



Governing Body

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Programme, Financial and Administrative Section

PFA

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Decisions of the United Nations General Assembly on the report of the 69th session of the United Nations Joint Staff Pension Board (2021)

Summary: This report summarizes the major issues discussed by the United Nations Joint Staff Pension Board and the decisions of the UN General Assembly on the Board's report.

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Related documents: Official records of the UN General Assembly, 76th session: [A/RES/76/246](#), [section XIII](#), and [A/76/297](#) and related documents. Further information about the Pension Fund and its investments is available on the public website: www.unjspf.org.

► Introduction

1. A summary of the 69th session of the United Nations Joint Staff Pension Board (“the Board”) and of the decisions of the United Nations (UN) General Assembly on the Board’s report is set out below. In October–December 2021, the UN General Assembly considered the report of the Board¹ and related documents. On 31 December 2021, it adopted UN General Assembly [resolution 76/246](#) without a vote, approving the Board’s recommendations. The Board held its 68th (special) session in February 2021 to discuss governance matters prior to its 69th session.

► Investment management

2. The market value of the assets of the United Nations Joint Staff Pension Fund (“the Fund”) had increased from US\$72.0 billion on 1 January 2020 to US\$81.5 billion on 31 December 2020, representing a real (net of inflation) return of 13.4 per cent for the calendar year of 2020. Average performance for the one-year period and beyond continues to exceed the real investment return objective of 3.5 per cent that is used to project the long-term financial solvency of the Fund.
3. The Fund Solvency and Assets and Liabilities Monitoring Committee of the Board welcomed the findings of the asset allocation and benchmark study concluded in 2021, and noted that they were consistent with the findings of the 2019 asset and liability management study, which stressed the need for increased allocation to private equity, real estate and infrastructure to reduce overall risk. The majority of the Fund’s assets are managed internally and are diversified by country, currency, asset type and sector. Investments must meet the criteria of safety, liquidity, convertibility and profitability, as set forth by the UN General Assembly. The Fund’s Office of Investment Management integrates environmental, social and governance factors in its decision-making processes.

► Actuarial assumptions

4. The Board approved the valuation methodology and assumptions recommended by the Committee of Actuaries for the next actuarial valuation as at 31 December 2021. The external consulting actuary prepares an actuarial valuation of the Fund every two years. The valuation determines whether the current and estimated future assets of the Fund will be sufficient to meet projected liabilities at the present contribution rate. The last three consecutive valuations demonstrated an almost perfect actuarial balance. The actuaries confirmed that the 3.5 per cent long-term real rate of return objective is still valid. The UN General Assembly stressed the importance of continuing to meet or exceed the 3.5 per cent return, to ensure the sound financial health of the Fund and the ability to maintain the current contribution rate.

¹ See [A/76/297](#).

► Budgetary, financial and auditing matters

5. The Board approved the financial statements for the year ended 31 December 2020 and noted the unqualified audit opinion of the Board of Auditors (external auditors). It considered the recommendations of its internal Audit Committee with the reports of the internal and external auditors of the Fund. All audit recommendations have been implemented or are in the process of being implemented.
6. The UN General Assembly approved the total budgetary expenditures for the year 2022 amounting to US\$121,081,000.² The United Nations contributes US\$8,304,200 of this amount for services provided to the UN Staff Pension Committee. The increase in the budget as compared to 2021 is mainly attributable to the implementation of a new customer relationship management system to improve front-line client service and efficiency. The UN General Assembly encouraged the Board to strengthen the role of its Budget Committee, which advises the Board on the efficient use of resources and approved staffing proposals to address the growth in the Fund's assets and client service demands.

► Governance

7. In 2019, the UN General Assembly requested the Chief Executive of Pension Administration to engage an independent external entity with expertise in pension fund governance matters to conduct a comprehensive study of the governance structure of the Fund, giving due regard to best-practice standards of pension funds. In 2020 and 2021, the Board considered the recommendations of the consulting firm together with the suggestions of its internal Governance Working Group. The UN General Assembly endorsed the Board's reform proposals and the appointment of an Ethics Adviser to help implement an updated code of conduct. The Board strengthened the terms of reference for its Chairperson, its Bureau and its committees. The Board's internal committees are constituted on a tripartite basis, with the participation of beneficiary representatives.
8. Due to COVID-19-related travel restrictions, the Board continues to meet virtually using videoconferencing technology. This will enable the Board to meet three times during the year (February, April and July). The in-person session in July 2022 will be reduced to less than six days. The virtual sessions in February and April 2022 will be less than five days. The composition of the Board of 33 members, representing the 25 member organizations on a tripartite basis, remains unchanged. Voting members will physically attend the meeting in July 2022. Other persons will attend the July meeting virtually, except for four beneficiary representatives and four UN General Assembly alternates. As there was some disagreement in the Board about rights to in-person attendance, the UN General Assembly requested the Board to keep this arrangement under review and to report on its observations at the 77th session of the General Assembly. The ILO maintains two voting member seats on the Board, which rotate on a tripartite basis.

² This figure is after re-costing. The estimate of US\$121,819,100 is mentioned in paragraph 28 of the UN General Assembly resolution 76/246.

► Proposed amendments to the Regulations of the Fund

9. The UN General Assembly approved amendments to articles 4, 6 and 7 of the Regulations and a clarification to paragraph 19 of the Pension Adjustment System of the Fund. It also approved amendments to article 33(g) and to Section H of the Administrative Rules governing disability benefits.

► Other matters

10. The Board discussed the reports of and appointments to its advisory committees, information technology, the Emergency Fund for beneficiaries suffering financial hardship, proposals on benefit provisions, the medical consultant's report and disability-related issues.
11. The Board and the UN General Assembly approved new transfer agreements between the Fund and the European Investment Bank and the European Investment Fund, bringing the total number of transfer agreements to 23. Transfer agreements assure continuity of pension rights when staff members transfer to or from employers that are outside of the United Nations Joint Staff Pension Fund family.
12. The Standing Committee met once to examine individual legal appeals.