



FOR INFORMATION

NINETEENTH ITEM ON THE AGENDA

Pensions questions

**(a) Report of the 188th meeting (July 2005)
of the Standing Committee of the United
Nations Joint Staff Pension Board
(UNJSPB)**

1. A summary of the meeting of the Standing Committee and its report to the United Nations General Assembly is set out below.

Investment management

2. The market value of the assets of the Fund had risen to US\$29,252 million on 31 March 2005, from US\$26,589 million on 31 March 2004, representing an increase of US\$2,664 million, or 10 per cent. The total investment return was 7.3 per cent after adjustment for inflation. This performance was slightly better than that of the benchmark for institutional investors. The strength of the euro during the reporting period contributed positively to investment performance.
3. The management of investments continues to rely on broad diversification (by currency, asset class, and geographical area) as the safest means of reducing risk and improving returns over the long term. The Fund Investments Committee believes that the long-term viability of the Fund is best sustained by maintaining a higher proportion of equities than bonds and that present investment allocation guidelines are beneficial to the Fund.

Budget

4. The Standing Committee examined budget proposals related to administrative and investment management staffing levels. These proposals were approved with some modifications.

Reform of pay and benefits by the International Civil Service Commission (ICSC) and the effect on pensionable remuneration

5. The Standing Committee noted the potential impact of the ICSC comprehensive salary reviews (in particular, “broadbanding” and “pay for performance”), on the methodology for determining pensionable remuneration. The General Assembly will consider the joint ICSC/Pension Board recommendations at the end of this year.

Other administrative matters

6. The Standing Committee examined other items related to individual appeal cases, the Emergency Fund, the financial statements, the establishment of an auditing committee, the assumptions that will be used in the next actuarial valuation, the voluntary purchase of additional contributory service, the introduction of an early retirement protection mechanism, the impact of currency fluctuations on pension benefits, the size and working methods of the Board, and the Fund’s management charter. Committee members paid particular attention to the Fund’s management charter as it contained proposals to improve efficiency and client service.

Decisions of the United Nations General Assembly on the report of the Standing Committee

7. In October-December 2005, the United Nations General Assembly considered the report of the Standing Committee¹ and related documents. On 23 December 2005, it adopted draft resolution A/C.5/60/L.27 on special subjects relating to the proposed programme budget for the biennium 2006-07, which approved the recommendations of the Standing Committee and the associated financial implications.

Geneva, 8 February 2006.

Submitted for information.

¹ Official Records of the General Assembly, Sixtieth Session (A/60/183), Administrative expenses of the United Nations Joint Staff Pension Fund and Report of the Standing Committee of the United Nations Joint Staff Pension Board, A/C.5/60/18, A/60/7/Add.7, A/60/7/Add.22 and Corr.1.