



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY  
AMBASSADOR CONROD HUNTE, DEPUTY PERMANENT REPRESENTATIVE  
OF ANTIGUA AND BARBUDA TO THE UNITED NATIONS, ON AGENDA ITEM  
126: UNITED NATIONS PENSION SYSTEM, AT THE FIFTH COMMITTEE  
DURING THE MAIN PART OF THE 63RD SESSION OF THE GENERAL  
ASSEMBLY (New York, 24 November 2008)**

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 126.

2. The Group of 77 and China wishes to thank Chairman of the United Nations Joint Staff Pension Board, Mr. Jay Pozenel, Chief, Service I, Programme Planning and Budget Division, Mr. Dennis Thatchaichawalit, and Ms Susan Mc Lurg, the Chairman of Advisory Committee on Administrative and Budgetary Questions (ACABQ) for introducing the various 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 appreciates the positive 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 the ACABQ recommendations included in document A/63/556.

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. On the investments of the UNJSPF, the Group also notes with appreciation that the market value of the Fund's assets have an increase of \$3.0 billion, or 7.9 per cent, and a real rate of return of 4.0 per cent, exceeding the Fund's long-term objective of 3.5 per cent during the biennium. However, we do note the decline of 29.6 per cent in the Fund's value as of 1 January 2008. In this context the Group would appreciate hearing more on the possible effects this may have on the fund given a large number of staff are expected to retire in the next 4 years.

7. On a related matter, while we appreciate efforts by the Fund to act on its commitment to engage in wide geographical diversification when investing, it strikes the attention of the Group that despite the substantial increases on the investments in a few developing countries, Latin America and the Africa region to a lesser degree, remain far behind those increased figures. Investments in those regions can serve as a spur for economic growth and job creation. Therefore the Group wishes to urge the Fund to target sound developing economies for investment so that these economies can serve as engines of growth.

Mr. Chairman,

8. Regarding the result of the study on the addition of alternative asset classes that recommended

an overall allocation of 18 per cent to private equity, hedge fund and hybrid assets, to be considered by the Board at its fifty-sixth session in 2009, the Group stresses the need for regular coordination and consultation between all the competent actors and with the full respect of the four paramount investment guidelines of the Fund, namely, safety, liquidity, convertibility and profitability.

9. Today, more than ever, the financial crisis calls for a cautious analysis of any type of investments. In that sense, the Group aligns itself with the recommendation 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.

Mr. Chairman,

10. On the administrative matters, the Group of 77 and China notes with appreciation the developments on the staff recruitment for the posts approved by the General Assembly for the biennium 2008-2009, although it remain concerned by the need of more specialized personnel, requested inter alia, in the overall review of the staffing and organizational structure in their respective areas, including drawing on relevant industry benchmarks and best practice, as contained in paragraphs 170 to 179 of document A/63/9.

11. We also note the Pension Board plan to implement the an integrated pension administration system. In this, context the Group concurs with the Committee that the Fund consult with the Chief Information Technology Officer on technical requirements of the integrated pension administration system.

12. On the governance matters, the Group considers that any amendment to the Regulations of the Fund should be adopted in full respect of the principle of income replacement.

13. Regarding the role of the Representative of the Secretary-General, the Group reiterates the need for an intensive cooperation with the Board and the Investments Committee within their respective delegations of authority and accountability mechanisms, taking into account that their decisions affect returns on billions of dollars.

Mr. Chairman,

14. On other matters the Group welcomes the Board and the ACABQ recommendation in favour of the admission of the Special Tribunal for Lebanon to 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.

15. Finally, the Group of 77 and China is concerned by the lack of information regarding the adoption of the ad hoc measure recommended by the Board and approved by the General Assembly in its resolution A/62/241 to address the adverse consequences of the dollarization process on retirees and beneficiaries living in Ecuador.

16. 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.

I thank you.