



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. SEBASTIAN DI LUCA OF THE PERMANENT MISSION OF ARGENTINA TO THE UNITED NATIONS ON AGENDA ITEM 134: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2012-2013: ADMINISTRATIVE EXPENSES OF THE UN JOINT STAFF PENSION FUND, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE SIXTY-SIXTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 20 October 2011)**

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 134 pertaining to the administrative expenses of the United Nations Joint Staff Pension Fund.

2. The Group of 77 and China wishes to thank Ms. C. Nana Yaa Nikoi, Chairperson of the United Nations Staff Pension Committee, Mr. Lionelito Berridge, Acting Director of the Programme Planning and Budget Division, and Mr. Collen V. Kelapile, Chairman of Advisory Committee on Administrative and Budgetary Questions, for introducing various reports that the Committee will consider under this agenda item.

Mr. Chairman,

3. The Group of 77 and China attaches great importance to the work of the Joint Staff Pension Fund which provides retirement, death, disability and related benefits for the staff of the United Nations and other organizations.

4. The Group notes that as at 31 December 2010 there were 23 member organizations of the Fund, with a combined total of 184,968 active participants, retirees and other beneficiaries covered by the Fund, which represents an increase of 7.1 per cent compared to 31 December 2008. We also note that in the last ten years, the number of individuals that are serviced by the Fund has continued to grow, with the number of active participants increasing by 63 per cent and the number of recipients of periodic benefits increasing by 33 per cent.

5. We also note with satisfaction that the market value of the assets of the Fund recovered from USD 31.3 billion as at 31 December 2008 to USD 41.4 billion by the end of 2010. The Group also notes that recent market trends have left the value of the Fund at approximately USD 39.1 billion at the end of September 2011.

Mr. Chairman,

6. The Group welcomes the progress achieved to increase diversification of the Fund's portfolio in developing countries and countries with economies in transition. The Group will be keen to learn on the outcome of research and recent exploration on market opportunities in Africa and the Middle East. We also emphasizes that the investments should be based on the four main criteria for investment, namely, safety, profitability, liquidity and convertibility.

7. Turning to the Performance Report of the Fund for 2010-2011, we note that revised estimate of USD 154.8 million for this period represents a reduction of USD 21.6 million as compared to the original appropriation amounted to USD 176.3 million.

8. The Group of 77 and China welcomes the improvements in the quality of the budget document for 2012-2013 in a result-based budgeting format. We encourage the Pension Board to make further improvements in the results-based budgeting in its future budget submission.

Mr. Chairman,

9. We have also noted the Board's concern regarding the significant challenges facing the Fund both in the volume and the complexity of its work, resulting, on the one hand, from the increase in the population served and the longevity of its beneficiaries, and, on the other hand, the steady loss in institutional memory owing to a high number of retirements and other separations. The Group has also noted with concern high vacancy rates in the Fund and encourage every effort be made to address these challenges related to its workforce including filling all the vacancies in a timely manner.

10. The Group has noted that there are number of initiatives planned for the next biennium including the implementation of a new operating model for an Integrated Pension Administration System (IPAS), new accounting standards for the Fund's financial statements (IPSAS), responsive client services and improvement of operational efficiency, risk evaluation and management, e-learning, training and knowledge management. The Group is interested in learning some of the details on these initiatives/proposals.

11. In conclusion, the Group of 77 and China would like to assure you of our readiness to engage in constructive exchanges on the merits of the proposals before this Committee on this important agenda item.

Thank you, Mr. Chairman.