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UNITED NATIONS PENSION SYSTEM

Membership of the Investments Committee

Report of the Secretary-General

1. The Secretary-General has taken note of the following decision adopted by the General Assembly at its 2440th plenary meeting on 15 December 1975:

"The General Assembly requests the United Nations Joint Staff Pension Board to review article 20 of the Regulations of the United Nations Joint Staff Pension Fund in order to provide for a wider and more equitable geographical distribution of the membership of the Investments Committee and, if necessary, to increase the Committee's membership, and to submit its proposals to the Assembly at its thirty-first session together with the views of the Secretary-General." ^{1/} 1/

2. As requested by that decision of the General Assembly, the United Nations Joint Staff Pension Board, at its twenty-first session, reviewed article 20 of the Regulations and Rules of the Pension Fund and is proposing to the General Assembly that article 20 be amended to increase the membership of the Investments Committee from six to nine. ^{2/} The Board is of the opinion that, considering the wide geographical range of the Fund's investments, there is likely to be advantage in having that reflected in the composition of the Investments Committee. However, the Board also recognizes that investment emphasis will vary from market to market and that optimum combinations of professional expertise may differ in changing economic conditions. Accordingly, the Board believes that, while the composition of the Committee should broadly reflect the various geographical regions as defined by the United Nations for other purposes,

^{1/} Official Records of the General Assembly, Thirtieth Session, Supplement No. 34 (A/10034), p. 147.

^{2/} Official Records of the General Assembly, Thirty-first Session, Supplement No. 9 (A/31/9), p. 21.

sufficient flexibility should nevertheless be permitted to the Secretary-General in selecting his advisers to enable the Committee to respond most effectively to the Fund's needs at different times. In view of these considerations, the Board recommends that the statutory membership of the Investments Committee be increased from six to nine, as a provision for a somewhat larger Committee would facilitate the task of the Secretary-General.

3. The Secretary-General concurs in the Board's recommendations. Moreover, the Secretary-General believes that, in providing for a wider and more equitable geographical distribution of the membership of the Investments Committee, he should, nevertheless, be permitted adequate flexibility to select advisers who, through their intimate knowledge of specific areas and industries in which the Fund's investments should be made at any given time, can best provide him with the soundest investment advice.

4. The Secretary-General also notes that the Board has recommended staggered terms of office, in accordance with past practice, so that one third of the membership would be appointed, or reappointed, each year. It is important that continuity of investment advisers be made available to the Secretary-General, if he is to manage the Fund effectively.

5. The terms of office of two of the present six members of the Committee expire at the end of this year. Accordingly, if the General Assembly should decide at its present session to increase the statutory membership of the Investments Committee to nine, the Secretary-General will appoint five members to the Investments Committee, after consultation with the Pension Board and the Advisory Committee on Administrative and Budgetary Questions, and submit their appointments to the General Assembly for confirmation. If, however, the General Assembly should decide not to change the number from the six presently specified in article 20, the Secretary-General will appoint only two members and will submit them for confirmation.
