



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MAGID YOUSIF, MINISTER PLENIPOTENTIARY, PERMANENT MISSION OF THE REPUBLIC OF THE SUDAN TO THE UNITED NATIONS, ON AGENDA ITEM 132: ADMINISTRATIVE EXPENSES OF THE UNITED NATIONS JOINT STAFF PENSION FUND, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 64TH SESSION OF THE GENERAL ASSEMBLY (New York, 17 November 2009)

Mr. Chairman,

I have the honor to speak on behalf of the Group of 77 and China on this agenda item.

2. The Group of 77 and China wishes to thank the Chairman of the United Nations Joint Staff Pension Board, Mr. Pierre Sayour, and Ms. Susan McLurg, the Chairperson of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) as well as the Director of the Programme Planning and Budget Division, Ms. Sharon Van Buerle, for introducing the relevant reports under this item.
 3. The Group of 77 and China believes that improvements in the United Nations Pension System should be implemented in such a way that they provide retirement, death, disability and related benefits for participants and retirees of the United Nations, on the basis of full respect of the principles of transparency and accountability.
 4. The Group notes the developments in the management of the Secretariat of the United Nations Joint Staff Pension Fund (UNJSPF), as reflected in the report of the Pension Board and joins as contained in document A/64/291 as well as the ACABQ recommendations included in document A/64/7/Add.6. The Group welcomes the increase of over 53 per cent in the number of individuals being serviced in the last 10 years and total number of active participants, retirees and other beneficiaries covered by the Fund in recent years. Group also welcomes the admission of the Special Tribunal for Lebanon to the membership in the UNJSPF and reiterates the need for an equitable representation of the constituent organizations of the Fund in all its meetings and sessions
- Mr. Chairman,
5. Regarding the actuarial valuation of the Fund at the end of the last biennium, the Group welcomes the actuarial surplus of 0.49 per cent of pensionable remuneration as at 31 December 2007, which is the sixth consecutive positive actuarial results over the past decade.
 6. The Group specially wants to express its satisfaction to see that the Fund's compound annual rate of return for the 20-year period ending 31 March 2009 was 7.2 per cent against the long-term investment benchmark of the Fund currently set at 3.5 percent.
 7. On the investments of the UNJSPF, the Group notes with concern that the market value of the Fund's assets as of 31 December 2008 shows a decrease of 25 per cent compare to 2007. As of 31 March 2009 this decrease further goes down to 28.3 percent.
 8. Today, the world financial crisis calls for a cautious analysis of any type of investments, which could jeopardize the benefits for the staff of the United Nations and the other member

organizations. In that sense, the Group aligns itself with the recommendation of ACABQ that every effort should be made to ensure that future investments take into account potential risks and that the Investment Committee plays a key role in providing guidance to the Investment Management Service. The Group also wishes to underline the four main criteria established by the General Assembly resolution 32/73, in which any investment should be safe, profitable, liquid and convertible.

9. On a related matter, we would like to reiterate our long standing position that the Fund should act on its commitment to engage in a wider geographical diversification when investing. The Group notes that, despite some investments in a few developing countries, it still remains much underrepresented in the Fund's portfolio. Investments in developing world could provide balance in the market and avoid negative impacts and setbacks of markets, as it was the case during the financial and economic crisis. Therefore we urge the Fund to diversify its investments by increasing investments in developing regions and countries and to report back to the General Assembly on this issue.

10. Likewise, as a matter of policy, our Group discourages outsourcing Investment Management Division and supports greater reliance on internal management of the Fund's assets. At the same time, we concur with the recommendation of ACABQ in this regard that the impact of the decision of the Board to establish a full in-house investment management function be carefully monitored and to request the Secretary-General to keep this issue under review to ensure that the Fund's long-term objectives are met and report to the General Assembly.

11. The implementation of the Integrated Pension Administration System will be the most important operational undertaking of the Fund during the next two biennia. This project originally was designed to bring a significantly more efficient use of resources via modernization of the technological platforms and to migrate from a case-driven to a process-driven operation.

Mr. Chairman,

12. On the administrative matter and human resources, the Group of 77 and China notes that during the last two biennia, there has been a large increase in staff from the Secretariat participating in the Fund, as well as a significant investment in information technology systems. At the same time, the report of the Secretary-General provides for the establishment of 23 additional new posts and 18 temporary posts with the total allocation of \$ 14,188,000 under section one, Overall policymaking, direction and coordination of the proposed programme budget for the biennium 2011-2011. This represents a significant increase of 34.7 percent comprising administrative costs, investment costs, audit costs and Pension Board expenses. The Group would like to seek more information about the impact of the proposed new posts on the overall function of the Fund as well as the relationship between the projected costs with the provisions for After Service Health Insurance (ASHI) and the new enterprise resource planning (ERP) system still under consideration by the General Assembly.

13. The Group believes that any investment in human resources, post and non-post costs as well as information technology systems should be well justified by concrete efficiency gains for the Fund.

14. In conclusion, Mr. Chairman, the Group wishes to commend the Fund on its success over the last biennium and at the same time offers its constructive participation during the informal consultations with the shared goal of the adoption of the measures needed to improve its working methods, capacities and performances

