in the consultations on this agenda item in a constructive manner and work closely with Partners in order to find a practical and comprehensive solution to the current ASHI liabilities.

I thank you Mr. Chairman.