

UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/2524
21 October 1953

ORIGINAL: ENGLISH

Eighth session
Agenda item 47 (c)

AMENDMENTS TO THE REGULATIONS FOR THE UNITED NATIONS
JOINT STAFF PENSION FUND

Question of the admission of the Interim Commission for the
International Trade Organization to membership in the Fund

Ninth report of the Advisory Committee on Administrative and
Budgetary Questions to the eighth session of the General Assembly

1. At its 380th meeting on 1 October 1953, the Fifth Committee referred to the Advisory Committee on Administrative and Budgetary Questions part II of the report of the United Nations Joint Staff Pension Board on amendments to the regulations for the Fund; part II of the report relates to the possible admission of the Interim Commission for the International Trade Organization (ICITO) to membership in the Pension Fund (A/2422, part II, paragraphs 20 to 22). The Advisory Committee was requested, in studying the matter, to take account of the statements made by various representatives in the Fifth Committee (A/C.5/SR.380).
2. The legal position as regards membership in the United Nations Joint Staff Pension Fund is clear. Under article I, 1 of the regulations, a member organization is the United Nations or a specialized agency referred to in Article 57, paragraph 2, of the Charter which has been duly admitted to the Fund. ICITO does not qualify for membership under this provision.
3. However, other considerations are also relevant. ICITO was set up by the United Nations at the close of the United Nations Conference on Trade and Employment at Havana (1947-1948), which drew up a charter for an international trade organization. At the time it was foreseen that, with the early ratification of the Havana Charter, the International Trade Organization would come into being. Regarded as a preparatory commission for a specialized agency,

ICITO has received loans from the United Nations under the authority of the Working Capital Fund resolutions adopted by the General Assembly.^{1/} It is invited, in the same way as are the specialized agencies, to attend sessions of the General Assembly and of the Economic and Social Council and, while its relationship with the Council is not of a formal character, the close working arrangement between the United Nations and the Commission has been recognized in an exchange of letters between the Executive Secretary of the Commission and the Secretary-General of the United Nations. Furthermore, the objectives of ICITO and of the General Agreement on Tariffs and Trade (the servicing of which represents the Commission's main activity) are those defined in Article 55 of the Charter of the United Nations. The Commission's close association with United Nations schemes for administrative co-ordination is, finally, referred to in the report of the Joint Staff Pension Board (A/2422, paragraph 20).

4. This matter comprises two parts: there is, first, a general question of principle: is it desirable to admit to membership an organization which is not a specialized agency as defined in Article 57 of the Charter? Secondly, there is a particular question, namely, apart from the question of principle, would it be desirable to admit ICITO to any form of participation in the Fund?

5. As regards the first part, namely, the question of principle, it seems a wise provision to limit membership in the Fund to specialized agencies that fulfil the conditions of the Pension Fund regulations (article XXVIII^{2/}). ICITO would

1/ The relevant clause reads: "The Secretary-General is authorized to advance from the Working Capital Fund... loans to specialized agencies and preparatory commissions of agencies to be established by inter-governmental agreement under the auspices of the United Nations..."

2/ Article XXVIII of the Pension Fund regulations reads:

"1. A specialized agency referred to in Article 57, paragraph 2, of the Charter shall become a member organization of the United Nations Joint Staff Pension Fund on its acceptance of these regulations, provided that agreement has been reached with the Secretary-General of the United Nations as to any payments necessary to be made by such specialized agency to the Pension Fund in respect of the new obligations incurred by the Fund through its admission, and as to the other transitional arrangements that may be necessary, including the extent to which these regulations are to be applicable to employees of the specialized agency at the time of admission to the Fund.

"2. Any agreement which the Secretary-General proposes to conclude with a specialized agency shall be communicated to the Joint Staff Pension Board by the representatives of the Secretary-General on that Board, for observations, prior to its conclusion."

not be eligible for membership under this general principle. Nevertheless, it shares several of the characteristics of a specialized agency, and this circumstance would have mitigated the objection of principle had not the Advisory Committee been conscious of the danger of creating a precedent for future, perhaps less justifiable, admissions. As regards the second part, it is clear that there is no actuarial disadvantage in ICITO's membership.

6. The Advisory Committee is not therefore in a position to make a firm recommendation in favour of ICITO's participation in the Pension Fund as a full member. It does, however, recommend that, should the Fifth Committee find that exceptional circumstances warrant the admission of ICITO, the consequential amendments to be drafted in consultation with the Joint Staff Pension Board should limit the rights of the Interim Commission to an associate membership not carrying with it representation with voting rights on the Board.

7. Finally, the Committee urges that any future applications of a similar nature should be subjected to the most careful scrutiny so as to ensure that the benefits of membership, whether full or limited, shall not be extended to organizations that have not already established over a number of years a close de facto relationship with the United Nations and may reasonably be regarded as of a permanent character.
