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UNITED NATIONS PENSION SYSTEM

Report of the Fifth Committee

Rapporteur: Mr. Carl C. PEDERSEN (Canada)

I. INTRODUCTION

1. At its 3rd plenary meeting, on 19 September 1980, the General Assembly decided to include in the agenda of its thirty-fifth session the item entitled:

"United Nations pension system:

"(a) Report of the United Nations Joint Staff Pension Board;

"(b) Report of the Secretary-General",

and to allocate it to the Fifth Committee.

2. The Committee considered the item at its 53rd, 54th, 56th, 57th and 58th meetings, from 10 to 13 December 1980. Comments made by delegations and the representatives of the Secretary-General in the course of the discussion on this item are reflected in the relevant summary records (A/C.5/35/SR.53, 54, 56, 57 and 58).

3. The Committee had before it the following documents:

(a) Report of the United Nations Joint Staff Pension Board for 1980, 1/ including the report of the Board of Auditors on the accounts of the United Nations Joint Staff Pension Fund for the year ended 31 December 1979, and containing a draft resolution proposed for adoption by the General Assembly;

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1/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 9 (A/35/9) and A/35/9/Add.1.

(b) Report of the International Civil Service Commission; 2/

(c) Report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund (A/C.5/35/41 and Corr.1);

(d) Report of the Advisory Committee on Administrative and Budgetary Questions (A/35/720);

(e) Comments of the Administrative Committee on Co-ordination on pensionable remuneration (A/C.5/35/63).

4. The reports of the Board and of the International Civil Service Commission were introduced by the respective Chairmen at the 53rd meeting of the Committee, on 10 December (A/C.5/35/SR.53). During the consideration of the item, supplementary information on various aspects of the reports was provided, at the request of several delegations, by the Chairmen of the Board and of the Commission, and by the representatives of the Secretary-General.

## II. CONSIDERATION OF PROPOSALS

5. In the course of its deliberations, the Fifth Committee considered five draft resolutions and one draft decision, as set forth below.

### A. Draft resolution recommended by the United Nations Joint Staff Pension Board (A/35/9, annex VI)

6. At its 58th meeting, on 13 December, the Committee voted on the draft resolution recommended by the Board and on the amendments thereto, as follows:

(a) It adopted without a vote an amendment proposed by Austria (A/C.5/35/L.50) to add the following:

#### "VII

"Requests the United Nations Joint Staff Pension Board to consider, in conjunction with its proposed study of aid to pensioners who, because of their advanced age, are in need of supplementary payments, measures to alleviate the situation of pensioners whose retirement in the early years of the existence of the Pension Fund resulted in pensions which have remained inadequate despite subsequent adjustments, and to submit proposals thereon, which are within the available resources of the Fund, to the thirty-sixth session of the United Nations General Assembly;"

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2/ Ibid., Supplement No. 30 (A/35/30 and Corr.1 and 2), chap. III.

(b) It adopted, by a recorded vote of 63 to 5, with 19 abstentions, an oral amendment proposed by Kenya to approve, in section VI, administrative expenses totalling \$4,723,200 for the Fund for 1981, being the amount of \$4,698,200 recommended by the Advisory Committee, increased by an amount of \$25,000 required for the two temporary assistance posts requested by the Board. The voting was as follows: 3/

In favour: Afghanistan, Algeria, Argentina, Austria, Bahamas, Bahrain, Benin, Brazil, Burundi, Byelorussian Soviet Socialist Republic, Chile, China, Costa Rica, Cuba, Czechoslovakia, Democratic Yemen, Ecuador, Egypt, Ethiopia, Gabon, German Democratic Republic, Germany, Federal Republic of, Ghana, Greece, Grenada, Guatemala, Guyana, Hungary, India, Indonesia, Jordan, Madagascar, Malawi, Malaysia, Mali, Mongolia, Mozambique, Oman, Peru, Philippines, Qatar, Romania, Saudi Arabia, Sierra Leone, Somalia, Spain, Sudan, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United Republic of Tanzania, Uruguay, Venezuela, Yugoslavia, Zaire, Zambia.

Against: Canada, France, Japan, Portugal, United States of America.

Abstaining: Australia, Barbados, Belgium, Bolivia, Central African Republic, Congo, Denmark, Finland, Ireland, Israel, Italy, Ivory Coast, Kenya, 3/ Netherlands, New Zealand, Norway, Poland, Singapore, Sweden.

(c) It adopted the draft resolution (A/35/9, annex VI), as amended, by 38 votes to none, with 1 abstention (see para. 19, draft resolution I A).

#### B. Draft resolution A/C.5/35/L.46

7. At the 57th meeting, on 12 December, the representative of the United States of America introduced a draft resolution (A/C.5/35/L.46).

8. At the 58th meeting, on 13 December, the Committee adopted draft resolution A/C.5/35/L.46 without a vote (see para. 19, draft resolution I B).

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3/ The representative of Kenya subsequently said that his vote should have been recorded as in favour.

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C. Draft resolution A/C.5/35/L.39

9. At the 56th meeting, on 12 December, the representative of the United Kingdom of Great Britain and Northern Ireland introduced a draft resolution (A/C.5/35/L.39) sponsored also by Germany, Federal Republic of, and the United States of America.

10. At the 58th meeting on 13 December, the representative of the United Kingdom proposed to accept a recommendation of the representative of New Zealand to add a new operative paragraph 2 reading as follows:

"2. Requests the Secretary-General to continue to diversify the investments of the Fund in appropriate investments in developing countries whenever this serves the interests of the participants and beneficiaries and is in accordance with the criteria of safety, profitability, liquidity and convertibility;"

and to renumber operative paragraphs 2 and 3 accordingly.

11. At the same meeting, the Committee adopted draft resolution A/C.5/35/L.39, as revised, by a recorded vote of 53 to 18, with 21 abstentions (see para. 19 draft resolution II A). The voting was as follows:

In favour: Australia, Austria, Bahrain, Barbados, Belgium, Bolivia, Canada, Costa Rica, Denmark, Ecuador, Egypt, Ethiopia, Finland, France, Germany, Federal Republic of, Greece, Grenada, Guatemala, India, Ireland, Israel, Italy, Ivory Coast, Japan, Jordan, Mexico, Morocco, Netherlands, New Zealand, Niger, Norway, Oman, Pakistan, Peru, Portugal, Qatar, Saudi Arabia, Senegal, Sierra Leone, Somalia, Spain, Sudan, Sweden, Syrian Arab Republic, Trinidad and Tobago, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United States of America, Venezuela, Yugoslavia, Zaire, Zambia.

Against: Afghanistan, Byelorussian Soviet Socialist Republic, Central African Republic, Congo, Cuba, Czechoslovakia, Democratic Yemen, German Democratic Republic, Hungary, Libyan Arab Jamahiriya, Madagascar, Mongolia, Mozambique, Panama, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Republic of Tanzania.

Abstaining: Algeria, Argentina, Bahamas, Benin, Brazil, Burundi, Chile, Gabon, Guinea, Indonesia, Kenya, Malaysia, Mali, Mauritania, Philippines, Romania, Singapore, Thailand, Togo, Tunisia, Uruguay.

D. Draft resolution A/C.5/35/L.41

12. At the 56th meeting, on 12 December, the representative of Cuba introduced a draft resolution (A/C.5/35/L.41) sponsored also by the Libyan Arab Jamahiriya, Madagascar, Mozambique, Nicaragua and Panama.

13. At its 58th meeting, on 13 December, the Committee adopted draft resolution A/C.5/35/L.41 by a recorded vote of 72 to 20, with 1 abstention (see para. 19, draft resolution II B). The voting was as follows:

In favour: Afghanistan, Algeria, Argentina, Bahamas, Bahrain, Barbados, Benin, Bolivia, Brazil, Burundi, Byelorussian Soviet Socialist Republic, Central African Republic, Chile, Congo, Costa Rica, Cuba, Czechoslovakia, Democratic Yemen, Ecuador, Egypt, Ethiopia, Gabon, German Democratic Republic, Grenada, Guatemala, Guinea, Guyana, Hungary, India, Indonesia, Ivory Coast, Jordan, Kenya, Libyan Arab Jamahiriya, Madagascar, Malaysia, Mali, Mauritania, Mexico, Mongolia, Morocco, Mozambique, Niger, Oman, Pakistan, Panama, Peru, Philippines, Poland, Qatar, Romania, Saudi Arabia, Senegal, Sierra Leone, Singapore, Spain, Sudan, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Cameroon, United Republic of Tanzania, Uruguay, Venezuela, Yugoslavia, Zaire, Zambia.

Against: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Federal Republic of, Greece, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Somalia.

E. Draft resolution A/C.5/35/L.47

14. At the 57th meeting, on 12 December, the representative of Sierra Leone introduced a draft resolution (A/C.5/35/L.47) sponsored also by Kenya.

15. At the 58th meeting, on 13 December, the representative of Sierra Leone revised the draft resolution by replacing the words "need for external financing for development projects", in the operative paragraph, by the words "developing requirements of African countries".

16. At its 58th meeting, on 13 December, the Committee adopted draft resolution A/C.5/35/L.47, as revised, without a vote (see para. 19, draft resolution II C).

F. Draft decision A/C.5/35/L.51

17. At the 57th meeting, on 12 December, the representative of Kenya introduced a draft decision (A/C.5/35/L.51).

18. At the 58th meeting on 13 December, the Committee adopted draft decision A/C.5/35/L.51 without a vote (see para. 20).

### III. RECOMMENDATIONS OF THE FIFTH COMMITTEE

19. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

#### DRAFT RESOLUTION I

##### Report of the United Nations Joint Staff Pension Board

###### A

The General Assembly,

Having considered the report of the United Nations Joint Staff Pension Board to the General Assembly and to the member organizations of the United Nations Joint Staff Pension Fund for 1980, 4/ chapter III of the report of the International Civil Service Commission 5/ and the related report of the Advisory Committee on Administrative and Budgetary Questions, 6/

###### I

##### Amendments to the Regulations of the United Nations Joint Staff Pension Fund

Decides that the Regulations of the United Nations Joint Staff Pension Fund shall be amended, without retroactive effect, from 1 January 1981, as set forth in annex VII to the report of the United Nations Joint Staff Pension Board;

###### II

##### Pension adjustment system

Decides to revise the pension adjustment system contained in General Assembly resolution 33/120 of 19 December 1978, with effect from 1 January 1981, in accordance with the recommendations of the United Nations Joint Staff Pension Board contained in section IV.C of its report to the Assembly for 1980 and in annex V thereto;

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4/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 9 (A/35/9) and A/35/9/Add.1.

5/ Ibid., Supplement No. 30 (A/35/30) and Corr.1 and 2.

6/ A/35/720.

III

Admission to membership of the International Centre for the Study  
of the Preservation and the Restoration of Cultural Property

Decides to admit the International Centre for the Study of the Preservation and the Restoration of Cultural Property to membership in the United Nations Joint Staff Pension Fund, in accordance with article 3 of the Regulations of the Fund, with effect from 1 January 1981;

IV

Transfer of pension rights

Concurs in the agreements approved by the United Nations Joint Staff Pension Board with the Governments of the Union of Soviet Socialist Republics, the Ukrainian Soviet Socialist Republic and the Byelorussian Soviet Socialist Republic, with the Organisation for Economic Co-operation and Development and with the European Centre for Medium Range Weather Forecasts, under article 13 of the Regulations of the United Nations Joint Staff Pension Fund, with respect to continuity of pension rights between these parties and the Fund;

V

Emergency Fund

Authorizes the United Nations Joint Staff Pension Board to supplement the voluntary contributions to the Emergency Fund, for a further period of one year, by an amount not exceeding \$100,000;

VI

Administrative expenses

Approves expenses, chargeable directly to the United Nations Joint Staff Pension Fund, totalling \$4,723,200 (net) for 1981, being the amount of \$4,698,200 recommended by the Advisory Committee on Administrative and Budgetary Questions, increased by an amount of \$25,000 required for the two temporary-assistance posts requested by the United Nations Joint Staff Pension Board, and supplementary expenses of \$181,700 (net) for 1980 for the administration of the Fund;

VII

Requests the United Nations Joint Staff Pension Board to consider, in conjunction with its proposed study of aid to pensioners who, because of their advanced age, are in need of supplementary payments, measures to alleviate the situation of pensioners whose retirement in the early years of the existence of the United Nations Joint Staff Pension Fund resulted in pensions which have remained inadequate despite subsequent adjustments, and to submit proposals thereon, which are within the available resources of the Fund, to the General Assembly at its thirty-sixth session.

B

The General Assembly,

Concerned over the increasing cost of pension adjustments,

Requests the United Nations Joint Staff Pension Board to take the following action and report to the General Assembly at its thirty-sixth session:

- (a) To study the procedures involved in the verification of a pensioner's residence;
- (b) To study the possibility of a methodology to verify a pensioner's residence;
- (c) To study the possibility of pro-rata divisions of pension adjustments for pensioners who spend a significant part of a retirement year in a country other than their stipulated country of residence;
- (d) To study the practice whereby individuals holding United Nations special service agreements or contracts receive a fee and a pension simultaneously from the United Nations or the specialized agencies.

DRAFT RESOLUTION II

Investments of the United Nations Joint Staff Pension Fund

A

The General Assembly,

Recalling its resolution 34/222 of 20 December 1979,

Mindful of the interests of the participants and beneficiaries of the United Nations Joint Staff Pension Fund and of the morale and efficiency of the international civil service,



Noting that a policy of prudent, world-wide diversification of the investments of the United Nations Joint Staff Pension Fund serves the interests of the participants and beneficiaries,

1. Takes note with appreciation of the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund;
2. Requests the Secretary-General to continue to diversify the investments of the Fund in appropriate investments in developing countries whenever this serves the interests of the participants and beneficiaries and is in accordance with the criteria of safety, profitability, liquidity and convertibility;
3. Reaffirms its confidence in the Secretary-General as trustee of the assets of the Fund.

B

The General Assembly,

Recalling its resolutions 31/197 of 22 December 1976, 32/73 A of 9 December 1977, 33/121 of 19 December 1978 and 34/222 of 20 December 1979, in which it requested the Secretary-General to ensure that the resources which the United Nations Joint Staff Pension Fund holds invested in transnational corporations are invested on safe terms and, to the greatest extent practicable, in sound investments in developing countries,

Taking note of the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund, 7/

Having considered the report of the United Nations Joint Staff Pension Board on the United Nations Joint Staff Pension Fund, 8/

Reaffirming the fiduciary responsibility of the Secretary-General for the interests of the participants and beneficiaries of the United Nations Joint Staff Pension Fund under the Regulations and Rules of the Fund,

Reaffirming its belief that the diversification of investments of the United Nations Joint Staff Pension Fund in developing countries and development agencies can facilitate the attainment of the objectives and purposes of the organizations of the United Nations system without affecting the profitability of the investments of the Fund,

Noting with concern that investments in shares of transnational corporations have been maintained at an appreciable level,

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7/ A/C.5/35/41 and Corr.1.

8/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 9 (A/35/9) and A/35/9/Add.1.

1. Commends the efforts of the Secretary-General, as trustee of the assets of the Fund, to fulfil the mandate given to him to diversify the investments of the United Nations Joint Staff Pension Fund and to ensure, in consultation with the Investments Committee, that the resources which the Fund holds invested in shares of transnational corporations are reinvested in developing countries to the greatest extent practicable, subject to careful observance of the requirements of safety, profitability, liquidity and convertibility, and in conformity with the Regulations of the Fund;

2. Requests the Secretary-General to continue and accelerate the efforts mentioned in paragraph 1 above and to report on those efforts to the General Assembly at its thirty-sixth session;

3. Decides that, as from the thirty-seventh session of the General Assembly, a detailed biennial inventory of the investments of the United Nations Joint Staff Pension Fund shall be made with a view to finding ways and means of strengthening its operations in conformity with the Regulations of the Fund and the relevant resolutions of the General Assembly.

C

The General Assembly,

Recalling its resolutions 33/121 B of 19 December 1978 and 34/222 B of 20 December 1979,

Taking note of the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund, 9/

Requests the Secretary-General to continue to consult with the Governments of all States members of the Organization of African Unity, as well as financial institutions in Africa, with a view to making substantial investments in Africa on safe and profitable terms in keeping with the developing requirements of African countries.

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20. The Fifth Committee also recommends to the General Assembly the adoption of the following draft decision:

Special index for pensioners

The General Assembly takes note of the recommendations of the Advisory Committee on Administrative and Budgetary Questions in paragraph 33 of its report, 10/ and requests the International Civil Service Commission, in co-operation with the United Nations Joint Staff Pension Board, to give high priority to the elaboration of a special index for pensioners, including the impact of national taxation, and to report thereon to the General Assembly at its thirty-sixth session.

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9/ A/C.5/35/41 and Corr.1.

10/ A/35/720.