



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MS. SONDR CHEONG, FIRST SECRETARY OF THE PERMANENT MISSION
OF THE COOPERATIVE REPUBLIC OF GUYANA
TO THE UNITED NATIONS ON
AGENDA ITEM 149: UNITED NATIONS JOINT STAFF PENSION FUND
AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 75TH SESSION
OF THE UNITED NATIONS GENERAL ASSEMBLY**

(NEW YORK, NOVEMBER 30, 2020)

Mr. Chair,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 149: United Nations Joint Staff Pension Fund.
2. The Group of 77 and China wish to thank Ms. Martha Helena Lopez, Chair of the Pension Board and Ms. Rosemary McLean, Chief Executive of Pension Administration for their respective reports. The Group also thanks Mr. Abdallah Bachar Bong, Chair of the Advisory Committee for Administrative and Budgetary Questions (ACABQ) for its related report.
3. The Group also congratulates all the recently appointed officials to the various offices of the United Nations Joint Staff Pension Fund and to assure you of our readiness to collaborate with you and other relevant parties to ensure that the System is able to deliver on its mandate for the benefit of its members.

Mr. Chair,

4. The Group of 77 and China recall that the United Nations Joint Staff Pension Fund was established in 1949, by a resolution of the General Assembly, to provide retirement, death, disability and related benefits, for the staff of the United Nations and other organizations admitted to the membership of the Fund, upon retirement from service. The Group reaffirms the prerogative of the General Assembly, on decisions pertaining to the Fund and its sustainability.

Mr. Chair,

5. Our Group notes that as at December 2019, the total assets of the Fund amounted to \$72.29 billion with an increase of \$11.26 billion (18.53 per cent) compared with the decrease of \$3.59 billion in 2018. We also note that of the 45 outstanding recommendations of the Board of Auditors, as at 31 December 2019, 33 (73 per cent) had been fully implemented and 12 (27 per cent) were under implementation.

6. Our Group wishes to commend the Pension Board and Administration for the improved performance of the Fund's Assets as well as continued implementation of the recommendations of the Board of Auditors. We wish to point out however that there are some salient pending issues of serious concern to our members, one of which is the governance issue or the composition of the pension board and of the Pension Fund in general. We look forward to discussing progress attained on this subject inclusive of the regard to Gender and Geographical representation in the current composition.
7. The Group recalls Resolution 73/274 in which the position of the Secretary to the Board and Chief Executive of the Pension were separated and notes with satisfaction that the position of the Secretary of the Board has now been filled.
8. We have however noted from the report of the Pension Board that the United Nations participants presented a document which rejected the proposals made in the joint document of the Chief Executive and the Secretary which proposed amendment of article 4 (a) and 8 of the regulation of the fund. The group intends to examine this matter with a view to taking decisive actions in regard to the independence of the Secretary of the Board. The Group will also seek further information on the appointment of an ad hoc member to the membership of the committee of actuaries.
9. At our last deliberations, the Group noted the General Assembly's decision to request the Chief Executive of the Pension Administration, drawing on the expertise of the UN procurement division, to engage promptly, through a transparent and competitive procurement process, an independent external entity with expertise in pension fund governance matters to conduct a comprehensive and objective analysis, giving due regard to best practice standards of pension funds. The Group looks forward to studying and discussing the perspectives of the Governance Working Group on this subject.
10. Further on the UN Joint Staff Pension Fund, our Group looks forward to the discussions on the proposed amendments to Articles 6 and 48 of the Pension Fund's Regulations, which relate to conflict of interest and other code of conduct matters of board members and the administration of justice for staff members and participants of the fund, respectively. Since the Group did not obtain substantial answers on these concerns at last year's session, the Group looks forward to relevant discussions with the Pension Board on these matters that would hopefully bring an overdue finality to the issue.

Mr. Chair,

11. The Group is also concerned about the efficiency of processing cases through the Integrated Pension Administration System (IPAS), especially in light of the increases in the cost per participant in recent years. We have urged the Fund to make progress in implementing the recommendations of the Board of Auditors to enhance IPAS. While the Pension Board reiterates the stability of the System, our Group is concerned about some findings that pertain to the Board not having uniform records of information received from applicants, specifically on the disbursement of emergency funds especially in Geneva. Our Group would like to know more about the measures put in place to record details of emergency fund disbursements before granting the needed fund assistance.

12. The Group also looks forward to receiving an update on the progress of the previously named actionable and non-actionable cases.
13. The Group has taken note of the various challenges in the Geneva Office including the lack of a risk control matrix, lack of training in Ineed System and limited staff compared to the New York Office. In regard to services rendered to clients in Africa, Europe and West Asia, the Group expects that any restructuring would not impact on the status and efficiency function of the Geneva office. The Group encourages the Pension Administration to establish proper indicators to measure the performance of the Geneva Office and looks forward to receiving further details on how service effectiveness and efficiency have been upheld in the office.
14. Our Group is highly concerned of the findings of the Board of Auditors which indicated that employees of the Fund's secretariat who did not belong to the Office of Investment Management might be involved, in different ways, in investment operations of the Office; however, currently, the personal securities policy and procedures are applicable only to the employees of the Office. In the same regard the Group is highly concerned about the absence of an advisory policy in regard to external advisors and looks forward to learning about the remedial measures.

Mr. Chair,

15. With regards to the sustainability of the Fund, our Group also underscores the key role of investments in predictable and stable activities. Cognizant of the impact of COVID-19 pandemic to several countries at this time, the Group is of the view that the Fund cannot afford any losses that might adversely impact the disbursement of benefits to Members. For this reason, the Group continues to encourage the Secretary-General and pertinent authorities to constantly exercise their fiduciary responsibility over the Fund's assets. Specifically, the Group intends to seek more information in the forthcoming informal consultations, on the fund's investment holdings in line with its four main criteria of safety, profitability, liquidity, and convertibility. The Group also looks forward to further discussions on the investment performance of the fund vis-à-vis the standards set for each investment venture.
16. The Group also supports the diversification of its investments between developed, developing and emerging markets, where it serves the interests of the participants and beneficiaries.
17. In conclusion, the Group wishes to assure you, Mr. Chair, of its readiness to engage constructively on this important agenda item to improve the various aspects of the Fund and ensure its benefit for all beneficiaries of member organizations including specialized agencies.

I thank you.