

Statement of the Chairman
Advisory Committee on Administrative and Budgetary Questions
28 November 2016

United Nations Joint Staff Pension Fund

(ACABQ report A/71/621; related reports: A/71/9, A/C.5/71/2, A/71/5/Add.16 and A/71/397)

Madam Chairperson,

I am pleased to introduce the Advisory Committee's report (A/71/621) on the United Nations Joint Staff Pension Fund.

The Board of Auditors in its report on the financial statements of the Fund for 2015 identified problems resulting in delays in the payment of benefits. The Committee expects that the measures proposed by the Fund, such as an end-to-end review of the processes and the establishment of a network of focal points in the member organizations, will lead to measurable results and trusts that solutions will be found and implemented rapidly.

The Pension Board indicates in its report that an increase in the number of separation cases from downsizing peacekeeping mission in 2015 and 2016 was an important cause of the recent delays in processing benefit payment. To manage this increase in separation cases, the Pension Board proposes to establish a taskforce consisting of 20 temporary positions. In the view of the Committee, the increase in the number of separation claims could have been anticipated.

The Committee considers that a total additional workforce of nine temporary positions should be sufficient to address the additional workload. The Committee also considers that insufficient justification was presented for the creation of two P-5 positions of Senior Communication Officer and Senior Management Analyst and therefore the Committee recommends against the establishment of these two positions.

With regard to the proposed measure of provisional payment of benefits by the Fund to beneficiaries whose payments have been delayed, the Advisory Committee considers that further information on the implications of implementing this measure should be provided as soon as possible to the General Assembly to enable it to make an informed decision on this matter.

Turning now, Madam Chairperson, to the investments of the Fund, the Advisory Committee notes that, in 2015, the Fund did not meet its long term target of an annualized real rate of return of 3.5 per cent. A major driver for this underperformance being the foreign exchange losses caused by the strengthening of the US dollar vis a vis other currencies. The Committee trusts that efforts will be made to meet the long term objective of the Fund.

In terms of investments diversification, the Committee welcomes the efforts to enhance the Fund's profile while taking into account the four main criteria of investments, namely safety, profitability, liquidity and convertibility.

The Advisory Committee reiterates its concern regarding the high number of vacant posts in the Investment Management Division of the Fund and urges the Fund to fill all vacant posts expeditiously.

Thank you, Madam Chairperson