



United Nations

United Nations Joint Staff Pension Fund

Financial report and audited financial statements

for the year ended 31 December 2023

and

Report of the Board of Auditors

General Assembly

Official Records

Seventy-ninth Session

Supplement No. 5P



United Nations Joint Staff Pension Fund

**Financial report and audited financial
statements**

for the year ended 31 December 2023

and

Report of the Board of Auditors



United Nations • New York, 2024

Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Letters of transmittal

Letter dated 29 April 2024 from the Chief Executive of Pension Administration of the United Nations Joint Staff Pension Fund and the Representative of the Secretary-General for the investment of the assets of the United Nations Joint Staff Pension Fund addressed to the Chair of the Board of Auditors

In accordance with financial rule G.5 of the United Nations Joint Staff Pension Fund, we have the honour to transmit the financial statements of the Fund for the year ended 31 December 2023, which we hereby approve. The Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the Fund approved the financial statements for their respective areas of responsibility. The financial statements have been completed and certified by the Chief Financial Officer of the Fund as correct in all material respects.

(Signed) Rosemarie **McClellan**
Chief Executive of Pension Administration
United Nations Joint Staff Pension Fund

(Signed) Pedro **Guazo**
Representative of the Secretary-General for the investment of
the assets of the United Nations Joint Staff Pension Fund

**Letter dated 24 July 2024 from the Chair of the Board of Auditors
addressed to the President of the General Assembly**

I have the honour to transmit to you the report of the Board of Auditors, together with the financial report and the audited financial statements of the United Nations Joint Staff Pension Fund for the year ended 31 December 2023.

(Signed) **Hou Kai**
Auditor General of the People's Republic of China
Chair of the Board of Auditors

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Opinion

We have audited the financial statements of the United Nations Joint Staff Pension Fund, which comprise the statement of net assets available for benefits (statement I) as at 31 December 2023, the statement of changes in net assets available for benefits (statement II), the cash flow statement (statement III), and the statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2023 (statement IV), as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the United Nations Joint Staff Pension Fund as at 31 December 2023 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing and the International Standards of Supreme Audit Institutions. Our responsibilities under those standards are described in the section below entitled “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the Fund in accordance with the ethical requirements relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and the auditor’s report thereon

The Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the Fund, within their respective authority under the Regulations of the Fund, are responsible for the other information, which comprises the financial report for the year ended 31 December 2023, contained in chapter IV below, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work that

we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

The Chief Executive of Pension Administration and the Representative of the Secretary-General, within their respective authority under the Regulations of the Fund, are responsible for the preparation and fair presentation of the financial statements in accordance with International Accounting Standard 26 and IPSAS and for such internal control as the management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the management intends either to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Fund;

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

(d) Draw conclusions as to the appropriateness of the management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the transactions of the Fund that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and the financial rules of the Fund and their legislative authority.

In accordance with article VII of the Financial Regulations and Rules of the United Nations, we have also issued a long-form report on our audit of the Fund.

(Signed) **Hou Kai**
Auditor General of the People's Republic of China
Chair of the Board of Auditors

(Signed) **Dorothy Pérez Gutiérrez**
Acting Comptroller General of the Republic of Chile
(Lead Auditor)

(Signed) **Pierre Moscovici**
First President of the Court of Auditors of France

24 July 2024

Chapter II

Long-form report of the Board of Auditors

Summary

The United Nations Joint Staff Pension Fund was established in 1949 by the General Assembly to provide retirement, death, disability and related benefits for the staff of the United Nations and other organizations admitted to the membership of the Fund. It is administered by the United Nations Joint Staff Pension Board.

The Board of Auditors audited the financial statements of the Fund and reviewed its operations for the year ended 31 December 2023 in accordance with General Assembly resolutions 74 (I) of 1946 and 680 (VII) of 1952 and in conformity with article VII of the Financial Regulations and Rules of the United Nations and the International Standards on Auditing. The interim audit was carried out at the Fund's office in Geneva from 12 to 26 October 2023 and at the Fund's headquarters in New York from 13 November to 14 December 2023. The final audit was conducted at the Fund's headquarters in New York from 6 May to 7 June 2024.

Scope of the report

The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly and have been discussed with the management of the Fund, whose views have been appropriately reflected.

The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements present fairly the net assets available for benefits of the United Nations Joint Staff Pension Fund as at 31 December 2023 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26. The audit included a general review of the financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

The Board also reviewed the Fund's operations under regulation 7.5 of the Financial Regulations and Rules of the United Nations, which allows the Board to make observations on the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of operations.

The Board also reviewed a detailed follow-up of actions taken in response to recommendations made in previous years.

Audit opinion

In the Board's opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the United Nations Joint Staff Pension Fund as at 31 December 2023 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with IPSAS and International Accounting Standard 26.

Overall conclusion

The Fund has prepared its financial statements in accordance with International Accounting Standard 26 and following the provisions of IPSAS since 2012. The Fund has incorporated the guidance from International Accounting Standard 26 into its financial policies. Its financial presentation is based on that guidance, and additional information is presented where requested by IPSAS.

The Board did not identify significant errors, omissions or misstatements from the review of the financial records of the Fund for the year ended 31 December 2023. However, the Board identified scope for improvement in formulation and budgetary implementation monitoring, geographical representation, risk management, functional reporting, census data quality, financial manual updating and management of cases and legal matters.

As of December 2023, the total assets of the Fund amounted to \$88.76 billion, and the total liabilities amounted to \$0.52 billion. Net assets available for benefits totalled \$88.24 billion.

The Fund's total value of investments as at 31 December 2023 amounted to \$87.60 billion. The increase in the appreciation of its fair value led to a rise of \$10.32 billion in the net assets available for benefits.

Key findings

The Board's key findings are as follows:

The Fund

Need to evaluate and improve post resources requests in budget proposals

For the Pension Administration and the Office of Investment Management, the Board noticed that the approved post resources had increased significantly in the past three years. However, a number of posts that belonged to the Professional and higher categories and to the General Service and related categories were still vacant since 2022. In this regard, it was observed that new posts were requested each year in the budget proposal even though some posts approved in previous budget periods had not yet been filled.

Deficiencies in monitoring of the Fund's budget implementation

The Board analysed the overall budget implementation performed by the Fund (Pension Administration and Office of Investment Management) as at 31 December 2023 and noted that, although the overall budget utilization rate was 99 per cent, expenditures were not aligned with the approved appropriations, i.e. underutilization in some categories was balanced by overutilization in other categories. In this respect, the Board noticed that there were no cross-cutting guidelines at the Fund level that contribute to the monitoring of expenditures and to effective budget implementation that aim to provide timely financial information to decision makers to correct any eventual deviations from the approved resources.

Pension Administration

Insufficient disclosure and breakdown of post resources requirements for offices involved in functional reporting

The Board analysed the tasks carried out by the Pension Entitlements Section, the Client Services Section and the Record Management and Quality Control Unit in both the Geneva and New York offices from January to October 2023, including the

number of workflows, cases and queries, among other things, and observed that in cases related to the workflows of the Pension Entitlements Section and queries managed outside iNeed by the Client Services Section, the tasks performed by the Geneva office exceeded those carried out by the New York office. To handle these workflows, the Fund allocated 26 posts in Geneva and 37 in New York for the Pension Entitlement Section, and 11 and 14 posts, respectively, for the Client Services Section. In addition, the Board reviewed the Fund's budget proposal for 2023 and 2024 and noticed that the budget proposal did not disclose or break down the information related to post resources requirements for the Geneva and New York offices and their respective workloads.

Main recommendations

On the basis of the audit findings, the Board recommends that:

Need to evaluate and improve post resources requests in budget proposals

(a) **The Fund evaluate the new posts requested in its budget proposals and incorporate into the next budget proposals an analysis of the vacant posts, according to category, grade, year of approval and time since vacancy, among others factors, as well as the effectiveness of the budgeted vacancy rate, so that the governing bodies can have more accurate information at the time when they evaluate and approve the Fund's budget;**

(b) **The Fund continue to fill the vacancies from previous budget periods, taking into account the opportunity provided by vacant posts to address the imbalance in gender and geographical representation without affecting the continuity of operations;**

Deficiencies in monitoring of the Fund's budget implementation

(c) **The Fund evaluate its monitoring mechanism on the budget process in order to ensure that it comprehensively addresses all stages of the process, at the Fund-wide level, and thus contributes to strengthening the entity's budgeting;**

(d) **The Fund develop and implement effective measures that strengthen controls around budget monitoring, in particular with respect to significant categories with overexpenditure or underexpenditure;**

Insufficient disclosure and breakdown of post resources requirements for offices involved in functional reporting

(e) **The Pension Administration document and formalize the mechanism for measuring and distributing the workload for the Geneva and New York offices to clearly define the nature and complexity of records processed by each office and the standards needed for measurement, using the resources and information technology available in the Fund;**

(f) **The Pension Administration disclose and break down separately the post resources requirements for the Geneva and New York offices with their respective workloads in the next budget proposals presented to the governing bodies as important steps towards greater transparency and accountability of its budget.**

Follow-up of previous recommendations

The Board verified the status of implementation of previous years' recommendations for the period ended 31 December 2023. Of the 15 outstanding recommendations, the Fund had implemented 9 (60 per cent), 4 were under implementation (27 per cent) and 2 were considered to have been overtaken by events (13 per cent).

Key facts

25	Number of member organizations
149,848	Participants' accounts in the Fund
86,013	Periodic benefits
\$88.76 billion	Total assets
\$88.24 billion	Net assets available for benefits
\$10.57 billion	Investment income/(loss)
\$3.41 billion	Pension contributions and income (other than investments)
(\$3.66 billion)	Benefit payments and expenses

A. Mandate, scope and methodology

1. The United Nations Joint Staff Pension Fund was established in 1949 by the General Assembly to provide retirement, death, disability, and related benefits for the staff of the United Nations and other organizations admitted to the membership of the Fund. It is administered by the United Nations Joint Staff Pension Board and currently has 25 participating organizations, including the United Nations. The Fund is a multiple employer defined benefit plan.

2. The Board has audited the financial statements of the Fund and has reviewed its operations for the year ended 31 December 2023 in accordance with General Assembly resolutions 74 (I) of 1946 and 680 (VII) of 1952. The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the International Standards on Auditing. Those standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

3. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements presented fairly the net assets available for benefits of the United Nations Joint Staff Pension Fund as at 31 December 2023 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26. The audit was conducted in conformity with the Financial Regulations and Rules of the United Nations as well as the International Standards on Auditing and the International Standards of Supreme Audit Institutions. This included an assessment of whether the expenses recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether income and expenses had been properly classified and recorded.

4. The audit included a general review of the financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

5. The Board also reviewed Fund operations under regulation 7.5 of the Financial Regulations and Rules of the United Nations. This requires that the Board make observations with respect to the efficiency of the financial procedures, the accounting

system and the internal financial controls and, in general, the administration and management of Fund operations.

6. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the management of the Fund, whose views have been appropriately reflected in the report.

B. Findings and recommendations

1. Follow-up of previous recommendations

7. The Board verified the status of implementation of previous years' recommendations for the period ended 31 December 2023. Of the 15 outstanding recommendations, the Fund had implemented 9 (60 per cent), 4 were under implementation (27 per cent) and 2 were considered to have been overtaken by events (13 per cent). A detailed status and progress of all previous outstanding recommendations are given in the annex to chapter II and in table II.1.

Table II.1

Status of implementation of recommendations

<i>Report and audit year</i>	<i>Recommendations pending as at 31 December 2022</i>	<i>Implemented</i>	<i>Under implementation</i>	<i>Not implemented</i>	<i>Overtaken by events</i>	<i>Recommendations pending as at 31 December 2023</i>
A/76/5/Add.16 , chap. II (2020)	2	1	1	–	–	1
A/77/5/Add.16 , chap. II (2021)	4	2	1	–	1	1
A/78/5/Add.16 , chap. II (2022)	9	6	2	–	1	2
Total	15	9	4	–	2	4
Percentage	100	60	27	–	13	–

8. The Board considers that a 60 per cent rate of implementation indicates the commitment of the Fund to managing long-standing recommendations. The Board acknowledges the management's efforts and encourages the Fund to complete the implementation process fully. This is particularly relevant regarding the recommendation pending from 2020, included in the report for 2020 ([A/76/5/Add.16](#), chap. II), in which the Board refers to the Office of Investment Management, in order to enable the broker account module to include the direct broker feeds for the verification of staff members' brokerage accounts to comply adequately with the best practices of the industry and contribute to mitigating the risks related to potential conflicts of interest with the activities of the Fund.

Recommendations issued over the past six audit periods

9. As a result of the audits performed from 2018 to 2023, the Board has issued 128 recommendations and conducted 218 assessments on previous years' recommendations. A breakdown of recommendations submitted in the indicated audit periods is detailed in table II.2.

Table II.2
Implementation rates of issued recommendations, 2018–2023

Report (audit year)	Number of audit recommendations issued	Number of outstanding audit recommendations as at end of audit period	Audit recommendations fully implemented as at end of audited period	
			(Number)	(Percentage)
A/74/5/Add.16 , chap. II (2018)	23	38	12	32
A/75/5/Add.16 , chap. II (2019)	32	45	33	73
A/76/5/Add.16 , chap. II (2020)	28	44	30	68
A/77/5/Add.16 , chap. II (2021)	21	41	26	64
A/78/5/Add.16 , chap. II (2022)	9	35	29	83
A/79/5/Add.16 , chap. II (2023)	15	15	9	60
Total/average percentage	128	218	139	63

10. Most of the 128 recommendations issued during the past six audit periods were related to contributions, benefits management, investment management and census data for actuarial valuations, which were directly linked to the Fund's core business. Other recommendations focused on budget management, information and communications technology, and governance and executive management.

11. With regard to the 218 assessments made over the past six years on the outstanding recommendations, progress was noted in the implementation rate, with an initial implementation level of 32 per cent, maintained at an equal rate or above 60 per cent in the subsequent five years, reaching a peak of 83 per cent in the fifth audit cycle.

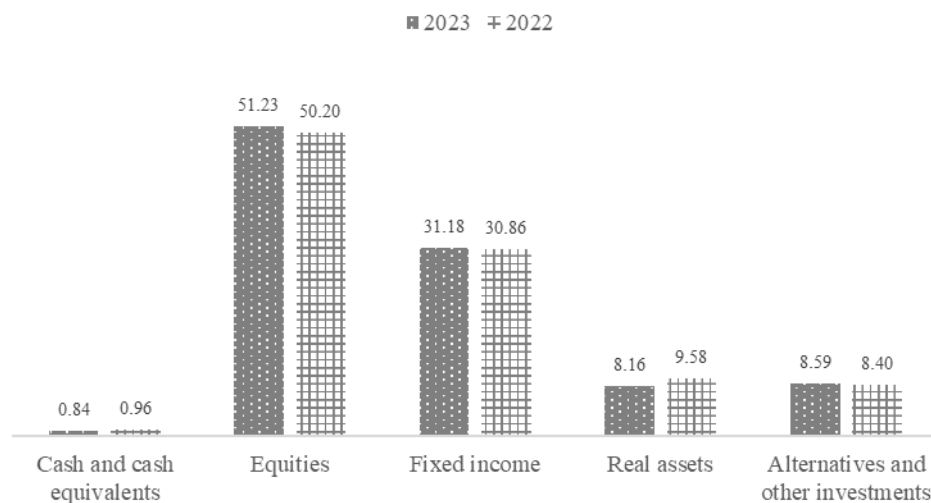
2. Financial overview

12. During 2023, investments recovered from the underperformance experienced in 2022. The value of the Fund's total investments as at 31 December 2023 amounted to \$87.60 billion (2022: \$77.44 billion), reflecting an increase of \$10.16 billion (13.1 per cent) in comparison with the prior year.

13. As at December 2023, the total assets of the Fund amounted to \$88.76 billion (2022: \$78.61 billion), and the total liabilities amounted to \$0.52 billion (2022: \$0.69 billion). Net assets available for benefits totalled \$88.24 billion (2022: \$77.92 billion), which represented an increase of \$10.32 billion (13.2 per cent) compared with the decrease of \$13.54 billion in 2022.

14. The Fund assets consist mainly of investments, representing 98.69 per cent of the total assets, whose fair value reported by the Fund as at 31 December of 2023 was \$87.60 billion, and cash and cash equivalents totalled \$0.74 billion. The asset class allocation was \$45.26 billion (51.23 per cent) in equities, \$27.54 billion (31.18 per cent) in fixed income, \$7.21 billion (8.16 per cent) in real assets and \$7.59 billion (8.59 per cent) in alternative investments. The percentage share of each component of investment, compared with 2022, is shown in figure II.I.

Figure II.I
Share of components in the fair value of investments and cash and cash equivalents in 2023, compared with 2022
 (Percentage)

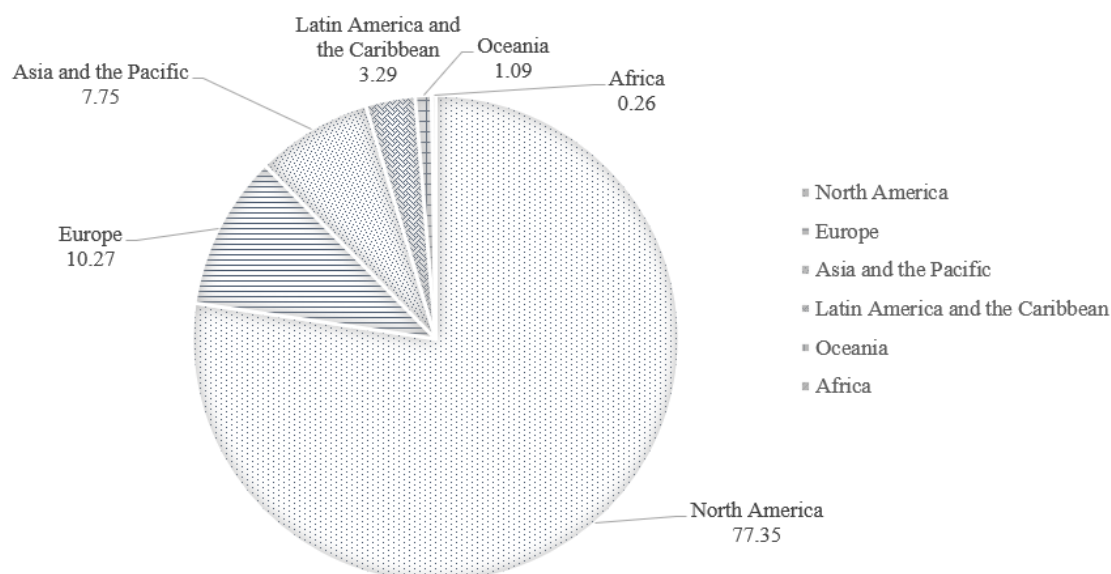


Source: United Nations Joint Staff Pension Fund financial statements.

15. As at 31 December 2023, investments were distributed in more than 50 countries. The largest concentration of investments was allocated in the United States of America, corresponding to 75.85 per cent of total investments, followed by the United Kingdom of Great Britain and Northern Ireland with 3.23 per cent, Japan with 3.22 per cent and the Cayman Islands with 2.52 per cent. Consequently, most investments were allotted to North America (77.35 per cent), Europe (10.27 per cent), Asia and the Pacific (7.75 per cent), Latin America and the Caribbean (3.29 per cent), Oceania (1.09 per cent) and Africa (0.26 per cent). The geographical distribution of investments in 2023 is shown in figure II.II.

Figure II.II
Geographical distribution of investments, 2023

(Percentage)



Source: United Nations Joint Staff Pension Fund financial statements.

16. In 2023, the total investment income of the Fund was \$10.57 billion (investment loss in 2022: \$13.46 billion), including appreciation in the fair value of investments of \$9.04 billion (depreciation in the fair value in 2022: \$14.74 billion), dividend income of \$0.86 billion (2022: \$0.83 billion) and interest income of \$0.82 billion (2022: \$0.59 billion). Historically, appreciation/depreciation in the fair value of the Fund's investments has been the driving force for investment income. The other components have largely remained constant.

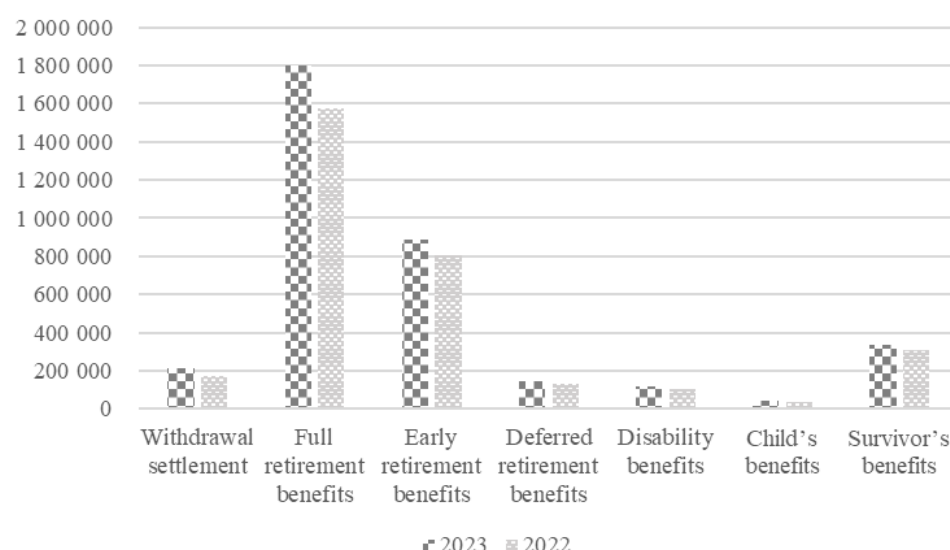
17. Other components of the changes in net assets available for benefits were income from services provided to the United Nations (\$8.7 million), administrative expenses (\$132.96 million) and other expenses (\$1.48 million).

Participants and benefits

18. As at 31 December 2023, the Fund had 149,848 participants' accounts (2022: 143,612 participants) and 86,013 beneficiaries (2022: 83,988 beneficiaries). In 2023, the pension contributions amounted to \$3.41 billion (2022: \$3.12 billion), and the annual payments of periodic benefits made by the Fund amounted to \$3.53 billion (2022: \$3.13 billion) and were issued in 18 currencies in some 190 countries. The benefits paid by type of benefit in 2023 and 2022 are shown in figure II.III.

Figure II.III
Benefits paid in 2023 by type of benefit, compared with 2022

(Thousands of United States dollars)



Source: United Nations Joint Staff Pension Fund financial statements.

Financial statements

19. Various suggestions made by the Board for the enhancement of disclosures of the financial statements were reflected in the final version of the statements.

3. The Fund

Need to evaluate and improve post resources requests in budget proposals

20. In its resolution [77/258](#) of 30 December 2022, the General Assembly approved the estimated amount of \$126,283,400 for the administration of the Fund for 2023. Also in the resolution, the Pension Board was requested to strengthen its efforts to improve budgeting accuracy, including as it pertains to the establishment of vacancy rates.

21. Within this estimate, 258 posts were approved for the Pension Administration, 91 in the Professional and higher categories and 167 in the General Service and related categories. Meanwhile, for the Office of Investment Management, 150 posts were approved, 115 in the Professional and higher category and 35 in the General Service and related categories.

22. The Board analysed the Fund's budgetary trend related to the item posts, in the past three budget cycles (from 2021 to 2023), by comparing approved posts by category and grade against the vacancy rates over the same period.

23. For the Pension Administration, it was noted that the post resources approved have increased significantly over the past three years. As shown in table II.3, in 2021, 198 posts were approved, compared with 231 in 2022 and 258 in 2023. In turn, the number of vacant posts was 23 in 2021 (11.6 per cent), 17 in 2022 (7.35 per cent) and 25 as at 31 December 2023 (9.7 per cent).

Table II.3
**Comparison of Pension Administration approved posts in relation to vacant posts,
 2021–2023**

(Number of posts)

	<i>Pension Administration</i>					
	<i>Approved posts</i>			<i>Vacant posts</i>		
	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
				<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
<i>Professional and higher categories</i>						
Assistant Secretary-General	1	1	1	–	–	–
D-2	1	1	1	–	–	–
D-1	4	4	4	–	–	–
P-5	12	12	14	1	–	–
P-4	24	26	27	3	2	1
P-3	33	37	43	4	3	5
P-2/1	1	1	1	1	–	–
Subtotal	76	82	91	9	5	6
Vacancy rate (percentage)				11.8	6.1	6.6
<i>General Service and related categories</i>						
Principal level	11	11	13	–	–	–
Other level	109	136	152	14	12	19
Local level	2	2	2	–	–	–
Subtotal	122	149	167	14	12	19
Vacancy rate (percentage)				11.5	8.05	11.4
Total	198	231	258	23	17	25
Percentage of total vacancy rate				11.6	7.35	9.7

Source: Based on data provided by the Pension Administration and extracted from the budget proposals for 2021, 2022 and 2023.

24. In respect of the 25 posts that remained vacant for the Pension Administration as at 31 December 2023, 6 belonged to the Professional and higher categories and 19 to the General Service and related categories. In a detailed analysis of the 25 vacant posts, it was verified that 3 had been vacant since January 2022, 5 since January 2023 and the rest since between June and September 2023.

25. The Pension Administration indicated that the reasons that these positions had not been filled were the natural turnover of personnel, retirements, reassignments, the category's unattractiveness, challenges filling certain posts due to a lack of suitable qualified candidates, and the long recruitment cycle, which also affected the vacancy status of posts.

26. In addition, the Pension Administration indicated that for the positions vacant since January 2022, all candidates selected for three positions had been onboarded in early 2024. Meanwhile, those vacant since January 2023 were completed, with a candidate onboarded or pending selection/onboarded.

27. With respect to the Office of Investment Management, it was noticed that the post resources approved had also grown significantly in the past three years. As shown in table II.4, in 2021, 108 posts were approved, compared with 137 in 2022 and 150 in 2023. In turn, it was observed that there were 11 vacant posts in 2021 (10.2 per cent), 12 in 2022 (8.8 per cent) and 6 as at 31 December 2023 (4 per cent).

Table II.4

Comparison of Office of Investment Management approved posts in relation to vacant posts, 2021–2023

(Number of posts)

	<i>Office of Investment Management</i>					
	<i>Approved posts</i>			<i>Vacant posts</i>		
	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
				<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
<i>Professional and higher categories</i>						
Assistant Secretary-General	1	1	1	–	–	–
D-2	1	1	1	–	–	–
D-1	4	5	5	1	1	1
P-5	12	13	14	–	1	1
P-4	27	32	35	2	4	2
P-3	28	41	47	4	4	2
P-2/1	2	9	12	3	2	–
Subtotal	75	102	115	10	12	6
Vacancy rate (percentage)				13.3	11.8	5.2
<i>General Service and related categories</i>						
Principal level	15	21	21	1	–	–
Other level	18	14	14	–	–	–
Local level	–	–	–	–	–	–
Subtotal	33	35	35	1	–	–
Vacancy rate (percentage)				3.0	–	–
Total	108	137	150	11	12	6
Percentage of total vacancy rate				10.2	8.8	4.0

Source: Based on data provided by the Office of Investment Management and extracted from the budget proposals for 2021, 2022 and 2023.

28. It was noted that as at 31 December 2023, six posts in the Professional and higher categories were still vacant, one since November 2022, two since January 2023 and the rest since between May and August 2023.

29. The Office of Investment Management indicated that the job openings had been published. However, they had had to be cancelled and readvertised either because there were no suitable candidates or owing to a lack of suitable candidates of the underrepresented gender.

30. It should be noted that in each budget proposal and following the standard practice, the Fund estimated a budgeted vacancy rate as a benchmark to compare with

the actual vacancy rate; however, such a budgeted vacancy rate would not be effective in practice.

31. The Board considers that vacancies remaining unfilled since 2022 and early 2023 make it essential for the Fund to reassess its staffing requirements. This reassessment is crucial because new positions are requested in each year's budget proposal despite some approved posts from previous budget periods still being vacant. These positions were initially justified to manage the increasing volume of operations due to the growing number of participants and beneficiaries of the Fund during that specific budget cycle; therefore, it should be analysed whether the situation remains and the posts are still needed.

32. The Board acknowledges that the Fund's hiring process must balance recruitment priorities, fill positions, onboard suitable candidates and meet benchmarks for gender and geographical distribution; however, the Board sees an opportunity to improve the budgetary formulation process for the staffing item. This improvement is necessary to adequately respond to the General Assembly's request for more accurate budgeting, considering that the Fund has also invested resources in technology to have more efficient processes to deal with the increasing number of participants and beneficiaries each year.

33. The Board recommends that the Fund evaluate the new posts requested in its budget proposals and incorporate into the next budget proposals an analysis of the vacant posts, according to category, grade, year of approval and time since vacancy, among other factors, as well as the effectiveness of the budgeted vacancy rate, so that the governing bodies can have more accurate information at the time when they evaluate and approve the Fund's budget.

34. The Board recommends that the Fund continue to fill the vacancies from previous budget periods, taking into account the opportunity provided by vacant posts to address the imbalance in gender and geographical representation without affecting the continuity of operations.

35. The Fund accepted the recommendations.

Deficiencies in monitoring of the Fund's budget implementation

36. In its resolution [77/258](#) of 30 December 2022, the General Assembly approved the estimates of \$126.28 million for the administration of the Fund for 2023, which corresponds to \$66.18 million for the Pension Administration, \$56.65 million for the Office of Investment Management, \$1.25 million for the secretariat of the Pension Board and \$2.19 million for internal and external audit. Also in the resolution, the Pension Board was requested to strengthen its efforts to improve budgeting accuracy.

37. The Board analysed the overall budget implementation by the Fund as at 31 December 2023 and noted that in the case of the Pension Administration, the consumed budget totalled \$65.21 million. The categories for other staff costs and general operating expenses had underexpenditure of \$1.25 million and \$1.15 million, respectively. The reasons were mainly lower utilization of general temporary assistance, owing primarily to difficulties in filling temporary positions, and lower expenditure for real estate taxes, utility and facility management and lower-than-anticipated resources for the medical board and United Nations Appeals Tribunal cases, respectively. In contrast, the contractual services category had overexpenditure of \$1.44 million, related mainly to expenditure (commitments) for the customer relationship management system. The 2022 commitments for the customer relationship management system, owing to delays in signing its contract, could not be fully utilized and were raised using 2023 resources to meet the outstanding obligations.

Table II.5
Appropriations and consumed budget as at 31 December 2023

(Millions of United States dollars)

	<i>Appropriation 2023</i>	<i>Consumed budget</i>	<i>Balance</i>	<i>Utilization rate percentage</i>	<i>Variance percentage</i>
Pension Administration					
Posts	35 712.2	35 807.4	(95.2)	100	0
Other staff costs	3 046.9	1 793.8	1 253.1	59	(41)
Hospitality	3.4	—	3.4	0	(100)
Consultants	223.0	144.1	7.9	65	(35)
Travel of staff	365.4	395.2	(29.8)	108	8
Contractual services	15 411.7	16 857.7	(1 446.0)	109	9
General operating expenses	10 726.6	9 571.9	1 154.7	89	(11)
Supplies and materials	50.8	26.6	24.2	48	(52)
Furniture and equipment	639.1	613.1	26.0	96	(4)
Total	66 179.1	65 209.8	969.3	99	(1)
Office of Investment Management					
Posts	24 817.1	25 810.0	(992.9)	104	4
Other staff costs	1 479.4	2 260.0	(780.6)	153	53
Hospitality	3.2	1.3	1.9	41	(59)
Consultants	335.8	285.0	50.8	85	(15)
Travel of representatives	122.4	0.2	122.2	0	(100)
Travel of staff	218.7	309.4	(90.7)	141	41
Contractual services	24 741.5	22 059.2	2 682.3	89	(11)
General operating expenses	4 844.2	5 277.0	(432.8)	109	9
Supplies and materials	10.7	15.9	(5.2)	149	49
Furniture and equipment	76.8	345.2	(268.4)	449	349
Improvement of premises	—	4.0	(4.0)	0	(100)
Total	56 649.8	56 363.2	286.6	99	(1)

Source: Based on information provided by the Fund.

38. With regard to the Office of Investment Management, the consumed budget as at 31 December 2023 totalled \$56.36 million. The category for contractual services had significant underexpenditure of \$2.6 million due to some projects not being finalized. With respect to the categories' posts, other staff costs, general operating expenses and furniture and equipment had overexpenditure of \$0.99 million, \$0.78 million, \$0.43 million and \$0.27 million, respectively. The reasons were mainly higher-than-projected requirements for general temporary assistance, the disbursement of some additional charges from Headquarters cost-sharing under general operating expenses and unplanned upgrades to conference room equipment and software licences.

39. In this regard, the Board noticed that there were no cross-cutting guidelines at the Fund level that contribute to monitoring expenditures and effective budget implementation that aim to provide timely financial information to decision makers to correct any eventual deviations from the approved resources. For instance, each office monitored budget implementation with its own internal mechanisms, using

expenditure reports with different assessment frameworks on parameters and time. Likewise, the offices had different dashboards, which did not allow managers to identify detailed and real-time budget information.

40. The Fund stated that the overall budget utilization for both the Pension Administration and the Office of Investment Management was approximately 99 per cent for the year 2023. In addition, it indicated that its Budget Unit has centralized and harmonized its budget process, providing instructions, arranging monitoring meetings and issuing reports for the Fund as a whole.

41. The Board considers that, although the overall budget utilization was 99 per cent, the variances observed at the category level indicate the need to reinforce the monitoring of the budgetary process since the implementation was not aligned with the approved appropriations. Thus, the general implementation rate resulted from the offset between the underutilization of some categories and the overutilization of other categories, and vice versa.

42. In this regard, the Board is of the view that a comprehensive monitoring process contributes to the effectiveness of budgetary control and limits the impact of budget overruns or underruns, especially in categories with significant overexpenditures or underexpenditures.

43. The Board is also concerned that deficiencies in the monitoring of expenditures may lead to difficulties in the entire budgetary process, from formulation to implementation, to ensure budgeting accuracy, taking into account that a similar situation has already been flagged in paragraphs 21 to 28 of the Board's report for 2021 (A/77/5/Add.16), in which significant variances between budget allocations and expenditures were identified.

44. The Board recommends that the Fund evaluate its monitoring mechanism on the budget process in order to ensure that it comprehensively addresses all stages of the process, at the Fund-wide level, and thus contributes to strengthening the entity's budgeting.

45. The Board recommends that the Fund develop and implement effective measures that strengthen controls around budget monitoring, in particular with respect to significant categories with overexpenditure or under expenditure.

46. The Fund accepted the recommendations.

Need to refine the contract with consulting actuary

47. According to the Regulations, Rules and Pension Adjustment System of the Fund, a consulting actuary to the Board is appointed by the Secretary-General upon the recommendation of the Pension Board to provide actuarial services to the Fund.

48. At its seventy-fifth session, the Pension Board recommended to the Secretary-General a private company to be appointed as the Fund's consulting actuary, effective from 1 January 2020, for an initial term of four years. Subsequently, this company was reappointed for two additional periods beginning on 1 January 2024. Later, on 19 December 2023, a contract amendment was signed indicating that it would continue for the following two years until 31 December 2025 under the terms of the initial contract.

49. In this regard, annex B to the above-mentioned contract establishes the statement of work of actuarial consulting services for the Fund, including the timeline of work to provide results of the annual valuation.

50. Likewise, according to the Regulations, Rules and Pension Adjustment System of the Fund, the Fund's annual financial statements, which disclose its actuarial

situation, are to be transmitted to the Board of Auditors and the Pension Board no later than four months following the end of the relevant financial period.

51. Annex B, related to the statement of work of actuarial consulting services for the Fund, includes the timeline of work established to receive the results of the annual valuation provided by the consultant actuary, which does not consider that the results were included in the annual financial statements of the Fund within the period defined by the regulations.

52. In this sense, the census data corresponding to the actuarial valuation for 2023 were provided to the consulting actuary on 8 April 2024. In accordance with International Accounting Standard 26, Accounting and reporting by retirement benefit plans, the annual valuation report and the note of the financial statements were provided by the consulting actuary on 13 June 2024.

53. Even though the Fund is compliant with the provisions for issuing financial statements established in the Regulations, Rules and Pension Adjustment System by including the most recent valuation in the first version of the statements issued by the end of April each year and that neither International Accounting Standard 26 nor IPSAS 49 require annual valuation, given the relevance of the actuarial valuation disclosure, adjusting its presentation to a closer date than that of the issuance of the financial statements should be analysed.

54. Furthermore, considering the Fund's early adoption of IPSAS 49 for the fiscal year ending 31 December 2024, the Board deems relevant that the contract signed with the consultant actuary must reflect the accounting framework in place, which means IPSAS instead of International Accounting Standard 26.

55. The Board recommends that the Fund refine the contract with the consulting actuary to reflect the accounting standards applied for the annual reporting period beginning on 1 January 2024.

56. The Fund accepted the recommendation.

Geographical representation

57. According to Article 101, paragraph 3, of the Charter of the United Nations, the paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible.

58. In accordance with the geographical diversity strategy of the Department of Management Strategy, Policy and Compliance issued in 2020, the goal is to reduce the proportion of the most highly represented regional groups and to increase the proportion of less represented regional groups, thereby reducing the overall imbalance of the regional group diversity composition of staff at the United Nations.

59. Likewise, on repeated occasions, in its resolutions [74/263](#), [75/246](#), [76/246](#) and [77/258](#), the General Assembly has reiterated its request that the Secretary-General and the Pension Board ensure that the staff composition of the Office of Investment Management and of the Pension Administration is based on as wide a geographical basis as possible, bearing in mind the aforementioned Article of the Charter.

60. It should be noted that the Advisory Committee on Administrative and Budgetary Questions, in its report on the Fund's proposed programme budget for 2024 ([A/78/7/Add.7](#)), analysed the situation of geographical representation as at 22 September 2023 and reiterated its trust that the Fund would continue its efforts to ensure equitable geographical representation and gender balance in appointments and

nominations at all levels, and also that the Fund would use the opportunity provided by vacant posts to address the imbalance.

61. In this regard, the Board analysed the situation concerning the geographical representation of the Fund's staff as at 30 November 2023. The breakdown is shown in the following table.

Table II.6

Geographical representation breakdown as at 30 November 2023

<i>Region</i>	<i>Staff</i>	<i>Percentage</i>
Pension Administration		
Africa	25	10
Asia Pacific	56	23
Eastern Europe	6	2
Latin America and the Caribbean	14	6
Western Europe and others	141	59
Total	242	100
Office of Investment Management		
Africa	11	7
Asia Pacific	43	29
Eastern Europe	6	4
Latin America and the Caribbean	5	4
Western Europe and others	83	56
Total	148	100

Source: Based on information provided by the Fund as at 30 November 2023.

62. As presented in the table, it was noticed that there were highly represented regional groups and other less represented regional groups, a situation that reflects an imbalance in the regional group diversity composition of the Fund's staff.

63. In this regard, the Fund stated that it adheres to the geographical diversity strategy of the Department of Management Strategy, Policy and Compliance. With respect to the imbalance in geographical representation, the Fund stated that there were some considerations to take into account when measuring geographical representation, such as nationality of birth, staff distribution and concentration and restrictions imposed by host countries' policies in hiring non-local staff without authorization to work.

64. For the Office of Investment Management, it was indicated that the Representative of the Secretary-General for investments signs a compact with the Secretary-General every year in the form of a senior manager's compact, which provides a report of the Office's progress towards the United Nations Secretariat strategy of geographical distribution. In the case of the Pension Administration, the Chief Executive did not report to the Secretary-General; however, she reported progress on this matter to the Pension Board and other governance bodies.

65. The Board acknowledges that the Fund has taken measures to attract candidates from all countries and regions, with an emphasis on increasing unrepresented and underrepresented Member States; nevertheless, the Board is of the opinion that developing a clear pathway to achieve an appropriate balance between the application

of the geographical criteria and its staffing needs would contribute to the efficient fulfilment of the Fund's mandate.

66. The Board concurs with the Advisory Committee report (A/78/7/Add.7) and encourages the Fund to continue its efforts to ensure equitable geographical representation in appointments and nominations at all levels, as established in the Charter, and also to use the opportunity provided by vacant posts to address the aforementioned imbalance.

Absence of a unified view of risk categories across the Fund

67. In the Fund's enterprise-wide risk management policy, approved in 2006 and updated in July 2022, it is stated that the main purpose of the functioning risk management process is to provide the main stakeholders of the Fund with a reasonable assurance that the Fund's mission and long-term objectives will be met.

68. The policy defines the mission and objectives, risk appetite, risk management objectives, principles, risk management process, limitations, risk governance, roles and responsibilities in the management of the Fund's risks.

69. The Pension Administration and the Office of Investment Management have been working on the management of the Fund's risks under the same enterprise-wide risk management policy dated July 2022; nevertheless, both offices have issued their own enterprise-wide risk management methodology document according to the specific risks of their operation.

70. In the analysis of the risk management process carried out by the Fund, the Board noticed that there was no joint or consistent view of risk categories across the Fund.

71. In this regard, the Board observed the following situations:

(a) Both offices had a risk register updated as at 30 September 2023. For the Pension Administration, 48 risks were identified, and for the Office of Investment Management, 50 risks were identified;

(b) Inconsistencies in the risks reported by each office in the risk register and presented in the report to the Audit Committee as at 30 September 2023. For instance, for 25 risks identified for the Pension Administration and 18 for the Office of Investment Management, the risk register included risk assessment variations based on new naming and grouping of risks with similar characteristics, which differed from the information reported to the Audit Committee;

(c) The Pension Administration did not have a systematic risk management tool to record and manage the risks, in contrast with the Office of Investment Management, which had a tool for these purposes.

72. The Board considers that the absence of a comprehensive view of the risk categories affecting the Fund could have an impact on the implementation of the above-mentioned methodology in the Fund and, hence, the enterprise-wide risk management.

73. The Board is concerned that the absence of a joint enterprise risk management methodology in place could jeopardize the Fund's ability to identify risks and develop an appropriate response to address them, which, in turn, may lead to non-compliance with the rules and regulations, potential financial impacts and the arising of potential reputational risks.

74. The Board recommends that the Fund revise and update the current enterprise-wide risk management catalogue to ensure that the Fund-wide risks reflect a general, unified and comprehensive view of the Fund, and subsequently set it out in the enterprise-wide risk management methodology.

75. The Board recommends that the Fund develop a joint automated risk tool for the registration and management of the Fund-wide risks, making more efficient and effective use of the existing resources to address this matter.

76. The Fund accepted the recommendations.

4. Pension Administration

Insufficient disclosure and breakdown of post resources requirements for offices involved in functional reporting

77. In 2020, the Pension Administration introduced the functional reporting structure for its operating locations, centralizing the reporting and monitoring functions at the New York headquarters office, aiming to strengthen the service provided to its participants and beneficiaries. This restructure led the units in Geneva that perform service activities, such as the Pension Entitlements Section, the Client Services Section and the Record Management and Quality Control Unit, to report directly to the Chief of Units in New York.

78. In this regard, in December 2023, the Board analysed the tasks carried out by the three aforementioned units in both the Geneva and New York offices from January to October 2023, including the number of workflows, cases and queries. The distribution of the tasks performed by the units is shown in table II.7.

Table II.7

Main tasks carried out by the Geneva and New York offices (number of workflows, queries, cases, etc.), January–October 2023

Unit	Detail	Tasks performed	
		Geneva office	New York office
PES	Total PES workflows	8 534	8 224
CSS	Total CS workflows – queries in iNeed	10 086	13 805
	CS queries managed outside iNeed	4 081	2 074
	Walk-in clients to provide pension guidance	1 426	1 438
	Outreach (virtual and in-person)	10	16
RMQCU	Signature captures	25 711	61 144
	CE workflows processed	4 230	18 738
	Documents indexed and ingested into IPAS	129 160	185 158
	Geneva replies to organizations to obtain correct forms and/or documents	471	n/a
	New York replies to organizations to obtain correct forms and/or documents	n/a	1 053
	Replies sent to clients to obtain correct form according to payment instructions	n/a	2 071
	iNeed tickets created for emails that contain questions, then assigns to Client Services	n/a	7 945
	Archiving hard copy of documents	11 577	43 245

Source: Based on the information provided by the Pension Administration as at 15 December 2023 (cut-off date: 31 October 2023).

Abbreviations: CE, certificate of entitlement; CS, client services; CSS, Client Services Section; IPAS, Integrated Pension Administration System; n/a, not applicable; PES, Pension Entitlements Section; RMQCU, Record Management and Quality Control Unit.

79. The Board observed that in cases related to the workflows of the Pension Entitlements Section and queries managed outside iNeed by the Client Services Section, the tasks performed by the Geneva office exceeded those carried out by the New York office. To handle these workflows, the Fund allocated 26 posts in Geneva and 37 in New York to the Pension Entitlement Section, and 11 posts in Geneva and 14 in New York to the Client Services Section.

80. In this matter, the Pension Administration stated that the Geneva and New York offices did not operate as two independent offices; thus, their workflows and approved posts should not be directly compared owing to the different nature of work and the clients served by each office. The Pension Administration added that since the implementation of functional reporting, the management had introduced mechanisms and tools for resource and capacity planning and monitoring, including rebalancing the workloads between offices as required.

81. For instance, the Pension Administration explained that the Geneva office handled cases from specialized agencies and processed cases that had already been checked and validated by the local Staff Pension Committee. In contrast, the Pension Entitlements Section in New York, in the role of the Staff Pension Committee for the United Nations family organizations, undertook more extensive processing and review compared with the cases from specialized agencies. In addition, owing to quality control mechanisms and training provided to the local Staff Pension Committees, submissions of separation documents in Geneva were better than those of United Nations family organizations in New York.

82. It should be noted that, in January 2024, the Pension Administration indicated the system fixes or enhancements for Operations and Client Services and indicated that some tasks of the Record Management and Quality Control Unit were performed exclusively in New York.

83. The Board reviewed the Fund's budget proposal for 2023 and 2024, which has been approved by the Pension Board for consideration by the Advisory Committee on Administrative and Budgetary Questions and approval by the General Assembly, and it was noticed that the budget proposal did not disclose or break down the information related to the post resources requirements for the Geneva and New York offices and their respective workloads.

84. In turn, it was noted that the Geneva office has had the same number of approved and vacant posts since 2022. In this regard, the Pension Administration clarified that two positions for the Pension Entitlement Section in Geneva were included in the budget proposal for 2024 and subsequently approved by the General Assembly for implementation in the same year (resolution [78/253](#)).

85. The Board acknowledges that it is challenging for the Pension Administration to assess the entire workload of each unit; however, with the existing resources it should be able to measure all the workflows, cases, queries, etc., that constitute the core operations provided to participants and beneficiaries in both offices, to justify the post resources required in the budget proposals by each office. Thus, it is crucial that the mechanisms and tools in place provide clear and known standards to evaluate the complexity of the workload and then determine whether a document requires more processing efforts beyond the office in charge.

86. In this regard, although the Pension Administration has made significant progress in implementing functional reporting, the Board considers that there is still room for improvement in the distribution of the workload carried out by both offices and the post assignments to avoid situations such as those already noted in the Board's report for 2019 ([A/75/5/Add.16](#), paras. 18–28).

87. Likewise, given that the Geneva and New York offices primarily manage clients' requests directly, which are the core of the Pension Administration's operations, the Board deems it paramount that the budget proposals disclose and break down the post resources requirements for both offices to provide a comprehensive view to the governing bodies. Detailed information based on the actual workloads and the staffing needs of the offices would contribute to those in charge of governance making informed decisions regarding the effective post requirements according to the volume of transactions handled by each office.

88. The Board recommends that the Pension Administration document and formalize the mechanism for measuring and distributing the workload for the Geneva and New York offices to clearly define the nature and complexity of records processed by each office and the standards needed for measurement, using the resources and information technology available in the Fund.

89. The Board recommends that the Pension Administration disclose and break down separately the post resources requirements for the Geneva and New York offices with their respective workloads in the next budget proposals presented to the governance bodies as important steps towards greater transparency and accountability of its budget.

90. The Pension Administration accepted the recommendations.

Outdated year-end procedures manual

91. In accordance with the Regulations, Rules and Pension Adjustment System of the Fund, the financial statements for the year ended 31 December 2023 have been prepared on the accrual basis of accounting under IPSAS and International Accounting Standard 26.

92. Likewise, in November 2023, the IPSAS Board issued IPSAS 49 concerning in particular retirement benefit plans, effective 1 January 2026, with earlier adoption permitted. Later, in February 2024, the Pension Board unanimously approved amendments to the Fund's financial rules to implement early adoption of IPSAS 49 for the year ended 31 December 2024.

93. To provide an understanding of the Fund's annual closing process and practical assistance to the staff involved in preparing IPSAS-compliant financial statements, the Fund developed the Year-end Procedures Manual at the end of 2016. The Manual comprises items relating to the Fund, the Pension Administration and the Office of Investment Management. It should be noted that, in addition to the Year-end Procedures Manual, the Office of Investment Management annually updates the Accounting Procedures Manual to describe its monthly and annual financial closing process, as well as the preparation of financial statements and disclosure notes, among other things.

94. The Board observed that since it was issued in 2016, the Year-end Procedures Manual had not been updated, amended or enhanced despite several topics, as part of a living document, having been modified over time. It should be noted that the Manual is kept in a draft stage and has never been officially approved.

95. Although the Fund, mainly the Pension Administration, has adjusted some procedures since 2016 and updated the control matrices in 2023 related to financial closing and reporting, these have not been entirely incorporated into the Manual or consolidated in another document in order to have a comprehensive text that reflects the procedures undertaken for the monthly or year-end closing process effectively, specifically for preparing the financial statements.

96. In this regard, the Board verified outdated and missing procedures. For instance, the Manual did not refer to carrying out a census data validation process for the benefits granted to employees or what processes were carried out upon receipt of the results provided by the actuary regarding the actuarial valuation of employee benefits. Likewise, the procedure did not include any reference to the preparation of significant disclosures, such as the actuarial valuation of the Fund, nor of the tables annexed to the financial statements.

97. The Board further observed that until May 2024, there was no progress on updating any accounting or year-end procedures related to the forthcoming adoption of IPSAS 49.

98. The Board deems that not having an updated manual on the annual closing process nor emphasizing the relevance of the procedures and controls detailed therein may have an impact on the comprehensive and shared understanding of the process by staff involved in preparing the financial statements. This becomes even more significant considering the Fund's early adoption of IPSAS 49 for the fiscal year ending 31 December 2024.

99. The Board recommends that the Pension Administration disseminate an enhanced and approved version of the financial closing and reporting process manual to reflect, at least, the year-end accounting procedures, the preparation of financial statements and significant disclosure notes under IPSAS 49.

100. The Pension Administration accepted the recommendation.

Census data quality issues

101. In accordance with article 12 of the Regulations of the Fund, the Pension Board shall have an actuarial valuation of the Fund, at least once every three years, prepared by the consulting actuary.

102. In this regard, a full actuarial valuation needed to be performed for the 2023 financial statements based on census data as at 31 December 2023. Therefore, on 19 January 2024, the data for the actuarial valuation and experience investigation of the Fund were requested by the consulting actuary through a data request letter, specifying the minimum fields required. The census data include data for retirees, dependants and active participants, as well as separations during 2023.

103. Exhibit IV of the consulting actuary's data request letter indicates that it is expected that the Fund performed some data checks before the submission of the data for completeness, related mainly to missing or unreasonable information. It is also established that if any such information is missing or cannot be obtained in a timely fashion, assumptions will be made about each item based on the general nature of the group.

104. The Board reviewed the census data provided to the consulting actuary to perform the actuarial valuation as at 31 December 2023, applying similar procedures carried out in 2021 related to data quality checks, specifically on the fields required. Through a sample analysis, the information contained in the data for participants and beneficiaries for the actuarial valuation was compared with the supporting documentation in the Integrated Pension Administration System.

105. From the review, some cases with the following data quality issues were detected in active participants and beneficiaries:

- (a) Records of deceased participants had no date of death;
- (b) Records had null values in the required fields "deceased", "marital status" and "spouse sex";

- (c) Records contained null values in the information on pensionable remuneration rates;
- (d) There were missing and unknown records in the required field “sex”;
- (e) Records of participants had no “average remuneration”.

106. Likewise, the Board identified a small number of cases of duplicate records of active participants, one non-existent active participant and one deceased active beneficiary.

107. Furthermore, the Board noted that the financial overview prepared by the Fund did not clearly state that the participant data were based on the number of participant accounts. The Board noted that at least 187 participants had more than one participant account.

108. It is important to mention that the consulting actuary uses the data provided by the Fund and makes assumptions concerning the missing data, but not the erroneous data.

109. The Board acknowledges the progress made by the Pension Administration to identify data quality issues in the census data through a coordinated effort by the different areas involved in data governance. However, although the Fund pointed out that the data quality issues have not had an impact on the actuarial valuation, having low materiality, nor on the processing of benefits, the Board considers that the Fund’s data management still has scope for improvement to ensure the completeness, accuracy and reliability of the census data used to determine the analysis experience and actuarial valuation.

110. The Board recommends that the Pension Administration develop and implement an action plan to identify the root causes of the erroneous, missing and incomplete data to ensure that the information is accurate for the actuarial valuation and benefits processing by the Fund.

111. The Pension Administration accepted the recommendation and indicated that the census data are within the scope of the data quality policy and would be measured by agreed data quality metrics, which are under development by the entity.

Absence of a system to record cases of the Legal Office of the Pension Administration

112. In paragraph 91 of annex X, Budget estimates for 2024, to the Board’s report on the work of its seventy-fifth session and administrative expenses (A/78/329), it is indicated that the Legal Office provides unified legal services to all sections and offices of the Pension Administration, as well as legal advice on the consistent and uniform interpretation and application of the Regulations, Rules and Pension Adjustment System of the Fund, legal and procedural support to the Pension Board, the Standing Committee and the United Nations Staff Pension Committee, and the handling of appeals arising from decisions of the Standing Committee before the United Nations Appeals Tribunal.

113. The Board requested from the Legal Office of the Pension Administration information the open and closed legal cases as at 31 August 2023. The Legal Office provided a list of 488 cases handled by its officers, which were related to the diverse nature of topics such as disability, enforcement of regulations and rules of the Fund and the validity of legal documents, among other issues. The Legal Office received these cases mainly by email, telephone or other means.

114. The Board noted the absence of a standardized and centralized methodology for the distribution and management of legal cases. In this context, it was observed that the established practice was that legal officers recorded the cases in their own Excel

spreadsheet, without any connection with the rest of the Office's cases. This practice hindered the ability to determine the number of cases handled by each staff member, as cases received by phone or recorded at the discretion of the legal officer were not consistently documented. In addition, this decentralized approach made it difficult to consult past cases for reference. Consequently, no comprehensive report could be generated to review the cases and their status.

115. In the same vein, it was noted that the information was managed mainly by email and kept by each staff member using the means available to the Pension Administration, such as SharePoint, specifically those related to the resolution of cases.

116. On another note, when asked about key performance indicators of the Legal Office, the Pension Administration stated that owing to the particularity of its tasks and cases, it has not been possible to establish a suitable indicator.

117. The Board considers that the absence of a standard and centralized methodology for handling and recording legal cases may lead to difficulties by not having a common register that can be consulted to apply a cross-cutting criterion for treating similar cases. Likewise, the Board deems that the lack of centralized recording of legal cases could affect the accuracy of the data and make it difficult to keep the information.

118. The Board is of the view that implementing a tool to track and manage legal cases would allow the management to establish key performance indicators and extract reports of the cases and enable legal officers to streamline the record of their cases as well as access past cases for reference expeditiously.

119. The Board recommends that the Pension Administration establish a system to accurately record the legal cases, including at least a centralized mechanism to keep the information related to their resolution, track their status, search for similar cases and include all the relevant information on the case.

120. The Pension Administration accepted the recommendation.

5. Office of Investment Management

Need to strengthen the coordination mechanism between Office of Investment Management senior management and the Legal Team

121. In the legal procedures manual of the Office of Investment Management, dated 30 April 2020, it is stated that the Legal Team is part of the Office of the Representative of the Secretary-General for investments.

122. The manual also establishes that the Legal Team provides legal advice to the Representative of the Secretary-General and the Director of Investments on an ongoing basis, and to all teams of the Office of Investment Management on an as needed basis on matters of public and private law. This includes, in particular, advising on, with the assistance of the Office of Legal Affairs of the United Nations, the application of the privileges and immunities of the United Nations to the activities of the Office of Investment Management, the interpretation and application of the Rules, Regulations and Policies of the Fund, the Fund's governance structure and processes, the interpretation of procurement contracts, the implementation of the applicable formal modes of solicitation, contractual terms and structure of investments and compliance requests made by external service providers or counterparties, among others.

123. Regarding its functional structure, the Legal Team supporting the work of the Office of Investment Management includes a Senior Legal Officer, four Legal Officers and two Associate Legal Officers.

124. In 2020, the Office of Investment Management established a mechanism to record and handle legal matters, in response to a recommendation included in the Board's report of 2019 (A/75/5/Add.16).

125. The Board reviewed the mechanism established and implemented by the Office of Investment Management to record and handle the legal matters related to the revision and renegotiation of new and existing investment management agreements, legal provisions in private market investment and the legal revision of investment contracts and services, among other matters.

126. For the aforementioned purpose, it was verified that the Legal Team manually recorded the legal matters under analysis in an Excel spreadsheet. Since the Team began using the spreadsheet in November 2020, and until 4 November 2023, 321 matters have been registered on it.

127. At the time of the audit, 178 of the 321 legal matters were shown as still in an ongoing status at various stages and assigned to one or more of the Legal Officers in the current team.

128. From the 178 ongoing matters, it was noticed that:

- (a) 102 were from the 2023 period and 76 from previous periods;
- (b) 16 recorded cases did not set opening dates;
- (c) 116 cases were not recorded with any due or projected closing dates;
- (d) In those cases with registered dates, 2 had been ongoing for more than 37 months. When considering the expected closing date, there were cases exceeding 12 months. For example, the "derivates project" had been in process for more than one year;
- (e) 28 cases were still at an ongoing stage under the management of a Legal Officer in the Office of Legal Affairs, a person indicated as part of the United Nations Secretariat, external to the Office of Investment Management;
- (f) There were 12 cases for which the listed "client contact" was either a former staff member of the Office of Investment Management not currently working at the mentioned Office or a current staff member of the Secretariat, and there were 24 cases without any counterpart in the Office (outside the Legal Team).

129. In this context, the Board identified that there is scope for improvement concerning the current coordination mechanism between the senior management and the Legal Team to ensure timely follow-up on legal matters, updating of the registry by the Legal Team and addressing legal matters that represent key topics for investment activities in a timely manner.

130. The Board is of the opinion that strong and continued coordination between the senior management and the Legal Team is essential for the provision of legal advice within accurate estimated time frames and the finalization of agreements needed for investment activities to avoid delays or stalemates in legal analysis that could, for example, affect the commitments of the investment strategy or the materialization of a project.

131. The Board considers that manual record-keeping in an Excel spreadsheet, instead of purpose-specific software to track legal matters, may not be an optimal tool to ensure efficiency and consistency in recording analysed legal matters or provide the full functionality needed to cover all relevant data fields and reporting.

132. The Board recommends that the Office of Investment Management review recent instances in which legal agreements used for investment activities not previously engaged in by the Fund were developed and negotiated, to identify the

contingencies that should be taken into account when new investment activities are considered by the Fund.

133. The Board recommends that the Office of Investment Management strengthen its coordination mechanisms between the Legal Team and the investment areas in order to develop estimated time frames for the provision of legal advice and the finalization of agreements needed for investment activities.

134. The Board recommends that the Office of Investment Management assess the acquisition and implementation of a purpose-specific software or platform for recording the intake and progress of matters on which legal advice has been requested.

135. The Office of Investment Management accepted the recommendations.

C. Transmissions of information by management

1. Write-off of losses of cash, receivables and property

136. During the year 2023, the Pension Administration recorded receivable write-offs for \$785,619.50, as a result of normal business operations in accordance with the established policy on benefit overpayments receivable. There were no write-offs of receivables from the Office of Investment Management. There were no write-offs of losses of cash or property, in the respective areas of responsibility.

2. Ex gratia payments

137. The Fund reported to the Board that there were no ex gratia payments in 2023.

3. Cases of fraud and presumptive fraud

138. The Fund reported that there was no case of fraud and presumptive fraud related to the staff of the Fund for the financial year ended 31 December 2023.

D. Acknowledgement

139. The Board expresses its sincere appreciation and gratitude to the Representative of the Secretary-General for the investment of the assets of the Fund, the Chief Executive of Pension Administration and the members of their staff for the assistance and cooperation extended during the conduct of the audit.

(Signed) **Hou Kai**
Auditor General of the People's Republic of China
Chair of the Board of Auditors

(Signed) **Dorothy Pérez Gutiérrez**
Acting Comptroller General of the Republic of Chile
(Lead Auditor)

(Signed) **Pierre Moscovici**
First President of the Court of Auditors of France

24 July 2024

Annex

Status of implementation of recommendations up to the financial year ended 31 December 2022

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
1.	2020	A/76/5/Add.16 , chap. II, para. 72	The Board also recommends that the Pension Administration issue an official report with the results of the review and of the adjustments made to the after-service health insurance census data each year, in order to support the reasonableness review performed in the context of the preparation of the financial statements.	The recommendation is implemented. The Human Resources Team and the Accounts Section reviewed after-service health insurance census data and issued a report with the results in accordance with the established procedure. The revised census data for 2023 were shared and considered for the after-service health insurance actuarial valuation for 2023.	Although the Pension Administration did not issue an official report with the results of the review and adjustments made to the after-service health insurance census data, the Board observed that the Pension Administration carried out the annual review in accordance with the provision of the Fund's end of service liabilities census data validation policy and procedures, which were approved in May 2022. Therefore, the recommendation is considered to have been implemented.	X			
2.	2020	A/76/5/Add.16 , chap. II, para. 121	The Board also recommends that the Office of Investment Management enable the broker account module to include the direct broker feeds for the verification of staff members' brokerage accounts to comply adequately with the best practices of the industry and contribute to mitigating the risks related to potential conflicts of interest with the activities of the Fund.	The Office of Investment Management is in the process of obtaining the broker statements from all staff members. However, obtaining the direct broker feeds would not be possible owing to unforeseen obstacles. Some of the brokers require a minimum number before they enable the direct broker feeds. The Procurement Division of the United Nations has published a request for information for the selection of a compliance adviser that will be mandated for the review of the brokerage statements to ensure that privacy concerns have been addressed.	Although the Office of Investment Management is working to get the broker statements from all staff members, the broker account module has not been enabled in the system to include the direct broker feeds for the verification of staff members' brokerage accounts to comply adequately with the best practices of the industry and contribute to mitigating the risks related to potential conflicts of interest with the activities of the Fund. Consequently, the recommendation remains under implementation.		X		

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
3.	2021	A/77/5/Add.16 , chap. II, para. 27	The Board recommends that the Fund carry out an analysis of the categories that present the most significant differences between what is approved and what is executed, to improve the budgetary estimates and thus make budget proposals more accurate and better adjusted to actual expenditure made in the execution period.	<p>The Fund's budget is the best estimate of the administrative resources required for its operation. The Fund is expected to process all entitlements and manage its investments regardless of the level of its budget or changes in the geopolitical and socioeconomic environments of its beneficiaries. The budget is therefore a ceiling of reasonable administrative expenses, and any underexpenditure remains in the Fund and should be considered as savings.</p> <p>The Fund recognizes the need for budget accuracy and has taken steps to improve it. An analysis of expenditure over the past three budget cycles informed the budget request for 2024.</p>	Since the observation in the present report on deficiencies in the monitoring of the Fund's budget implementation includes two recommendations that address this matter in an extended manner, this recommendation is considered to have been overtaken by events.				X
4.	2021	A/77/5/Add.16 , chap. II, para. 32	The Board recommends that the Fund define and implement key performance indicators linked to the main budgetary categories, for example, staff costs and contractual services, to determine and justify the resource requirements with the governance bodies.	In the 2022, 2023 and 2024 budget proposals, the Fund introduced key performance indicators and workload statistics by function and not by budget line item. New key performance indicators were introduced for Operations and Client Services. The Office of Investment Management uses the most relevant indicator, i.e. a 3.5 per cent real rate of return. The Office of Investment Management has also defined other performance indicators for specific investment portfolios/asset classes,	The Board verified that the Fund (both the Pension Administration and the Office of Investment Management) had introduced key performance indicators in the 2024 budget proposal; however, it has not defined and implemented indicators that link professional staff performance to individual portfolio returns for the Office of Investment Management, and had not provided detailed information on workload indicators for Pension Administration transactions. The inclusion of these elements will be reviewed in the 2025 budget proposal in the next visit. Therefore, the recommendation remains under implementation.		X		

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
5.	2021	A/77/5/Add.16 , chap. II, para. 50	The Board recommends that the Pension Administration develop and implement a dashboard incorporating key results and key performance indicators using a business intelligence technology platform to review and monitor performance and assist in taking corrective action, as required.	which are published for the Office on the website and separately monitored. The recommendation is implemented. Presentations and screenshots with the content of the key performance indicators business intelligence dashboard, as well as evidence of the meetings and discussions maintained by senior management to monitor performance and adopt corrective actions, should be considered. The key performance indicators dashboard allows monitoring in real time of the key performance indicators defined in the CARE Strategy for the Pension Administration.	The Board has reviewed the current status of the dashboard developed by the Fund. The information for 2023 has been incorporated into this tool, making it available for trend analysis along with the 2024 information for key performance indicators monitoring. Therefore, this recommendation is considered to have been implemented.	X			
6.	2021	A/77/5/Add.16 , chap. II, para. 119	The Board recommends that the Office of Investment Management strengthen and update the current procedure for brokers and counterparties, including the standards that brokers and counterparties need to meet, the reports and reviews currently carried out by the risk team and the Risk Committee and the criteria that need to be weighed and evaluated in the removal of or decision to retain brokers and counterparties.	The brokers and counterparties procedure was updated and approved in June 2024 to include the standards and expand the scope of the reviews currently carried out on the brokers and counterparties.	The Board verified that the Office of Investment Management has updated the brokers and counterparties procedure, including the standards that brokers and counterparties need to meet, the reports and reviews currently carried out by the risk team and the Risk Committee and the criteria that need to be weighed and evaluated in the removal of or decision to retain brokers and counterparties. Therefore, the recommendation is implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
7.	2022	A/78/5/Add.16 , chap. II, para. 29	The Board recommends that the Office of Investment Management strengthen the role of the Internal Investment Committee to oversee the Office's approach to sustainable investment.	The role of the Internal Investment Committee was strengthened to oversee the Office's approach to sustainable investment, as can be evidenced in the minutes.	The Board verified that the sustainable investment manifest and policy defined that the Internal Investment Committee was responsible for meeting monthly and supervising the sustainable investment approach. In this sense, it was verified that in January, February, April and September 2023, environmental, social and governance metrics and impact investing issues were discussed. In addition, it was verified that the Internal Investment Committee's terms of reference had been adjusted on 6 April 2023 in order to strengthen and give a more relevant role in the review of investments in sustainable issues, including within its functions approving the investment recommendation under new eligible asset classes, new strategies, including impact investing and Sustainable Development Goal-aligned investment under the existing asset classes, or instruments. Therefore, the recommendation is considered to have been implemented.	X			
8.	2022	A/78/5/Add.16 , chap. II, para. 30	The Board recommends that the Office of Investment Management sustainable investing team complement the current workplan, including activities, staff responsible, goals, benchmarks and deadlines, to comply with the broad topics established in its strategic plan for 2022–2023 and the recommendations and targets committed to by the Task Force on Climate-related Financial Disclosures.	Regarding the matter observed, the Office's sustainable investment team provided the status of the activities of the strategic plan for 2022–2023 and of the recommendations and targets committed to by the Task Force on Climate-related Financial Disclosures. In addition, the team developed a Gantt chart for the period 2024 through "detailed planning".	The Board acknowledges the progress made by the sustainable investment team to identify at least activities, staff responsible, goals, benchmarks and deadlines, and also the status for compliance with the broad topics regarding the strategic plan for 2022–2023 and the Task Force on Climate-related Financial Disclosures. Consequently, the recommendation is considered to have been implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
9.	2022	A/78/5/Add.16 , chap. II, para. 31	The Board recommends that the Office of Investment Management develop and implement a workplan to address and close the 70 engagements committed to, and to include the metrics and targets to meet the objective of reduced financed emissions in other asset classes by 2025, with the purpose of complying with the Net-Zero Asset Owner Alliance timetable committed to.	Regarding the Net-Zero Asset Owner Alliance, the Office of Investment Management indicated through “detailed planning” the plan to integrate other asset classes, and provided an “engagement programme” that includes several activities to be performed. For the 70 engagement targets, the Office pointed out that their closing does not depend on the Office since the company does not have to comply with its request and may elect to never follow its requests. It added that, following the recommendation of the Board, an escalation strategy that addresses failed engagements was developed.	Although the Board considers that the full implementation of a workplan is still an ongoing process and needs to be closely followed by the Office, it noted the progress in developing and implementing a workplan with activities and a timeline, and additional commitments to address the engagements, including metrics and targets to meet the objective of reduced financed emissions. Therefore, the recommendation is considered to have been implemented.	X			
10.	2022	A/78/5/Add.16 , chap. II, para. 42	The Board recommends that the Office of Investment Management revise and adjust the current sustainable investing implementation guidelines to ensure that the activities are aligned with the nature of the investment and the current operation for each asset class.	The Office of Investment Management revised and issued the sustainable investment manifest and policy to ensure that the activities are aligned with the nature of the investment and the current operation for each asset class. In addition, the Office's sustainable investment team provided several documents, for instance the “Procedures – Sustainable Investing Team”, which describes the monitoring and reporting activities applied and the	The Board verified that the Office of Investment Management issued and approved the sustainable investment manifest and policy in August 2023, which establishes even more generally that the sustainable investing implementation guidelines such as environmental, social and governance are integrated into the investment decision for equities, fixed income and private markets. As long as the sustainable investing implementation guidelines are adjusted or the new guideline comprehensively describes the effective activities performed in the environmental, social and		X		

						Status after verification			
No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
11.	2022	A/78/5/Add.16, chap. II, para. 43	The Board recommends that the Office of Investment Management strengthen and evaluate its current monitoring mechanism to ensure that the environmental, social and governance metrics are effectively integrated into the investment decision-making process, in order to comply with the investment policy statement and environmental, social and governance guidelines.	<p>templates used by the team to perform the due diligence questionnaire for private markets and the environmental, social and governance materiality assessment for public equities.</p> <p>The Office of Investment Management issued and approved the sustainable investment manifest and policy in August 2023. The Office showed the progress made in the integration of environmental, social and governance in the investment decision-making process in 40 stocks. A specific example of the environmental, social and governance materiality assessment for public equities has been shared.</p> <p>The Office of Investment Management indicates that it continued to perform environmental, social and governance due diligence as shown during the previous audit cycle. Moreover, the Office provided “Procedures – Sustainable Investing Team” and evidence of tools developed to monitor the implementation of environmental, social and governance factors into the investment decision-making process.</p>	<p>governance integration of the investment for each asset class, considering the subcategories included in the asset class, the recommendation remains under implementation.</p> <p>The Board acknowledges the efforts and improvements made by the sustainable investment team in planning environmental, social and governance integration. Through a sample review of new investments, the Board observed that although the integration of environmental, social and governance is aligned with the guidelines, it did not identify any major differences with respect to the activities conducted in the previous year. Furthermore, it was noted that some activities focused on addressing all asset classes are in the process of being implemented. Considering that the Office is working in 2024 to roll out the integration process in the portfolio and thus ensure that the metrics are effectively integrated into the investment decision-making process for each asset class, the Board considers it appropriate to assess the effectiveness of monitoring controls for all asset classes once they have been implemented for the 2024 period. Consequently, the recommendation is considered to be under implementation.</p>			X	

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
12.	2022	A/78/5/Add.16 , chap. II, para. 52	The Board recommends that the Office of Investment Management revise the current investment policy statement to ensure that all instruments by each asset class are not exempt from the analysis of environmental, social and governance and rating restrictions, including exchange-traded funds and any other index products.	The investment policy statement was revised as requested and a copy of the revised policy is available on the Fund's website.	The Board verified that the investment policy statement was modified and endorsed by the Pension Board in July 2023 to clarify that exchange-traded funds are not exempt from the analysis and monitoring of environmental, social and governance and rating restrictions. Therefore, the recommendation is considered to have been implemented.	X			
13.	2022	A/78/5/Add.16 , chap. II, para. 53	The Board recommends that the Office of Investment Management establish and implement a procedure to integrate the analysis of the environmental, social and governance metrics, rating restrictions and reputational risk issues through the exchange-traded funds investment process, in order to be aligned with the sustainable strategy for all asset classes.	The Office of Investment Management did not accept the recommendation and explained that the exception for exchange-traded funds grants access to markets, making it impossible to follow the Office's environmental, social and governance policies. Nevertheless, the Office provided the environmental, social and governance monitoring review for the fourth quarter of 2023, over the exchange-traded funds held as at 31 December 2023.	Although the Office of Investment Management did not accept the recommendation, it was verified that the investment policy statement was modified and endorsed by the Pension Board in July 2023 to clarify that exchange-traded funds are not exempt from the analysis and monitoring of environmental, social and governance and rating restrictions. Through the updated policy, the Board noticed that even if the individual holdings in the exchange-traded funds fall under the criteria for restricted and prohibited industries and/or the minimum required credit ratings, they might be maintained in the investable universe. Therefore, the recommendation is considered to have been overtaken by events.				X

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
14.	2022	A/78/5/Add.16 , chap. II, para. 64	The Board recommends that the Pension Administration revise and adjust the write-off policy, taking into consideration the nature and different factors that would contribute to further categorizing the overpayments made, and then proceed with the write-off, if applicable.	The Pension Administration has issued the procedures on recovery and write-off of pension benefit overpayments. The revised procedure clarifies the review on overpayments and the judgment applied to determine when the claim for the repayment of an overpayment should be surrendered by the Fund (also referred to as write-off). The procedure provides guidance to determine when the Pension Administration authorizes to give up a claim for repayment rather than defining objectives and key performance indicators for the minimum number and/or percentage of claims to be surrendered for each period.	The Board verified that the Pension Administration revises and adjusts the write-off policy called “procedures on recovery and write-off of pension benefit overpayments”, which clarifies the review on overpayments and the judgment applied to determine when the claim for repayment of an overpayment should be surrendered by the Fund. Therefore, the recommendation is considered to have been implemented.	X			
15.	2022	A/78/5/Add.16 , chap. II, para. 72	The Board recommends that the Fund, on the basis of analysis, include in its gender strategy a specific target and margin of gender parity that it aims to accomplish.	The Fund's gender strategy was updated in March 2023, and target margins were incorporated, in line with the Secretary-General's gender parity strategy. The updated strategy shows performance against the target margins. Progress on the implementation of the strategy is regularly reported to senior management and annually to the Pension Board. The updated strategy was disseminated to all staff and is available on the Fund's intranet.	The Board verified that the Fund carried out an analysis and issued an updated gender strategy, which includes an action plan and specific target of 50/50 to achieve gender parity and enhance inclusivity within the organization. Therefore, the recommendation is considered to have been implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification				
						Implemented	Under implementation	Not implemented	Overtaken by events	
				<p>The list of gender focal points for the Office of Investment Management and the Pension Administration, who support the implementation of the strategy, was recently updated.</p> <p>The Fund has achieved substantial progress in the implementation of the action plan contained in the gender strategy for 2021–2023. Among other activities, a lactation room was allocated at the Fund's headquarters in New York, and outreach activities have been conducted for International Women's Day and at an internal event for children.</p>						
Total number of recommendations						15	9	4	0	2
Percentage of total number of recommendations						100	60	27	0	13

Chapter III

Certification of financial statements

Letter dated 13 June 2024 from the Chief Financial Officer of the United Nations Joint Staff Pension Fund addressed to the Chair of the Board of Auditors

The financial statements of the United Nations Joint Staff Pension Fund for the year ended 31 December 2023 have been prepared in accordance with the Regulations, Rules and Pension Adjustment System of the United Nations Joint Staff Pension Fund,¹ International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board and International Accounting Standard 26, Accounting and reporting by retirement benefit plans, as issued by the International Accounting Standards Board. The summary of significant accounting policies applied in the preparation of the financial statements is included in the notes to the financial statements. The notes provide additional information on and clarification of the financial activities undertaken by the Fund during the period covered by these statements.

I certify that the appended financial statements of the United Nations Joint Staff Pension Fund are correct in all material respects.

(Signed) Enzo **Iaderosa**
Chief Financial Officer (Officer-in-Charge)
United Nations Joint Staff Pension Fund

¹ The financial rules are promulgated by the United Nations Joint Staff Pension Board in accordance with article 4 (b) of the Regulations of the Fund with effect from 1 January 2017. Subject to the provisions of the Regulations of the Fund and to resolutions and decisions of the General Assembly pertaining to the financial operations of the Fund, those financial rules shall govern the financial management and administration of the Fund and should be read in conjunction with the Administrative Rules. With regard to any matter not specifically covered by those rules, the appropriate provisions of the Financial Regulations and Rules of the United Nations shall apply, mutatis mutandis.

Statement of internal control for the year ended 31 December 2023²

Scope of responsibility

The United Nations Joint Staff Pension Fund was established by the General Assembly in 1949 to provide retirement, death, disability and related benefits for staff of the United Nations and the other international organizations admitted to membership in the Fund. The Fund is a multiple-employer defined benefit plan.

The United Nations Joint Staff Pension Board, a subsidiary organ of the General Assembly, has the overall supervisory responsibility for the administration of the Fund and the observance of the Regulations and Rules of the Fund.

The Chief Executive of Pension Administration discharges the Pension Board's responsibility for the administrative supervision of the Pension Administration. Under the authority of the Board, the Chief Executive collects contributions, ensures record-keeping for the Pension Administration, certifies benefit payments and deals with other issues related to the Fund's participants and beneficiaries. The Chief Executive is also responsible for ensuring that actuarial matters are addressed with a view to maintaining the long-term sustainability and financial health of the Fund.

The investment of the assets of the Fund is the responsibility of the Secretary-General. The Secretary-General has delegated his authority and responsibility to act on his behalf in all matters involving his fiduciary duties related to the investment of the assets of the Fund to the Representative of the Secretary-General. The Representative of the Secretary-General has delegated responsibility for the management and accounting of the investments of the Fund and for the management of the Office of Investment Management. The Representative of the Secretary-General exercises this duty and makes investment decisions after consultation with the Investments Committee and in the light of observations made from time to time by the Pension Board on investment policy.

The Chief Executive and the Representative of the Secretary-General are responsible for establishing and maintaining a sound system of internal controls in their respective areas of responsibility to ensure the accomplishment of objectives, the economical use of resources, the reliability and integrity of information, compliance with rules and regulations, and the safeguarding of assets.

Purpose of the system of internal control

The system of internal control is designed to reduce and manage rather than eliminate the risk of failure to achieve the objectives of the Fund and to improve performance. It can therefore provide only a reasonable but not an absolute assurance of effectiveness. Internal control is an ongoing process, effected by the Fund's governing bodies, senior management and other personnel, designed to provide reasonable assurance regarding the achievement of the following internal control objectives:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable rules and regulations.

² The statement of internal control, which accompanies the financial statements, is issued by the Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the United Nations Joint Staff Pension Fund, in accordance with financial rule G.4 of the Fund.

Internal control is a key function of management and an integral part of the overall process of managing operations. The Fund management at all levels therefore has the responsibility to:

- Establish an environment and culture that promotes effective internal control
- Identify and assess risks that may affect the achievement of objectives
- Specify and implement policies, plans, operating standards, procedures, systems and other control activities to manage risks
- Ensure an adequate flow of information and communication so that all Fund staff have the information that they need to fulfil their responsibilities
- Monitor the effectiveness of the internal control system.

Operating environment of the Fund

The Fund is exposed through its plan design, investments and operations to the fluctuations of financial markets, demographic changes, internal risks related to its operations and risks affecting its member organizations, service providers or clients located in more than 190 countries. All significant identified risks are captured in formal risk registers, which are subject to regular review by senior managers and internal and external auditors.

Fund risk management and internal control framework

The Fund has implemented a governance structure, management processes, and internal and external oversight mechanisms to adequately identify, assess, manage, monitor and report the risks inherent to its operations.

The internal control policy of the Fund defines internal control objectives, components and responsibilities, as well as the roles of management, risk management and compliance functions, internal audit and external audit, in line with the three lines of defence model. The Fund's internal controls over financial reporting provide reasonable assurance that assets are safeguarded, that transactions are properly recorded and authorized and that there are no material misstatements in the financial statements. The internal control system and the review of its effectiveness are consistent with the criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

The internal control framework is integrated with, and complemented by, specific control frameworks to provide reasonable assurance on the use of information, consistent with the Control Objectives for Information and Related Technologies, and its integrity and availability, in accordance with the International Organization for Standardization ISO/IEC 27001 standard.

The enterprise-wide risk management framework adopted by the Fund reflects the nature of its operations and development, as well as its specific requirements. The enterprise-wide risk management framework is aimed at identifying events that may affect the Fund and managing risk within the Fund's risk appetite. The Fund's risk management framework includes the following components:

- Risk management governance: The operation of the risk management framework is supported by the full ownership and accountability of the Pension Board, management and staff for risk management activities. Specialized committees conduct oversight and provide advice to the Pension Board on risk management and internal control, as follows:

(i) Audit Committee: As an advisory committee of the Pension Board, it provides general oversight and offers recommendations for the Fund's internal and external auditing, and the Fund's risk management and internal control framework;

(ii) Fund Solvency and Assets and Liabilities Monitoring Committee: It advises the Pension Board on risk management, funding policy, asset-liability management and investment policy matters.

At the management level, the Enterprise-wide Risk Management Working Group, chaired by the Chief Executive and the Representative of the Secretary-General, includes representatives from all offices and monitors the Fund's risk profile, the implementation of risk management strategies and the effectiveness of the enterprise-wide risk management framework.

- Enterprise-wide risk management policy: The policy provides the basis for the operation of the risk management framework and specifies its applicability throughout the Fund. The enterprise-wide risk management policy methodology complements the policy and defines the steps, roles and responsibilities in the risk management process. The policy complements the United Nations code of conduct and the standards of conduct for the international civil service and related administrative instructions and guidelines in articulating expectations and behaviours for risk-conscious decision-making.
- Risk assessments: The Fund conducts periodic risk assessment exercises and maintains an enterprise risk register, which serves as the basis for defining mitigation strategies or internal controls to address the Fund's key risks. Detailed risk registers and other risk analyses supplement the enterprise risk register in areas such as business continuity risks and cybersecurity risks. Risk management is integrated into project management, with risk registers developed for projects.
- Risk monitoring: The Fund's risk profile is monitored during the quarterly meetings of the Enterprise-wide Risk Management Working Group. Risk management officers promote the implementation of the enterprise-wide risk management framework, facilitate risk assessments, advise in the implementation of risk management strategies and monitor and report on the Fund's risk profile. Frequent risk monitoring is conducted using a risk dashboard and key risk indicators, in order to better understand and assess enterprise risks.
- Fraud risk assessment: The Pension Administration and the Office of Investment Management perform fraud risk assessments to identify specific fraud schemes and risks, assess their likelihood and significance, evaluate existing fraud control activities, and implement actions to mitigate residual fraud risks.

Review of the effectiveness of internal controls

The review of the effectiveness of the Fund's internal controls for the year ended 31 December 2023 is supported by:

- Evaluation of internal controls over financial reporting by management, which involved the identification, documentation and evaluation of the design and operational effectiveness testing of internal controls; the preparation and implementation of mitigation plans to address any control deficiencies identified; and an internal control self-assessment and assertion letters submitted by key officers in the Pension Administration and the Office of Investment Management, who recognized their responsibility for maintaining and executing effective internal controls and reported any deficiencies

identified. Internal control evaluations and assertion letters were reviewed carefully, and action plans to implement corrective actions were prepared, where applicable.

- The mapping conducted by the Fund during 2023 of its internal controls over sustainability reporting to identify required additional controls and updates to control documentation.
- The assurance provided by the Office of Internal Oversight Services (OIOS), in accordance with its mandate, that internal controls are adequate and functioning effectively. In the execution of a risk-based audit plan endorsed by the Audit Committee, OIOS conducted eight audits in 2023 to provide assurance on the effectiveness of internal controls and identify control deficiencies. OIOS made 53 new audit recommendations during 2023. The Chief Executive and the Representative of the Secretary-General, in their respective areas of responsibility, took appropriate actions to address important audit recommendations resulting from internal audits.
- The independent examination conducted by the Board of Auditors, in accordance with its mandate, of the Fund's management, internal controls and financial statements, performing such tests and other procedures as they considered necessary to express an opinion in their annual audit report. The Board was given full and unrestricted access to all financial records and related data and to the Fund's management and Audit Committee to discuss any findings related to the integrity and reliability of the Fund's financial reporting. The external audit report accompanies the financial statements.
- The review of the results of independent service audits on the controls applied by key service providers, including Northern Trust, the master record keeper for the Fund's investments and the custodian banks for the investments, the Office of Investment Management's infrastructure hosting and cloud service provider, as well as the United Nations International Computing Centre information and communication technology (ICT) services and related controls over financial reporting. Service audits concluded that, in all material respects, the controls were suitably designed and operating effectively to provide reasonable assurance that control objectives would be achieved.
- The successful renewal by the Pension Administration in December 2023 of its ISO 27001:2013 Information Security Management System certification for the Integrated Pension Administration System, and the digital certificate of entitlement, which is valid for three years, until March 2025.
- The successful renewal by the Office of Investment Management in December 2023 and February 2024, of the certifications for ISO 22301:2019 for the Business Continuity Management System and ISO 27001:2013 for the Information Security Management System. Both certifications remain valid until 2027. The certifications confirm that the Office conforms to the requirements of the information security management system and business continuity management system standards.

Internal control matters during 2023 and planned actions

The review of the results of the internal control self-assessment and assertion letters signed by key officers in the Fund and the results of internal and external audits, independent service audits, and International Organization for Standardization certification audits provide assurance on the effectiveness of internal controls. No significant internal control matters were identified; however, the Fund will continue to manage and improve key risk and internal controls in the following areas:

1. In its previous report (A/78/5/Add.16), the Board of Auditors did not identify significant errors, omissions or misstatements from the review of the financial records of the Fund for the year ended 31 December 2022. However, the Board identified scope for improvements in the areas of implementation of environmental, social and governance metrics, a gender balance strategy and overpayments write-off criteria. Management has initiated or completed the implementation of the recommendations made by the Board, except for one rejected recommendation relating to screening exchange-traded funds because these financial investments are externally managed for many investors, both individual and institutional, and as such the Office of Investment Management has no direct control over the stock selection.

2. Investments and market risks: In 2023, the stock and bond markets rebounded strongly from a challenging 2022. Despite a regional banking crisis in the first quarter that raised concerns about a credit crunch, the Fund remained resilient. The economy stayed robust, and inflation cooled. The United States of America Federal Reserve raised interest rates four times during the year, but officials indicated at their December 2023 meeting that they did not plan to raise rates further and might even lower them in the coming year. The Fund's commitment to stability and adherence to industry standards was evident, as it conducted a quadrennial asset-liability management study in 2023 and successfully implemented new benchmarks and a new strategic asset allocation in March 2024. In addition, the Fund remained compliant with the Global Investment Performance Standards.

3. Risks derived from inflation and geopolitical crises: Inflation rates remain high globally despite coming down from recent peaks. Experts predict that inflation will continue to decline in the coming year but remain above pre-2020 levels. Geopolitical risks have intensified, with a potential shift in alignment, a new war in the Middle East and increased risks in Asia. The asset-liability management study considered uncertainties when developing a strategic asset allocation. In addition, the Office of Investment Management started performing reverse stress testing to gauge the impact of inflation risks on Fund sustainability, as well as conducting scenario analysis, including of climate scenarios. In addition, the Fund continues to diversify channels to distribute pension benefit payments, including through the United Nations Treasury, and to offer new digital services to lower banking charges for beneficiaries located in countries affected by disruptions in the international transaction system. The Fund will continue to monitor possible financial and operational impacts of the high-inflation environment and take prompt action to mitigate potential risks derived from inflation and geopolitical crises.

4. Business transformation: The Fund has recognized that business transformation is required to prepare for and respond to global and long-term structural challenges, and to generate better outcomes for internal and external clients. In 2023, the Pension Administration continued to implement and extended the CARE³ strategy and related road map and projects, with a focus on integrating modern technologies and continuous improvement into business processes. In addition, the introduction of new benefit payment channels, automated scanning and signature verification, and new functionalities in the Fund's digital certificate of entitlement, provided enhanced service to clients. For 2024, the introduction of the new customer relationship management system will pave the way for further organizational and process changes and enhanced internal controls to adopt more self-service-based, electronic and paperless processes and upgrade ageing systems to improve the client experience and increase efficiency. In 2023, the Office of Investment Management updated its target operating model to define business and organizational

³ Client-focused, action-oriented, relations-builder and efficiency-driven.

transformation strategies aimed at achieving effective collaboration and standardized or seamlessly integrated business processes, data, technology and communication. From 2024 onwards, the Office will advance in the implementation of the strategic road map and related projects to ensure strategic investment alignment, promote a risk-taking culture and develop organizational agility.

5. Organizational culture: Strengthening the Fund's culture has been identified by management as key to the success of the Fund's overall strategy. A leadership culture assessment in line with the United Nations system leadership framework has been conducted annually since 2021 with the participation of a majority of Fund staff to identify priorities for culture-related work. In 2023, that work focused on communication, collaboration and transformation. Complementarily, the Fund has largely fulfilled the objectives of the human resources strategy for the period 2021-2023, the training strategy and guidelines, and the gender strategy, resulting in processes and principles to promote a more satisfied and skilled workforce and a gender-sensitive work environment. The implementation of culture transformation initiatives will continue, with a focus on promoting organizational values and priorities. For 2024, the Fund aims to strengthen its culture, building on the results of the 2024 leadership culture assessment to track progress and identify new areas of focus.

6. Cybersecurity risk: During 2023, the Fund continued to enhance its information security framework and processes to respond to emerging technologies and increasingly sophisticated threats, including the disruptive capabilities of manipulated information and access to large-scale artificial intelligence models. Both the Pension Administration and the Office of Investment Management continued to maintain the ISO 27001:2013 Information Security Management System certification to ensure that appropriate cyberrisk controls were in place, and to ensure the delivery of mandatory training and awareness training to staff, including with regard to phishing campaigns. Security operations centres managed by third parties provided around-the-clock monitoring and incident management for security events to ensure that data assets remained protected. Complementarily, the Fund continued to enforce information security requirements for key suppliers and applications. Projects to secure member self-service portals and transactions, with the introduction of multi-factor authentication and cyberinsurance for the Office of Investment Management, are well under way.

7. Business continuity management: The Fund continued to maintain a robust business continuity management governance framework, with defined continuity plans and information technology disaster recovery. The Fund has full remote-working capability for all teams, to allow the continuity of critical business functions and the physical isolation of staff. Resilient data-centre hosting arrangements are in place that provide high availability for key ICT systems. During 2023, the Pension Administration gradually moved ICT systems to the cloud to enhance resilience and achieve further efficiencies, while focusing on crisis preparedness and crisis management for unexpected complex scenarios. In March 2023, the Office of Investment Management successfully moved to a new infrastructure as a service provider and focused on ensuring the resilience of critical service providers. Given the likelihood and broad nature of possible crises, in 2024 the Fund will continue to enhance its business continuity arrangements and monitor supplier viability, to strengthen its ability to maintain its critical business services during and following disruptive events.

8. Data governance: Both the Pension Administration and the Office of Investment Management have undertaken projects to develop and implement a data governance framework as a key enabler to realizing the objective of becoming a data-driven organization. Various components of the data governance framework are in place or are under development, including a dedicated data governance council, data inventory and a data quality policy. Additional data work and the data governance

operating model will allow further alignment of the Fund's data strategy with the vision of the Secretary-General and with guidance issued by the United Nations on data protection and privacy.

9. Sustainability risks: The Fund maintains a comprehensive sustainability framework and commits to the targets set out in the United Nations Secretariat climate action plan 2020–2030. During 2023, the Fund expanded the mechanisms for integrating environmental, social and governance factors into investment decision-making and internal processes. The Office of Investment Management strengthened its environmental, social and governance policy and published a sustainable investing manifest, which sets out the Office's beliefs and principles related to sustainability integration in investment and internal processes. The Fund developed a new integration strategy, moving to an enhanced integration process and defining objectives; boosted private-market environmental, social and governance integration techniques; and initiated a review of its fixed-income environmental, social and governance processes. An impact investing policy was issued which defines impact investing and sets out a governance structure and mandate (impact and return), themes, principles and relevant frameworks. The Fund is on track to reach its 40 per cent carbon-reduction target for equities, corporate bonds and non-listed real estate portfolios. The Fund has also made progress in its engagement with and financing of transition efforts. Proxy vote rights were exercised in more than 99 per cent of meetings with votes, and more than 560 companies were engaged globally on 2,730 environmental, social, governance, strategy, risk and communication issues and objectives. A new reduction target for 2030 will be set in 2024, in line with the recommendations of the Net-Zero Asset Owner Alliance. The 2023 status report of the Task Force on Climate-related Financial Disclosures provided an outline of the progress made on the governance, strategy, risk management, metrics and targets adopted by the Fund. From 2024, the Fund will report on climate-related risks and opportunities in line with the International Financial Reporting Standard S2 guidelines.

Statement

We acknowledge that management is responsible for establishing and maintaining adequate internal controls over financial reporting.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error or circumvention. Accordingly, even effective internal controls can provide only reasonable but not absolute assurance. Furthermore, because of changes in conditions, the effectiveness of internal controls may vary over time.

As the evaluation of the effectiveness of internal controls was conducted as at 31 December 2023 and, on the basis of that evaluation, we conclude that, to our best knowledge and information, there were no material weaknesses in internal controls, in our respective areas of responsibility, during the year ended 31 December 2023.

Within the scope of our respective areas of responsibility, we are committed to addressing any weaknesses in internal controls identified during the year and ensuring the continuous improvement of internal controls.

(Signed) Rosemarie McClean
Chief Executive of Pension Administration
United Nations Joint Staff Pension Fund

(Signed) Pedro Guazo
Representative of the Secretary-General for the investment
of the assets of the Fund

29 April 2024

Chapter IV

Financial overview

A. Message from the Chief Executive of Pension Administration and the Representative of the Secretary-General

1. Despite volatility in the global markets and geopolitical challenges in 2023, the investment portfolio had a very positive performance and, as a result, the Fund remains financially sound and resilient, providing reliable services to its clients, while modernization efforts have continued.

2. The biennial actuarial valuation of the Fund as at 31 December 2021, as reviewed by the United Nations Joint Staff Pension Board in July 2022, reported a surplus. It established that the current contribution rate is sufficient for the Fund to remain sustainable over the long term, for current and future participants and beneficiaries. This meant that the Fund was in a strong position to absorb the market downturn in 2022 given the previous years' results and the very strong results of 2023, with the next actuarial valuation due to be reported to the Board in July 2024.

3. In the 2023 financial year, the Fund delivered a positive performance on the Fund's investments, which grew by \$10.2 billion (an increase of 13 per cent) to \$87.6 billion.

4. As expected, the Fund has continued to grow through an increase in participants and beneficiaries. Although the balance between participant contributions and benefits paid has been stable in recent years, during 2023 the benefits paid exceeded the contributions received by \$119 million.

5. As in previous years, payments were issued on time and the banking crisis in the first few months of 2023 was mitigated and had no impact on the distribution of benefits. The Fund continued to explore and set up new payment channels to ensure the transfer of benefit payments in countries with banking systems affected by geopolitical challenges. The Fund also outperformed its benchmark in pension processing, with more than 90 per cent of initial pension cases processed within 15 business days in 2023.

6. Meanwhile, the Fund has continued to modernize its operations, further simplifying and digitalizing interactions with its clients. We are particularly proud that one of our flagship projects, the digital certificate of entitlement application, won the 2023 Government Blockchain Association's social impact award.

7. We remain confident that the Fund will continue to deliver and improve services to its members, ensuring long-term sustainability through ethical investing.

B. Administration of the Fund

8. The Fund was established by the General Assembly in 1949 to provide retirement, death, disability and related benefits for staff of the United Nations and the other international organizations admitted to membership in the Fund.

9. The Pension Board, a subsidiary organ of the General Assembly, has the overall supervisory responsibility for the administration of the Fund and the observance of the Regulations and Rules of the Fund. The Secretary-General appoints the independent Secretary of the Pension Board on the recommendation of the Pension Board. The Secretary of the Pension Board is responsible for a full range of secretariat conference management and services.

10. The Chief Executive of Pension Administration is appointed by the Secretary-General on the recommendation of the Pension Board. The Chief Executive acts under the authority of the Pension Board in the discharge of the latter's responsibility for the administrative supervision of the Fund as a whole.

11. The investment of the assets of the Fund is decided upon by the Secretary-General after consultation with an Investments Committee and in the light of observations and suggestions made from time to time by the Pension Board on the investments policy. The Secretary-General has delegated his authority and responsibility to act on his behalf in all matters involving his fiduciary duties related to the investment of the assets of the Fund to the Representative of the Secretary-General.

12. For detailed information about the purpose, administration, structure and management of the Fund, please refer to note 1 of the financial statements.

C. Key indicators

(Millions of United States dollars, except for the number of participants and the number of periodic benefits)

	Year				
	2023	2022	2021	2020	2019
Net assets available for benefits	88 239	77 918	91 460	81 512	72 034
Actuarial present value of accumulated plan benefits with pension adjustments ^a	90 945	81 121	66 656	63 259	59 829
(Deficit)/excess of the actuarial present value of accumulated plan benefits with pension adjustments	(2 706)	(3 203)	24 804	18 253	12 205
Investment income/(loss)	10 565	(13 458)	10 047	9 516	11 362
Pension contributions	3 409	3 121	2 969	2 847	2 689
Number of participants	149 848	143 612	137 261	134 632	131 583
Pension benefits	3 527	3 128	2 976	2 789	2 700
Number of periodic benefits	86 013	83 988	82 312	80 346	79 975
Increase/(decrease) in net assets available for benefits	10 321	(13 541)	9 948	9 477	11 258

^a The 2022 and 2023 actuarial present values of accumulated plan benefits include future increases in pensionable remuneration.

D. Financial performance

Net assets available for benefits

13. The statement of net assets available for benefits provides information on the financial position of the Fund and presents the assets of the Fund less liabilities other than the actuarial present value of accumulated plan benefits. Meeting the requirements of International Accounting Standard 26, Accounting and reporting by retirement benefit plans, the Fund has opted to disclose the actuarial present value of accumulated plan benefits in a footnote.

14. Net assets available for benefits as at 31 December 2023 were \$88,239.3 million (2022: \$77,918.3 million), an increase of \$10,321.0 million (13.2 per cent).

15. The fair value of investments as at 31 December 2023 was \$87,598.7 million (2022: \$77,437.5 million), reflecting an increase of \$10,161.2 million (13.1 per cent). Details on the investment classes as at 31 December 2023 and 31 December 2022 are shown in the table below:

(Millions of United States dollars)

	31 December 2023	31 December 2022	Change	Percentage
Equities	45 257	39 246	6 011	15.3
Fixed income	27 543	24 132	3 411	14.1
Real assets	7 207	7 493	(286)	(3.8)
Alternative and other investments	7 592	6 566	1 026	15.6
Investments	87 599	77 437	10 162	13.1
Cash and cash equivalents	742	750	(8)	(1.1)
Total	88 341	78 187	10 154	13.0

16. Total liabilities of the Fund as at 31 December 2023 were \$518.6 million (2022: \$691.4 million), a decrease of \$172.8 million, or 25.0 per cent. The decrease in total liabilities was due primarily to the total decrease in the amount payable from investments traded of \$207.5 million.

Changes in net assets available for benefits

17. The statement of changes in net assets available for benefits provides information about the changes in the net assets of the Fund for a year categorized by investment income/(loss), pension contributions, pension benefits and administrative expenses.

18. There was an increase in the net assets available for benefits for the year ended 31 December 2023 of \$10,321.0 million (2022: decrease of \$13,541.2 million). The increase was attributable primarily to investment income for the year.

19. Investment income for 2023 was \$10,565.2 million (2022: loss of \$13,457.8 million). Investment income for 2023 comprised mainly a net increase in the fair value of investments of \$9,035.5 million, dividend income of \$855.3 million and interest income of \$822.8 million.

20. Total contributions (\$1,135.6 million from participants, \$2,261.6 million from member organizations and other contributions of \$11.7 million) for 2023 were \$3,408.9 million (2022: \$3,121.3 million), reflecting an increase of \$287.6 million (9.2 per cent) compared with total contributions in 2022 (see sect. E, Participants and beneficiaries, for more details).

21. Pension benefits for 2023 of \$3,527.4 million (2022: \$3,128.2 million) reflected an increase of \$399.2 million, or 12.8 per cent, compared with the benefits in 2022 (see sect. E, Participants and beneficiaries, for more details).

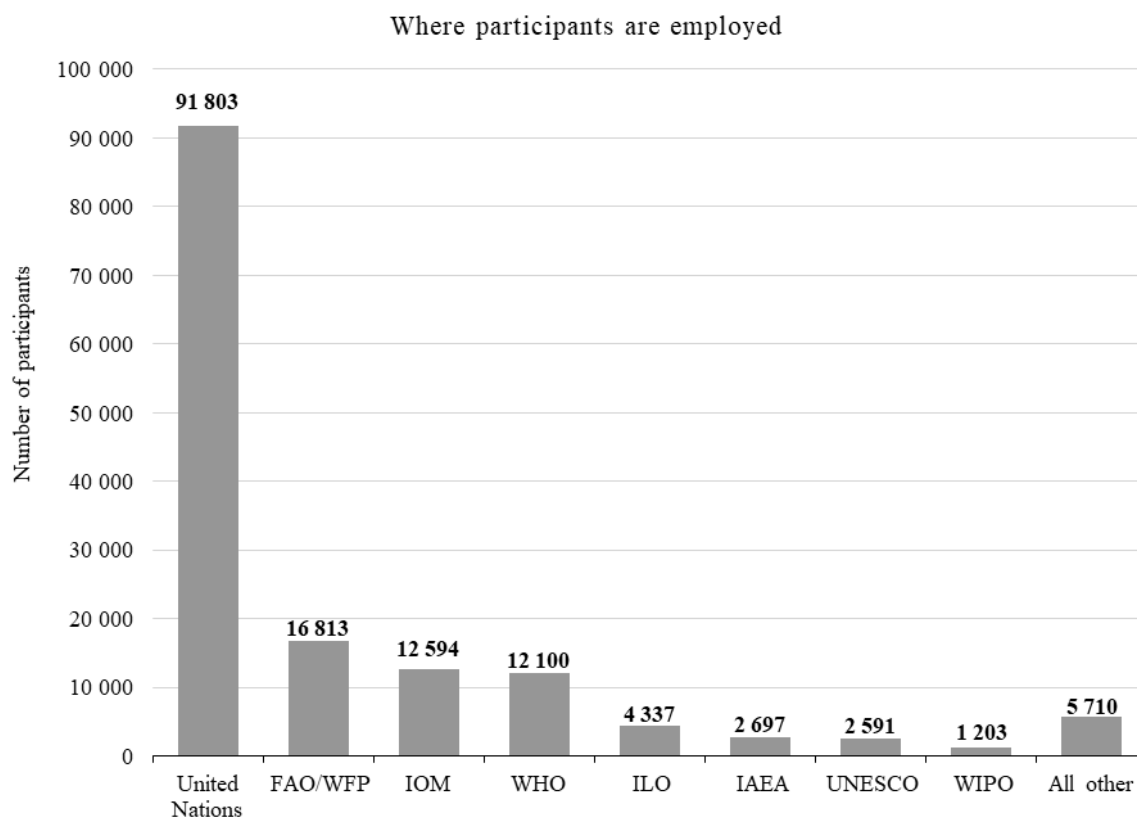
22. Administrative expenses for 2023 of \$133.0 million (2022: \$83.0 million) reflected an increase of \$50.0 million (60.2 per cent), due primarily to the increase in liabilities for post-employment benefits.

E. Participants and beneficiaries

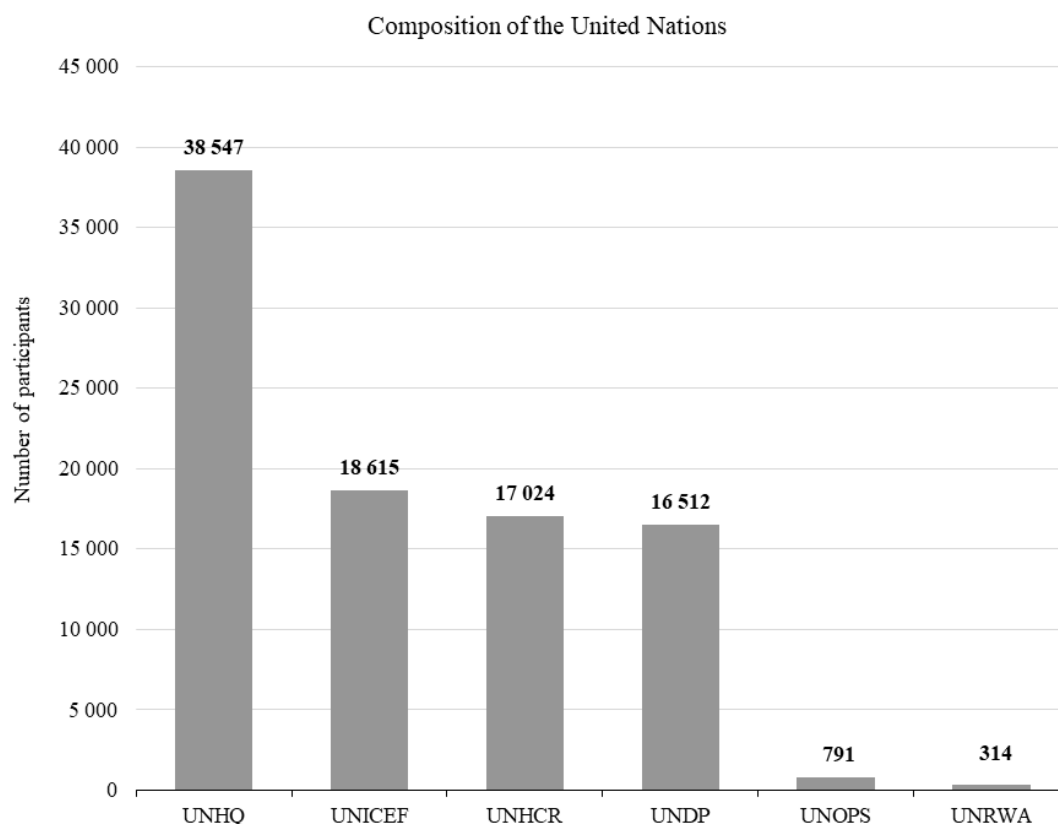
23. The total number of participants as at 31 December 2023 was 149,848, an increase of 4.3 per cent from 31 December 2022. The total participant count went up by 4.6 per cent during 2022. Most of the increases were from the United Nations (2.6 per cent, from 89,446 to 91,803), the International Organization for Migration (26.3 per cent, from 9,968 to 12,594) and the Food and Agriculture Organization of the

United Nations (including the World Food Programme, 5.2 per cent from 15,990 to 16,813) (see annex, table 1, for more details).

24. The figures below illustrate the composition of the Fund's member organizations by participant count and the funds and programmes of the United Nations as at 31 December 2023.

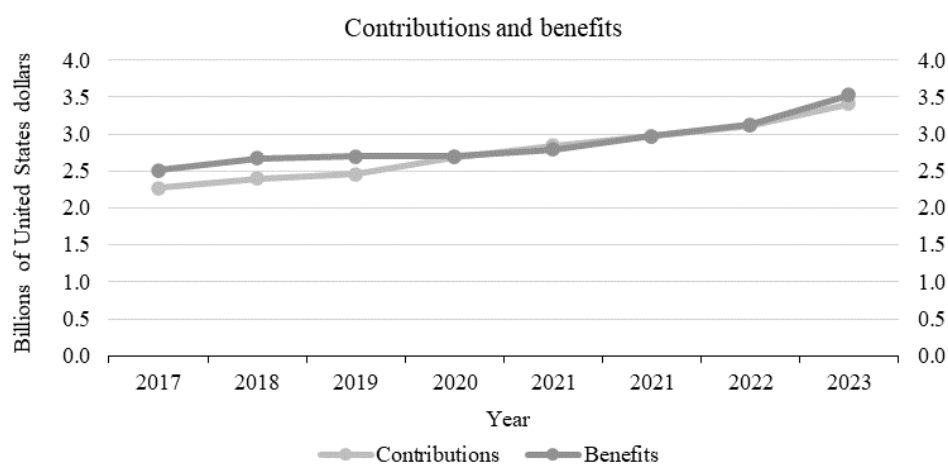


Abbreviations: FAO/WFP, Food and Agriculture Organization of the United Nations/World Food Programme; IAEA, International Atomic Energy Agency; ILO, International Labour Organization; IOM, International Organization for Migration; UNESCO, United Nations Educational, Scientific and Cultural Organization; WHO, World Health Organization; and WIPO, World Intellectual Property Organization.

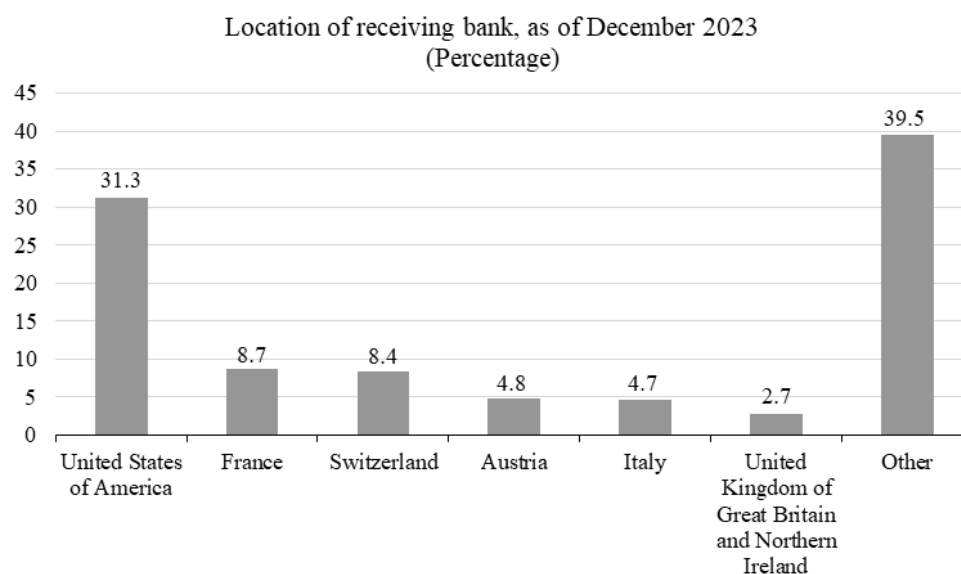


Abbreviations: UNDP, United Nations Development Programme; UNHCR, Office of the United Nations High Commissioner for Refugees; UNHQ, United Nations Headquarters; UNICEF, United Nations Children's Fund; UNOPS, United Nations Office for Project Services; and UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East.

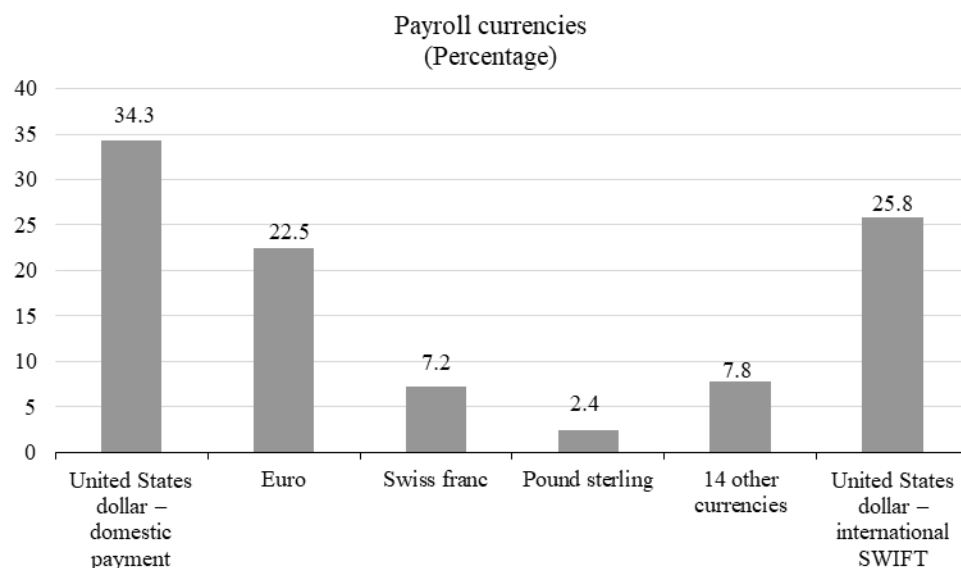
25. The increase in the number of Fund participants, along with the increase in pensionable remuneration (6.2 per cent for all grades and steps in the Professional and higher categories from 1 February 2022 to 1 February 2023), contributed to the increase in pension contributions for the year 2023 by 9.2 per cent, from \$3,121.3 million for the year ended 31 December 2022 to \$3,408.9 million for the year ended 31 December 2023. As in the year 2022, the total contributions were slightly exceeded by the total pension benefits of \$3,527.4 million during the year 2023. During the year 2022, the total contributions were \$3,121.3 million and the total pension benefits were \$3,128.2 million.



26. The Fund's beneficiaries reside in more than 190 countries. Most recipients of monthly periodic benefits request their benefits to be paid to banks in the country in which the member organization headquarters are located (United States of America, France, Switzerland, Austria, Italy or United Kingdom of Great Britain and Northern Ireland). However, a considerable number of beneficiaries use banks outside those countries. The Fund is fully committed to delivering payments in every jurisdiction of the world. Thus, the distribution of benefit payments is subject to global geopolitical challenges that disrupt banking conditions in affected locations (e.g. Niger, Sudan and Russian Federation).

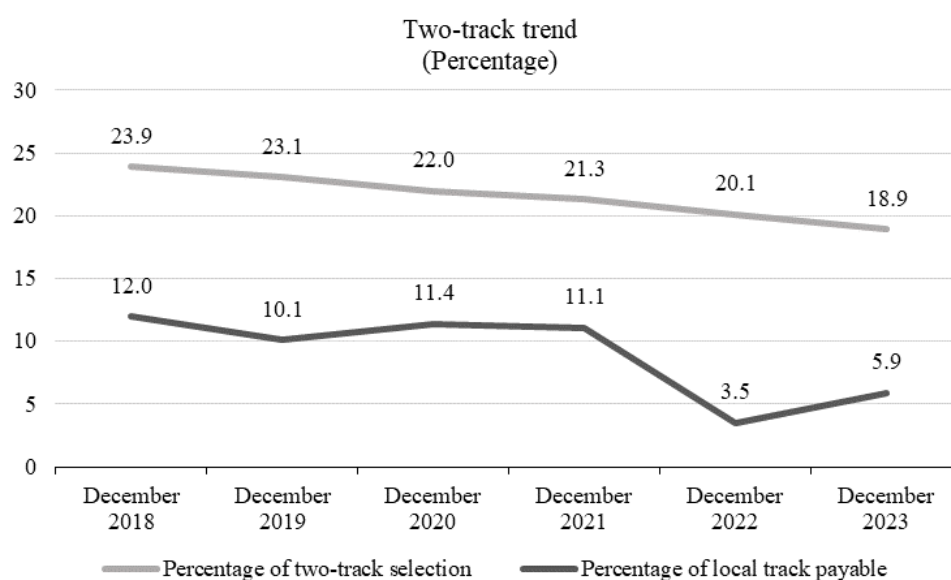


27. The Fund transfers monthly benefit payments in 18 currencies, and more than two thirds of periodic benefits are paid via domestic payment methods, as shown in the figure below. The Fund continues to identify additional jurisdictions for payments in local currencies through the local banking accounts of member organizations. In 2023, more than 60 per cent of beneficiaries requested that their benefits be paid in United States dollars.



28. The Fund applies cost-of-living adjustments to its periodic benefits annually, or semi-annually in the case of extreme inflation, with the aim of preserving the purchasing power of pension benefits. Inflation remained high in the United States and around the world in December 2022, when the movement of the consumer price index was measured for pension adjustments for 2023. The increase in inflation led to a substantial increase in benefit payments in 2023. Pensions on the United States dollar track were adjusted by 6.4 per cent in April 2023 using the consumer price index published in December 2022.

29. For beneficiaries residing outside the United States, the Fund offers an optional irrevocable two-track feature whereby their periodic benefit is calculated and maintained in both United States dollars (United States dollar track) and the local currency of the country of residence (local track). As of December 2023, 19 per cent of beneficiaries had opted for the two-track feature. The Fund observed that the vast majority of beneficiaries who had retired in recent years had chosen to receive their benefits on the United States dollar track. The payments to beneficiaries who have opted for the two-track feature are calculated and adjusted in their local currency and according to the consumer price index, but they receive a guaranteed minimum according to the United States dollar track. Due to the strong United States dollar and relatively high inflation in the United States, the majority of two-track recipients now receive the guaranteed minimum under the United States dollar track.



F. Investment management

30. The Fund's long-term return objective is to earn the highest possible investment return consistent with the Fund's risk appetite, so as to deliver an investment return that at least meets over the long term (i.e. over 15-year periods and longer) the Fund's assumed real rate of return objective (i.e. the annual percentage return realized on an investment, which is adjusted for changes in prices due to inflation or other external effects), which is currently 3.5 per cent in United States dollars.

31. The investments are carried out within the framework of the Fund's investment policy statement, which is regularly and comprehensively updated subsequent to the completion of an asset-liability management study, conducted once every four years. The investment policy statement was last updated in 2023 (see www.unjspf.org/wp-content/uploads/2023/08/IPS-2023.pdf).

Strategic asset allocation as at 31 December 2023

(Percentage)

<i>Asset class</i>	<i>Minimum</i>	<i>Target</i>	<i>Maximum</i>	<i>Benchmark weight</i>	<i>Portfolio weight</i>
Global equities	43	53	68	51.01	51.5
Private equity	2	7	12	8.33	8.4
Real estate	2	8	16	9.19	8.0
Real assets ^a	0	1	5	0.47	0.4
Subtotal, growth assets	54	69	84	69.00	68.3
Global fixed income	26	29	32	29.0	30.0
Cash and cash equivalent	1	2	5	2.0	1.7
Subtotal, non-growth assets	27	31	37	31.0	31.7
Total	–	100	–	100	100

^a Real assets include infrastructure, timberland and commodities.

32. In 2023, the Fund conducted its regular asset-liability management study using the services of an independent consultancy firm with specialist expertise. The goal of the study was to assess the impact of key investment and solvency-related decisions on the long-term financial condition and performance of the Fund. A key objective of the study was to recommend strategic asset allocations that would improve the long-term financial outlook of the Fund. The study considered multiple capital market assumptions to reflect a range of future scenarios and related sensitivities. The findings of the study were presented to the Pension Board in July 2023. Following approval of the new strategic asset allocation, the Fund completed the transition to the new allocation in March 2024.

Strategic asset allocation as at 31 March 2024 (preliminary and unaudited)

(Percentage)

<i>Asset class</i>	<i>Minimum</i>	<i>Target</i>	<i>Maximum</i>	<i>Benchmark weight</i>	<i>Portfolio weight</i>
Global equities	35	43	51	43	44.2
Private equity	3	7	11	7	8.4
Real estate	4.5	8.5	12.5	8.5	7.6
Real assets ^a	0	1.5	3.5	1.5	0.4
Subtotal, growth assets	52	60	68	60	60.6
Global fixed income	31	39	47	39	37.7
Cash and cash equivalent	0.5	1	3	1	1.7
Subtotal, non-growth assets	32	40	37	40	39.4
Total	–	100	–	100	100

^a Real assets include infrastructure, timberland and commodities.

33. In 2023, the Office of Investment Management pursued the integration of environmental, social and governance factors into its investment process following key milestones that had been reached in 2022. The main focus during the year was climate, environmental, social and governance integration, stewardship and impact

investing. The Office is on track to reach its 40 per cent carbon reduction target by 2025 for its equities, corporate bonds and non-listed real estate portfolios. The Fund has also made progress in its engagement with and financing of the transition efforts. In 2024, the Office will set a new reduction target to be reached by 2030, in line with the recommendations of the Net-Zero Asset Owner Alliance. The Office published the second status report of the Task Force on Climate-related Financial Disclosures in 2023, which contains an outline of the progress made since the first report on the governance, strategy, risk management, metrics and targets related to climate adopted by the Fund. From 2024, the Office will continue to publish information related to its climate-related risks and opportunities by following the International Financial Reporting Standard S2 guidelines, which effectively replace the Task Force reporting framework. In 2023, the asset-liability management study encompassed climate considerations for the asset allocation of the Fund. The Office strengthened its existing environmental, social and governance policy and published its first sustainable investing manifest and policy. That document sets out the Office's beliefs and principles related to sustainability integration in investment and internal processes. In addition, the team developed a new integration strategy, moving to an enhanced integration process and defining objectives; boosted existing private market environmental, social and governance integration techniques; and initiated a review of its fixed-income environmental, social and governance processes. In 2023, together with its external partners, the Office exercised its right to vote in nearly all meetings in which it was allowed to vote (more than 99 per cent) and engaged with more than 560 companies globally on 2,730 environmental, social, governance, strategy, risk and communication issues and objectives. This reflects the Office's commitment to being an active owner and influencing the companies in which it invests.

34. The Fund remains in a strong financial position, with its assets' market value estimated on a preliminary and unaudited basis at \$91.8 billion as at 10 June 2024, which is approximately 4 per cent higher than its value on 31 December 2023. Additional information and weekly fund performance updates are available on the Fund's website (www.unjspf.org/the-fund/historical-fund-performance).

G. Actuarial matters

35. Ensuring the long-term sustainability of the Fund is of primary importance to the Pension Board, the participants, the beneficiaries and wider stakeholders. As with most other defined benefit pension plans, the Fund's solvency is closely monitored through two key studies:

- (a) A biennial actuarial valuation, conducted for odd years;
- (b) An asset-liability management study, usually carried out every four years.

36. Conducted by the Fund's independent consulting actuary, and documented in the Fund's published funding policy (see www.unjspf.org/the-fund/actuarial-matters), the actuarial valuation considers the Fund from three different perspectives:

- (a) Open group valuation. This assumes that the Fund would be run in perpetuity with a continuous influx of new participants. The key metric from this valuation is the required contribution rate, which is the theoretical contribution rate that maintains a balance between liabilities and assets over the long term. As the primary funding target in the Fund's funding policy, this is the principal measure of the overall health of the Fund and its ability to remain open to existing and new participants. In addition to the main regular valuation basis, this valuation is also conducted using three alternative bases for sensitivity testing. Using the regular valuation basis, the actuarial valuation as at 31 December 2023 resulted in a required contribution rate of 23.02 per cent of pensionable remuneration, compared with the current actual contribution rate of 23.7 per cent, equating to an actuarial surplus of 0.68 per cent of pensionable remuneration;

(b) Closed group termination valuation (“article 26 valuation”): This assumes that the Fund is closed immediately. The key metric from this valuation is the funded ratio, which provides a view of the Fund’s ability to meet its obligations if it were to be closed to all participants. The main purpose of this valuation is to establish any requirement to invoke article 26 of the Regulations of the Fund and, as a result, this valuation is the secondary funding target in the Fund’s funding policy. It is carried out using three different valuation bases, and with and without pension adjustments. Using the regular valuation basis with pension adjustments, the 31 December 2023 valuation resulted in a closed book valuation of \$83,151 million in accrued benefit liabilities, compared with an actuarial value of assets of \$92,322 million, resulting in a funded ratio of 111 per cent;

(c) Promised benefits: The actuarial present value of accumulated plan benefits does not include future new participants or future contributions from existing participants. This valuation is carried out only for the purpose of providing a measure of liabilities under International Accounting Standard 26. The valuations as at 31 December 2023 and 31 December 2022 include projected future pensionable remuneration. For even years, when no actuarial valuation is undertaken, the consulting actuary provides an estimate by rolling forward the liabilities from the previous valuation.

37. All three valuation approaches utilize demographic assumptions based on the Fund’s own experience, which is reviewed biennially. Economic assumptions reflect the future long-term outlook for the Fund’s investment returns and other economic metrics, including inflation. Asset values are based on a five-year market averaging method to limit the impact of short-term market fluctuations while still reflecting longer-term trends.

38. In preparation for the adoption of IPSAS 49: Retirement benefit plans, the actuarial present value of accumulated plan benefits in accordance with International Accounting Standard 26 has been calculated to take into account future increases in pensionable remuneration. The actuarial present value of accumulated plan benefits as at 31 December 2023 and 31 December 2022 is as follows:

(Millions of United States dollars)

	31 December 2023	31 December 2022	
	<i>With future increases in pensionable remuneration</i>	<i>With future increases in pensionable remuneration</i>	<i>Without future increases in pensionable remuneration</i>
Actuarial value of vested benefits			
Participants currently receiving benefits	44 205	38 368	38 368
Vested terminated participants	2 312	1 919	1 919
Active participants	30 182	28 938	26 938
Total vested benefits	76 699	69 225	69 225
Non-vested benefits	14 246	11 896	1 374
Total actuarial present value of accumulated plan benefits	90 945	81 121	70 599

H. Operating expenses

39. Operating expenses include administrative expenses, investment transaction costs and management fees. Administrative expenses primarily include staff costs,

contractual services, rent and general operating expenses. The General Assembly approves the annual budget for administrative expenses endorsed by the Pension Board, as well as the report of the Advisory Committee on Administrative and Budgetary Questions thereon. Transaction costs include the explicit costs of trading securities, such as broker commissions and transaction taxes. Management fees include fees of external managers and fees for investment in private equity and real estate funds.

40. The operating expenses of the Fund for the years ended 31 December 2023 and 31 December 2022 are as follows:

(Millions of United States dollars)

<i>Operating expenses for the year ended 31 December 2023</i>	<i>Secretariat of the Pension Board</i>	<i>Pension Administration</i>	<i>Office of Investment Management</i>	<i>Audit</i>	<i>Total</i>
Administrative expenses					
Staff costs	0.7	44.6	31.9	0.1	77.3
Contractual services and consultants	0.0	17.9	20.8	—	38.7
General operating expenses	0.5	9.2	5.7	1.7	17.1
Transaction costs and management fees					
Management fees for investment in private equity and real estate funds	—	—	196.4	—	196.4
External managers' management fees	—	—	17.0	—	17.0
Investment transaction costs	—	—	10.2	—	10.2
Total operating expenses	1.2	71.7	282.0	1.8	356.7
As a percentage of total investments, and cash and cash equivalents	—	—	0.319	—	—

(Millions of United States dollars)

<i>Operating expenses for the year ended 31 December 2022</i>	<i>Secretariat of the Pension Board</i>	<i>Pension Administration</i>	<i>Office of Investment Management</i>	<i>Audit</i>	<i>Total</i>
Administrative expenses					
Staff costs	0.5	17.9	15.4	(0.4)	33.4
Contractual services and consultants	0.1	16.4	18.9	—	35.4
General operating expenses	0.3	7.1	4.7	2.1	14.2
Transaction costs and management fees					
Management fees for investment in private equity and real estate funds	—	—	170.7	—	170.7
External managers' management fees	—	—	14.8	—	14.8
Investment transaction costs	—	—	14.8	—	14.8
Total operating expenses	0.9	41.4	239.3	1.7	283.3
As a percentage of total investments, and cash and cash equivalents	—	—	0.306	—	—

41. Please refer to note 16, Administrative expenses, of the financial statements for additional information on the Fund's administration expenses and note 13, Investment income, for additional information about transaction costs and management fees.

42. The statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses provides an explanation of differences greater than 5 per cent between the budget and actual amounts in relation to the Fund's administrative expenses. Note 22 of the financial statements provides a reconciliation of actual amounts presented on the same basis as the budget and administrative expenses included in the statement of changes in net assets.

43. Internally and externally managed assets by asset class as at 31 December 2023 and 2022 were as follows:

(Millions of United States dollars)

<i>As at 31 December 2023</i>	<i>Internally managed</i>	<i>Externally managed</i>	<i>Total</i>
Equities	42 166	3 091	45 257
Fixed income	22 025	5 518	27 543
Real assets	—	7 207	7 207
Alternative and other investments	—	7 592	7 592
Investments	64 191	23 408	87 599

(Millions of United States dollars)

<i>As at 31 December 2022</i>	<i>Internally managed</i>	<i>Externally managed</i>	<i>Total</i>
Equities	36 211	3 035	39 246
Fixed income	19 558	4 574	24 132
Real assets	—	7 493	7 493
Alternative and other investments	—	6 566	6 566
Investments	55 769	21 668	77 437

44. External managers' fees for public market assets as at 31 December 2023 and 31 December 2022 were as follows:

(Millions of United States dollars)

<i>Externally managed public market assets</i>	<i>As at 31 December 2023</i>	<i>Management fees for the year 2023</i>
Equity	3 091	16.0
Fixed income	5 518	1.0
Total	8 609	17.0

<i>Externally managed public market assets</i>	<i>As at 31 December 2022</i>	<i>Management fees for the year 2022</i>
Equity	3 035	14.6
Fixed income	4 574	0.2
Total	7 609	14.8

45. External managers' fees for private market assets as at 31 December 2023 and 31 December 2022 were as follows:

(Millions of United States dollars)

<i>Externally managed private market assets</i>	<i>As at 31 December 2023</i>	<i>Unfunded commitment as at 31 December 2023</i>	<i>Management fees for the year 2023</i>
Real assets	7 207	2 813	97
Alternative and other investments	7 592	4 284	99
Total	14 799	7 097	196

(Millions of United States dollars)

<i>Externally managed private market assets</i>	<i>As at 31 December 2022</i>	<i>Unfunded commitment as at 31 December 2022</i>	<i>Management fees for the year 2022</i>
Real assets	7 493	2 942	87
Alternative and other investments	6 566	4 560	83
Total	14 059	7 502	170

I. Latest developments

46. Annual cost-of-living adjustments have been applied to periodic benefits, effective from the April 2024 payroll. Pensions on the United States dollar track have been adjusted by 3.4 per cent, and pensions on the local track of 86 two-track countries were also adjusted in April 2024.

Chapter V

Financial statements for the year ended 31 December 2023

United Nations Joint Staff Pension Fund

I. Statement of net assets available for benefits

(Thousands of United States dollars)

	<i>Note</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Assets			
Cash and cash equivalents	4	741 778	749 749
Investments	5, 6		
Equities		45 257 022	39 246 356
Fixed income		27 542 597	24 131 952
Real assets		7 207 145	7 492 991
Alternative and other investments		7 591 983	6 566 220
		87 598 747	77 437 519
Contributions receivable		75 763	70 607
Accrued income from investments	7	253 156	195 264
Receivables from investments traded	5	14 328	75 854
Withholding tax receivable	8	56 458	60 431
Other assets	9	17 692	20 303
Total assets		88 757 922	78 609 727
Liabilities			
Benefits payable	10	172 403	143 896
Payable from investments traded	5	211 271	418 750
After-service health insurance and other employee benefits	11	105 379	94 375
Other accruals and liabilities	12	29 560	34 360
Total liabilities		518 613	691 381
Net assets available for benefits		88 239 309	77 918 346

The accompanying notes are an integral part of these financial statements.

United Nations Joint Staff Pension Fund

II. Statement of changes in net assets available for benefits

(Thousands of United States dollars)

	<i>Note</i>	<i>For the year 2023</i>	<i>For the year 2022</i>
Investment income/(loss)	13		
Net change in fair value of investments		9 035 465	(14 739 883)
Interest income		822 829	592 014
Dividend income		855 260	830 219
Income from unitized real estate funds		76 571	85 982
Transaction costs and management fees		(223 634)	(200 338)
Withholding tax		880	(24 560)
Other investment-related expenses, net		(2 139)	(1 264)
		10 565 232	(13 457 830)
Pension contributions	14		
From participants		1 135 639	1 040 470
From member organizations		2 261 570	2 070 460
Other contributions		11 660	10 341
		3 408 869	3 121 271
Pension benefits	15		
Withdrawal settlements and full commutation benefits		212 363	173 913
Retirement benefits		3 329 924	2 959 277
Other benefits/adjustments		(14 887)	(4 943)
		3 527 400	3 128 247
Income from services provided to the United Nations	2.3	8 707	8 304
Administrative expenses	16	132 963	83 040
Other expenses	17	1 482	1 665
Increase/(decrease) in net assets available for benefits		10 320 963	(13 541 207)

The accompanying notes are an integral part of these financial statements.

United Nations Joint Staff Pension Fund

III. Cash flow statement

(Thousands of United States dollars)

	<i>Note</i>	<i>For the year 2023</i>	<i>For the year 2022</i>
Cash flows from investing activities			
Purchase of investments		(25 734 237)	(41 841 243)
Proceeds from sale/redemption of investments		24 455 834	39 857 082
Dividends received from equity investments		817 897	804 019
Interest received from cash and cash equivalents and fixed income investments		772 112	548 588
Income received from unitized real estate funds		78 285	84 690
Other investment-related expenses, net		(2 135)	(3 684)
Transaction costs, management fees and other expenses paid		(223 133)	(200 988)
Withholding tax reimbursement		37 217	12 571
Net cash provided/(used) by investing activities		201 840	(738 965)
Cash flows from operating activities			
Contribution from member organizations and participants		3 401 238	3 094 327
Benefits payments		(3 494 757)	(3 133 540)
Net transfer to other plans		(1 062)	(974)
Administrative expenses paid		(119 045)	(105 837)
Other expenses paid		(1 490)	(1 670)
Services provided to the United Nations		8 707	8 304
Net cash used by operating activities		(206 409)	(139 390)
Net decrease in cash and cash equivalents		(4 569)	(878 355)
Cash and cash equivalents at the beginning of year	4	749 749	1 625 122
Exchange (losses)/gains on cash and cash equivalents		(3 402)	2 982
Cash and cash equivalents at the end of year	4	741 778	749 749

The accompanying notes are an integral part of these financial statements.

United Nations Joint Staff Pension Fund

IV. Statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2023

(Thousands of United States dollars)

	<i>Appropriation 2023^a</i>	<i>Actuals on a comparable basis 2023</i>	<i>Variance</i>	<i>Percentage</i>
A. Secretariat of the Pension Board				
Posts	631.0	623.5	(7.5)	(1)
Other staff costs	48.1	0.7	(47.4)	(99)
Consultants	—	73.6	73.6	—
Travel of representatives	288.6	347.2	58.6	20
Travel of staff	27.8	29.0	1.2	4
Contractual services	85.8	8.3	(77.5)	(90)
General operating expenses	173.5	103.7	(69.8)	(40)
Subtotal	1 254.8	1 186.0	(68.8)	(5)
B. Pension Administration				
Posts	35 712.2	35 807.4	95.2	0
Other staff costs	3 046.9	1 793.8	(1 253.1)	(41)
Hospitality	3.4	—	(3.4)	(100)
Consultants	223.0	144.1	(78.9)	(35)
Travel of staff	365.4	395.2	29.8	8
Contractual services ^b	15 411.7	16 857.7	1 446.0	9
General operating expenses	10 726.6	9 571.9	(1 154.7)	(11)
Supplies and materials	50.8	26.6	(24.2)	(48)
Furniture and equipment	639.1	613.1	(26.0)	(4)
Subtotal	66 179.1	65 209.8	(969.3)	(1)
C. Office of Investment Management				
Posts	24 817.1	25 810.0	992.9	4
Other staff costs	1 479.4	2 260.0	780.6	53
Hospitality	3.2	1.3	(1.9)	(59)
Consultants	335.8	285.0	(50.8)	(15)
Travel of representatives	122.4	0.2	(122.2)	(100)
Travel of staff	218.7	309.4	90.7	41
Contractual services	24 741.5	22 059.2	(2 682.3)	(11)
General operating expenses	4 844.2	5 277.0	432.8	9
Supplies and materials	10.7	15.9	5.2	49
Furniture and equipment	76.8	345.2	268.4	349
Subtotal	56 649.8	56 363.2	(286.6)	(1)

	<i>Appropriation 2023^a</i>	<i>Actuals on a comparable basis 2023</i>	<i>Variance</i>	<i>Percentage</i>
D. Audit				
External audit	393.2	393.2	—	—
Internal audit	1 806.5	1 274.2	(532.3)	(29)
Subtotal	2 199.7	1 667.4	(532.3)	(24)
Total administrative expenses	126 283.4	124 426.4	(1 857.0)	(1)

The accompanying notes are an integral part of these financial statements. The purpose of this statement is to compare the budget amounts to actual amounts on a comparable basis, i.e. actual amounts on the same basis as the budget. Given that the Fund's budget is prepared on a modified cash basis and the actual costs on a comparable basis are consequently also shown on a modified cash basis, the total for actual costs on a comparable basis does not agree with the administrative expenses shown in the statement of changes in net assets because that statement is prepared on an accrual basis.

^a The General Assembly approved the appropriation for 2023 in its resolution [77/258](#).

^b Actuals include the expenditure for the United Nations International Computing Centre of \$8.9 million.

United Nations Joint Staff Pension Fund

IV. Statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2023 (continued)

Explanation of significant differences (greater than +/-5 per cent) between budget and actual amounts on a comparable basis

A. Secretariat of the Pension Board

Other staff costs: The underexpenditure stems mainly from the non-utilization of resources for the Ethics Adviser. A consultant was hired instead to fulfil this requirement.

Consultants: The expenditure under this budget class was incurred for the hiring of a consultant Ethics Adviser.

Travel: The overexpenditure is due primarily to increases in average ticket prices and daily subsistence allowance compared with the budgeted amounts.

Contractual services: The underexpenditure is attributable primarily to the non-utilization of resources provisioned for the Pension Board training on board governance matters/fiduciary responsibilities and services for consulting actuary.

General operating expenses: The underexpenditure is due to lower-than-anticipated expenditure for interpretation services, catering and conference services for Pension Board meetings, as well as savings related to utilities and to facilities management.

B. Pension Administration

Other staff costs: The underexpenditure results primarily from reduced resource utilization for general temporary assistance, stemming from challenges in filling temporary positions, along with lower resource utilization for overtime and after-service health insurance.

Hospitality: The underexpenditure is due to the absence of hospitality events in 2023.

Consultants: The underexpenditure relates mainly to the non-utilization of resources for benchmarking studies, as the Pension Administration was deemed not comparable to entities in the CEM benchmarking dataset on a global basis for any meaningful insight.

Travel: The overexpenditure is attributable to increases in both average ticket prices and daily subsistence allowance compared with the budgeted amounts, mitigated in part by a lower-than-budgeted number of person trips.

Contractual services: The overspending stems primarily from the utilization of resources for the implementation of the client relationship management application. Unforeseen delays in finalizing the contract for the application in 2022 resulted in the incomplete utilization, by 31 December 2023, of commitments earmarked for the implementation. Those commitments had to be cancelled and replaced with new ones using 2023 resources to fulfil outstanding obligations related to the implementation of the system.

General operating expenses: The underexpenditure is attributable to lower expenditure for utilities and for facilities management, as well as a lower-than-anticipated number of medical board and United Nations Appeals Tribunal cases.

Supplies and materials: The underexpenditure is due to lower-than-projected expenditure on supplies, as the Fund continues its efforts to go paperless.

Furniture and equipment: The underexpenditure is related primarily to the replacement of a lower-than-anticipated amount of personal computing equipment.

C. Office of Investment Management

Other staff costs: The overexpenditure is due primarily to higher-than-projected requirements for general temporary assistance.

Hospitality: The underexpenditure is due to fewer hospitality events in 2023.

Consultants: The underexpenditure relates mainly to the non-utilization of all of the resources allocated for some projects.

Travel: The underexpenditure for travel of representatives stems primarily from anticipated travel plans not materializing during the year. The overexpenditure for travel of staff stems from an increase in the number of in-person conferences compared with virtual offerings, as well as increases in average daily subsistence allowance and average ticket prices.

Contractual services: The underexpenditure is due to projects that were not finalized owing to procurement delays.

General operating expenses: The overexpenditure is due mainly to additional charges related to the administrative services provided by United Nations Headquarters to the Fund.

Supplies and materials: The overexpenditure is due to the acquisition of operational information technology equipment supplies to support more virtual meetings.

Furniture and equipment: The overexpenditure is due to the acquisition of software licences and the unplanned upgrade of information technology equipment for conference rooms to support more virtual meetings.

D. Audit

Internal audit: The underexpenditure is due to higher-than-budgeted vacancy rates in 2023. During the year, two posts in the Professional and higher categories and one in the General Service and related categories became vacant. One general temporary assistance position also became vacant during the year. As a result, related resources for operational costs were not fully utilized during the year.

United Nations Joint Staff Pension Fund

Notes to the financial statements

Note 1

Description of the plan

1. The following is a brief description of the United Nations Joint Staff Pension Fund. The Regulations and Administrative Rules of the Fund in force are available at the Fund's website (www.unjspf.org).

1.1 General

2. The Fund was established by the General Assembly in 1949 to provide retirement, death, disability and related benefits for staff of the United Nations and the other international organizations admitted to membership in the Fund. The Fund is a multiple employer defined benefit plan and there were 25 member organizations participating in the Fund as at 31 December 2023. All participating organizations and employees contribute to the Fund on the basis of pensionable remuneration. The contribution rate is a fixed rate of 7.9 per cent for participants and 15.8 per cent for employers (see note 3.5).

3. The Fund is governed by the United Nations Joint Staff Pension Board made up of: (a) 12 members appointed by the United Nations Staff Pension Committee, 4 of whom are elected by the General Assembly, 4 appointed by the Secretary-General and 4 elected by the participants in service in the United Nations; and (b) 21 members appointed by the staff pension committees of the other member organizations in accordance with the rules of procedure of the Fund, 7 of whom are chosen by the bodies of the member organizations corresponding to the Assembly, 7 appointed by the chief administrative officers of the member organizations and 7 chosen by the participants in service.

1.2 Administration of the Fund

4. The United Nations Joint Staff Pension Board, a subsidiary organ of the General Assembly, has the overall supervisory responsibility for the administration of the Fund and for the observance of the Regulations and Rules of the Fund. The Pension Board appoints an independent Secretary who is responsible for a full range of secretariat conference management and services. The role of the Secretary of the Pension Board is distinct from the roles and responsibilities pertaining to all aspects of the management, administration and investments of the Fund. The Secretary of the Pension Board reports directly to the Pension Board.

5. The Chief Executive of Pension Administration is appointed by the Secretary-General on the recommendation of the Pension Board.

6. The Chief Executive acts under the authority of the Pension Board in the discharge of the latter's responsibility for administrative supervision of the Fund as a whole. This includes responsibility for strategic planning and operational direction; the establishment of policy; the administration of the Fund's operations and certification of benefit payments; risk management; regulatory compliance; the overall supervision of staff; and stakeholder communications. Pension Administration staff, under the authority of the Chief Executive, provide technical support services, prepare background documentation and offer guidance and advice to the Pension Board and its subsidiary bodies, including its Standing Committee and the Committee of Actuaries. The Chief Executive serves as Secretary of the United Nations Staff Pension Committee. The Chief Executive participates in the meetings of the Fifth Committee of the General Assembly, the Advisory Committee on Administrative and Budgetary Questions, the International Civil Service Commission (ICSC) and any

other pertinent bodies. In accordance with article 7 (b) of the Fund's Regulations, in the absence of the Chief Executive, the Deputy Chief Executive performs the functions of the Chief Executive.

7. The investment of the assets of the Fund is decided upon by the Secretary-General after consultation with an Investments Committee and in the light of observations and suggestions made from time to time by the Pension Board on the investments policy. The Secretary-General has delegated his authority and responsibility to act on his behalf in all matters involving his fiduciary duties related to the investment of the assets of the Fund to the Representative of the Secretary-General for the investment of the assets of the Fund. The Representative of the Secretary-General arranges for the maintenance of detailed accounts of all investments and other transactions relating to the Fund, which are open to examination by the Pension Board.

8. A range of administrative functions supporting the Pension Board secretariat, the Pension Administration and the Office of Investment Management are provided by the Fund's executive office reporting to the Deputy Chief Executive.

9. The Chief Financial Officer reports to the Chief Executive and to the Representative of the Secretary-General in their respective substantive responsibilities. The Chief Financial Officer is responsible for formulating financial policy for the Fund, for reviewing budgetary, financial and accounting operations of the Fund and for ensuring that an adequate financial control environment of the Fund is in place to protect the Fund's resources and guarantee the quality and reliability of financial reporting. In addition, the Chief Financial Officer is responsible for setting the rules for the collection, from the different information systems and areas of the Fund, of the financial and accounting data necessary for the preparation of the Fund's financial statements and has full access to such systems and data. The Chief Financial Officer ensures that the financial statements are in compliance with the Regulations and Rules of the Fund, the accounting standards adopted by the Fund and the decisions of the Pension Board and the General Assembly. The Chief Financial Officer also certifies the Fund's financial statements.

1.3 Participation in the Fund

10. Members of the staff of each of the 25 member organizations of the Fund become participants in the Fund upon commencing employment under an appointment for six months or longer or upon completion of six months of service without an interruption of more than 30 days. As at 31 December 2023, the Fund had contributors (participants) from member organizations and agencies, including the main United Nations Secretariat, the United Nations Children's Fund, the United Nations Development Programme, the Office of the United Nations High Commissioner for Refugees and other funds and programmes, as well as the various specialized agencies such as the Food and Agriculture Organization of the United Nations, the World Health Organization, the International Organization for Migration, the International Labour Organization, the International Atomic Energy Agency and the United Nations Educational, Scientific and Cultural Organization (see annex, table 1, for a complete list of member organizations). Periodic benefits are currently paid to individuals in more than 190 countries.

1.4 Operation of the Fund

11. Participant and beneficiary processing and queries are handled by operations of the Pension Administration, in offices located in New York, Geneva, Nairobi and Bangkok. All the accounting for operations is handled in New York by the centralized Financial Services. The Financial Services of the Pension Administration also manage

receipt of monthly contributions from member organizations and the disbursement of the monthly pension payroll.

12. The Representative of the Secretary-General is assisted by the staff of the Office of Investment Management, where investments are traded and processed and investment transactions are reconciled and accounted for.

1.5 Actuarial valuation of the Fund

13. Article 12 of the Regulations of the Fund provides that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years. The Fund performs actuarial valuations every two years and intends to continue to do so in the future. Article 12 further provides that the actuarial report shall state the assumptions on which the calculations are based, describe the methods of valuation used, and state the results, as well as the recommendations, if any, for appropriate action. See note 19 for the actuarial situation of the Fund as at 31 December 2023.

1.6 Retirement benefit

14. Any participant who has five years of contributory service receives, upon separation at or after normal retirement age, a retirement benefit payable for the remainder of his or her life. "Normal retirement age" means age 60 for a participant whose service commenced prior to 1 January 1990; age 62 for a participant whose service commenced or recommenced on or after 1 January 1990 and before 1 January 2014; and age 65 for a participant whose service commenced or recommenced on or after 1 January 2014.

15. The standard annual rate of retirement benefit for a participant who enters the Fund on or after 1 January 1983 is the sum of:

- (a) 1.5 per cent of final average remuneration multiplied by the first five years of contributory service;
- (b) 1.75 per cent of final average remuneration multiplied by the next five years of contributory service;
- (c) 2 per cent of final average remuneration multiplied by the next 25 years of contributory service;
- (d) The years of contributory service in excess of 35 and performed as from 1 July 1995, multiplied by 1 per cent of the final average remuneration, subject to a maximum total accumulation rate of 70 per cent.

16. The standard annual rate of retirement benefit for a participant who entered the Fund prior to 1 January 1983 is 2 per cent of final average remuneration multiplied by contributory service not exceeding 30 years plus 1 per cent of final average remuneration multiplied by such service in excess of 30 years, not exceeding 10 years.

17. The maximum benefit to participants, subject to the terms specified in the Regulations and Rules of the Fund, is the greater of 60 per cent of pensionable remuneration as at the date of separation or the maximum benefit that would be payable, at that date, to a participant at the D-2 level (top step for the preceding five years).

18. The retirement benefit shall, however, be payable at the minimum annual rate that is obtained by multiplying the years of the participant's contributory service, not exceeding 10, by the smaller of \$180 (subject to subsequent adjustments in accordance with the movement of the United States consumer price index under the pension adjustment system) or one thirtieth of the final average remuneration.

19. The annual rate of the retirement benefit shall nevertheless not be less, when no other benefit is payable on account of the participant, than the smaller of \$300 (subject to subsequent adjustments in accordance with the movement of the United States consumer price index under the pension adjustment system) or the final average remuneration of the participant.

20. "Final average remuneration" means the average annual pensionable remuneration of a participant during the 36 completed months of highest pensionable remuneration within the last five years of contributory service.

21. A participant may, except in the case where a minimum benefit is payable and he or she does not waive the rights thereto, elect to receive: (a) if the retirement benefit is \$300 per annum or more, a lump sum not greater than the larger of one third of the actuarial equivalent of the retirement benefit (not exceeding the maximum amount payable to a participant then retiring at normal retirement age, with final average remuneration equal to the pensionable remuneration for the top step of the P-5 level) or the amount of the participant's own contributions at retirement, and the participant's retirement benefit is then reduced accordingly; or (b) if the participant's retirement benefit is less than \$1,000 per annum, the lump sum actuarial equivalent of the full retirement benefit, including the prospective spouse's benefit, if any, if the participant so elects.

Early retirement

22. An early retirement benefit is payable to a participant whose age on separation is at least 55 (58 for a participant whose participation commenced on or after 1 January 2014) but less than the normal retirement age and who has five years or more of contributory service at separation.

23. The early retirement benefit for a participant whose participation commenced prior to 1 January 2014 is payable at the standard annual rate for a retirement benefit reduced by 6 per cent for each year between retirement date and normal retirement age, except that: (a) if the participant has completed 25 but less than 30 years of contributory service as at the date of retirement, the part of the benefit for service before 1 January 1985 is reduced by 2 per cent a year, and the remaining part of the benefit is reduced by 3 per cent a year; or (b) if the participant has completed 30 or more years of contributory service at the date of retirement, the benefit is reduced by 1 per cent a year, provided, however, that the rate in (a) or (b) applies to no more than five years. The methodology of calculation of the early retirement benefits for employees participating on or after 1 January 2014 is detailed in article 29 of the Regulations and Administrative Rules of the Fund.

24. The early retiree may elect to receive a lump sum on the same terms as for a retirement benefit.

Separation from service prior to eligibility for early retirement

25. A deferred retirement benefit is payable to a participant whose age on separation is less than normal retirement age and who has five years or more of contributory service at separation. The deferred retirement benefit is payable at the standard rate for a retirement benefit and commences at normal retirement age. The participant may elect to have the benefit commence at any time once the participant becomes eligible to receive an early retirement benefit from the Fund on the same terms as for an early retirement benefit.

26. A withdrawal settlement is payable to a participant separating from service before the normal retirement age or on or after normal retirement age if the participant is not entitled to a future retirement benefit. The participant receives his or her own

contributions increased by 10 per cent for each year of contributory service in excess of five years, to a maximum increase of 100 per cent.

1.7 Disability benefit

27. A disability benefit is payable to a participant incapacitated for further service for a period likely to be permanent or of long duration.

28. The disability benefit is payable at the standard or minimum annual rate for a retirement benefit if the participant is at least normal retirement age at the time of disability. If the participant is under normal retirement age, it is payable at the rate of the retirement benefit to which the participant would have been entitled if he or she had remained in service until normal retirement age and his or her final average remuneration had remained unchanged.

29. The annual rate of the benefit shall, notwithstanding the above, not be less, when no other benefit is payable on account of the participant, than the smaller of \$500 (subject to subsequent adjustments in accordance with the movement of the United States consumer price index under the pension adjustment system) or the final average remuneration of the participant.

1.8 Survivor's benefit

30. A benefit is payable to a surviving spouse of a participant who was entitled to a retirement, early retirement, deferred retirement or disability benefit as at the date of his or her death or who died in service if he or she was married at the time of separation and remained married at the time of death. Certain limitations on eligibility apply in cases of divorced surviving spouses. The surviving spouse's benefit is, in general, payable at half the amount of the participant's retirement or disability benefit and is subject to certain minimum levels.

1.9 Child benefit

31. A child benefit is payable to each child under the age of 21 of a participant who is entitled to a retirement, early retirement or disability benefit or who has died in service, while the child remains under 21. The benefit may also be payable in certain circumstances to a child who is over the age of 21, such as when the child is found to have been incapacitated for substantial gainful employment. The child benefit for each child is generally one third of any retirement or disability benefit due to a participant or that would have been due in the case of a participant who died in service, subject to certain minimum amounts and limited in terms of maximum amount. In addition, there are certain total maximum amounts that apply in cases of multiple children of the same participant.

1.10 Other benefits

32. Other benefits include the secondary dependant's benefit and the residual settlement benefit. A full description of these benefits is available in the Regulations and Administrative Rules of the Fund.

1.11 Pension adjustment system

33. The provisions of the Fund's pension adjustment system provide for periodic cost-of-living adjustments in benefits. In addition, for participants who retire in a country whose currency is not the United States dollar, the current pension adjustment system is intended to ensure that, subject to certain minimum and maximum provisions, a periodic benefit never falls below the "real" value of its dollar amount, as determined under the Regulations, Rules and Pension Adjustment System of the

Fund, and preserves its purchasing power as initially established in the currency of the recipient's country of residence. This is achieved by establishing a dollar base amount and a local currency base amount (the two-track system).

34. The "real" value of a dollar amount is that amount adjusted over time for movements of the United States consumer price index, while the purchasing power of a recipient's benefit, once established in local currency, is preserved by adjusting it to follow movements of the consumer price index in his or her country of residence. An annual cost-of-living adjustment is conducted on 1 April and the adjustment is made if the consumer price index movement is greater than or equal to 2 per cent from the date of the last adjustment to December. If the applicable consumer price index has moved by 10 per cent or more from December to June, a semi-annual adjustment is made on 1 October.

1.12 Funding policy

35. As a condition of participation in the Fund, participants are required to contribute 7.9 per cent of their pensionable remuneration to the plan and earn interest at a rate of 3.25 per cent per year in accordance with article 11 (c) of the Regulations of the Fund. The participants' contributions for the years ended 31 December 2023 and 31 December 2022 were \$1,135.6 million and \$1,040.5 million, respectively. The contribution figures do not include interest on the contributions.

36. The member organizations' funding policy is to make contributions on an estimated monthly basis and then to reconcile these estimated amounts in an annual year-end process. The member organizations' contributions are also expressed as a percentage of the participants' pensionable remuneration as defined in article 51 of the Regulations of the Fund. In accordance with article 25 of the Regulations of the Fund, the member organizations' contribution rate is currently 15.8 per cent; these contributions to the Fund totalled \$2,261.6 million and \$2,070.5 million during calendar years 2023 and 2022, respectively. When combined with the participants' contributions and expected investment returns, total funding is estimated to be sufficient to provide for all employees' benefits by the time they retire.

37. The assets of the Fund are derived from:

- (a) The contributions of the participants;
- (b) The contributions of the member organizations;
- (c) The yield from the investments of the Fund;
- (d) Deficiency payments, if any, under article 26 of the Regulations of the Fund;
- (e) Receipts from any other source.

1.13 Plan termination terms

38. Membership in the Fund may be terminated by decision of the General Assembly, upon the affirmative recommendation of the Pension Board, following an application for termination by a member organization or continued default by an organization in its obligations under the Regulations of the Fund.

39. In the event of such termination, a proportionate share of the total assets of the Fund as at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund on such date, pursuant to an arrangement mutually agreed between such organization and the Pension Board.

40. The amount of the proportionate share shall be determined by the Pension Board after an actuarial valuation of the assets and liabilities of the Fund.

41. In the event that an actuarial valuation of the Fund shows that its assets may not be sufficient to meet its liabilities under the Regulations, there shall be paid into the Fund by each member organization the sum necessary to make good the deficiency.

42. Each member organization shall contribute to this sum an amount proportionate to the total contributions that each paid under article 25 during the three years preceding the valuation date.

43. The contribution of an organization admitted to membership less than three years prior to the valuation date shall be determined by the Pension Board.

1.14 Changes in funding policy and plan termination terms during the reporting period

44. There were no changes in the funding policy or plan termination terms during the reporting period.

Note 2

General information

2.1 Basis of presentation

45. In accordance with the Regulations of the Fund, adopted by the General Assembly, and the Administrative Rules of the Fund, including the financial rules, established by the Pension Board and reported to the Assembly and the member organizations, the accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26, Accounting and reporting by retirement benefit plans. The financial statements of the Fund consist of the following:

- (a) A statement of net assets available for benefits;
- (b) A statement of changes in net assets available for benefits;
- (c) A statement of cash flows;
- (d) A statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses;
- (e) A note disclosing the actuarial present value of defined retirement benefits, distinguishing between vested benefits and non-vested benefits;
- (f) Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory notes.

46. The Fund adopted IPSAS as from 1 January 2012. This also specifically included the adoption of International Accounting Standard 26, Accounting and reporting by retirement benefit plans, of the International Financial Reporting Standards. While International Accounting Standard 26 provides accounting guidance, it also offers direction on the presentation of financial statements, given that it requires the presentation of a statement of net assets available for benefits and a statement of changes in net assets available for benefits. Given that the Fund has incorporated the guidance in International Accounting Standard 26 into its financial policies, the presentation of its financial statements is based on this guidance. On a voluntary basis, the Fund has presented cash flow statements on a comparative basis in accordance with IPSAS 2: Cash flow statements. Additional information is presented where required by IPSAS. For example, as required by IPSAS 24: Presentation of budget information in financial statements, the Fund has included in its financial statements a comparison of budget and actual amounts on a comparable basis and a reconciliation between the actual amounts on a comparable basis (see note 22). While it is stated in IPSAS 24 that the actual cost on a comparable basis

should be reconciled to the cash flows from operating, investing and financing activities as presented in the cash flow statement, management has decided to reconcile these amounts to the administrative expenses recognized in the statement of changes in net assets. This is due to the fact that the Fund's budget is limited to the administrative expenses incurred in a year.

47. The financial statements are prepared on an annual basis. The financial statements are presented in United States dollars and all values are rounded to the nearest thousand United States dollars, except where otherwise indicated.

2.2 Significant standards, interpretations and amendments during the year

48. In August 2018, the IPSAS Board issued IPSAS 41: Financial instruments, which established new requirements for classifying, recognizing and measuring financial instruments and replaced those in IPSAS 29, Financial instruments: recognition and measurement. IPSAS 41 is based on International Financial Reporting Standard 9, Financial instruments, developed by the International Accounting Standards Board. The Fund implemented IPSAS 41 for annual reporting periods beginning as from 1 January 2023 (see note 25 for assets and liabilities measured and presented as financial instruments on transition to IPSAS 41).

49. In January 2022, the IPSAS Board issued IPSAS 43: Leases, which provides guidance on the recognition, measurement, presentation and disclosure of leases by replacing IPSAS 13: Leases. For lessees, IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13. This standard is effective for annual reporting periods beginning on or after 1 January 2025, with early adoption permitted. The Fund expects to finish evaluating the requirements of IPSAS 43 in detail and the impact of the change in measurement and disclosure requirements on the fund's financial statements during the year 2024.

50. In November 2023, the IPSAS Board issued IPSAS 49: Retirement benefit plans. This standard includes requirements for recognition and measurement, and presentation and disclosure, that are unique to retirement benefit plans. Due to the lack of a specific IPSAS standard for retirement benefit plans prior to the issuance of IPSAS 49, the Fund's adoption of IPSAS as at 1 January 2012 specifically included the adoption of International Accounting Standard 26, Accounting and reporting by retirement benefit plans, as issued by the International Accounting Standards Board. While IPSAS 49 draws on the provisions of International Accounting Standard 26, key changes for the Fund upon the adoption of IPSAS 49 include the following requirements: (a) presentation of the actuarial present value of promised retirement benefits in the statement of financial position; (b) use of only projected salaries to the date of separation of service for the actuarial present value of promised retirement benefits, as compared with the option of current or projected salaries under International Accounting Standard 26; and (c) additional disclosure as compared with International Accounting Standard 26 for the actuarial present value of promised retirement benefits, including the presentation of reconciliation from opening to closing. This standard is effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted. In February 2024, the Board approved amendments to the Fund's financial rules to implement IPSAS 49 for the year ending 31 December 2024. In preparation for the adoption of IPSAS 49, the Fund decided to change the assumptions for the actuarial present value of the accumulated plan benefits as at 31 December 2023. The actuarial present value of accumulated plan benefits is now calculated to take into account future increases in pensionable remuneration. Such a basis is optional under paragraph 35 (d) of International Accounting Standard 26, and previously the Fund had reported the actuarial present value of accumulated plan benefits without any future increases in pensionable remuneration.

51. Other accounting standards and amendments to the existing standards that have been issued by the IPSAS Board are expected either to not have any impact or to have an immaterial impact on the Fund's financial statements.

2.3 Other general information

52. The Fund compiles its financial statements with data collected from three main areas. For operational activities (pension contributions and pension benefits), the Fund maintains its own records on the Integrated Pension Administration System. For investment activities, the Fund receives a monthly general ledger feed from the independent record keeper collected and reconciled from source data provided by the Office of Investment Management and fund managers. For administrative expenses, the Fund utilizes United Nations systems (Umoja) to record and compile its administrative expense activity. Umoja provides information on a modified cash basis, which is subsequently restated to a full accrual basis by the Fund. Some of the administrative expenses of the Fund, including costs associated with the administrative tasks of the Staff Pension Committee secretariat performed by the Fund on behalf of the United Nations, are reimbursed by the United Nations under the terms of a cost-sharing arrangement.

Note 3

Significant accounting policies

3.1 Cash and cash equivalents

53. Cash and cash equivalents are held at nominal value and include cash on hand, cash held with external managers and short-term highly liquid time deposits held with financial institutions with maturities of three months or less from the date of acquisition.

3.2 Investments

Classification of investments

54. All investments of the Fund are measured at fair value through surplus and deficit. Consequently, the Fund's investments are carried and reported at fair value on the statement of net assets available for benefits with changes in fair value recognized in the statement of changes in net assets available for benefits. Purchases and sales of securities are recorded on a trade date basis. The designation and classification of the investments are carried out at initial recognition and reassessed at each reporting date. Derivative instruments are recognized at estimated fair value on the date a contract is entered into (the trade date), and are subsequently carried at estimated fair value.

55. Any transaction costs arising as part of an investment trade measured at fair value through surplus and deficit are expensed and recognized in the statement of changes in net assets.

56. The Fund classifies its investments into the following categories:

- Equities (including exchange-traded funds, common and preferred stocks, stapled securities and publicly traded real estate investment trusts)
- Fixed income (including government and agency securities, corporate and municipal/provincial bonds, mortgage/asset-backed securities and to-be-announced mortgage-backed securities)
- Real assets (including investments in funds where the underlying assets are real assets such as real estate, infrastructure assets and timberland)

- Alternative and other investments (including investments in private equity funds)

Valuation of financial instruments

57. The Fund uses the established and documented process of its independent record keeper for determining fair values, which is reviewed and validated by the Fund at the reporting date. Fair value is based on quoted market prices where available. If fair market value is not available, appropriate valuation techniques are used.

58. Investments in certain commingled funds, private equity and private real assets investment funds are not quoted in an active market and therefore do not have a readily determinable fair market value. However, the fund managers generally report investments of the funds on a fair value basis. Therefore, the Fund determines fair value using the net asset value information as reported by the investee fund managers in the latest available capital account statements adjusted by any cash flows not included in the most recent net asset value reported by the investee fund manager. For financial assets and liabilities not designated at fair value through surplus and deficit, the carrying value approximates fair value.

Interest and dividend income

59. Interest income is recognized on a time-proportionate basis. It includes interest income from cash and cash equivalents and fixed income investments.

60. Dividend income is recognized on ex-dividend date when the right to receive payment is established.

Income from real assets and alternative investments

61. Income distributed from unitized funds is treated as income in the period in which they are earned.

Receivable/payable from/to investments traded

62. Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of net assets available for benefits. These amounts are recognized at the amount expected to be paid or received to settle the balance. Distributions from real assets and alternative fund investments declared but not received prior to year-end are also included under receivables from investments to the extent that the most recently available net asset value of the fund that declares a distribution has recognized the distribution to be made.

3.3 Tax status and withholding tax receivables

63. The Fund's portfolio comprises direct investments and indirect investments. Indirect investments are typically through an investment vehicle such as real estate investment trusts, exchange-traded funds, limited liability partnerships or depository receipts. The Fund is exempt from national taxation of Member States in accordance with Article 105 of the Charter of the United Nations and with article II, section 7 (a), of the Convention on the Privileges and Immunities of the United Nations.

64. For direct investments, some Member States grant relief at source for the Fund's investment-related transactions and income from investments, whereas other Member States continue to withhold taxes and reimburse the Fund upon the filing of a claim. In these instances, the Fund, with assistance from the Fund's custodians or tax advisers, files claims to the governmental taxing authorities for refunds on behalf of the Fund. Taxes withheld on direct investments are initially recognized as

“withholding tax receivable” in the statement of net assets available for benefits. After initial recognition if there is objective evidence that the taxes are not recoverable, the carrying amount of the asset is reduced through the use of an allowance account. Any amount considered to be unrecoverable is recognized in the statement of changes in net assets available for benefits and is included under “withholding tax”. At the end of the year, the Fund measures its withholding tax receivable at the amount deemed recoverable. The Fund does not currently have a confirmation of tax-exempt status in certain Member States. Accordingly, the taxes withheld on direct investments in these jurisdictions are accrued and deemed not recoverable.

65. For indirect investments, the investment vehicle is typically a taxable entity and the Fund is not directly responsible for any tax. Furthermore, the taxes incurred by an investment vehicle can seldom be attributed to the Fund, other than investments in depository receipts. Taxes attributed to the Fund on indirect investments are recognized in the statement of changes in net assets available for benefits and are included under “withholding tax”. To the extent that the Fund is subsequently virtually certain that the taxes will be recovered, the amount is recognized as “withholding tax receivable” in the statement of net assets available for benefits.

66. The Fund also incurs costs on account of certain taxes that are based on the value of the transaction. Transaction-based taxes include stamp duty, security transaction tax and financial transaction tax. Transaction-based taxes are recognized in the statement of changes in net assets available for benefits and are included under “other transaction costs”. To the extent that the Fund is subsequently virtually certain that the taxes will be recovered, the amount is recognized as “other receivable” in the statement of net assets available for benefits and “other income” in the statement of net assets available for benefits.

3.4 Critical accounting estimates

67. Taking into consideration all relevant information that is available at the time, management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Fair value of financial instruments

68. The Fund holds financial instruments that are not quoted in active markets. Fair values of such instruments are determined using appropriate valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed and modified as required. Where available, valuation models are calibrated by back testing to actual transactions to ensure that outputs are reliable. The Fund relies primarily on the assurance provided by the investee company’s independent auditors.

69. When fair value is based on an observable market price, the quoted price at the reporting date is used. The fair value of an asset determined in accordance with IPSAS 41 reflects a hypothetical exit transaction at the reporting date. Changes in market prices after the reporting date are therefore not reflected in asset valuation.

70. The fair value of financial instruments not quoted in an active market may also be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund exercises judgment on the quantity and quality of pricing sources used.

71. Where no market data is available, the Fund may value financial instruments using internal valuation models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are created using observable data to the extent practicable. However, in areas such as credit risk (both the Fund and counterparty), volatilities and correlations may require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

72. The determination of what constitutes “observable” requires significant judgment by the Fund. The Fund considers observable data to be market data that are readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

73. The valuation of investments in real assets and alternative investments through limited liability partnerships requires significant judgment due to the absence of quoted market values, the inherent lack of liquidity and the long-term nature of such investments. The valuation of these investments is based on the valuation provided by the general partners or managers of the underlying investments. The Fund relies primarily on these tests performed by the investee company’s independent auditors and the individual investment managers’ compliance with generally accepted accounting standards and valuation procedures.

Receivable/payable from/to investments traded

74. Impairment of receivables from investments traded is recorded when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization, and default in payments are considered indicators that the receivables from investments traded are impaired.

Taxes

75. Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on withholding tax. Given the wide range of international investments, differences arising between the actual income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded during the year and any tax receivable deemed recoverable at the end of the year. Withholding tax receivables are considered to be contractually due to the Fund and therefore are assessed for impairment under IPSAS 41.

Impairment

76. The annual review to assess potential impairment of assets that are not measured at fair value is another area where the Fund exercises significant judgment.

Provision for the Fund’s non-investment related receivables

77. A provision is established to reflect the position of the accounts receivable, for all non-performing overpayments of pension benefits that are two years or older as at the respective year-end date of the financial statements.

Actuarial assumptions

78. The Fund uses actuarial methods for the disclosure of employee benefit liabilities. The related assumptions are disclosed in note 11 in respect of after-service health insurance and other employee benefits of the Fund’s staff and in note 19, which contains information on assumptions used for the actuarial liability to the beneficiaries of the Fund.

3.5 Contributions

79. Contributions are recorded on an accrual basis. Participants and their employing member organizations are required to contribute 7.9 per cent and 15.8 per cent, respectively, of their pensionable remuneration to the Fund. Each month the Fund accrues a receivable amount for contributions expected. When contributions are actually received, the receivable is offset. Contributions are due to be paid by member organizations by the second business day of the month following the month to which the contributions relate. The contributions vary on the basis of changes in the number of participants, changes in the distribution of participants, changes in pensionable remuneration rates as a result of cost-of-living increases determined by ICSC, and the periodic grade step increase to individual pensionable remuneration received by all participants.

3.6 Benefits

80. Payments of benefits, including withdrawal settlements, are recorded on an accrual basis. The right to a benefit is generally forfeited if, for two years (withdrawal settlement or residual settlement) or five years (retirement, early retirement, deferred retirement or disability benefit) after payment has been due, the beneficiary has failed to submit payment instructions or has failed or refused to accept payment. An estimated benefit liability is recognized for withdrawal settlements with a participation period of less than five years for which the beneficiary has not submitted the payment instructions for 36 months from the time of the obligating event. The estimate is based on the average of the last five-year expense for such cases.

3.7 Accounting for non-United States dollar-denominated currency translations and balances

81. Non-United States dollar-denominated currency transactions are translated using the spot exchange rate between the functional currency and the non-United States dollar-denominated currency at the date of the transaction.

82. At each reporting date, non-United States dollar-denominated monetary items are translated using the closing spot rate. The Fund applies WM/Reuters Company rates (primary source) and Bloomberg and Refinitiv rates (secondary source) as the spot rate for the investment activities and the United Nations operational rate of exchange for non-investment activities. Exchange differences arising on the settlement of these monetary items or on the translation of these monetary items at rates different from those at which they were previously translated are recognized in the change in net assets available for benefits in the period in which they arise.

3.8. Leases

83. All of the Fund's leases are categorized as operating leases. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.

3.9 Property, plant and equipment

84. Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. All assets acquired for a cost of \$20,000 and above are capitalized. The Fund reviews this threshold annually for reasonableness. The Fund does not own land or buildings.

85. Depreciation is provided for property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives for property, plant and equipment classes are as follows:

<i>Class</i>	<i>Estimated useful life in years</i>
Computer equipment	4
Office equipment	4
Office furniture	10
Office fixtures and fittings	7
Audiovisual equipment	7

86. Leasehold improvements are recognized as assets and valued at cost and are depreciated over the lesser of seven years or the lease term. Impairment reviews are undertaken if indicators of impairment exist.

3.10 Intangible assets

87. Intangible assets are capitalized if their cost exceeds the threshold of \$20,000, except for internally developed software, for which the threshold is \$50,000. The capitalized cost of internally developed software excludes those costs related to research and maintenance. Intangible assets are stated at historical cost less accumulated amortization and any impairment losses. Amortization is recognized over the estimated useful life using the straight-line method. The estimated useful lives for intangible asset classes are as follows:

<i>Class</i>	<i>Estimated useful life in years</i>
Software acquired externally	3
Internally developed software	6
Licences and rights, copyrights and other intangible assets	Shorter of 3 years or the life of the asset

3.11 Emergency fund

88. The appropriation is made when the authorization is approved by the General Assembly. Participants wishing to avail themselves of this benefit submit an application to the Fund. After review and authorization, approved amounts are paid to the participant. Payments are charged directly against the appropriation account up to the amount authorized by the Pension Board. Current expense for the year is reported in the statement of changes in net assets available for benefits.

3.12 Provisions and contingent liabilities

89. A provision is recognized for future liabilities and charges if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

90. Contingent liabilities are disclosed for any possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund. Contingent liabilities are also disclosed where present obligations that arise from past events cannot be recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or the amount of the obligations cannot be reliably measured.

3.13 Employee benefits

91. Among certain short-term and other long-term benefits, the Fund provides its employees with certain post-employment benefits.

92. After-service health insurance and repatriation grants are classified as defined benefit schemes and accounted for as such.

93. The employees of the Fund are themselves participating in the Fund. While the Fund is a defined benefit scheme, it has been classified as a multi-employer fund. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. The Fund, in line with the other participating organizations in the Fund, is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes, and hence has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39: Employee benefits. The Fund's contributions to the plan during the financial period are recognized as expenses in the statement of changes in net assets available for benefits.

3.14 Reconciliation of budget information

94. The Fund's budget is prepared on a modified cash basis, whereas the financial statements are prepared on an accrual basis.

95. The General Assembly approves the annual budget for the Fund's administrative expenses. Budgets may be subsequently amended by the Assembly or through the exercise of delegated authority.

96. As required by IPSAS 24, the statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2023 provides a comparison of budget and actual amounts on a comparable basis. The comparison includes: the original budget amounts, the actual amounts on the same basis as the corresponding budgetary amounts and an explanation of material differences ($> \pm 5$ per cent) between the actual and budget amounts.

97. Note 22 provides a reconciliation of actual amounts presented on the same basis as the budget and administrative expense included in the statement of changes in net assets.

3.15 Related party transactions

98. Parties are considered to be related when one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

99. The following parties are considered related parties for the Fund in 2023:

(a) Key management personnel: the Chief Executive of Pension Administration, the Representative of the Secretary-General, the Deputy Chief Executive of Pension Administration, the Chief Investment Officer and the Chief Financial Officer (see note 1.2);

(b) The General Assembly;

(c) The 25 member organizations participating in the Fund;

(d) The United Nations International Computing Centre.

100. A summary of the relationship and transactions with the above parties is given in note 24.

3.16 Subsequent events

101. Any information about conditions that existed as at the date of the statement of net assets available for benefits that is received after the reporting period but before

the financial statements are signed and that is material to the Fund is incorporated in the financial statements.

102. In addition, any event that occurs after the date of the statement of net assets available for benefits but before the financial statements are signed that is material to the Fund is disclosed in the notes to the financial statements. As at the date of certification of the financial statements and related notes for the year ended 31 December 2023, no other material events, favourable or unfavourable, had occurred.

103. Only the Fund's management has the authority to amend these financial statements.

Note 4

Cash and cash equivalents

104. Cash and cash equivalents include:

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Cash at bank – Office of Investment Management	404 345	458 049
Cash at bank – Pension Administration	235 054	202 464
Cash held by external managers – Office of Investment Management	102 379	89 236
Total cash and cash equivalents	741 778	749 749

Note 5

Financial instruments by category

105. The tables below provide an overview of all financial instruments held, by category, in accordance with IPSAS 41 as at 31 December 2023 and 31 December 2022:

(Thousands of United States dollars)

	As at 31 December 2023		
	Financial instruments at fair value through surplus or deficit	Financial instruments at amortized cost	Financial liabilities
Financial assets as indicated in the statement of net assets available for benefits			
Cash and cash equivalents	741 778	–	–
Investments			
Equities	45 257 022	–	–
Fixed income	27 542 597	–	–
Real assets	7 207 145	–	–
Alternative and other investments	7 591 983	–	–
Accrued income from investments	–	253 156	–
Receivables from investments traded	–	14 328	–
Withholding tax receivables	–	56 458	–
Total financial assets	88 340 525	323 942	–
Financial liabilities as indicated in the statement of net assets available for benefits			
Payable from investments traded	–	–	211 271

	<i>As at 31 December 2023</i>		
	<i>Financial instruments at fair value through surplus or deficit</i>	<i>Financial instruments at amortized cost</i>	<i>Financial liabilities</i>
Other accruals and liabilities	—	—	29 560
Total financial liabilities	—	—	240 831

Investments exceeding 5 per cent of net assets

106. There were no investments exceeding 5 per cent of net assets available for benefits as at 31 December 2023.

107. There were no investments exceeding 5 per cent of equities, fixed income or alternative and other investments as at 31 December 2023. The Fund held a total of \$764.7 million in two real estate funds as at 31 December 2023, which represented more than 5 per cent of investments in real assets category.

(Thousands of United States dollars)

	<i>As at 31 December 2022 (reclassified)</i>		
	<i>Financial instruments at fair value through surplus or deficit</i>	<i>Financial instruments at amortized cost</i>	<i>Financial liabilities</i>
Financial assets as per statement of net assets available for benefits			
Cash and cash equivalents	749 749	—	—
Investments			
Equities	39 246 356	—	—
Fixed income	24 131 952	—	—
Real assets	7 492 991	—	—
Alternative and other investments	6 566 220	—	—
Accrued income from investments	—	195 264	—
Receivables from investments traded	—	75 854	—
Withholding tax receivables	—	60 431	—
Total financial assets	78 187 268	331 549	—
Financial liabilities as indicated in the statement of net assets available for benefits			
Payable from investments traded	—	—	418 750
Other accruals and liabilities	—	—	34 360
Total financial liabilities	—	—	453 110

Investments exceeding 5 per cent of net assets

108. There were no investments exceeding 5 per cent of net assets available for benefits as at 31 December 2022.

109. There were no investments exceeding 5 per cent of equities, fixed income or alternative and other investments as at 31 December 2022. The Fund held a total of \$867.4 million in two real estate funds as at 31 December 2022, which represented more than 5 per cent of investments in the real assets category.

Note 6**Fair value measurement**

110. IPSAS establishes a three-level fair value hierarchy under which financial instruments are categorized on the basis of the significance of inputs to the valuation technique. Level 1 includes those securities where unadjusted quoted prices are available in active markets for identical assets or liabilities. Level 2 includes those securities where inputs other than quoted prices included within level 1 are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 includes those securities where inputs for the asset or liability are not based on observable market data (that is, unobservable inputs). The level in the fair value hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level of information that is significant to the fair value measurement. If a fair value measurement of an investment uses observable inputs that require significant adjustment on the basis of unobservable inputs, then that investment is classified as level 3.

111. Assessing the significance of a specific input to the fair value measurement of an investment in its entirety requires judgment, considering factors specific to the investment.

112. The tables below present the fair value hierarchy of the Fund's investments (by asset class) measured at fair value through surplus or deficit as at 31 December 2023 and 31 December 2022:

(Thousands of United States dollars)

<i>Fair value hierarchy as at 31 December 2023</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equities				
Common and preferred stock	44 392 178	—	—	44 392 178
Funds – exchange-traded funds	816 728	—	—	816 728
Funds – common stock	—	—	62	62
Stapled securities	48 054	—	—	48 054
Total equities	45 256 960	—	62	45 257 022
Fixed income				
Government and agency securities	—	21 076 475	—	21 076 475
Asset-backed securities	—	114 432	—	114 432
Corporate bonds/commercial paper	—	5 733 102	23 999	5 757 101
Municipal/provincial bonds	—	203 514	—	203 514
Commercial mortgage-backed	—	391 025	—	391 025
To-be-announced mortgage-backed securities	—	50	—	50
Funds – corporate bonds	—	—	—	—
Total fixed income	—	27 518 598	23 999	27 542 597
Real assets				
Real estate funds	—	121 709	6 699 231	6 820 940
Infrastructure assets	—	—	386 124	386 124
Timberland	—	—	81	81
Total real assets	—	121 709	7 085 436	7 207 145

<i>Fair value hierarchy as at 31 December 2023</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Alternative and other investments				
Private equity	–	–	7 591 983	7 591 983
Total alternative and other investments	–	–	7 591 983	7 591 983
Total	45 256 960	27 640 307	14 701 480	87 598 747

(Thousands of United States dollars)

<i>Fair value hierarchy as at 31 December 2022</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equities				
Common and preferred stock	38 512 162	–	1 647	38 513 809
Funds – exchange-traded funds	672 026	–	–	672 026
Funds – common stock	8 322	–	157	8 479
Stapled securities	52 042	–	–	52 042
Total equities	39 244 552	–	1 804	39 246 356
Fixed income				
Government and agency securities	–	18 767 582	–	18 767 582
Asset-backed securities	–	151 173	–	151 173
Corporate bonds/commercial paper	–	4 561 916	22 789	4 584 705
Municipal/provincial bonds	–	170 485	–	170 485
Commercial mortgage-backed	–	405 252	–	405 252
Funds – corporate bonds	–	–	52 755	52 755
Total fixed income	–	24 056 408	75 544	24 131 952
Real assets				
Real estate funds	–	224 594	6 905 604	7 130 198
Infrastructure assets	–	–	362 330	362 330
Timberland	–	–	463	463
Total real assets	–	224 594	7 268 397	7 492 991
Alternative and other investments				
Private equity	–	–	6 566 220	6 566 220
Total alternative and other investments	–	–	6 566 220	6 566 220
Total	39 244 552	24 281 002	13 911 965	77 437 519

Equities

113. Common and preferred stocks, exchange-traded funds and stapled securities were classified under level 1 if bid prices were available from institutional vendors.

114. Common stock funds amounting to \$0.1 million as at 31 December 2023 (31 December 2022: \$0.2 million) were valued using a net asset value approach and hence classified under level 3. No common or preferred stocks as at 31 December 2023 (31 December 2022: \$1.6 million) were classified under level 3.

Fixed income

115. The vast majority of the fixed income securities prices were not obtained from an active market directly, which would have led to a level 1 classification. Instead, prices were obtained through brokers' bids, which were indicative quotes and therefore classified as level 2.

116. No corporate bond funds as at 31 December 2023 (31 December 2022: \$52.8 million) were considered to be level 3. Corporate bonds/commercial paper amounting to \$24.0 million as at 31 December 2023 (31 December 2022: \$22.8 million) were considered to be level 3. Inputs for the value of those investments, while available from third-party sources, were not well defined, readily observable market data. Consequently, the Fund decided to classify such investments as level 3.

117. The Fund held one to-be-announced mortgage-backed security, accounted for as a derivative instrument with a notional value of \$14,398,125 as at 31 December 2023. The prices applied to to-be-announced mortgage-backed securities are determined by the underlying assets. The prices were obtained through brokers' bids, which were indicative quotes and therefore classified as level 2.

Real assets and alternative and other investments

118. Real assets amounting to \$7,085.4 million as at 31 December 2023 (31 December 2022: \$7,268.4 million), net of carried interest of \$207.8 million (31 December 2022: \$242.4 million), as well as alternative and other investments amounting to \$7,592.0 million as at 31 December 2023 (31 December 2022: \$6,566.2 million), net of carried interest of \$544.2 million (31 December 2022: \$482.0 million), were classified under level 3 because they were priced using the net asset value methodology, for which the Fund was unable to corroborate or verify using observable market data. In addition, limited options were available to the investors to redeem units, hence making the investments in such funds relatively illiquid.

119. One real estate fund amounting to \$121.7 million as at 31 December 2023 (31 December 2022: \$224.6 million) which was readily redeemable at net asset value without penalties was classified as a level 2 asset representing the net asset value as reported by the fund manager.

120. For the year ended 31 December 2023, there was a transfer of one equity security amounting to \$1.6 million out of level 3 and into level 1. The security was classified as level 3 as at 31 December 2022 due to a temporary restriction on trading consequent to a corporate action.

121. For the year ended 31 December 2022, there was a transfer of one equity security amounting to \$2.4 million out of level 3 and into level 1. The security was classified as level 3 as at 31 December 2021 due to a restriction on trading consequent to a corporate action.

122. The table below presents the movements in level 3 instruments for the year ended 31 December 2023 by class of financial instrument.

(Thousands of United States dollars)

	<i>Equities</i>	<i>Fixed income</i>	<i>Real assets</i>	<i>Alternative and other investments</i>	<i>Total</i>
Opening balance	1 804	75 544	7 268 397	6 566 220	13 911 965
Purchases	–	–	812 510	1 313 595	2 126 105
Sales/return of capital	(445)	(52 629)	(416 682)	(758 547)	(1 228 303)
Transfers (out of)/into level 3	(1 603)	–	–	–	(1 603)
Net gains and losses recognized in the statement of changes in net assets available for benefits	306	1 084	(578 789)	470 715	(106 684)
Closing balance	62	23 999	7 085 436	7 591 983	14 701 480
Change in unrealized gains and losses for level 3 assets held at the period end and included in statements of changes in net assets available for benefits	2 280	(8 858)	(658 304)	305 642	(359 240)

123. The table below presents the movements in level 3 instruments for the year ended 31 December 2022 by class of financial instrument.

(Thousands of United States dollars)

	<i>Equities</i>	<i>Fixed income</i>	<i>Real assets</i>	<i>Alternative and other investments</i>	<i>Total</i>
Opening balance	3 049	78 755	6 389 081	6 477 746	12 948 631
Purchases	3 847	2 811	1 473 732	1 398 864	2 879 254
Sales/return of capital	(387)	–	(674 595)	(996 876)	(1 671 858)
Transfers (out of)/into level 3	(2 448)	–	–	–	(2 448)
Net gains and losses recognized in the statement of changes in net assets available for benefits	(2 257)	(6 022)	80 179	(313 514)	(241 614)
Closing balance	1 804	75 544	7 268 397	6 566 220	13 911 965
Change in unrealized gains and losses for level 3 assets held at the period-end and included in statements of changes in net assets available for benefits	(1 384)	(6 022)	(88 179)	(474 620)	(570 205)

Note 7

Accrued income from investments

124. Accrued income from investments is income earned during the year that has yet to be received as at the date of the statement of net assets available for benefits.

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
Fixed income securities, cash and cash equivalents	186 241	137 238
Dividends receivable on equities	45 615	39 461
Real assets and alternative investments	21 300	18 565
Total accrued income from investments	253 156	195 264

Note 8**Withholding tax receivables**

125. Withholding tax receivable as at 31 December 2023 and 31 December 2022 and withholding tax for the years ended 31 December 2023 and 31 December 2022 by country are as follows:

(Thousands of United States dollars)

Country	For the year 2023			As at 31 December 2023			For the year 2022			As at 31 December 2022		
	Tax withheld	Tax received	Withholding tax	Tax recoverable	Deemed not recoverable	Tax receivable	Tax withheld	Tax received	Withholding tax	Tax recoverable	Deemed not recoverable	Tax receivable
Australia	–	–	(47)	872	–	872	25	–	103	867	(42)	825
Austria	126	–	(11)	376	–	376	105	–	8	239	–	239
Belgium	524	237	53	1 842	(705)	1 137	705	93	651	1 502	(599)	903
Brazil	279	–	279	332	(332)	–	287	–	287	307	(307)	–
Canada	–	–	–	12	(12)	–	–	–	13	12	(12)	–
Chile	148	780	(627)	102	(34)	68	311	184	109	81	(8)	73
China	3 528	829	1 250	23 890	(20 755)	3 135	3 496	–	1 810	22 015	(20 329)	1 686
Colombia	25	270	(57)	35	–	35	8	–	48	228	(5)	223
Czechia	287	–	(1)	695	–	695	236	–	(9)	407	–	407
Denmark	1 715	–	5	4 075	(111)	3 964	1 111	–	81	2 254	–	2 254
Egypt	–	1 916	942	1 870	–	1 870	3 236	–	2 277	4 728	–	4 728
Finland	–	–	431	1 850	(494)	1 356	–	–	117	1 787	–	1 787
Germany	8 061	85	4 451	34 221	(13 205)	21 016	7 038	–	8 909	25 239	(7 748)	17 491
Greece	–	–	–	109	(109)	–	–	–	–	105	(105)	–
India	457	433	7	758	–	758	175	–	78	741	–	741
Indonesia	1 074	–	1 074	6 236	(6 236)	–	1 889	–	1 889	5 125	(5 125)	–
Ireland	–	–	(5)	159	–	159	6	–	9	154	–	154
Italy	1	–	1	–	–	–	–	–	–	–	–	–
Japan	–	–	–	3	(3)	–	–	–	–	3	(3)	–
Luxembourg	39	24	(3)	104	(18)	86	59	1	1	86	(18)	68
Mexico	–	–	–	66	(66)	–	–	–	–	58	(58)	–
Netherlands (Kingdom of the)	1 708	53	(99)	4 513	–	4 513	1 742	1 114	151	2 759	–	2 759
Norway	–	–	179	174	(174)	–	–	–	21	179	–	179
Papua New Guinea	–	–	–	18	(18)	–	–	–	–	17	(17)	–
Philippines	297	19	780	2 105	(848)	1 257	394	–	205	1 819	(60)	1 759
Poland	74	–	(1)	75	–	75	–	–	–	–	–	–
Russian Federation	1 137	–	1 137	1 523	(1 523)	–	–	3 760	(3 345)	355	(355)	–
Singapore	57	–	(4)	137	–	137	65	41	(1)	76	–	76

Country	For the year 2023			As at 31 December 2023			For the year 2022			As at 31 December 2022		
	Tax withheld	Tax received	Withholding tax	Tax recoverable	Deemed not recoverable	Tax receivable	Tax withheld	Tax received	Withholding tax	Tax recoverable	Deemed not recoverable	Tax receivable
Spain	1 848	1 624	(51)	1 412	–	1 412	1 529	800	(9)	1 137	–	1 137
Sweden	712	1	(52)	2 181	(38)	2 143	558	–	68	1 409	(29)	1 380
Switzerland	9 973	30 946	(10 815)	10 741	–	10 741	9 595	6 507	10 902	31 066	(10 167)	20 899
Thailand	131	–	131	463	(463)	–	123	–	123	323	(323)	–
Türkiye	–	–	–	67	(67)	–	–	–	–	106	(106)	–
United Kingdom of Great Britain and Northern Ireland	163	–	173	876	(223)	653	168	71	64	676	(13)	663
Total	32 364	37 217	(880)	101 892	(45 434)	56 458	32 861	12 571	24 560	105 860	(45 429)	60 431

126. In Brazil; in some provinces in China; for certain periods in Canada, Greece, Mexico, Papua New Guinea, the Russian Federation and Türkiye; and for fixed-income securities in the Philippines, there are no formally established reclamation mechanisms in place, and in these cases the Fund, with assistance from the Fund's custodians or the tax advisers, have to date been unable to file and/or reclaim the taxes withheld. While these Member States have confirmed the Fund's tax-exempt status, the taxes withheld from direct investments in these countries are accrued and continue to be deemed not recoverable in 2023, unless there is certainty of reclaim in subsequent years. The Fund does not currently have a confirmation of tax-exempt status for Indonesia and Thailand. Accordingly, the taxes withheld on direct investments in Indonesia and Thailand are accrued and deemed not recoverable in 2023. For Belgium, Chile, Denmark, Finland, Germany, Luxembourg, Norway, Sweden and the United Kingdom, while, in accordance with accounting policy, withholding tax recoverable over three years is deemed not recoverable, the Fund's custodian has filed requests for reclaim. Consistent with the Fund's prior experience, refunds are anticipated despite delays due to the ongoing processing delays consequent to the coronavirus disease (COVID-19) pandemic.

127. An ageing analysis of withholding tax receivable as at 31 December 2023 and 31 December 2022 is as follows:

(Thousands of United States dollars)

Country	As at 31 December 2023			As at 31 December 2022		
	3 years or more	Less than 3 years	Tax receivable	3 years or more	Less than 3 years	Tax receivable
Australia	503	369	872	—	825	825
Austria	—	376	376	—	239	239
Belgium	—	1 137	1 137	—	903	903
Chile	—	68	68	—	73	73
China	821	2 314	3 135	301	1 385	1 686
Colombia	—	35	35	—	223	223
Czechia	—	695	695	—	407	407
Denmark	—	3 964	3 964	—	2 254	2 254
Egypt	—	1 870	1 870	—	4 728	4 728
Finland	—	1 356	1 356	—	1 787	1 787
Germany	—	21 016	21 016	—	17 491	17 491
India	198	560	758	—	741	741
Ireland	—	159	159	—	154	154
Luxembourg	—	86	86	—	87	87
Netherlands (Kingdom of the)	—	4 513	4 513	21	2 719	2 740
Norway	—	—	—	—	179	179
Philippines	—	1 257	1 257	—	1 759	1 759
Poland	—	75	75	—	—	—
Singapore	—	137	137	—	76	76
Spain	—	1 412	1 412	—	1 137	1 137
Sweden	—	2 143	2 143	—	1 380	1 380
Switzerland	—	10 741	10 741	—	20 899	20 899
United Kingdom of Great Britain and Northern Ireland	—	653	653	—	663	663
Total	1 522	54 936	56 458	322	60 109	60 431

Note 9
Other assets

128. The other assets included in the statement of net assets available for benefits are broken down as follows:

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Prepayments and benefits receivable	15 903	18 349
Property, plant and equipment	1 229	1 322
Intangible assets in use	367	459
Other receivables	193	173
Total	17 692	20 303

9.1 Prepayments and benefits receivables

129. An overview of the prepayments and other accounts receivable held by the Fund is presented as follows:

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Prepayments	6 912	9 215
Advance benefit payments due to payroll conversion	3 558	4 006
Benefits receivable	11 557	10 598
Benefits receivable – provision	(6 124)	(5 470)
Total	15 903	18 349

9.2 Property, plant and equipment

130. An overview of the fixed assets held by the Fund is presented as follows:

(Thousands of United States dollars)

	Information technology equipment	Leasehold improvements		Total
	In use	In use	Under construction	
Cost				
1 January 2023	707	17 447	–	18 154
Additions	21	–	115	136
Disposals/transfers	(149)	–	–	(149)
31 December 2023	579	17 447	115	18 141
Accumulated depreciation				
1 January 2023	673	16 159	–	16 832
Depreciation	14	215	–	229
Disposals/transfers	(149)	–	–	(149)
31 December 2023	538	16 374	–	16 912
Net book value, 31 December 2023	41	1 073	115	1 229

(Thousands of United States dollars)

	Information technology equipment	Leasehold improvements		Total
	In use	In use	Under construction	
Cost				
1 January 2022	770	15 944	106	16 820
Additions	45	1 503	(106)	1 442
Disposals/transfers	(108)	—	—	(108)
31 December 2022	707	17 447	—	18 154
Accumulated depreciation				
1 January 2022	770	15 944	—	16 714
Depreciation	11	215	—	226
Disposals/transfers	(108)	—	—	(108)
31 December 2022	673	16 159	—	16 832
Net book value, 31 December 2022	34	1 288	—	1 322

131. The leasehold improvements in use and under construction included above relate to the Fund's improvements to its offices in New York.

9.3. Intangible assets

132. An overview of the intangible assets held by the Fund is presented as follows:

(Thousands of United States dollars)

	Intangible assets in use	Under construction	Total
Cost			
1 January 2023	20 887	—	20 887
Additions	—	—	—
Transfers	—	—	—
Disposals	—	—	—
31 December 2023	20 887	—	20 887
Accumulated amortization			
1 January 2023	20 428	—	20 428
Amortization	92	—	92
Disposals	—	—	—
31 December 2023	20 520	—	20 520
Net book value, 31 December 2023	367	—	367

(Thousands of United States dollars)

	<i>Intangible assets in use</i>	<i>Under construction</i>	<i>Total</i>
Cost			
1 January 2022	20 336	272	20 608
Additions	551	(272)	279
Transfers	—	—	—
Disposals	—	—	—
31 December 2022	20 887	—	20 887
Accumulated amortization			
1 January 2022	20 336	—	20 336
Amortization	92	—	92
Disposals	—	—	—
31 December 2022	20 428	—	20 428
Net book value, 31 December 2022	459	—	459

Note 10**Benefits payable**

133. The amount shown in the statement of net assets is broken down as follows:

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
Withdrawal settlements	97 063	75 347
Lump sum payments	32 896	27 492
Periodic benefits payable	41 988	40 293
Other benefits payable/adjustments	456	764
Total	172 403	143 896

Note 11**After-service health insurance and other employee benefits**

134. A breakdown of the after-service health insurance and other employee benefits payable amount shown in the statement of net assets is as follows:

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
After-service health insurance liability	92 386	83 598
Annual leave	6 346	5 478
Repatriation grant and related costs	5 634	4 395
Education grant and related costs	540	482
Home leave	473	422
Total	105 379	94 375

135. The Fund does not set aside or ring-fence funding for after-service health insurance and other employee benefit liabilities. These liabilities are recognized in

the financial statements at their full amount and deducted in the computation of net assets available for benefits.

After-service health insurance, annual leave and repatriation grants liability

136. The Fund provides its employees who have met certain eligibility requirements with the following after-service and end-of-service benefits:

- Health-care benefits after they retire. This benefit is referred to as after-service health insurance
- Repatriation benefits to facilitate the relocation of expatriate staff members
- Annual leave benefits to provide staff members with periods of time off from work at full pay for personal reasons and for purposes of health, rest and recreation. Upon separation from service, staff members who have accrued unused annual leave will be paid for each day of unused leave up to a maximum of 60 days.

137. The liabilities as at 31 December 2023 were calculated on the basis of census data as at 31 October 2023 provided to the actuary by the United Nations; the liabilities as at 31 December 2022 were the result of the roll-forward to 31 December 2022 of the end-of-service benefit obligations as at 31 December 2021 for the Fund by the consulting actuary and:

- Health insurance premium and contribution data provided by the United Nations
- Actual retiree claims experience under health insurance plans
- Estimated travel and shipment costs and annual leave balances reported by the United Nations in the census data
- Various economic, demographic and other actuarial assumptions
- Generally accepted actuarial methods and procedures.

138. The key assumptions in the calculation of after-service liabilities are the discount rate and health-care trend rates. The discount rate is based on the “spot” rate that reflects the market expectations at the time of the calculations to meet future expected benefit payments, based on high quality bonds. The discount rate is then the equivalent single rate that would produce the same liability as the full spot curve using the multiple bonds necessary to meet the future cash flow expectations.

139. The yield curves used in the calculation of the discount rates in respect of the United States dollar, the euro and the Swiss franc are those developed by Aon Hewitt, consistent with the decision of the Task Force on Accounting Standards to harmonize actuarial assumptions across the United Nations system.

140. For 31 December 2023, the single equivalent discount rates were selected and determined by the Fund, as follows:

- 4.64 per cent for the after-service health insurance scheme
- 4.95 per cent for repatriation benefits
- 4.93 per cent for annual leave

141. For 31 December 2022, the single equivalent discount rates were selected and determined by the Fund, as follows:

- 4.80 per cent for the after-service health insurance scheme
- 5.09 per cent for repatriation benefits
- 5.12 per cent for annual leave

142. The changes in discount rates are driven by the discount curve, which is calculated on the basis of corporate bonds. The bond markets varied over the reporting period, and volatility has an impact on the discount rate assumption. Should the assumption vary by 0.5 per cent, its impact on the obligations would be as follows:

<i>Discount rate</i>	<i>After-service health insurance</i>	<i>Repatriation benefit</i>	<i>Annual leave</i>
Increase of 0.5 per cent	10 per cent decrease	3 per cent decrease	3 per cent decrease
Decrease of 0.5 per cent	11 per cent increase	3 per cent increase	4 per cent increase

143. The comparison of health-care cost trend rates is as follows:

	<i>31 December 2023</i>	<i>31 December 2022</i>
United States non-Medicare	8.00 per cent trending down to 3.65 per cent after 7 years	6.50 per cent trending down to 3.85 per cent after 9 years
United States Medicare	7.40 per cent trending down to 3.65 per cent after 7 years	6.50 per cent trending down to 3.85 per cent after 9 years
United States dental	3.65 per cent and remaining unchanged	6.50 per cent trending down to 3.85 per cent after 9 years
Non-United States – Switzerland	8.00 per cent trending down to 2.35 per cent after 4 years	4.25 per cent trending down to 2.55 per cent after 6 years
Non-United States – eurozone	7.70 per cent trending down to 3.95 per cent after 12 years	5.20 per cent trending down to 4.15 per cent after 11 years

144. For comparison purposes, the table below shows the changes in the obligations resulting from a 0.5 per cent change in the assumed medical cost trend rate:

(Thousands of United States dollars)

<i>2023</i>	<i>Increase</i>	<i>Decrease</i>
Effect on the defined-benefit obligation	10 194	(8 892)
Effect on the aggregate of the current service cost and the interest rate	1 113	(935)
<i>2022</i>	<i>Increase</i>	<i>Decrease</i>
Effect on the defined-benefit obligation	9 320	(8 070)
Effect on the aggregate of the current service cost and the interest rate	1 019	(866)

145. The increase in the total after-service health insurance liabilities reported from 31 December 2022 to 31 December 2023 is due primarily to the impact of changing the financial assumptions, in particular the decrease in the discount rates for benefits denominated in United States dollars.

146. The table below illustrates the movements in post-employment net defined-benefits liabilities:

(Thousands of United States dollars)

	2023			2022		
	<i>After-service health insurance</i>	<i>Repatriation grant</i>	<i>Annual leave</i>	<i>After-service health insurance</i>	<i>Repatriation grant</i>	<i>Annual leave</i>
Net defined-benefit liability as at 1 January	83 598	4 395	5 478	106 946	5 324	6 630
Current service cost	2 493	223	475	6 575	313	483
Interest cost	3 985	212	266	2 938	136	175
Benefits paid	(1 069)	(479)	(559)	(1 307)	(480)	(611)
Actuarial (gains)/losses	3 379	1 283	686	(31 554)	(898)	(1 199)
Net defined-benefit liability as at 31 December	92 386	5 634	6 346	83 598	4 395	5 478

147. The table below illustrates the estimated benefit payments net of participant contributions for the next 10 years.

(Thousands of United States dollars)

	2024	2025	2026	2027	2028	2029–2033
After-service health insurance	1 392	1 627	1 852	2 085	2 359	15 464
Repatriation grant	731	637	516	544	491	2 184
Annual leave	711	667	575	535	501	2 126

148. The estimated durations of after-service health insurance, repatriation grant and annual leave liabilities were 21 years, 8 years and 8 years, respectively, as at 31 December 2023.

149. Other specific data and key assumptions used in the calculations on the basis of census data as at 31 October 2023 are outlined below.

After-service health insurance

150. A total of 340 active staff were included in the calculation: 294 United States-based and 46 non-United States-based. A total of 108 retired staff or their surviving spouses were included in the calculation: 86 United States-based and 22 non-United States-based. In addition, four active staff and three retirees or their surviving spouses who participated in dental-only plans were included. For active staff, the average age was 48 years with 10 years of service. The average age of retirees was 71 years.

Repatriation benefits

151. Staff members who are appointed as international staff are eligible for the payment of a repatriation grant after one year of active service outside their country of nationality as long as the reason for separation is not summary dismissal or abandonment of post.

152. The amount ranges from 2 to 28 weeks of salary depending on the category of employment and years of service of the eligible staff member. Travel and shipment of personal effects may also be authorized to the recognized country of home leave.

153. A total of 146 eligible staff with an average annual salary of \$86,724 were considered.

Annual leave

154. Staff are entitled to accrue annual leave from the date of their appointment. Staff members who, upon separation from service, have accrued leave will be paid up to a maximum of 60 days if on a fixed-term appointment or up to 18 days if on a temporary appointment. The payment amount is calculated at 1/261 of applicable salary amounts for each day of unused annual leave.

155. A total of 394 active staff with an average annual salary of \$118,284 were considered.

Note 12

Other accruals and liabilities

156. The amount shown as other accruals and liabilities in the financial statements is broken down as follows:

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Accruals for management fees and expenses	13 727	20 261
Accrual for contractual services	321	159
Restoration payable	3 733	3 266
Operating leases accrual	4 414	6 094
United Nations payable	7 039	4 249
Audit fee accrual	206	197
Other	120	134
Total	29 560	34 360

157. The category of accruals for management fees and expenses includes payable to external managers, private equity and real estate funds.

Note 13

Investment income

158. The table below presents a summary of the Fund's income from investments net of transaction costs recognized during the period. Any transaction cost that can be allocated to a single transaction or trade is netted off against investment income. Examples are broker commissions, other transaction costs and management fees. Any management expense charged to the income statement of a real asset or alternative fund was recorded separately as management expenses in the Fund's statement of changes in net assets and included under transaction costs.

159. In some jurisdictions, the Fund receives dividend income, interest income and real estate income without any withholding tax. This is primarily a result of the fact that pension funds are exempt from withholding taxes in many jurisdictions. However, a number of jurisdictions do not provide this benefit to all pension funds but recognize that the Fund is part of the United Nations and hence exempt from national taxation of Member States on its direct investments in accordance with Article 105 of the Charter of the United Nations and with article II, section 7 (a), of the Convention on the Privileges and Immunities of the United Nations (see also note 3.3). The Fund is not able to reliably measure the value of the additional tax exemption obtained by being part of the United

Nations and therefore does not disclose the value of this additional benefit on the face of the statement of changes in net assets available for benefits as non-exchange income in accordance with IPSAS 23: Revenue from non-exchange transactions.

(Thousands of United States dollars)

	2023	2022
Total change in fair value for financial assets designated at fair value	9 035 465	(14 739 883)
Interest income		
Interest income on cash and cash equivalents	23 820	8 447
Interest income on fixed-income instruments	799 009	583 567
Total interest income	822 829	592 014
Total dividend income	855 260	830 219
Total income from unitized real estate funds	76 571	85 982
Transaction costs		
Real assets and alternative investment management fees	(196 385)	(170 752)
External managers' management fees	(17 017)	(14 803)
Brokerage commissions	(8 340)	(11 285)
Other transaction costs	(1 892)	(3 498)
Total transaction costs	(223 634)	(200 338)
Withholding tax	880	(24 560)
Other investment-related expenses, net	(2 139)	(1 264)
Net investment income/(loss)	10 565 232	(13 457 830)

160. The tables below present the change in the fair value of investments by asset class as a result of changes in market price and currency exchange rates for the years ended 31 December 2023 and 31 December 2022.

(Thousands of United States dollars)

	2023			2022		
	Market price	Currency ^a	Total change	Market price	Currency ^a	Total change
Equities	8 236 615	125 383	8 361 998	(10 697 469)	(860 099)	(11 557 568)
Fixed income ^b	610 565	2 756	613 321	(2 986 009)	(111 672)	(3 097 681)
Real assets investments	(531 473)	25 659	(505 814)	230 378	(67 868)	162 510
Alternative investments	551 331	20 716	572 047	(204 432)	(30 093)	(234 525)
Cash, cash equivalents and receivable and payable from investments traded	—	(6 087)	(6 087)	—	(12 619)	(12 619)
Total change in fair value for financial assets designated at fair value	8 867 038	168 427	9 035 465	(13 657 532)	(1 082 351)	(14 739 883)

^a Change in currency exchange (loss)/gain includes a realized currency exchange loss of \$218.9 million (2022: loss of \$482.0 million) and an unrealized currency exchange gain of \$387.3 million (2022: loss of \$600.3 million).

^b Change in market price for fixed-income includes a gain of \$0.026 million on to-be-announced mortgage-backed securities accounted for as derivative instruments.

Note 14
Pension contributions

161. Pension contributions received in the period are broken down as follows:

(Thousands of United States dollars)

	2023	2022
Contribution from participants		
Regular contributions	1 129 928	1 034 508
Contributions for validation	853	722
Contributions for restoration	4 858	5 240
	1 135 639	1 040 470
Contributions from member organizations		
Regular contributions	2 259 856	2 069 016
Contributions for validation	1 714	1 444
	2 261 570	2 070 460
Other contributions		
Contributions for participants transferred in under agreements	2 475	3 137
Receipts of excess actuarial value over regular contributions	198	596
Other contributions/adjustments	8 987	6 608
	11 660	10 341
Total contributions for the period	3 408 869	3 121 271

162. The contributions received vary on the basis of changes in the number of participants, changes in the distribution of participants, changes in pensionable remuneration rates as a result of cost-of-living increases determined by ICSC, and the periodic step-increase to individual pensionable remuneration received by all participants.

Note 15
Pension benefits

163. Pension benefits during the period are broken down as follows:

(Thousands of United States dollars)

	2023	2022
Withdrawal settlements and full commutation of benefits		
For contributory service of 5 years or less	53 826	50 188
For contributory service of more than 5 years	158 537	123 725
	212 363	173 913
Retirement benefits		
Full retirement benefits	1 800 358	1 574 112
Early retirement benefits	885 257	806 338
Deferred retirement benefits	143 064	127 773
Disability benefits	120 771	107 139

	2023	2022
Survivor benefits	338 587	304 932
Child benefits	41 887	38 983
	3 329 924	2 959 277
Other benefits/adjustments		
Payments for participants transferred out under agreements	3 537	4 110
Forfeitures	(12 699)	(5 975)
Other benefits/adjustments	(5 725)	(3 078)
	(14 887)	(4 943)
Total pension benefits for the period	3 527 400	3 128 247

Note 16

Administrative expenses

164. Administrative expenses in 2023 and 2022 are as follows:

(Thousands of United States dollars)

	2023				
	<i>Secretariat of the Pension Board</i>	<i>Pension Administration</i>	<i>Office of Investment Management</i>	<i>Audit</i>	<i>Total</i>
Established posts (excluding change in the value of the after-service health insurance liability)	631	37 186	26 592	–	64 409
Changes in the value of the after-service health insurance liability	53	5 633	3 014	88	8 788
Other staff costs	1	1 793	2 256	–	4 050
Hospitality	–	–	1	–	1
Consultants	13	111	435	–	559
Travel	345	361	280	–	986
Contractual services	6	17 791	20 365	–	38 162
General operating expenses	102	8 212	4 962	–	13 276
Supplies and materials	–	35	14	–	49
Furniture and equipment	3	597	402	–	1 002
Audit costs (excluding change in the value of the after-service health insurance liability)	–	–	–	1 681	1 681
Total administrative expenses	1 154	71 719	58 321	1 769	132 963

(Thousands of United States dollars)

	2022				
	<i>Secretariat of the Pension Board</i>	<i>Pension Administration</i>	<i>Office of Investment Management</i>	<i>Audit</i>	<i>Total</i>
Established posts (excluding change in the value of the after-service health insurance liability)	640	30 521	20 334	–	51 495
Changes in the value of the after-service health insurance liability	(164)	(15 923)	(6 841)	(420)	(23 348)
Other staff costs	11	3 295	1 978	–	5 284
Hospitality	–	–	1	–	1
Consultants	2	68	–	–	70
Travel	231	243	223	–	697
Contractual services	56	16 372	18 935	–	35 363
General operating expenses	102	6 579	3 979	–	10 660
Supplies and materials	–	19	18	–	37
Furniture and equipment	–	214	485	–	699
Audit costs (excluding change in the value of the after-service health insurance liability)	–	–	–	2 082	2 082
Total administrative expenses	878	41 388	39 112	1 662	83 040

Note 17**Other expenses**

165. Other expenses during the period are as follows:

(Thousands of United States dollars)

	2023	2022
Emergency fund expense	43	29
Provision for unrecoverable overpayments of benefits	1 439	1 636
Total other expenses	1 482	1 665

Note 18**Write-offs, ex-gratia payments and losses**

166. During the year 2023, the write-offs, in accordance with the Regulations and Administrative Rules of the Fund and with the procedures on recovery and write-off of pension benefit overpayments, including overpayments in two-track cases due to a change in country of residence as approved by the Chief Executive, amounted to \$785,620 (2022: \$1,479,987).

167. There were no ex-gratia payments or losses from fraud during the years 2023 or 2022.

Note 19**Actuarial situation of the Fund**

(see also note 1.5)

168. The Fund provides retirement, death, disability and related benefits for staff of the United Nations and other organizations admitted to membership in the Fund.

Accumulated (promised) plan benefits represent the total actuarial present value of those estimated future benefits that are attributable under the Fund's provisions to the service staff have rendered as at the valuation date. Accumulated plan benefits include benefits to be paid to: (a) retired or terminated staff or their beneficiaries; (b) beneficiaries of staff who have died; and (c) present staff or their beneficiaries.

169. Benefits payable under all circumstances – retirement, death, disability and termination of employment – are included to the extent that they are deemed attributable to service that staff have rendered as at the valuation date.

170. The actuarial present value of accumulated (promised) plan benefits is determined by independent actuaries and the amount is derived by applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

171. In preparation for the adoption of IPSAS 49, the actuarial present value of accumulated plan benefits as at 31 December 2023 has been calculated to take into account future increases in pensionable remuneration. Such a basis is optional under paragraph 35 (d) of International Accounting Standard 26 and, previously, the Fund had reported the actuarial present value of accumulated plan benefits without any future increases in pensionable remuneration. As part of the transition to IPSAS 49 and change in the calculation of actuarial present value of accumulated benefits under International Accounting Standard 26, for this reporting year only, the actuarial present value of accumulated benefits as at 31 December 2022 is reported both with and without future increases in pensionable remuneration.

172. In previous years, the actuarial present value of accumulated benefits was reported with and without pension adjustments (see note 1.11 for the description of the pension adjustment system). Since reasonable expectations have been set with beneficiaries with regard to the future continuation of pension adjustments, the actuarial present value of accumulated plan benefits is now reported only with pension adjustments.

173. The Fund is applying the guidance included in paragraph 28 (b) of International Accounting Standard 26 and discloses the actuarial present value of promised retirement benefits in the notes to its financial statements.

Key assumptions

174. The significant actuarial assumptions used in the valuation as at 31 December 2023 include:

- Life expectancy of participants (2017 United Nations mortality tables adjusted for forecast improvements in mortality)
- Age-specific retirement and turnover assumptions
- Additional assumptions regarding percentage of benefit commuted and percentage of participants who are married, among others
- Annual investment return of 6.0 per cent, which serves as the discount rate for liabilities
- Annual rate of 2.6 per cent for cost-of-living increases in pensions.

175. These key assumptions were recommended by the Committee of Actuaries and adopted by the Pension Board at its seventy-fifth session, in July 2023. The foregoing actuarial assumptions are based on the presumption that the Fund will continue. Were

the Fund to be terminated, different actuarial assumptions and other factors may be applicable in determining the actuarial present value of accumulated plan benefits.

Statement of accumulated benefits

176. The actuarial present value of accumulated plan benefits as at 31 December 2023 and 31 December 2022 is as follows:

(Thousands of United States dollars)

	31 December 2023	31 December 2022	
	With future increases in pensionable remuneration	With future increases in pensionable remuneration	Without future increases in pensionable remuneration
Actuarial value of vested benefits			
Participants currently receiving benefits	44 204 448	38 368 048	38 368 048
Vested terminated participants	2 311 989	1 918 372	1 918 372
Active participants	30 182 287	28 938 291	28 938 291
Total vested benefits	76 698 724	69 224 711	69 224 711
Non-vested benefits	14 246 465	11 896 077	1 374 073
Total actuarial present value of accumulated plan benefits	90 945 189	81 120 788	70 598 784

Information on participation in the Fund

177. The last valuation was provided by the consulting actuaries as at 31 December 2023 on the basis of the participation shown below.

	As at 31 December 2023
Active participants accruing benefits	
Number	138 102
Annual remuneration (thousands of United States dollars)	14 675 326
Average remuneration (United States dollars)	106 264
Inactive participants no longer accruing benefits	
Number	11 746
Annual benefits payable at normal retirement age (thousands of United States dollars)	113 900
Average benefit payable at normal retirement age (United States dollars)	9 697
Retired participants and beneficiaries	
Number	86 013
Annual benefits (thousands of United States dollars)	3 197 540
Average benefit (United States dollars)	37 175

Note 20
Commitments and contingencies

20.1 Investment commitments

178. As at 31 December 2023 and 31 December 2022, the Fund was committed to the following investment commitments:

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Real estate funds	2 744 466	2 850 580
Private equity	4 284 639	4 560 267
Infrastructure funds	64 556	87 812
Timberland funds	3 770	3 770
Total commitments	7 097 431	7 502 429

179. In the private equity, real estate, infrastructure and timberland investments, funds are drawn down in accordance with the terms and conditions of the fund agreements. The fund agreements are unique to each individual investment. Funds are drawn down to: (a) fund investments in assets that have been purchased or are being contracted for purchase; and (b) pay fees earned by the general partner or manager under the terms and conditions of the fund agreement.

20.2 Lease commitments

180. As at 31 December 2023 and 31 December 2022, the Fund was committed to the following lease commitments:

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Obligations for property leases		
Less than 1 year	4 137	8 274
1-5 years	24 895	20 080
Greater than 5 years	25 892	34 523
Total property lease obligations	54 924	62 877

20.3 Legal or contingent liabilities and contingent assets

181. The contingent liabilities arising from legal actions and claims on pension benefit entitlements amounted to approximately \$415,000 as at 31 December 2023.

182. Contingent assets are excluded from the statement of net assets available for benefits on the basis that the inflow of economic benefits is not virtually certain but reliant on the incurrence of an event outside of the control of the Fund. There were no contingent assets as at 31 December 2023 or 31 December 2022.

Note 21**Risk assessment**

183. The Fund's activities expose it to a variety of financial risks, including but not limited to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk).

184. The Fund's investment risk management programme is intended to measure and monitor the risk to which the Fund is exposed and to minimize potential adverse effects on the Fund's financial performance, consistent with the Fund's strategic asset allocation policy. The Investments Committee provides advice to the Representative of the Secretary-General on investment strategy and reviews the investments of the Fund at its quarterly meetings. The Committee advises on long-term policy, asset allocation and strategy, diversification by type of investment, currency and economic sector and any other matters.

185. The Fund commenced its engagement with derivative instruments to manage risk and improve the overall efficiency of its investments.

186. The Fund uses appropriate methods to measure, monitor and manage the various types of financial risks to which it is exposed. These methods are explained below.

21.1 Credit risk

187. Credit risk is defined as the potential risk that a counterparty will fail to meet its obligations in accordance with agreed terms, resulting in a loss. The risk of a counterparty not fulfilling its obligations to another in a timely manner is a risk that all obligors face. Ensuring adequate control over credit risk and effective risk management is critical to the long-term sustainability of the Fund. The Fund manages risk by addressing the following important areas:

- Approving and maintaining appropriate credit exposure measurement and monitoring standards
- Establishing limits for amounts and concentrations of credit risk, and monitoring and implementing a review process for credit exposure
- Ensuring adequate controls over credit risk.

188. The Fund is primarily exposed to credit risk in its fixed-income asset class. The Fund manages credit risk in line with the authorized investment policy statement and the relevant fixed-income investment benchmarks. The benchmark requires at least one well-known credit rating agency (S&P, Moody's or Fitch) to have rated the issue/issuer.

189. The tables below provide a summary of the credit ratings obtained from rating agencies (Moody's, S&P or Fitch) for the Fund's fixed-income portfolio as at 31 December 2023 and 31 December 2022. The Fund uses Moody's issue ratings as the primary source for the information shown in the tables. If the issue is not rated, then the Moody's issuer rating is used. If the issue/issuer is not evaluated by Moody's, then issue/issuer ratings are obtained from S&P or Fitch.

(Thousands of United States dollars)

Fixed income	As at 31 December 2023					Total
	Aaa/AA to Aa3/AA-	A1/A+ to A3/A-	Baa1/BBB+ to Baa3/BBB-	Ba1/BB+ to B3/B-	Not rated ^a	
Government and agency securities	19 992 875	303 134	588 073	163 389	29 004	21 076 475
Asset-backed securities	114 432	—	—	—	—	114 432
Corporate bonds/commercial paper	470 078	2 784 371	2 391 601	111 051	—	5 757 101
Municipal/provincial bonds	162 039	41 225	250	—	—	203 514
Commercial mortgage-backed	384 458	6 567	—	—	—	391 025
Funds – corporate bonds	—	—	—	—	—	—
To-be-announced mortgage-backed securities	50	—	—	—	—	50
Total	21 123 932	3 135 297	2 979 924	274 440	29 004	27 542 597
Percentage	76.69	11.38	10.82	1.00	0.11	100.00

^a Six Russian Federation bonds amounting to \$29.0 million were not evaluated by any credit rating agency.

(Thousands of United States dollars)

Fixed income	As at 31 December 2022					Total
	Aaa /AA to Aa3/AA-	A1/A+ to A3/A-	Baa1/BBB+ to Baa3/BBB-	Ba1/BB+ to B3/B-	Not rated ^a	
Government and agency securities	17 945 251	216 104	447 261	132 423	26 543	18 767 582
Asset-backed securities	151 173	—	—	—	—	151 173
Corporate bonds/commercial paper	373 672	2 180 308	1 972 912	57 814	—	4 584 706
Municipal/provincial bonds	141 374	26 711	2 399	—	—	170 484
Commercial mortgage-backed	405 252	—	—	—	—	405 252
Funds – corporate bonds	—	—	—	—	52 755	52 755
Total	19 016 722	2 423 123	2 422 572	190 237	79 298	24 131 952
Percentage	78.80	10.04	10.04	0.79	0.33	100.0

^a Six Russian Federation bonds amounting to \$26.5 million and one bond fund amounting to \$52.7 million were not evaluated by any credit rating agency.

190. A maturity analysis of fixed-income securities as at 31 December 2023 and 31 December 2022 is presented as follows:

(Thousands of United States dollars)

Maturity	31 December 2023	31 December 2022
Less than 1 year	2 346 078	2 990 716
1-5 years	8 042 664	7 286 058
5-15 years	6 501 583	4 988 825
Greater than 15 years	10 652 272	8 866 353
Total	27 542 597	24 131 952

191. To effectively minimize credit risk for derivatives, the Fund allows transactions only with counterparties holding an investment grade rating from well-known credit rating agencies such as S&P, Moody's or Fitch. As at 31 December 2023, one to-be-announced mortgage-backed security with contractual settlement in January 2024 was held with an investment grade-rated counterparty.

21.2 Liquidity risk

192. Liquidity risk is the risk of not being able to meet the cash requirements for the Fund's obligations. Cash requirements can arise from settlement needs for various investment trades, capital calls from uncalled or unfunded commitments, and benefit payment disbursements in various currencies. The Fund manages its liquidity risk by investing the vast majority of its investments in liquid securities.

21.3 Market risk

193. As per IPSAS 41, the definition of market risk is the risk that the future cash flows or fair value of an asset will vary due to changes in market prices. Market risk contains three types of risk: interest rate risk, currency risk and price risk. The Fund has adopted value at risk (VaR) as a parameter to measure the market risk, in addition to standard deviation and tracking risk. VaR is a universally accepted parameter to communicate market risk for financial and asset management institutions. The Fund also has risk tolerance for investment risks in the investment policy approved by the Representative of the Secretary-General. On the basis of this risk tolerance, a risk budget has been assigned to each portfolio manager. The risk budget is modified once a year.

194. VaR, as a single number, summarizes the portfolio's exposure to market risk and the probability of an adverse move or, in other words, level of risk. The main purpose of VaR is to assess market risks that result from changes in market prices. There are three key characteristics of VaR: (a) the amount (in percentage or dollar terms); (b) the time horizon (in this case, one year); and (c) the confidence level (in this case, 95 per cent). When reported as 95 per cent confidence, the VaR 95 number (in percentage or in dollar terms) indicates that there is a 95 per cent chance that portfolio losses will not exceed the given VaR 95 number (in percentage or dollar terms) over a year. In addition, the Fund reports tail risk or expected shortfall, which measures the average expected loss for the 5 per cent of the time when the losses exceed VaR 95. The Fund also reports contribution to risk. Considering the risk of the whole Fund as 100 per cent, contribution to risk indicates how much of the risk is contributed by that asset class. Contribution to risk is additive (all contributions will add up to 100 per cent). VaR 95 is not additive, due to the diversification effect.

195. The table below depicts four important aspects of risk. It shows volatility or standard deviation in percentage, followed by VaR(95) for the given portfolio in percentage terms. Contribution to risk indicates how much each asset class contributes to the total Fund risk. Clearly, total Fund risk is 100 per cent and each of the asset classes below indicates the contribution to the risk. Expected shortfall at 5 per cent (because the Fund is indicating VaR at 95 per cent) indicates the average value or expected value of losses for the 5 per cent of the times when losses exceed VaR 95.

196. All numbers in the tables below are reported for a one-year term horizon. For 2023, the estimated volatility on an absolute basis (benchmark not included) of the total Fund was 10.97 per cent, the estimated VaR (95 per cent) was 16.67 per cent and the estimated expected shortfall (5 per cent) was 24.57 per cent. VaR of 16.67 per cent indicates that there is a 95 per cent chance that portfolio losses will not exceed 16.67 per cent over a year. The asset class with the lowest VaR (lowest risk) is cash and short term, followed by fixed income. The asset class with the highest VaR (highest risk) is

real assets, followed by equity and private equity. The contribution to risk statistics is driven by the asset class: (a) risk; (b) weights in portfolio; and (c) correlation with other assets in the portfolio. Accordingly, for 2023, the equity portfolio contributed 71.18 per cent to total fund risk, while fixed income contributed 5.32 per cent, real assets 12.43 per cent and private equity 11.07 per cent. As at 31 December 2023, equities represented 51.29 per cent of the net assets available for benefits.

197. All numbers in the tables below are annualized using historical simulation.

(Percentage)

Asset class	2023			
	Volatility (standard deviation)	VaR (95 per cent)	Contribution to risk	Expected shortfall (5 per cent)
Total fund	10.97	16.67	100.00	24.57
Equity	15.52	24.15	71.18	34.70
Fixed income	5.50	9.51	5.32	11.91
Cash and short term	0.09	0.14	0.00	0.26
Real assets	19.77	33.81	12.43	44.67
Private equity	14.76	23.44	11.07	33.34

Note: Figures are reported from MSCI RiskMetrics as at 29 December 2023. Percentages are rounded to the nearest two decimal places; 0.00 indicates a value smaller than 0.01 but not zero.

(Percentage)

Asset class	2022			
	Volatility (standard deviation)	VaR (95 per cent)	Contribution to risk	Expected shortfall (5 per cent)
Total fund	14.81	20.65	100.00	36.86
Equity	20.90	28.36	70.46	52.11
Fixed income	4.91	8.65	1.01	12.45
Cash and short term	0.07	0.11	0.00	0.19
Real assets	28.55	39.18	17.21	72.10
Private equity	20.60	29.82	11.32	51.98

Note: Figures are reported from MSCI RiskMetrics as at 31 December 2022. Percentages are rounded to the nearest two decimal places; 0.00 indicates a value smaller than 0.01 but not zero.

198. The decreased volatility (standard deviation), VaR (95 per cent) and expected shortfall (5 per cent) in 2023 compared with 2022 may be attributed to multiple factors, with the most notable one being the exclusion of the COVID-19 pandemic in 2023 as compared with 2022, which had been a significant driver of volatility in the equity market since March 2020.

199. Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations. Key assumptions include a one-day holding period to hedge or dispose of positions, which may not be the case for illiquid assets or may be due to adverse market conditions; a 95 per cent confidence level, which indicates that there is a 5 per cent probability of losses exceeding the VaR at 95 per cent; VaR calculated on an end-of-day basis, which does not reflect changes during the trading day; and the use of historical data and the Monte

Carlo simulation, which may not cover all possible scenarios, especially those of an exceptional nature.

Price risk

200. The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the United States dollar, the price is initially expressed in non-United States dollar-denominated currency and is then converted into United States dollars, which will also fluctuate because of changes in currency exchange rates.

201. As at 31 December 2023 and 31 December 2022, the fair value of equities exposed to price risk was as follows:

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Common and preferred stock	44 392 178	38 513 809
Funds – exchange-traded funds	816 728	672 026
Funds – common stock	62	8 479
Stapled securities	48 054	52 042
Total equity instruments	45 257 022	39 246 356

202. Considering the total Fund risk as 100 per cent, the contribution to risk due to equities was 71.18 per cent as at 31 December 2023 (2022: 70.46 per cent) of the total Fund risk and the rest was contributed by all other asset classes.

203. The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weights.

204. The Fund's equity investment portfolio by industrial sector based on the General Industry Classification Standard as at 31 December 2023 and 31 December 2022 was as follows:

(Percentage)

General Industry Classification Standard	31 December 2023		31 December 2022	
	Fund's equity portfolio	Benchmark ^a	Fund's equity portfolio	Benchmark ^a
Financials	17.43	17.22	16.70	16.70
Information technology	23.30	23.70	21.16	21.04
Communication services	7.68	7.50	7.24	7.01
Consumer discretionary	12.00	12.22	11.56	11.71
Consumer staples	6.28	6.59	7.34	7.51
Energy	0.06	0.08	0.11	0.12
Health care	12.11	12.12	14.89	14.47
Industrials	10.72	10.53	9.70	10.14
Materials	4.31	4.90	4.77	5.43
Utilities	1.61	1.84	1.84	2.20
Real estate	2.69	3.30	2.94	3.67

General Industry Classification Standard	31 December 2023		31 December 2022	
	Fund's equity portfolio	Benchmark ^a	Fund's equity portfolio	Benchmark ^a
Other	1.81	Not applicable	1.75	Not applicable
Total	100.00	100.00	100.00	100.00

^a Benchmark source: MSCI All-Country World Index, customized to exclude investments in armaments, tobacco and fossil fuels, according to sustainability policies.

205. The following table presents an analysis of the Fund's concentration of equity price risk in the Fund's equity portfolio by geographical distribution, based on the counterparty's place of primary listing or, if not listed, place of domicile.

	31 December 2023	31 December 2022
North America	66.2	64.4
Europe	14.3	14.8
Asia Pacific	8.6	9.3
Emerging markets	10.9	11.5
Total	100.0	100.0

Currency risk

206. The Fund is one of the most globally diversified pension funds in the world and therefore holds both monetary and non-monetary assets denominated in currencies other than the United States dollar, the Fund's base currency. Currency exchange risk arises as the value of financial instruments denominated in other currencies fluctuates due to changes in currency exchange rates. Management monitors the exposure to all currencies. The unrealized foreign exchange gain/loss is attributable primarily to the fluctuation in currency exchange rates during the period.

207. The Fund does not use hedging to manage its non-United States dollar-denominated currency risk exposure, because the Fund expects currency impact to net out to zero over a full market cycle, as has been the case historically. Currency risk refers to risk due to foreign exchange rate changes.

208. The tables below illustrate the foreign exchange risk exposure of the Fund by class of investments. These summarize the Fund's cash and investments at fair value as at 31 December 2023 and 31 December 2022, respectively. Net financial assets amounting to \$83.1 million in 2023 (2022: net financial liabilities of \$121.6 million) not held at fair value (see note 5) are excluded from this table. Assets held in exchange-traded funds are included as United States dollar assets.

<i>As at 31 December 2023</i>						
<i>Currency</i>	<i>Equity</i>	<i>Fixed income</i>	<i>Real assets</i>	<i>Alternative and other</i>	<i>Cash</i>	<i>Total</i>
United States dollar	33.97	30.11	6.72	7.25	0.80	78.85
Euro	3.81	—	0.67	1.22	0.01	5.71
Japanese yen	3.20	—	0.18	—	0.00	3.38
British pound sterling	1.52	—	0.14	0.12	0.00	1.78
Canadian dollar	1.19	—	0.30	—	0.00	1.49
Hong Kong dollar	1.37	—	—	—	0.00	1.37
Swiss franc	1.20	—	—	—	0.01	1.21
Australian dollar	0.90	—	0.15	—	0.00	1.05
Republic of Korea won	0.74	0.11	—	—	0.00	0.85
Indian rupee	0.78	—	—	—	0.00	0.78
Danish krone	0.41	—	—	—	0.00	0.41
Swedish krona	0.36	—	—	—	0.00	0.36
Brazilian real	0.24	0.11	—	—	0.00	0.35
Mexican peso	0.19	0.12	—	—	0.00	0.31
Chinese yuan (renminbi)	0.26	0.02	—	—	0.00	0.28
South African rand	0.18	0.07	—	—	0.00	0.25
Indonesian rupiah	0.11	0.10	—	—	0.00	0.21
Russian ruble	0.16	0.03	—	—	0.01	0.20
Thai baht	0.08	0.10	—	—	0.00	0.18
Singapore dollar	0.17	—	—	—	—	0.17
Malaysian ringgit	0.07	0.10	—	—	0.00	0.17
Polish zloty	0.05	0.06	—	—	0.00	0.11
Philippine peso	0.05	0.04	—	—	0.00	0.09
United Arab Emirates dirham	0.08	—	—	—	0.00	0.08
New Israeli shekel	0.03	0.04	—	—	0.00	0.07
Hungarian forint	0.02	0.03	—	—	0.00	0.05
Czech koruna	—	0.05	—	—	0.00	0.05
Colombian peso	0.00	0.03	—	—	0.00	0.03
Norwegian krone	0.03	—	—	—	0.00	0.03
New Zealand dollar	0.03	0.00	—	—	0.00	0.03
Chilean peso	0.01	0.02	—	—	0.00	0.03
Turkish lira	0.02	0.01	—	—	0.00	0.03
Peruvian sol	—	0.02	—	—	0.00	0.02
Romanian leu	—	0.02	—	—	0.00	0.02
Egyptian pound	—	—	—	—	0.00	0.00
African franc	—	—	—	—	0.00	0.00
Pakistani rupee	—	—	—	—	0.00	0.00
Total	51.23	31.19	8.16	8.59	0.83	100.00

Note: Percentages are rounded to the nearest two decimal places; 0.00 indicates a value smaller than 0.01 but not zero.

<i>As at 31 December 2022</i>						
<i>Currency</i>	<i>Equity</i>	<i>Fixed income</i>	<i>Real assets</i>	<i>Alternative and other</i>	<i>Cash</i>	<i>Total</i>
United States dollar	32.00	29.98	7.93	7.13	0.93	77.97
Euro	3.59	—	0.71	1.15	0.01	5.46
Japanese yen	3.22	—	0.20	—	0.00	3.42
British pound sterling	1.66	—	0.16	0.11	0.00	1.93
Hong Kong dollar	1.89	—	—	—	0.00	1.89
Canadian dollar	1.50	—	0.35	—	0.00	1.85
Swiss franc	1.26	—	—	—	0.01	1.27
Australian dollar	0.97	—	0.24	—	0.00	1.21
Republic of Korea won	0.66	0.09	—	—	0.00	0.75
Indian rupee	0.68	—	—	—	0.00	0.68
Swedish krona	0.45	—	—	—	0.00	0.45
Danish krone	0.40	—	—	—	0.00	0.40
Chinese yuan (renminbi)	0.37	—	—	—	0.00	0.37
Brazilian real	0.23	0.09	—	—	0.00	0.32
Mexican peso	0.21	0.08	—	—	0.00	0.29
South African rand	0.20	0.07	—	—	0.00	0.27
Singapore dollar	0.20	—	—	—	0.00	0.20
Thai baht	0.11	0.08	—	—	0.00	0.19
Indonesian rupiah	0.11	0.09	—	—	0.00	0.20
Malaysian ringgit	0.08	0.09	—	—	0.00	0.17
Russian ruble	0.13	0.03	—	—	0.00	0.16
Philippine peso	0.05	0.04	—	—	0.00	0.09
United Arab Emirates dirham	0.08	—	—	—	0.00	0.08
Polish zloty	0.03	0.05	—	—	0.00	0.08
New Israeli shekel	0.03	0.04	—	—	0.00	0.07
Hungarian forint	0.02	0.02	—	—	0.00	0.04
Czech koruna	—	0.04	—	—	0.00	0.04
Chilean peso	0.01	0.02	—	—	—	0.03
Norwegian krone	0.03	—	—	—	0.00	0.03
Colombian peso	0.00	0.02	—	—	0.00	0.02
New Zealand dollar	0.02	—	—	—	0.00	0.02
Romanian leu	—	0.02	—	—	0.00	0.02
Peruvian sol	—	0.02	—	—	0.00	0.02
Turkish lira	—	0.01	—	—	—	0.01
African franc	—	—	—	—	0.00	0.00
Pakistani rupee	—	—	—	—	0.00	0.00
Total	50.19	30.88	9.59	8.39	0.95	100.00

Note: Percentages are rounded to the nearest two decimal places; 0.00 indicates a value smaller than 0.01 but not zero.

Interest rate risk

209. Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Fund holds fixed-interest rate securities, floating-rate debt instruments, cash and cash equivalents that expose the Fund to interest rate risk.

210. The table below presents a summary of the Fund's relative sensitivity to interest rate changes versus its reference fixed-income benchmark. This measure of duration for the portfolio indicates the approximate percentage change in the value of the portfolio if interest rates change by 100 basis points.

	2023		2022	
	<i>Fund</i>	<i>Benchmark</i>	<i>Fund</i>	<i>Benchmark</i>
Effective duration	6.25	6.31	6.58	6.28

211. Effective duration is the sensitivity to interest rates. This means if the interest rate changes by 1 per cent, the Fund can lose or gain approximately 6.25 per cent (2022: 6.58 per cent) compared with the benchmark, which can lose or gain approximately 6.31 per cent (2022: 6.28 per cent). This arises primarily from the increase/decrease in the fair value of fixed-interest securities. Floating rate debt instruments comprise less than 3 per cent (2022: 2 per cent) of the total fixed-income investments as at 31 December 2023.

Note 22

Budget information: reconciliation between the actual amounts on a comparable basis and the statement of changes in net assets available for benefits

212. Differences between the actual amounts on a comparable basis with the budget and the actual amounts recognized in the financial statements can be classified into the following:

- (a) Basis differences, which occur when the approved budget is prepared on a basis other than the accounting basis, as stated in note 3.14;
- (b) Timing differences, which occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for the Fund for the purpose of comparison of budget and actual amounts;
- (c) Entity differences, which occur when the budget omits programmes or entities that are part of the entity for which the financial statements are prepared. There are no entity differences for the Fund.

(Thousands of United States dollars)

	2023	2022a
Actual amount on a comparable basis	124 426	112 922
Basis differences		
Asset additions/disposals	(136)	(1 721)
Depreciation, amortization and impairment	321	318
Unliquidated obligations	(2 592)	(4 392)
Prepayments	1 463	1 381

	2023	2022 ^a
Employee benefits	11 004	(25 345)
Other accruals	(1 523)	(123)
Actual amount for administrative expenses in the statement of changes in net assets available for benefits	132 963	83 040

^a Reclassified based on 2023 classifications.

213. The above reconciliation illustrates key differences between total administrative expenditure on a budget basis (modified cash basis) and total expenditure on an IPSAS basis. The main differences can be categorized as follows:

- Depreciation/amortization expense: Fixed assets and intangible assets meeting the threshold for capitalization are capitalized and depreciated/amortized over their useful lives on an IPSAS basis. Only depreciation/amortization expense is recognized over the useful lives of the asset, whereas the total expense is recognized on a budget basis at the time of acquisition
- Expense recognition: On a budget basis, expenditure is recognized at the time of disbursement or commitment as unliquidated obligations. Under IPSAS, expenses are recognized at the time goods or services are received. Unliquidated obligations for goods or services not received or prepayments are not recognized as expense. Economic services received but not yet paid for are recognized as expense under IPSAS
- Employee benefits: On a budget basis, employee benefit expenses are recognized when the benefit is paid. Under IPSAS, an expense for an employee benefit should be recognized in the period in which the benefit is earned, regardless of time of payment. IPSAS therefore recognizes expenses for post-employment benefits such as after-service health insurance, annual leave or repatriation benefits.

Note 23

Funds under management

214. Funds under management are defined as other United Nations funds for which the Fund has engaged the services of external fund managers, independent of the Fund.

215. Pursuant to General Assembly resolutions [2951 \(XXVII\)](#), by which the Assembly established the United Nations University (UNU), and [3081 \(XXVIII\)](#) and article IX of the UNU Charter ([A/9149/Add.2](#)), the Office of Investment Management is providing oversight services for the investments of the United Nations University Endowment Fund that are outsourced to BlackRock financial managers with a separate custodian bank. Formal arrangements between the Office and the Endowment Fund regarding these services have been agreed upon. Resulting funds are reflected in the accounts of UNU. There is no commingling of investment funds with those of the Fund, which are maintained separately. Costs of the Office's management advisory fees, amounting to \$50,000 per year, are reimbursed by the Endowment Fund to the Office and recorded as other investment-related income.

Note 24
Related party transactions*Key management personnel*

216. Key management personnel remunerated by the Fund for the years ended 31 December 2023 and 31 December 2022 are as follows:

		Compensation and post adjustment	Entitlements	Pension and health plans	Total remuneration	Outstanding advances against entitlements	Outstanding loans
	Number of individuals	(Thousands of United States dollars)					
2023	5	1 219	310	287	1 816	–	–
2022	5	1 141	295	272	1 708	–	–

217. Key management personnel are the Chief Executive of Pension Administration, the Representative of the Secretary-General, the Deputy Chief Executive of Pension Administration, the Chief Investment Officer and the Chief Financial Officer, given that they have the authority and responsibility for planning, directing and controlling the activities of the Fund (see note 1.2).

218. The aggregate remuneration paid to key management personnel includes net salaries, post adjustment and entitlements such as representation allowance and other allowances, assignment and other grants, rental subsidy, personal effect shipment costs, and employer pension and current health insurance contributions.

219. There were no outstanding advances against entitlements of key management personnel as at 31 December 2023 and 2022.

220. Key management personnel are also qualified for post-employment benefits (see note 11) on the same basis as other employees. The actuarial valuation of the benefits for the key management personnel are as follows:

(Thousands of United States dollars)

	31 December 2023	31 December 2022
After-service health insurance	1 425	1 252
Repatriation grant	403	300
Annual leave	250	179
Total	2 078	1 731

Other related parties

221. The following are considered related parties, and a summary of the Fund's relationship with these parties is provided below.

General Assembly

222. The General Assembly is the highest legislative body for the Fund. It reviews reports submitted by the Pension Board, approves the budgets for the Fund, decides on the admittance of new member organizations to the Fund and amends the Regulations of the Fund.

Member organizations participating in the Fund

223. Member organizations of the Fund (international, intergovernmental organizations) join the Fund by decision of the General Assembly upon the recommendation of the Pension Board and at the time of admission agree to adhere to the Regulations of the Fund. Each Fund member organization has a staff pension committee and a secretary to the committee; the committees and their secretariat are an integral part of the Fund's administration.

224. The United Nations is the largest member organization of the Fund, and the United Nations Secretariat serves as its host organization and provides administrative support services. The Fund provides services to the United Nations Staff Pension Committee secretariat. The exchange of services between the Fund and the United Nations is governed by and remunerated according to the agreed annual service-level agreements between both entities.

International Computing Centre

225. The International Computing Centre was established in January 1971 pursuant to General Assembly resolution 2741 (XXV) and provides information and communications technology services to partners and users in the United Nations system. As a partner bound by the mandate of the Centre, the Fund would be proportionately responsible for any third-party claim or liability arising from or related to service activities of the Centre as specified in the Centre's mandate. As at 31 December 2023, there were no known claims that affected the Fund. Ownership of assets is with the Centre until dissolution. Upon dissolution, the division of all assets and liabilities among partner organizations shall be agreed by the Management Committee by a formula defined at that time.

226. The role of the Centre is to:

- Provide information technology services on a full cost-recovery basis
- Assist in exploiting networking and computing technology
- Provide information management services
- Advise on questions related to information management
- Provide specialized training.

Note 25

Transition to IPSAS 41

227. The Fund implemented IPSAS 41: Financial instruments, for the first time in the financial statements for the year ending 31 December 2023. As the Fund's investments were already measured at fair value, the impact of the implementation of IPSAS 41 only related to the classification of the financial instruments and did not introduce any changes of measurement of financial instruments. The following table provides assets and liabilities measured and presented as financial instruments in accordance with IPSAS 41.

(Thousands of United States dollars)

	<i>As at 31 December 2022</i>		
	<i>Before IPSAS 41</i>	<i>Change</i>	<i>After IPSAS 41</i>
Financial assets as per statement of net assets available for benefits			
Cash and cash equivalents	749 749	–	749 749
Investments			
Equities	39 246 356	–	39 246 356
Fixed income	24 131 952	–	24 131 952
Real assets	7 492 991	–	7 492 991
Alternative and other investments	6 566 220	–	6 566 220
Contributions receivable	70 607	(70 607)	–
Accrued income from investments	195 264	–	195 264
Receivables from investments traded	75 854	–	75 854
Withholding tax receivables	60 431	–	60 431
Other assets	18 522	(18 522)	–
Total financial assets	78 607 946	(89 129)	78 518 817
Financial liabilities as per statement of net assets available for benefits			
Benefits payable	143 896	(143 896)	–
Payable from investments traded	418 750	–	418 750
After-service health insurance and other employee benefit liabilities	94 375	(94 375)	–
Other accruals and liabilities	34 360	–	34 360
Total financial liabilities	691 381	(238 271)	453 110

Annex to the notes to the financial statements

Statistics on the operations of the United Nations Joint Staff Pension Fund

Table 1
Number of participants^a

Member organization	Participants as at 31 December 2022	New entrants	Transfer		Separations	Adjustments ^b	Participants as at 31 December 2023	Percentage increase/(decrease)
			In	Out				
United Nations ^c	89 446	8 563	319	(330)	(5 893)	(302)	91 803	2.6
Food and Agriculture Organization of the United Nations ^d	15 990	1 687	114	(102)	(839)	(37)	16 813	5.2
International Organization for Migration	9 968	3 202	63	(72)	(555)	(12)	12 594	26.3
World Health Organization	11 551	1 247	105	(65)	(735)	(3)	12 100	4.8
International Labour Organization	4 406	405	43	(55)	(449)	(13)	4 337	(1.6)
International Atomic Energy Agency	2 687	206	23	(32)	(187)	–	2 697	0.4
United Nations Educational, Scientific and Cultural Organization	2 601	204	28	(39)	(200)	(3)	2 591	(0.4)
World Intellectual Property Organization	1 200	76	13	(7)	(78)	(1)	1 203	0.3
International Criminal Court	1 107	68	24	(20)	(47)	1	1 133	2.4
International Telecommunication Union	781	38	4	(3)	(61)	(4)	755	(3.3)
International Fund for Agricultural Development	665	73	20	(14)	(28)	(3)	713	7.2
International Civil Aviation Organization	725	37	2	(5)	(54)	(2)	703	(3.0)
United Nations Industrial Development Organization	703	48	1	(5)	(51)	1	697	(0.9)
World Meteorological Organization	407	41	6	(2)	(37)	–	415	2.0
International Maritime Organization	353	24	2	–	(32)	–	347	(1.7)
Comprehensive Nuclear-Test-Ban Treaty Organization	343	25	11	(12)	(26)	(1)	340	(0.9)
International Centre for Genetic Engineering and Biotechnology	174	8	1	(1)	(6)	–	176	1.2
Special Tribunal for Lebanon	186	–	–	(12)	(58)	(1)	115	(38.2)
World Tourism Organization	97	2	–	–	(7)	–	92	(5.2)
International Seabed Authority	54	6	1	–	(4)	–	57	5.6
International Centre for the Study of the Preservation and Restoration of Cultural Property	50	5	–	(4)	(5)	–	46	(8.0)
Inter-Parliamentary Union	44	3	–	–	(1)	–	46	4.6
International Tribunal for the Law of the Sea	39	2	–	–	(2)	–	39	0.0
European and Mediterranean Plant Protection Organization	21	3	–	–	(1)	(1)	22	4.8

<i>Member organization</i>	<i>Participants as at 31 December 2022</i>	<i>New entrants</i>	<i>Transfer</i>		<i>Separations</i>	<i>Adjustments^b</i>	<i>Participants as at 31 December 2023</i>	<i>Percentage increase/(decrease)</i>
			<i>In</i>	<i>Out</i>				
Wassenaar Arrangement	14	1	–	–	(1)	–	14	0.0
Total	143 612	15 974	780	(780)	(9 357)	(381)	149 848	4.3

^a The counts in the table are based on the number of participant accounts. A participant may have more than one participant account.

^b Corrections of erroneous entries from prior years.

^c United Nations Headquarters, regional offices and all funds and programmes.

^d Including the World Food Programme.

Table 2

Benefits awarded to participants or their beneficiaries during the year ended 31 December 2023

Member organization	Number of benefits awarded											
	Retirement benefit	Early retirement benefit	Deferred retirement benefit	Withdrawal settlement		Child benefit	Widow and widower benefit	Other death benefit	Disability benefit	Secondary dependency benefit	Transfer under agreement	Total
				< 5 years	> 5 years							
United Nations ^a	1 168	436	341	2 631	1 085	1 038	101	—	92	1	13	6 906
Food and Agriculture Organization of the United Nations ^b	171	73	36	410	119	157	17	—	8	1	4	996
International Organization for Migration	41	4	9	395	91	23	8	—	2	—	1	574
World Health Organization	233	72	41	263	103	151	11	—	10	—	2	886
International Labour Organization	65	37	14	253	70	31	4	—	5	—	1	480
International Atomic Energy Agency	76	18	20	57	6	23	1	—	8	1	1	211
United Nations Educational, Scientific and Cultural Organization	63	13	8	93	15	24	—	—	5	—	2	223
World Intellectual Property Organization	34	13	5	21	3	12	1	—	1	—	—	90
International Criminal Court	10	3	5	17	11	1	—	—	—	—	1	48
International Telecommunication Union	20	11	5	18	1	6	—	—	6	—	—	67
International Fund for Agricultural Development	8	1	5	11	—	1	—	—	—	—	3	29
International Civil Aviation Organization	26	5	5	11	5	8	1	—	1	—	—	62
United Nations Industrial Development Organization	28	9	2	10	—	5	—	—	2	—	—	56
World Meteorological Organization	4	3	5	22	2	2	—	—	—	—	1	39
International Maritime Organization	10	5	2	10	4	—	—	—	1	—	—	32
Comprehensive Nuclear-Test-Ban Treaty Organization	2	2	7	12	1	—	—	—	2	—	—	26
International Centre for Genetic Engineering and Biotechnology	2	1	—	1	2	2	—	—	—	—	—	8
Special Tribunal for Lebanon	1	3	14	22	18	2	—	—	—	—	—	60
World Tourism Organization	3	1	3	—	—	—	—	—	—	—	—	7
International Seabed Authority	1	—	—	3	—	3	—	—	—	—	—	7
International Centre for the Study of the Preservation and Restoration of Cultural Property	1	1	1	2	—	—	—	—	—	—	—	5
Inter-Parliamentary Union	—	1	—	—	—	—	—	—	—	—	—	1
International Tribunal for the Law of the Sea	1	1	—	—	—	—	—	—	—	—	—	2

Member organization	Number of benefits awarded											Total
	Retirement benefit	Early retirement benefit	Deferred retirement benefit	Withdrawal settlement		Child benefit	Widow and widower benefit	Other death benefit	Disability benefit	Secondary dependency benefit	Transfer under agreement	
				< 5 years	> 5 years							
European and Mediterranean Plant Protection Organization	–	–	–	1	1	–	–	–	–	–	–	2
Wassenaar Arrangement	1	–	–	–	–	–	–	–	–	–	–	1
Total	1 969	713	528	4 263	1 537	1 489	144	–	143	3	29	10 818
Table 1 separations	1 969	713	528	4 263	1 537	28	144	–	143	3	29	9 357
One-time benefits	–	–	–	4 263	1 537	–	–	–	–	–	29	5 829
Table 4 new	1 969	713	528	–	–	1 489	144	–	143	3	–	4 989

^a United Nations Headquarters, regional offices and all funds and programmes.

^b Including the World Food Programme.

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Table 3
Benefits awarded to participants or their beneficiaries during the year ended 31 December 2022

Member organization	Number of benefits awarded											
	Retirement benefit	Early retirement benefit	Deferred retirement benefit	Withdrawal settlement		Child benefit	Widow and widower benefit	Other death benefit	Disability benefit	Secondary dependency benefit	Transfer under agreement	Total
				< 5 years	> 5 years							
United Nations ^a	949	409	476	2 491	950	1 009	103	—	59	—	14	6 460
Food and Agriculture Organization of the United Nations ^b	143	64	64	259	108	108	22	—	1	—	6	775
World Health Organization	212	58	60	324	107	140	10	—	5	—	5	921
International Organization for Migration	24	2	15	307	85	17	4	—	4	—	—	458
International Labour Organization	52	24	7	166	56	20	2	—	1	—	1	329
International Atomic Energy Agency	59	22	38	68	15	19	1	—	4	—	1	227
United Nations Educational, Scientific and Cultural Organization	41	22	16	65	16	19	—	—	5	—	2	186
World Intellectual Property Organization	17	11	6	23	3	2	1	—	—	—	1	64
International Criminal Court	8	6	9	29	34	6	—	—	2	—	1	95
International Telecommunication Union	16	6	2	15	4	4	—	—	2	—	—	49
International Civil Aviation Organization	15	6	5	11	5	8	—	—	—	—	—	50
United Nations Industrial Development Organization	21	10	2	12	1	17	1	—	2	—	—	66
International Fund for Agricultural Development	9	7	4	18	—	3	—	—	2	—	3	46
World Meteorological Organization	13	6	5	13	—	8	—	—	1	—	—	46
International Maritime Organization	6	4	1	4	1	1	—	—	—	—	—	17
Comprehensive Nuclear-Test-Ban Treaty Organization	2	—	1	15	—	—	—	—	—	—	—	18
Special Tribunal for Lebanon	3	1	8	18	23	3	—	—	—	—	—	56
International Centre for Genetic Engineering and Biotechnology	4	3	—	2	1	—	—	—	—	—	—	10
World Tourism Organization	—	1	—	1	—	—	—	—	—	—	—	2
International Seabed Authority	1	—	1	2	1	—	—	—	—	—	—	5
International Centre for the Study of the Preservation and Restoration of Cultural Property	1	—	—	—	—	1	—	—	—	—	—	2
Inter-Parliamentary Union	1	—	1	—	—	1	—	—	—	—	1	4
International Tribunal for the Law of the Sea	—	1	—	2	—	1	—	—	—	—	—	4
European and Mediterranean Plant Protection Organization	1	—	—	1	—	—	—	—	—	—	—	2

Member organization	Number of benefits awarded											
	Retirement benefit	Early retirement benefit	Deferred retirement benefit	Withdrawal settlement		Child benefit	Widow and widower benefit	Other death benefit	Disability benefit	Secondary dependency benefit	Transfer under agreement	Total
				< 5 years	> 5 years							
Wassenaar Arrangement	2	–	–	–	–	2	–	–	–	–	–	4
Total	1 600	663	721	3 846	1 410	1 389	144	–	88	–	35	9 896

^a United Nations Headquarters, regional offices and all funds and programmes.

^b Including the World Food Programme.

Table 4
Analysis of periodic benefits for the year ended 31 December 2023

<i>Type of benefit</i>	<i>Total as at 31 December 2022</i>	<i>New</i>	<i>Benefits discontinued, resulting in award of survivor benefit^a</i>	<i>All other benefits discontinued</i>	<i>Adjustments^b</i>	<i>Total as at 31 December 2023</i>	<i>Per cent increase/ (decrease)</i>
Full retirement	30 204	1 969	(391)	(477)	3	31 308	3.7
Early retirement	17 510	713	(178)	(325)	1	17 721	1.2
Deferred retirement	9 498	528	(44)	(195)	(53)	9 734	2.5
Widow	12 606	115	669	(631)	3	12 762	1.2
Widower	1 273	29	104	(59)	2	1 349	6.0
Disability	1 949	143	(30)	(33)	(1)	2 028	4.1
Child	10 041	1 446	—	(1 346)	12	10 153	1.1
Child with disability	876	43	—	(24)	31	926	5.7
Secondary dependant	31	3	—	(2)	—	32	3.2
Total	83 988	4 989	130	(3 092)	(2)	86 013	2.4

^a Benefits discontinued resulting in the award of a survivor benefit can result in a greater number of survivor benefits than those discontinued. This occurs because multiple survivor benefits can be awarded as a result of the discontinuation of one main participant's terminated benefit. In addition, survivor benefits may be awarded in the year or years subsequent to the year in which a primary participant's benefit was discontinued, leading to timing differences.

^b Exceptions that affect the opening or closing balances, including benefit reinstatements, reversals back to active participation status or conversions to withdrawal settlements.

