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Statement by Cherith Norman, Minister Counselor for UN Management and Reform
On Agenda Item 142: Administrative Expenses of UNJSPF
Fifth Committee, Main Session of the 71st UN General Assembly
November 28, 2016

Thank you, Madam Chair.

I would like to begin by expressing my appreciation to Mr. Paul Dooley, Deputy CEO of the Pension Fund, for the presentation of the report of the Secretary of the Pension Board, and to Ms. Carol Boykin, Representative of the Secretary-General for Investments, for the presentation of the Secretary-General's report. I would like to further thank Mr. Carlos Ruiz Massieu, Chairman of the ACABQ, and Mr. Salhina Mkumba, Chair of the Board of Auditors, for the presentation of the ACABQ and Board of Auditors' reports respectively.

With approximately 127,000 participants, and 71,000 beneficiaries, the Pension Fund is of critical importance to the staff members and their families who serve and have served the United Nations. A sound and well-functioning Pension Board, coupled with robust accountability and transparency measures, are also important to the Member States which provide funding for the Organization and its personnel.

As such, the governance structure of the UN Pension Fund, including the work of the Pension Board and the Investments Committee, is critically important. In particular, we thank the Investments Committee for its provision of expert advice on investments. The United States further welcomes the report of the Pension Board, and is encouraged by the actuarial surplus of the UN Joint Staff Pension Fund as a result of increasing the retirement age to 65, especially in light of the deficit found in the previous actuarial valuation.

We also note the efforts made to ensure the investments of the Fund meet the long term annual rate of return of 3.5 percent. We continue to encourage pursuit of the well-established principles governing investments of the Fund's assets. We further encourage key high level management vacancies, such as the Chief Financial Officer and the Chief Risk Officer, to be filled expeditiously.

Regarding the Fund's operations, my delegation expresses serious concern about the past and present backlog for the payment of entitlements and pensions to participants and retirees. While the Pension Fund is taking steps to address this backlog, we encourage sustained attention to this issue as benefit payment delays can have a significant financial impact on retired staff and their

families. As recommended by the ACABQ, we request the Pension Fund to provide further information on the implications of implementing the provisional payment of benefits. Relatedly, we look forward to the results of the OIOS audit on this issue and the outcome of the end-to-end review of the processes by the Fund and participating organizations. We further trust that the Fund will incorporate the recommendations and lessons learned from these reviews, and in the future will take steps to anticipate any substantial increase in the number of separations and associated claims, and enact measures to prepare for, and process, these claims in a timely manner, an issue highlighted by the ACABQ.

Madame Chair,

My delegation welcomes the Board of Auditors Report on the Pension Fund, and is encouraged by the Fund's actions to implement the Board's recommendations. We echo the Board of Auditor's call for the Fund to formalize a system for regular monitoring of investment risk management and to create a mechanism for more frequent review of underperforming securities. We further urge the Fund to establish the client query and complaint redressal system structures as recommended by the Board, and ensure that the quality of the customer service provided is monitored and adjusted as needed.

My delegation looks forward to working with all delegations as we consider this agenda item further.

Thank you.