



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR MOHAMED FOUAD, COUNSELLOR, PERMANENT MISSION OF EGYPT TO THE UNITED NATIONS, ON AGENDA ITEM 144: UNITED NATIONS JOINT STAFF PENSION FUND, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE SEVENTY-THIRD SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 9 November 2018)**

Madame Chair,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 144: United Nations Pension System.
2. The Group of 77 and China wishes to thank all briefers for introducing their respective reports and congratulate Mr. Sudhir Rajkumar for his appointment as the Representative of the Secretary-General for the investment of the assets of the UN Joint Staff Pension Fund effective 1 January 2018. The Group assures Mr. Rajkumar that it will work in collaboration with all relevant parties to ensure fair and competent management of the Fund for the benefit of its members.

Madame Chair,

3. The Group of 77 and China recalls that the United Nations Joint Staff Pension Fund was established by the General Assembly in 1949 to provide retirement, death, disability and related benefits for staff members of the United Nations and other organisations, as may be admitted to membership. The Group reaffirms the prerogative of the General Assembly, upon proper consultations, on matters pertaining to the Fund in line with its mandate.

Madame Chair,

4. The Group notes with serious concern the continued delay in the receipt of payment by some retirees and beneficiaries of the Fund, even though this issue was flagged out in previous years. The Group notes that there were 5,537 actionable cases not processed, or more than one-third, out of a total of 15,125. The Group also notes that there are many cases, actionable and non-actionable, that have been outstanding for many years. While acknowledging that some progress has been made, the Group once again urges the Fund to exert all efforts to reduce the backlog of cases, and in cooperation with the participating entities of the Pension Fund, to address the causes of delay in the payment of benefits, which put retirees and other rightful beneficiaries in stressful and vulnerable situations. The Group looks forward to further discussing these issues in the informal sessions of the Fifth Committee.
5. The efficiency of processing cases can be enhanced with a well-functioning Integrated Pension Administration System (IPAS). In this regard, the Group urges the Fund to make progress in implementing the recommendations of the Board of Auditors to enhance IPAS. For more accurate and timely submission of information, the Group also welcomes the recommendation of the Board of Auditors, with the concurrence of the ACABQ, to implement an electronic signature verification system.

Madame Chair,

6. The sustainability of the fund is important to both the beneficiaries and Member States because

of potential financial implications. The Group notes with strong interest that the latest actuarial valuation of the Fund, as at 31 December 2017 revealed a deficit of \$184.3 million. A first in recent years. The Group therefore reaffirms the importance of being vigilant on the fund's ability to generate a return adequate to cover its liabilities, notably to achieve its investment target of 3.5%. The expenses incurred by the Board and Fund in managing the investments and liabilities, as well as disbursement of benefits, are also an important component of sustainability, and this should be watched carefully and benchmarked to credible international comparators.

7. Turning to the Fund's investing activities, the Group notes that the Fund had an annualised real return of 9.4 percent during the biennium 2016-2017, which met and exceeded the annual real rate of return target of 3.5 percent. Nonetheless, cognizant of the volatile market conditions of the global capital markets, the Group urges the Secretary-General, through his Representative and officers responsible for the investments of the fund's assets, to constantly exercise their fiduciary responsibility over these assets. Specifically, the Group intends to find out in the forthcoming informal consultations more information on the fund's investment holdings in line with its four main criteria of safety, profitability, liquidity, and convertibility. The Group looks forward to further discussions on the investment performance of the fund compared to benchmarks and after adjusting for risks taken.

8. The Group also recalled in the General Assembly's resolution 72/262 that the Secretary-General requested the Fund to continue diversifying its investments between developed, and developing and emerging markets, where it serves the interests of the participants and beneficiaries.

9. The Group stresses once again the importance for the Fund and the member organisations to implement all recommendations made by the Board of Auditors in a timely manner, and to continue to provide detailed annual updates to explain any delay.

Madame Chair,

10. The Group would like to express its appreciation for the audit performed by OIOS on the governance structure and related processes of the United Nations Joint Staff Pension Board, as contained in document A/73/341. The timing of the OIOS audit, which was conducted at the request of the General Assembly, has produced some useful and far reaching recommendations that the Board had also agreed with. These are appropriate for the Assembly to consider, as they would substantially strengthen the Pension Board's governance. The Group of 77 and China look forward to discussing ways to address these issues in the ensuing informal consultations.

Madame Chair,

11. In conclusion, the Group wishes to assure you of its readiness to engage constructively on this important agenda item to improve the outcomes of the Fund, which ultimately benefit all UN staff.

I thank you.