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Statement by Cherith Norman, Minister-Counsellor

on

Agenda Item 140:

United Nations Pension System

Before the

Fifth Committee of the UN General Assembly

Monday 27 October 2014

Thank you Mr. Chairman. My delegation would like to thank Mr. Md. Mustafizur Rahman for the presentation of the Pension Board's Report and Ms. Carolyn Boykin for the presentation of the Secretary General's report. We further thank Mr. Carlos Ruiz Massieu, Chairman of the ACABQ, for the presentation of the Committee's insightful report on the various issues under this agenda item.

The United States is pleased to note that, even in a challenging economic period, the Pension Fund has performed well, reaching an all-time high in the value of its investments which have contributed to a substantially fully-funded pension plan. Consequently, we applaud the efforts of the Fund's secretariat and Investment Management Division to improve the Fund's sustainability. Also, we are pleased to see in this year's report the continued growth of the Fund and the strong performance indicated by the 15.5 percent overall return on investments. We also appreciate efforts to continue to diversify the Fund's investments by currency, asset type, and geographical area. While we are pleased to learn of recent successes, we encourage the Secretariat to continue to be innovative and pursue efficiencies whenever possible to ensure the long-term health of the Fund.

Regarding actuarial matters, we would like to thank the Committee of Actuaries for its important work and detailed reporting. We note the Fund's actuarial deficit has improved from last year, based largely on increases in normal and early retirement ages for new staff. And welcome this reversal in the Fund's actuarial evaluations since 1999.

Mr. Chairman, my delegation welcomes the recent appointment of Carolyn Boykin as the full-time Representative of the Secretary-General. The United States recommended and supported the creation of this important position, which we believe is essential to ensure the Fund's long-term

sustainability and to provide full time management of such an important portfolio. Furthermore, we also welcome the recent appointments to the Investment Committee and the Audit Committee.

Mr. Chairman, there are many issues raised in the report of the Pension Fund and corresponding note of the Secretary General which the ACABQ also comments on. Some of those issues that are of interest to my delegation is the issue of broadening the mandate of the Joint Staff Pension Fund to include the cost-effective, efficient and sustainable administration of after-service health insurance benefits. We note that the ACABQ probed this issue further during their consideration of this issue and we look forward to delving more into the results of the review of the Fund's review on this matter and what further information may be needed for the General Assembly to make an informed decision. Other issues that my delegation looks forward to hearing more details on are the discussions on updating the Joint Staff Pension Fund's human resources arrangement with the UN's Office of Human Resources Management noting the ACABQ's endorsement of this effort as well as the Fund's effort to update the financial rules and regulations of the Fund. Related to personnel issues, we note the Fund's attention to the issue of non-staff contracts. As the Pension Board reported, consultants and other individuals working on so-called "non-staff contracts" represent a significant percentage of the United Nations common system global workforce. Since personnel working on non-staff contracts are not eligible to participate in the Fund, we appreciate the Board monitoring of this issue and look forward to discussions during the informals.

We look forward to working with colleagues in the weeks to come to bring this agenda item to a timely close.

Thank you, Chairman.