

## **Policy Guidance on Pension Fund Governance Issues**

Recognizing the need for consistent policy guidance to those who may represent AFICS/NY or speak for us on Pension Fund governance issues both in the context of FAFICS and through the Federation on the Pension Board and its Working Groups, the AFICS/NY Pension Committee considered the key policy issues arising from General Assembly resolution 73/274 and documents mentioned therein.

In reviewing the various documents mentioned above, the Committee believed it would be important for the AFICS/NY Board to establish its own policy positions on the key governance issues identified in resolution 73/274 with particular emphasis on paragraph 14 (a to g) as well as a few related issues not covered in that paragraph. In this regard, the AFICS/NY Board is urged to adopt the following policy positions:

(1) [Policy Position] Welcome establishment of the Pension Board Working Group “to consider the issues of participation, rotation and equitable representation on the UNJSP Board, including:

*(a) The terms of reference and self-evaluation methodology of Board members;*

[Policy Position] Recognize the need for the constituent groups represented on the Board to have clear terms of reference for their members, so as to define their roles, responsibilities, desirable competencies and performance expectations. The establishment of such terms may lead constituents to more informed choices regarding the representatives they choose for the Board.

*(b) The composition and size of the Board, including the role of retiree representatives and the modalities for directly electing retiree representatives to the Board;*

[Policy Position] Recognizing that retirees currently have no right to vote in the present tripartite structure of the UNJSPB, AFICS/NY nevertheless asserts that retirees should in principle be represented in the Board with a right to vote “provided a formula can be found that does not compromise the ability of any other stakeholder to be adequately represented, and the right of administrative appeal by retired staff to Board decisions is not forfeited”.

*(c) Allocation of seats on the Board;*

[Policy Position] Recognize that the United Nations is not equitably represented on the Pension Board, since the UN family has one third of the seats (12) and two thirds of the participants, while the agencies have two-thirds of the seats (21) and one third of the participants. This

imbalance should be corrected taking into account the need for some of the smaller agencies to be represented on a rotational basis.

*(d) Implementation of a review and rotation scheme for the adjustment of the composition of the Board on a regular basis, to allow eligible member organizations to share rotating seats in a fair and equitable manner;*

[Policy Position] Support implementation of a review and rotation scheme for the adjustment of the composition of the Board on a regular basis, to allow eligible member organizations to share rotating seats in a fair and equitable manner.

*(e) A regular review mechanism for the adjustment of the composition of the Board;*

[Policy Position] Support the establishment of a regular review mechanism to adjust periodically the composition of the Board.

*(f) The usage of the Standing Committee;*

[Policy Position] AFICS/NY notes that the usage of the Standing Committee is to be reviewed and expresses the expectation that the review should be thorough.

*(g) The need for the Assets and Liability Monitoring Committee;*

[Policy Position] Support the continuation of the Assets and Liability Monitoring Committee on the grounds that it provides additional transparency and oversight regarding the financial viability of the Fund, provided it follows the tripartite structure of the Board and works according to pre-established procedures and membership.

(2) [Policy Position] Note the decision of the GA to split the dual role of CEO and Secretary of the Pension Board into two distinct and independent positions, namely “Pension Benefits Administrator” and “Secretary of the Pension Board,” by no later than January 2020.

(3) [Policy Position] Support the Pension Board taking measures to ensure timely and proper succession planning for the positions of Pension Benefits Administrator and Deputy Pension

Benefits Administrator in order to allow adequate time for a competitive selection process based on preestablished procedures that ensures integrity, competence and fairness.

(4) [Policy Position] Support the Pension Fund developing an electronic signature verification system with appropriate safeguards to facilitate the process of entitlement certification in compliance with the relevant regulations and rules.

(5) [Policy Position] Support increased efforts and innovative ways to anticipate and address the delays in pension processing and proactively resolve actionable cases, open work flows and legacy and other outstanding cases and to ensure the implementation of a system to prioritize the resolution of the most urgent and severe cases.

(6) [Policy Position] Support setting appropriate key performance indicators for the senior management of the Fund secretariat and to tie their performance evaluation, in part, to the proportion of cases processed and to the number of outstanding cases.

(7) [Policy Position] Support the recommendation of the GA “to review the provisions contained in the declaration on confidentiality and conflict of interest in order to develop a standard operating procedure regarding the circumstances under which the declaration should be used.”

(8) [Policy Position] Endorse the importance of strong monitoring in the use and distribution of Fund resources, including temporary resources, across the secretariat of the Fund, and that the Pension Board should strengthen monitoring to ensure that the secretariat of the Fund utilizes resources in accordance with the decisions of the General Assembly.

(9) [Policy Position] Support the request of the GA to ensure unfaltering accountability by the Pension Board, and for the Board to provide detailed follow-up on all aspects of the implementation of its resolution, including information on the implementation of the recommendations of the Office of Internal Oversight Services agreed to by the Board, in the context of its report to be submitted at the seventy-fourth session of the Assembly.

New York, 1 May 2019