



UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/33/481
13 December 1978

ORIGINAL: ENGLISH

Thirty-third session
Agenda item 112

UNITED NATIONS PENSION SYSTEM

Report of the Fifth Committee

Rapporteur: Mr. Hamzah Mohammed HAMZAH (Syrian Arab Republic)

I. INTRODUCTION

1. At its 4th and 5th plenary meetings, on 22 September 1978, the General Assembly decided to include in the agenda of its thirty-third session the following item:

"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 38th, 41st and 44th to 51st meetings, from 21 November to 5 December 1978. 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.5/33/SR.38, 41 and 44-51).

3. For its consideration of item 112, the Committee had before it the following documents:

(a) Report of the United Nations Joint Staff Pension Board for 1978, 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 1977, and containing a draft resolution proposed for adoption by the General Assembly;

1/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 9 (A/33/9 and Corr.1) and A/33/9/Add.1.

(b) Report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund with particular reference to developing countries (A/C.5/33/7);

(c) Report of the Advisory Committee on Administrative and Budgetary Questions (A/33/375), including an alternative draft resolution recommended for adoption by the General Assembly.

4. The reports of the Board and of the Advisory Committee were introduced by the Chairmen of those organs at the 38th meeting of the Committee (A/C.5/33/SR.38, paras. 34-54). 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 Advisory Committee, and by the Assistant Secretary-General for Financial Services.

II. CONSIDERATION OF DRAFT RESOLUTIONS

A. Draft resolution recommended by the United Nations Joint Staff Pension Board 2/

5. At the 47th meeting, on 30 November 1978, the representative of the Federal Republic of Germany introduced an amendment (A/C.5/33/L.16), subsequently co-sponsored also by the United Kingdom of Great Britain and Northern Ireland, to section I of the resolution proposed by the United Nations Joint Staff Pension Board, by adding thereto a paragraph 2 reading as follows:

"2. Decides further to extend the application of the supplementary measures contained in paragraphs 33 and 34 of the report of the United Nations Joint Staff Pension Board and in paragraphs 29 and 30 of annex V thereto to beneficiaries whose entitlements began at any time during the calendar year 1978."

6. At its 51st meeting, on 5 December 1978, the Committee rejected the amendment (A/C.5/33/L.16) by 32 votes to 14, with 35 abstentions.

B. Draft resolution recommended by the Advisory Committee on Administrative and Budgetary Questions (A/33/375, annex II)

7. At the 49th meeting, the representative of the Union of Soviet Socialist Republics introduced an amendment (A/C.5/33/L.23) to the draft resolution recommended by the Advisory Committee (A/33/375, annex II), by which a new preambular paragraph was added reading as follows:

2/ Ibid., Supplement No. 9 (A/33/9 and Corr.1), annex VI.

"Reaffirming that no change in the pension adjustment system should entail an increase in the present or future liabilities of Member States."

8. At the 51st meeting, the Committee adopted the amendment (A/C.5/33/L.23) by 33 votes to 12, with 38 abstentions.

9. At the 51st meeting, the Committee rejected, by 66 votes to 1, with 16 abstentions, a proposal by the representative of the Philippines that the draft resolution proposed by the United Nations Joint Staff Pension Board 3/ should be voted upon before that recommended by the Advisory Committee (A/33/375, annex II).

10. At the same meeting, the Committee adopted the draft resolution recommended by the Advisory Committee (A/33/375, annex II), as amended, by 80 votes to none, with 8 abstentions (see para. 15 below, draft resolution I).

C. Draft resolution A/C.5/33/L.22

11. At the 49th meeting, on 4 December, the representative of Cuba introduced a draft resolution (A/C.5/33/L.22).

12. At the 50th meeting, on 5 December, the Committee adopted draft resolution A/C.5/33/L.22 by a recorded vote of 71 to 16, with 15 abstentions (see para. 15 below, draft resolution II A). The result of the voting was as follows:

In favour: Afghanistan, Algeria, Argentina, Bahrain, Benin, Bhutan, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cape Verde, Chad, Chile, Colombia, Congo, Costa Rica, Cuba, Czechoslovakia, Democratic Yemen, Egypt, Ethiopia, German Democratic Republic, Ghana, Guyana, Haiti, Hungary, India, Indonesia, Iran, Iraq, Jordan, Kenya, Kuwait, Libyan Arab Jamahiriya, Madagascar, Malawi, Mauritania, Mexico, Mongolia, Morocco, Mozambique, Niger, Nigeria, Oman, Pakistan, Panama, Peru, Poland, Qatar, Romania, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, Spain, Sudan, Swaziland, Syrian Arab Republic, Trinidad and Tobago, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Uruguay, Venezuela, Yemen, Yugoslavia, Zambia.

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

Abstaining: Bahamas, Barbados, Finland, Greece, Israel, Ivory Coast, Liberia, Malaysia, Norway, Philippines, Sweden, Thailand, Togo, Tunisia, Zaire.

D. Draft resolution A/C.5/33/L.24

13. At the 49th meeting, the representative of Chad introduced a draft resolution (A/C.5/33/L.24) sponsored by Algeria, Benin, Burundi, the Central African Empire, Chad, the Congo, Egypt, Ethiopia, Ghana, the Ivory Coast, Kenya, the Libyan Arab Jamahiriya, Mauritania, Morocco, Mozambique, Nigeria, Senegal, Sierra Leone, Somalia, Togo, Tunisia, Uganda, the United Republic of Tanzania, the Upper Volta and Zambia, subsequently joined by the United Republic of Cameroon, Madagascar, Mali and the Niger, which read as follows:

"The Fifth Committee,

"Recalling General Assembly resolution 32/73 (B),

"Taking note of the results so far achieved by the Secretary-General in his efforts to initiate negotiations with financial institutions in Africa with the view to investing some of the portfolio of the United Nations Joint Staff Pension Fund directly in Africa on safe and profitable terms,

"Requests the Secretary-General to intensify the contacts and inquiries with institutions and governments in Africa with the view to increasing substantially the amount already invested in Africa and report on the matter to the General Assembly at its thirty-fourth session."

The draft resolution was subsequently orally revised by the sponsors.

14. At the 51st meeting, the Committee adopted by consensus draft resolution A/C.5/33/L.24 as orally revised (see para. 15 below, draft resolution II B).

III. RECOMMENDATIONS OF THE FIFTH COMMITTEE

15. 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

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 1978 4/ and the related report of the Advisory Committee on Administrative and Budgetary Questions, 5/

4/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 9 (A/33/9 and Corr.1) and A/33/9/Add.1.

5/ A/33/375.

Reaffirming that no change in the pension adjustment system should entail an increase in the present or future liabilities of Member States,

I

Adjustment of benefits in respect of cost-of-living changes

Decides to revise the system of adjustment of benefits in payment contained in General Assembly resolution 3354 (XXIX) of 18 December 1974 and previous resolutions on the same subject, with effect from 1 January 1979, in accordance with the recommendations of the United Nations Joint Staff Pension Board contained in paragraphs 18 to 46 of its report to the Assembly for 1978 and in annex V thereto;

II

Transfer of pension rights

Concurs in the agreement approved by the United Nations Joint Staff Pension Board with the Government of Canada, under article 13 of the Regulations of the United Nations Joint Staff Pension Fund, with respect to continuity of pension rights between that Government and the Fund;

III

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;

IV

Administrative expenses

Approves expenses, chargeable directly to the United Nations Joint Staff Pension Fund, totalling \$3,726,500 (net) for 1979 for the administration of the Fund.

DRAFT RESOLUTION II

Investments of the United Nations Joint Staff Pension Fund
in transnational corporations and in developing countries

A

The General Assembly,

Recalling that, in its resolution 31/197 of 22 December 1976, it requested the Secretary-General to ensure that the resources which the United Nations Joint Staff Pension Fund holds invested in shares of transnational corporations are invested on safe and profitable terms and, to the greatest extent practicable, in sound investments in developing countries,

Recalling also that, in its resolution 32/73 A of 9 December 1977, it requested the Secretary-General to redouble his efforts, in pursuance of General Assembly resolution 31/197, to ensure that a larger proportion of the investment of the resources of the Fund is made in developing countries,

Recalling further the resolutions adopted by the United Nations and other international bodies concerning the new international economic order and transnational corporations,

Reaffirming its belief, expressed in the third preambular paragraph of its resolution 31/197 and reiterated in the fourth preambular paragraph of its resolution 32/73 A, that investments by the United Nations Joint Staff Pension Fund in shares of transnational corporations might contradict the objectives and purposes of the organizations of the United Nations system,

Having considered the report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund with particular reference to developing countries, 6/

Observing that, following the adoption of General Assembly resolution 31/197, investments by the United Nations Joint Staff Pension Fund in transnational corporations amounted to \$772 million in bonds and equities on 31 March 1977, which had declined only to \$745 million on 31 March 1978, while investments made directly in developing countries in bonds amounted to only just over \$43 million on 30 June 1978,

1. Renews its request to the Secretary-General that, in pursuance of General Assembly resolutions 31/197 and 32/73 A, he redouble his efforts to ensure that the resources which the United Nations Joint Staff Pension Fund holds invested in shares of transnational corporations are reinvested in developing countries to the greatest extent practicable and on safe and profitable terms;

2. Requests the Secretary-General to report to the General Assembly at its thirty-fourth session on the implementation of the present resolution.

B

The General Assembly,

Recalling its resolution 32/73 B of 9 December 1977,

Taking note of the results so far achieved by the Secretary-General in his efforts to initiate negotiations with financial institutions in Africa with a view to investing some of the portfolio of the United Nations Joint Staff Pension Fund directly in Africa on safe and profitable terms,

Requests the Secretary-General to intensify the contacts and inquiries with institutions and Governments in Africa with a view to increasing substantially the amount invested in Africa, under safe and profitable conditions, and to report on the matter to the General Assembly at its thirty-fourth session.
