

# GENERAL ASSEMBLY



ANNEXES

THIRTY-FOURTH SESSION

Official Records

NEW YORK, 1979

Agenda item 106:\* United Nations pension system:

- (a) Report of the United Nations Joint Staff Pension Board;\*\*  
(b) Report of the Secretary-General

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\* For the discussion of the item, see *Official Records of the General Assembly, Thirty-fourth Session, Fifth Committee*, 61st, 64th, 65th, 67th, 68th, 70th, 77th, 78th and 79th meetings, *ibid.*, *Fifth Committee, Sessional Fascicle*, corrigendum; and *ibid.*, *Plenary Meetings*, 111th meeting.

\*\* Since 1974, this question has been discussed by the General Assembly at the following sessions: twenty-ninth (agenda item 83), thirtieth (item 106), thirty-first (item 104), thirty-second (item 110) and thirty-third (item 112).

### DOCUMENT A/34/775\*

#### Report of the Fifth Committee

[Original: English]  
[17 December 1979]

1. At its 4th plenary meeting, on 21 September 1979, the General Assembly decided to include in the agenda of its thirty-fourth session the question of the United Nations pension system and to allocate it to the Fifth Committee for consideration and report.

2. At its 61st, 64th, 65th, 67th, 68th, 70th, 77th, 78th and 79th meetings, from 28 November to 12 December 1979, the Committee considered the item. Comments made by delegations and the representatives of the Secretary-General in the course of the discussion are reflected in the summary records of the meetings (A/C.5/34/SR.61, 64, 65, 67, 68, 70, 77, 78 and 79).

3. The Committee had before it the following documents:

(a) Report of the United Nations Joint Staff Pension Board for 1979 (A/34/9 and Add.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 1978, and containing a draft resolution proposed for adoption by the General Assembly (A/34/9, part one, annex V, and part two, annex III);

(b) Report of the International Civil Service Commission (A/34/30 and Corr.1);

(c) Report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund (A/C.5/34/30);

(d) Report of the Advisory Committee on Administrative and Budgetary Questions (A/34/721), annex II of which contained a draft resolution recommended for adoption by the General Assembly;

\* Incorporating document A/34/775/Corr.1 of 19 December 1979.

(e) Note by the Secretary-General (A/C.5/34/56) on the administrative and financial implications of proposals contained in document A/34/9.

4. At the 61st meeting, the Chairmen of the Pension Board and of the International Civil Service Commission introduced the reports (A/C.5/34/SR.61, paras. 46-61 and 62-66). 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 representative of the Secretary-General.

#### Consideration of proposals

5. In connexion with this item, the Fifth Committee considered four draft resolutions as set forth below.

A. DRAFT RESOLUTION RECOMMENDED BY THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (A/34/721, ANNEX II)

6. At its 78th meeting, on 12 December, the Committee took action on amendments to the text of the draft resolution as submitted by the Advisory Committee as follows:

(a) The Committee adopted, by 73 votes to 18, with 16 abstentions, the first of two amendments which had been introduced by the representative of Italy at the 77th meeting, on behalf of Colombia, Cyprus, Ethiopia, Italy, the Philippines, Trinidad and Tobago, Venezuela and Yugoslavia (A/C.5/34/L.40), whereby the words "articles 21 and 29 of" were deleted from part I of the draft resolution;

(b) The Committee adopted, without a vote, an amendment which had been introduced by the representative of Australia at the preceding meeting (A/C.5/34/L.31), whereby the following text was added at the end of part V, on interim measures:

"This authorization is given on the clear understanding that it does not create any entitlement to these additional payments or their equivalent beyond 1980 and that, should any long-term scheme adopted in 1980 result in a pension payment which would eliminate some or all of the additional payments deriving from the interim measures, the lower payment would be the one applicable for 1981 and beyond.";

(c) The Committee rejected, by 73 votes to 11, with 21 abstentions, an oral amendment which had been submitted by the United States at the 77th meeting, whereby part V of the draft resolution would be replaced by the following text:

"Decides that the United Nations Joint Staff Pension Fund shall not implement in 1980 any interim measures".

7. The Committee then considered further amendments. The second of the two amendments contained in document A/C.5/34/L.40 proposed the addition of a new part VI, the text of which read as follows:

#### "VI

"1. Requests the International Civil Service Commission and the United Nations Joint Staff Pension Board to continue in 1980 their efforts in making a comprehensive examination of the functioning, methods of establishment and adjustment and appropriate level of pensionable remuneration with a view to submitting proposals to the General Assembly at its thirty-fifth session for correcting anomalies in the United Nations pension system brought about by the current economic and monetary circumstances, and to that end

"2. Invites the International Civil Service Commission and the United Nations Joint Staff Pension Board to take full account of the views expressed on this and related matters in the Fifth Committee during the thirty-fourth session of the General Assembly."

The sponsors agreed to accept a subamendment which had been submitted by Pakistan at the 77th meeting (A/C.5/34/L.43), whereby the following text was added after the word "circumstances" in paragraph 1 of part VI:

"giving due consideration in the elaboration of those proposals to the fact that the adverse effects of currency fluctuations and inflation can less readily be absorbed by those with smaller pensions than by those with higher pensions".

They further revised their amendment by replacing the words "to continue in 1980 their efforts in making a" by "to conclude in 1980 their" and by adding the words "no later than January 1981" after "correcting" in paragraph 1.

8. Amendments which had been introduced at the 77th meeting by the representative of Belgium on behalf also of Tunisia (A/C.5/34/L.41) were then withdrawn by the sponsors. The text read as follows:

#### "VI

"Requests the International Civil Service Commission in co-operation with the United Nations Joint Staff Pension Board to continue its work with a view to submitting to the General Assembly at the thirty-

fifth session a long-term solution to the pensions problem, and in particular a revised draft joint pension system that would come into effect no later than January 1981;

#### "VII

"Decides, pending a long-term solution, to maintain pensionable remuneration at its 1979 level, namely 125 per cent of gross salary."

9. The Committee then adopted the draft resolution (A/34/721, annex II), as amended, by 86 votes to none, with 7 abstentions (see para. 19 below, draft resolution I).

#### B. DRAFT RESOLUTION A/C.5/34/L.28 AND REV. I

10. At the 65th meeting, on 30 November, the representative of Cuba introduced a draft resolution (A/C.5/34/L.28), sponsored also by Panama and subsequently also by Afghanistan, Algeria, Costa Rica, Ethiopia, Madagascar, Mozambique and Nicaragua. The text read as follows:

"The General Assembly,

"Recalling its resolutions 31/197 of 22 December 1976 and 32/73 A of 9 December 1977, 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 reinvested, to the greatest extent practicable, in developing countries,

"Recalling also its resolution 33/121, in which the provisions of the aforementioned resolutions were restated,

"Reaffirming its belief 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,

"Reiterating the need of the developing countries to obtain an increased flow of financial resources in real terms to help further their economic and social development processes,

"Reiterating the importance of an appropriate geographical distribution of investments in developing countries,

"Having considered the report of the United Nations Joint Staff Pension Board (A/34/9 and Add.1) and the report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund (A/C.5/34/30),

"Noting with concern that investments by the United Nations Joint Staff Pension Fund in developing countries have shown little increase in the past year and investments by the Fund in shares of transnational corporations have been maintained at an appreciable level,

"1. Renews its request to the Secretary-General that, in pursuance of General Assembly resolution 33/121, he redouble his efforts, in consultation with the Investments Committee, 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, subject to careful observance of the requirements of safety, profitability, liquidity and convertibility, and in conformity with the Regulations of the Joint Fund;

"2. Requests the Secretary-General to take the

necessary steps to ensure, without incurring an increase in administrative costs, an appropriate geographical distribution of Fund investments in developing countries;

"3. Requests the Secretary-General to report to the General Assembly at its thirty-fifth session on the implementation of the present resolution."

11. At the 78th meeting, on 12 December, the representative of Panama introduced a revised text of the draft resolution (A/C.5/34/L.28/Rev.1), sponsored by Angola, Cape Verde, the Libyan Arab Jamahiriya and Malawi in addition to the sponsors of the initial text. The revised text incorporated the following changes:

(a) In the first preambular paragraph, the words "reinvested, to the greatest extent practicable" were replaced by "placed in safe conditions and to the greatest extent practicable in sound investments";

(b) At the end of operative paragraph 2, the words "in accordance with the provisions of paragraph 1" were added.

12. The sponsors further revised the text by replacing the words "placed in safe conditions" in the first preambular paragraph by "invested on safe and profitable grounds" and by deleting the fourth and fifth preambular paragraphs and operative paragraph 2; the remaining operative paragraph was renumbered.

13. At the same meeting, the Committee adopted the revised draft resolution, as further revised, by 76 votes to 18, with 4 abstentions (see para. 19 below, draft resolution II A).

#### C. DRAFT RESOLUTION A/C.5/34/L.32/REV.1

14. At the 78th meeting, the representative of Morocco introduced a draft resolution (A/C.5/34/L.32/Rev.1) sponsored also by Algeria, Chad, Egypt, Kenya, the Libyan Arab Jamahiriya, Mauritania, Senegal, Togo, Tunisia and the Upper Volta, which were also joined by Cape Verde, Ghana, Guinea, Madagascar and Sierra Leone (for the text, see para. 19 below, draft resolution II B).

15. At the same meeting, the Committee adopted the draft resolution without a vote.

#### D. DRAFT RESOLUTION A/C.5/34/L.39

16. At the 78th meeting, the representative of the United Kingdom of Great Britain and Northern Ireland, introduced a draft resolution (A/C.5/34/L.39) sponsored also by Belgium, the Federal Republic of Germany, France, Norway and the United States of America. The sponsors agreed to amend the text of operative paragraph 1 by adding the words "and in accordance with the criteria of safety, profitability, liquidity and convertibility" (see para. 19 below, draft resolution II C).

17. At the same meeting, the Committee adopted the draft resolution, as revised, by a recorded vote of 40 to 13, with 35 abstentions. The results of the voting were as follows:

*In favour:* Australia, Austria, Bahamas, Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, Denmark, Egypt, Finland, France, German Democratic Republic, Germany, Federal Republic of, Greece, Guatemala, Hungary, Ireland, Israel, Italy, Japan, Liberia, Mexico, Mongolia, Netherlands, New Zealand, Poland, Portugal, Romania, Spain, Sweden, Trinidad and Tobago, Turkey, Ukrainian Soviet Socialist Republic, Union of

Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United States of America, Upper Volta, Yugoslavia.

*Against:* Afghanistan, Cape Verde, Chad, Congo, Costa Rica, Cuba, Democratic Yemen, Ethiopia, Iraq, Libyan Arab Jamahiriya, Madagascar, Panama, Peru.

*Abstaining:* Algeria, Argentina, Bahrain, Barbados, Benin, Brazil, Burundi, Central African Republic, Chile, Ecuador, Ghana, Guyana, India, Indonesia, Jordan, Kenya, Lesotho, Malaysia, Mauritania, Morocco, Mozambique, Oman, Philippines, Rwanda, Sao Tome and Principe, Saudi Arabia, Senegal, Singapore, Uganda, United Arab Emirates, United Republic of Tanzania, Uruguay, Venezuela, Zaire, Zambia.

#### E. DRAFT DECISION

18. At the 78th meeting, the Committee also decided without a vote to recommend to the General Assembly the adoption of the draft decision orally proposed by Pakistan (see para. 20 below).

#### *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

##### *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 1979 (A/34/9 and Add.1), chapter III of the report of the International Civil Service Commission (A/34/30 and Corr.1) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/34/721),

##### 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 1980, as set forth in annex VI to part one of the report of the United Nations Joint Staff Pension Board;

##### II

#### *Transfer of pension rights*

*Concurs* in the agreements (see A/34/9/Add.1, annexes I-IV) approved by the United Nations Joint Staff Pension Board with the European Space Agency and the European Free Trade Association, and in the revised texts of the transfer agreements with the International Bank for Reconstruction and Development and the International Monetary Fund, concluded in 1960 under article 13 of the Regulations of the United Nations Joint Staff Pension Fund, with respect to continuity of pension rights between those agencies 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 \$3,881,500 (net) for 1980 and supplementary expenses of \$42,500 (net) for 1979 for the administration of the Fund;

#### V

##### *Interim measures*

Authorizes the United Nations Joint Staff Pension Fund to implement in 1980 the interim measures recommended in paragraphs 34 and 39 of the report of the Advisory Committee on Administrative and Budgetary Questions (A/34/721), this authorization being given on the clear understanding that it does not create any entitlement to these additional payments or their equivalent beyond 1980 and that, should any long-term scheme adopted in 1980 result in a pension payment which would eliminate some or all of the additional payments deriving from the interim measures, the lower payment would be the one applicable for 1981 and beyond;

#### VI

##### *Pensionable remuneration*

1. Requests the International Civil Service Commission and the United Nations Joint Staff Pension Board to conclude in 1980 their comprehensive examination of the functioning, methods of establishment and adjustment and appropriate level of pensionable remuneration with a view to submitting proposals to the General Assembly at its thirty-fifth session for correcting, no later than January 1981, anomalies in the United Nations pension system brought about by the current economic and monetary circumstances, giving due consideration in the elaboration of those proposals to the fact that the adverse effects of currency fluctuations and inflation can less readily be absorbed by those with smaller pensions than by those with higher pensions;

2. Invites, to that end, the International Civil Service Commission and the United Nations Joint Staff Pension Board to take full account of the views expressed on this and related matters in the Fifth Committee during the thirty-fourth session of the General Assembly.

##### *Draft resolution II*

#### INVESTMENTS OF THE UNITED NATIONS JOINT STAFF PENSION FUND

#### A

##### *The General Assembly,*

Recalling its resolutions 31/197 of 22 December 1976 and 32/73 A of 9 December 1977, 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 and profitable terms and, to the greatest extent practicable, in investments in developing countries,

Recalling also its resolution 33/121 of 19 December 1978, in which the provisions of the aforementioned resolutions were restated,

Reaffirming its belief 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 United Nations Joint Staff Pension Board (A/34/9 and Add.1) and the report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund (A/C.5/34/30),

Noting with concern that investments by the United Nations Joint Staff Pension Fund in developing countries have shown little increase in the past year and investments by the Fund in shares of transnational corporations have been maintained at an appreciable level,

1. Renews its request to the Secretary-General that, in pursuance of General Assembly resolution 33/121, he redouble his efforts, in consultation with the Investments Committee, to ensure that the resources which the United Nations Joint Staff Pension Fund holds invested in shares of transnational corporations are re-invested 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 report to the General Assembly at its thirty-fifth session on the implementation of the present resolution.

#### B

##### *The General Assembly,*

Recalling its resolution 33/121 B of 19 December 1978,

Taking note of the report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund (*ibid.*),

1. Requests the Secretary-General to redouble his efforts 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 development requirements of the African countries;

2. Requests the Secretary-General to report on those efforts to the General Assembly at its thirty-fifth session.

#### C

##### *The General Assembly,*

Mindful of the Secretary-General's fiduciary responsibility for the interests of the participants and beneficiaries of the United Nations Joint Staff Pension Fund under the Regulations and Rules of the Fund.

1. 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;

2. Affirms its complete confidence in the Secretary-General as trustee of the assets of the Fund.

\* \* \*

20. The Fifth Committee also recommends to the General Assembly that it decide that, if a long-term solution to the question of pensionable remuneration is not forthcoming at its thirty-fifth session, it would give serious consideration to the freezing of the Weighted Average of Post Adjustment at its 1980 level, effective 1 January 1981.

## ACTION TAKEN BY THE GENERAL ASSEMBLY

At its 111th plenary meeting, on 20 December 1979, the General Assembly voted on draft resolutions I and II submitted by the Fifth Committee in its report (A/34/775, para. 19). Section I of draft resolution I was adopted by a vote of 122 to 10, with 2 abstentions;\* section V was adopted by a vote of 121 to 10, with 3 abstentions;\* draft resolution I was then adopted by a vote of 123 to none, with 13 abstentions.\* Draft resolution II A was adopted by a vote of 110 to 21, with 3 abstentions,\* draft resolution II B was then adopted; draft resolution II C was adopted by a vote of 91 to 15, with 28 abstentions.\* For the final texts, see resolutions 34/221 and 34/222 A, B and C.<sup>1</sup>

At the same meeting, the General Assembly adopted the draft decision submitted by the Fifth Committee in its report (*ibid.*, para. 20) (see decision 34/456<sup>1</sup>).

\* Recorded vote.

<sup>1</sup> See *Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 46*.

### CHECK LIST OF DOCUMENTS

NOTE: This check list contains the documents pertaining to agenda item 106 that are not reproduced in the present fascicle.

Document No.	Title or description	Observations and references
A/34/9 and Add 1	Report of the United Nations Joint Staff Pension Board	<i>Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 9</i> and addendum
A/34/30 and Corr 1	Report of the International Civil Service Commission	<i>Ibid.</i> , Supplement No. 30 and corrigendum
A/34/721	Report of the Advisory Committee on Administrative and Budgetary Questions	Mimeographed
A/C.5/34/30	Investments of the United Nations Joint Staff Pension Fund: report of the Secretary-General	Ditto
A/C.5/34/56	Administrative and financial implications of proposals contained in document A/34/9: note by the Secretary-General	Ditto
A/C.5/34/L.28	Draft resolution	For the sponsors and the text, see A/34/775, para. 10
A/C.5/34/L.28/Rev.1	Revised draft resolution	<i>Idem.</i> , paras. 10-12 and 19, draft resolution II A
A/C.5/34/L.31	Australia: amendment to the draft resolution contained in annex II to document A/34/721	See A/34/775, para. 6 (b)
A/C.5/34/L.32	Draft resolution	Replaced by A/C.5/34/L.32/Rev.1
A/C.5/34/L.32/Rev.1	Revised draft resolution	For the sponsors and the text, see A/34/775, para. 14
A/C.5/34/L.39	Draft resolution	<i>Idem.</i> , para. 16
A/C.5/34/L.40	Amendments to the draft resolution contained in annex II to document A/34/721	<i>Idem.</i> , paras. 6 (a) and 7
A/C.5/34/L.41	Ditto	<i>Idem.</i> , para. 8
A/C.5/34/L.43	Pakistan: amendment to document A/C.5/34/L.40	See A/34/775, para. 7