



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MS. DAYANA RIOS, MINISTER COUNSELLOR IN THE PERMANENT MISSION OF THE PLURINATIONAL STATE OF BOLIVIA TO THE UNITED NATIONS, ON AGENDA ITEM 140 "UNITED NATIONS PENSION SYSTEM", AT THE MAIN PART OF THE SIXTY-NINTH SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 27 October 2014)**

Mr. Chairman,

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 140 entitled "United Nations Pension System".

2. At the outset allow me to thank Mr. Mustafizur Rahman, Vice-Chair of the UN Joint Staff Pension Board, for introducing the report of the Board on its 61st session; Ms. Carolyn Boykin, Representative of the Secretary-General for Investments of the UN Joint Staff Fund, for presenting the report of the Secretary-General on the investments of the Fund and the measures undertaken to increase the diversification of the Fund contained in document A/C.5/69/2; as well as Mr. Carlos Ruiz Massieu, Chairman of the Advisory Committee on Administrative and Budgetary Questions, for introducing the related report of that Committee contained in document A/69/528.

Mr. Chairman,

3. With regard to the operation of the Fund, the Group has taken note of the decrease in the number of participants in the Fund by 0.4% and increase in the periodic benefits in award by 0.7%. The Group has also taken note of the for the two year period ending December 2013, the net assets available for benefits increased from \$39.8 billion to \$51.5 billion and that income earned amounted to \$16.4 billion. The group has further taken note that, overall return on investments was 15.5% for year 2013 and 12.7% for the year ended December 2012, which exceeded the performance benchmarks of 13.5% and 12.1% respectively for the same periods.

Mr. Chairman,

4. Turning to the actuarial matters, the Group welcomes the improvement in the actuarial position of the Fund, which represents a reversal of the downward trend observed in the Funds valuations since 1999. The Group encourages the continued efforts to improve actuarial position of the Fund.

5. With regard to the consideration of After-Service Health Insurance (ASHI), the Group of 77 acknowledges the fact that the managing pension and health care benefits are separate and independent businesses that require different systems, process, procedures and expertise with a limited opportunity for efficiency gain. We have also taken note of the Advisory Committee's views that funding and administration of the after service health insurance benefits is an issue of system-wide concern and would be best be resolved through a system-wide approach.

6. The Group of 77 welcomes the initiatives taken by HLCM to establish a working group on ASHI and we look forward receiving updated information on its findings for our future deliberations.

Mr. Chairman,

7. The Group is pleased to note that the market value of the Fund's assets increased by 20.3% to

historical level of 51.8 billion as at end of March this year. We have also noted that during the reporting period, the Fund had annualized return of 10.1% outperforming the policy benchmark of 9.6%. The Group welcomes that the Fund has achieved its target of 3.5% in real return in the past 10, 15, 20, 25 and 50 periods and we encourage further improvements in this regard.

8. We have also studied the information related to the diversification of the investment of the Fund and we look forward for detail deliberation on specific issues of our interest on this area in the context of informal consultations, especially the investment to the developing countries.

9. With regard to staffing matters, the group will be interested to learn the extent of the implementation of the provisions of the resolution 68/247/A in particular the efforts related to reduction of cost for non- discretionary advisory fees as a result of the use of in-house expertise,

Mr. Chairman,

10. Our Group has noted with attention the information related to selection process of the new representative and will be interested to learn about the recruitment process including matters related to mechanism for the performance of the representative as mandated by the General Assembly. The Group will also be interested on the updates on the progress related to the revision of the Human Resources Memorandum of Understanding between the United Nations Secretariat and the Pension Fund.

Mr. Chairman,

11. Turning to the observations by the Board of Auditors, the Group of 77 has taken note that the Board issued the unqualified audit opinion on the financial statement. We have also noted that while IPSAS adoption enhanced the quality of the Funds Financial statement including by consolidating stand-alone systems, there is a need for the Fund to further enhance its internal controls over the financial reporting, especially for investment accounting and disclosure, as the Board has expressed.

12. The Group strongly encourages the Fund to fully implement all the BOA recommendations including those related to financial management and financial statement disclosure, investment management, contribution collection and benefit payment management, as well as information technology system management. The Group looks forward to the deliberation on these matters in detail during the informal consultations.

13. In conclusion, the Group of 77 and China would like to assure you of its readiness to engage constructively on this important agenda item.

I thank you, Mr. Chairman