United Nations

# Report of the United Nations Joint Staff Pension Board

## Seventy-eighth session (29 July–2 August 2024)

**General Assembly**
**Official Records**
**Seventy-ninth Session**
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*Note*

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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## Abbreviations

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| FAFICS | Federation of Associations of Former International Civil Servants |
| FAO | Food and Agriculture Organization of the United Nations |
| FICSA | Federation of International Civil Servants' Associations |
| IAEA | International Atomic Energy Agency |
| IAS | International Accounting Standard |
| ICAO | International Civil Aviation Organization |
| ICSC | International Civil Service Commission |
| ICT | Information and communications technology |
| IMO | International Maritime Organization |
| IPAS | Integrated pension administration system |
| IPSAS | International Public Sector Accounting Standards |
| ISO | International Organization for Standardization |
| ITU | International Telecommunication Union |
| OIOS | Office of Internal Oversight Services |
| OPCW | Organisation for the Prohibition of Chemical Weapons |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| WFP | World Food Programme |
| WHO | World Health Organization |
| WIPO | World Intellectual Property Organization |

# Chapter I
## Summary

1. The United Nations Joint Staff Pension Board held its seventy-eighth session from 29 July to 2 August 2024. The Board considered a wide range of issues pertaining to the funding, management, governance and oversight of the United Nations Joint Staff Pension Fund. This was the third session of 2024, the first two having been held virtually in February and April.

2. In her opening statement, the Chief Executive of Pension Administration updated the Board on the Fund's key financial and demographic data, the performance of the Pension Administration, the implementation of the client-focused, action-oriented, relations-builder and efficacy-driven (CARE) strategy for 2024 and beyond, the ongoing modernization of critical systems and the 2024 resourcing priorities for the Pension Administration. The number of participants in the Fund continued to grow, with the number of active staff members nearing 150,000 and retirees and beneficiaries just passing 86,000. The Fund continued to meet or exceed its operational performance targets, and the pension payroll was consistently issued on time.

3. The Representative of the Secretary-General for the investment of the assets of the Fund stated that the Fund's portfolio was performing well, delivering consistent short- and long-term returns with conservative risk levels. As at 31 December 2023, the Fund was valued at $88.25 billion, an increase of $10.33 billion compared with $77.92 billion as at 31 December 2022. In relation to the absolute return goals, the 15-year annualized real rate of return was 4.81 per cent, above the long-term objective of 3.5 per cent. In relation to the relative return goals, as at 31 December 2023, the Fund had achieved its objective of outperforming the total policy benchmark return over the short term, defined as three years. The Fund returned a three-year annualized nominal return of 2.90 per cent, outperforming the benchmark return of 2.63 per cent.

4. The Board approved, for consideration by the Advisory Committee on Administrative and Budgetary Questions and approval by the General Assembly, the proposed budget estimates for the administrative expenses of the Fund for 2025 amounting to $151,745,300.

5. Governance has remained high on the agendas of both the Pension Board and the General Assembly. The Board approved the governance reform plan following the conclusions of its sixty-eighth (special) session, in February 2021 and the relevant guidance and resolutions from the Assembly, including on the size and composition of the Board, the establishment of an ethics policy that would implement its code of conduct and the updating of the terms of reference for the Chair and the responsibilities of Board members.

6. The Board recalled its previous decision to conduct a full review of all recently adopted reform proposals at its session in July 2025. It therefore adopted the terms of reference for a Governance Review Working Group and appointed its members, who began meeting in May 2024. The Working Group determined that a key measure of the impact of the governance reforms would be the comments and views of Fund stakeholders on the effectiveness of the reforms and whether any actions were needed. The Working Group will also be reviewing the terms of reference for the Board and its advisory committees for coordination and applicability with the Board's new reforms.

7. The Board established the Ethics Policy Review Group at its seventy-third session, in February 2023, to review the ethics policy and the report of the former Ethics Adviser and to make proposals for the Board's consideration. The Board discussed the report of the Review Group and requested the Chair of the Board to seek a legal review of the revised policy by the Office of Legal Affairs and to submit the resulting document to the Board for endorsement at its meeting in February 2025.

8. The consulting actuary submitted to the Board the report on the thirty-seventh biennial actuarial valuation of the Fund as at 31 December 2023. The Board also had before it the observations of the Committee of Actuaries on the valuation results. The Board noted that at the time of the valuation, the contribution rate was 0.68 per cent of pensionable remuneration, which was higher than the rate required to maintain the actuarial balance (i.e. a reported surplus). That compared with the surplus of 2.30 per cent of pensionable remuneration reported under the prior valuation as at 31 December 2021. The decrease in surplus was due primarily to the higher-than-expected cost-of-living adjustments on benefits and to a reduction in the real rate of return assumption used to perform the actuarial valuation. The Board also noted that no liquidity issues were expected over the next 50 years and that the Fund remained in a strong financial position, with a reported funded status above 100 per cent as at 31 December 2023.

9. The Board considered the final report of the Plan Review Group, which it had established in February 2022 to review issues relating to plan design. The Board agreed with the Group's recommendations, including the adoption of amendments to the Administrative Rules and the Financial Rules, which were aimed at simplifying and clarifying certain provisions without changing benefits. The Board recommends that the General Assembly adopt the proposed amendments to the Regulations and Pension Adjustment System, which are similarly aimed at simplifying and clarifying various provisions and which facilitate the administration of benefits without changing their nature.

10. The Board recommends that the General Assembly approve an amendment to the special adjustment for small pensions under section E of the Pension Adjustment System, with effect from 1 April 2025. The amendment reflects cost-of-living increases since 2016, when the current scale came into effect. The consulting actuary of the Fund confirmed that the change would not have any meaningful impact on the Fund's actuarial balance.

11. The Board considered a request for admission to the Fund by OPCW and recommends that the General Assembly, in accordance with article 3 (c) of the Regulations of the Fund, admit OPCW to membership in the Fund with effect from 1 January 2025, with such admission subject to approval by the OPCW Conference of States Parties at its twenty-ninth session, to be held in November 2024, and other specific administrative criteria. The Committee of Actuaries informed the Board that the admission of OPCW presented no apparent actuarial risk to the Fund.

12. In response to paragraph 5 of section VII of General Assembly resolution 78/253, the Board requested the Pension Administration to prepare a document for its July 2025 meeting that would advise the Board on addressing other circumstances referenced by the resolution that were not covered in the existing guidelines in the context of changes in national law and marital status. Specifically, the Board requested the Pension Administration to advise on the regulatory changes, together with associated costing and estimated actuarial impact, that would be required to extend spousal benefits to former participants who upon separation were not married but were in a relationship and after separation married the person with whom they were in a relationship at the time of separation.

13. With regard to audit and financial matters, the Pension Board took note of the reports of OIOS and the Board of Auditors. The Board welcomed the unqualified audit opinion issued by the Board of Auditors. The Pension Board approved the Fund's financial statements for the year ended 31 December 2023 for presentation to the General Assembly.

14. The Board discussed a wide range of other items relating to the management of the Fund, such as risk management and administrative matters. The Board also appointed or reappointed members to its committees.

# Chapter II

## Recommendations and decisions of the United Nations Joint Staff Pension Board that require action by the General Assembly

15. The Board recommends that the General Assembly adopt amendments aimed at simplifying and clarifying the Regulations and Pension Adjustment System of the Fund and update the special adjustment for small pensions, as set out in annexes IV and V to the present report.

16. In respect of the budget estimates for 2025, the Board recommends that the Advisory Committee on Administrative and Budgetary Questions consider and that the General Assembly approve the proposed budget estimates for 2025 amounting to $151,745,300, comprising:

(a) Secretariat of the Pension Board ($1,770,800);

(b) Pension Administration ($72,246,100);

(c) Office of Investment Management ($75,465,800);

(d) Audit ($2,262,600).

17. Of the $151,745,300, a total of $5,155,300 would be chargeable to the United Nations directly for services related to the United Nations Staff Pension Committee.

18. The Board also recommends that the Advisory Committee on Administrative and Budgetary Questions consider and that the General Assembly approve an amount not exceeding $112,500 for the Emergency Fund.

19. The Board recommends that the General Assembly, in accordance with article 3 (c) of the Regulations of the Fund, admit OPCW for membership in the Fund with effect from 1 January 2025.

# Chapter III
# Opening of the session

20. The seventy-eighth session of the United Nations Joint Staff Pension Board was held at the Economic and Social Commission for Asia and the Pacific in Bangkok from 29 July to 2 August 2024. The meeting was opened by Patricia Nemeth, Chair of the seventy-sixth, seventy-seventh and seventy-eighth sessions of the Board and representative of the participants of the United Nations.

21. The Chair welcomed the Board members and highlighted the important issues on the agenda, including items relating to the actuarial and financial situation of the Fund, the investment of the assets of the Fund and the administrative budget of the Fund for 2025.

22. The Board adopted the agenda and took note of the decisions taken during its virtual sessions in February 2024 (seventy-sixth session) and April 2024 (seventy-seventh session).

23. At its seventy-sixth (virtual) session, the Board:

(a) Elected its officers for the year 2024 (seventy-sixth, seventy-seventh and seventy-eighth sessions of the Board):

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| Chair: | Patricia Nemeth, representative of the participants of the United Nations |
| First Vice-Chair: | George Sarpong, representative of the governing body of UNESCO |
| Second Vice-Chair: | Arnab Roy, representative of the Secretary-General |
| Rapporteur: | John Levins, representative of the participants of FAO and WFP |

(b) Took note of the decisions of the General Assembly contained in section VII of its resolution 78/253 on the administrative expenses of the United Nations Joint Staff Pension Fund;

(c) Took note of its proposed workplan and priorities for 2024;

(d) Took note of the results of its self-evaluation survey conducted in 2023;

(e) Recalled its previous decision to conduct a full review of all adopted reform proposals at its session in July 2025, adopted the terms of reference for the Governance Review Working Group and appointed the members of the Group;

(f) Approved the recommendations of its ad hoc working group on criteria for admitting new member organizations, including that the admission criteria and the process carried out by the Pension Administration be appropriate and be followed for future requests for admission of an applicant organization as a member organization of the Fund;

(g) Took note of the report of the Fund Solvency and Assets and Liabilities Monitoring Committee, supported the notion of an external expert to temporarily advise the Committee and requested the Committee to resubmit its proposals to amend its rules of procedure and resubmit them to the Board;

(h) Unanimously agreed to recommend to the Secretary-General the reappointment of Rosemarie McClean as the Chief Executive of Pension Administration for a second and final five-year term beginning 1 January 2025 and requested the Chair of the Board to convey that recommendation to the Secretary-General at the earliest opportunity;

(i) Requested that the Pension Administration move forward with its proposal to provide background and suggestions regarding proposals for updating the small pension threshold (see annex VII);

(j) Approved the proposed amendments to section G of the Financial Rules with effect from the financial statements for the period 1 January to 31 December 2024 (see annex VII).

24. At its seventy-seventh (virtual) session, the Board:

(a) Took note of the information provided by the Secretary of the Pension Board on the efforts being made to facilitate the participation of the members of the Board at its seventy-eighth session (July–August 2024), at the Economic and Social Commission for Asia and the Pacific in Bangkok;

(b) Decided to take up the matter on the framework for spousal benefits under articles 34 and 35 of the Regulations of the Fund at its seventy-eighth session;

(c) Took note of the paper on small pension benefit thresholds and agreed that the Pension Administration would submit a paper to the Board at its seventy-eighth session setting out (i) a proposal for an ad hoc adjustment to the small pension scale, which would be subject to the approval of the General Assembly, with full cost details; and (ii) a longer-term approach to review the systematic method to align the small pension adjustment scale with the minimum pension and any related benefits;

(d) Took note of the suspension of the two-track benefit in Czechia, Estonia, Haiti, Lithuania, Sierra Leone, Suriname and Uruguay and its application as of 1 November 2024;

(e) Recommended that the Secretary-General appoint to the Committee of Actuaries (i) Iyad Hourani (Asian States) as a regular member for a term of three years beginning 1 June 2024; and (ii) Darshan Ruparelia (African States) as an ad hoc member for a term of two years beginning 1 June 2024;

(f) Supported a recommendation for an external adviser to support the Fund Solvency and Assets and Liabilities Monitoring Committee and requested an allocation in the amount of $150,000 in the 2025 budget proposal, with the understanding that the terms of reference for the external expert would be further reviewed in close consultation with the Committee, the Representative of the Secretary-General and the Chief Executive of Pension Administration by the end of May 2024, to initiate the procurement process and present the proposal for final decision by the Board at its seventy-eighth session;

(g) The Board took note of the decision of the United Nations Appeals Tribunal in the case *Polycarp Ambe-Niba v. United Nations Joint Staff Pension Board* (judgment No. 2023-UNAT-1365), in which the Tribunal remanded to the Standing Committee an appeal by a participant alleging that he had been defrauded of the payment of a withdrawal settlement.

## A. Presentation by the Chief Executive of Pension Administration

25. The Chief Executive of Pension Administration updated the Board on the Fund's key financial and demographic data, the performance of the Pension Administration, the implementation of the CARE strategy for 2024 and beyond, the ongoing modernization of critical systems and the 2024 resourcing priorities for the Pension Administration.

26. The Chief Executive highlighted the continued growth in the Fund's client base. In 2023, the number of participants had increased by 4.3 per cent, an upward trend

that was projected to continue. The Fund was dedicated to addressing the needs of an ageing population, with the majority of beneficiaries falling within the age range of 70 to 79 years and more than 19,000 individuals aged 80 years or older.

27. The Board was informed that the Fund continued to meet or exceed its operational performance targets. Pension payroll had consistently been issued on time despite the steady growth of benefits in payment. Cost-of-living adjustments had been made on a timely basis. Efforts were ongoing to prevent or resolve payment disruptions, most recently in Yemen and the Russian Federation. The Chief Executive highlighted that extensive outreach had resulted in an historically low number (953) of main benefits being suspended in the June 2024 payroll for beneficiaries who had not submitted their 2023 certificate of entitlement. Meanwhile, more than 34,000 digital certificates of entitlement had been issued thus far in 2024. FAFICS and Association of Former International Civil Servants offices had provided the Board with excellent support in preventing the suspension of pensions.

28. The Chief Executive added that more than 90 per cent of benchmarked benefits had been processed within 15 business days in 2023 and that the response time for client queries continued to be on target.

29. The Chief Executive presented the ongoing efforts to strengthen the operational partnership with member organizations with a view to improving the time frame for processing first benefit payments. The Fund had implemented several initiatives, including monthly statistical reports to member organizations to follow up on unsubmitted separation documents; an interactive dashboard, accessible by member organizations and the Fund, showing cases in which the Fund had not received all separation documents; and the automatic issuance of pre-retirement letters to participants who were within three months of reaching their normal retirement age or mandatory age of separation. The Chief Executive also informed the Board that the use of the digital identification solution would enable staff members to identify and resolve potential instances of incorrect data prior to separation so that their pension benefits could be processed with minimum delay.

30. The Chief Executive emphasized that the Fund had a clear vision embodied by the CARE strategy for 2024 and beyond, which was focused on improving client experience, modernizing pension services and strengthening relationships with all stakeholders. As illustrated in the report on the progress of the CARE strategy for 2024 and beyond, which had been submitted to the Board, progress in the three pillars of the strategy was diligently monitored using well-defined performance metrics. In the first six months of 2024, all targets had been achieved, with the sole exception of the gender parity ratio in the Professional and higher categories. The Chief Executive reaffirmed her commitment to addressing that gap.

31. The Chief Executive presented key achievements in 2023, including a scale-up of internal and external communications with new communication channels and products in English and French. She highlighted a remarkable improvement in the Fund’s leadership culture, as documented by the results of the fourth leadership culture assessment conducted by the United Nations System Staff College and a consultancy firm in May 2024.

32. The Chief Executive recalled that the Fund had embarked on a necessary modernization journey to upgrade its ageing systems and emphasized that changes were being implemented through a phased approach and tested carefully to ensure service continuity. That discussion was continued by the Chief Information Officer, who provided further details on the status of the modernization of pension administration systems, as elaborated in the report on the status of ICT systems and initiatives.

33. The Chief Executive outlined the resourcing priorities for 2025, which were reflected in the administrative budget proposal for the Pension Administration. She emphasized that the budget remained conservative, with a modest increase driven by the initiatives and projects to modernize the Fund, including the new customer relationship management system (United Nations Joint Staff Pension Fund Connect), the introduction of multi-factor authentication for the member self-service portal and a new financial system.

34. In response to a question from the representative of the governing bodies regarding the request in the 2025 administrative budget to carry over unspent funds allocated to new projects, the Chief Executive noted that that would greatly facilitate the multi-year planning required for the gradual implementation of the Fund's modernization road map.

35. In response to a question from the representative of the participants on whether the modernization process was aimed at reducing costs, the Chief Executive highlighted the dual goals of improving services and mitigating risks resulting from ageing systems, which were pursued in line with the overall efforts to use funds efficiently. In response to a question from a Board member regarding the nature of the planned enterprise resource planning system initiative, the Chief Executive confirmed that the system would be subject to a standard technical upgrade.

36. FAFICS welcomed the news that the Pension Administration was working to reinstate the two-track option in countries currently exhibiting the right conditions for the system to operate effectively. The Chief Executive confirmed that the Pension Administration was seeking to implement the first set of reinstatements in April 2025, to coincide with the annual cost-of-living adjustment. She also referred to the report on the monitoring of the impact of currency fluctuations on the Fund.

37. **The Board took note of the statement by the Chief Executive and thanked her and her entire team for their continued hard work to provide better and more efficient services for the participants and beneficiaries of the Fund, including the ongoing modernization initiatives, the improvement in the speed of response to enquiries from the Fund's clients and the concerted outreach and communication efforts.**

## B. Presentation by the Representative of the Secretary-General for the investment of the assets of the United Nations Joint Staff Pension Fund

38. The Representative of the Secretary-General for the investment of the assets of the Fund reminded the Board that when he joined in 2020, significant issues had been identified, including a toxic culture within the Office of Investment Management as reported by OIOS, consistently poor portfolio returns, inadequate resources in respect of both people and tools, lack of a sustainability strategy and an absence of business continuity or cybersecurity plans. There was also an urgent need for transparency and reporting under the Global Investment Performance Standards. Thanks to the support of the General Assembly and the Board, the Office of Investment Management had been able to invest in resources and tools to help improve performance and turn the situation around.

39. The Representative stated that when presenting the budget, there was a commitment to meeting two key return metrics, namely, that the long-term 15-year real rate of return was 4.9 per cent, well above the minimum goal of 3.5 per cent, and the short-term three-year return was at the market benchmark. He emphasized that the 3.5 per cent real rate of return investment objective set by the Office of Investment

Management for the 15-year period should not be confused with the 3.4 per cent expected rate of return over 50 plus years used by the consulting actuary in the actuarial valuation as at 31 December 2023.

40. The Representative clarified that the peers, used for benchmarking, were pension funds of similar size that made similar types of investments. The Office of Investment Management did not compare itself with investment banks or other United Nations entities. The Office was very different in that it had to deliver a rate of return on a 15-year rolling basis; otherwise, the Fund would run the risk of not being funded. He explained that the Office determined what resources were needed to achieve the current investment objective of 3.5 per cent real rate of return. The Advisory Committee on Administrative and Budgetary Questions had requested the Office to include a comparison with peers, given that the Office did not compare itself with zero-growth organizations, such as other United Nations entities, but rather with its peers in the pension fund industry.

41. According to the information on the peer comparison provided in the budget fascicle, the first indicator was that the total cost of investment was 32.7 basis points versus peers at 45.8 basis points. The preliminary indication for 2023 was 33.2 basis points; the Office was well below its peers because of its strategy of managing portfolios mostly internally and because it had fewer staff and the unit cost of staff was lower than that of the peers. The Representative noted that in the five-year returns peer comparison, the Office's results had been above those of its peers and the global median and that the Fund had a good funding status of approximately 111 per cent. Regarding the transformation of the culture, the Fund had made good progress, with a 97 per cent participation rate and all staff perceiving an improvement in the culture.

42. The Representative explained that when comparing the headcount of other funds with a similar size and investment style, using assets under management of $88.3 billion, the Office would need 198 staff members. Fortunately, the Office had managed to do better than the peer median with only 165 staff, 17 per cent fewer than its peers. In the budget request for 2025, there was a proposal for resources to reach a headcount of 187 staff. When comparing that request with an assets under management of $92 billion, the Office would need a headcount of 199 staff. Even with 187 staff, the Office was still 6 per cent short relative to its peers. Taking into account the four new post requests that had not been endorsed by the Advisory Committee, the Office would have 183 staff, 8 per cent fewer than its peers. The Representative expected to make additional requests in the future because the assets under management would continue to grow and most portfolios would be managed internally.

43. The Representative reassured the Board that the Office's operations were effective, efficient, safe, responsible, transparent and transformational.

44. The Representative concluded by stating that the Fund's portfolio was performing well, delivering consistent short- and long-term returns with conservative risk levels. He reiterated that it was crucial for the General Assembly and the Board to continue investing in the Office's capabilities to help navigate an increasingly competitive and complex investment landscape.

45. In response to queries by Board members regarding the measurement and reporting of returns and the optimal target levels of impact investing, the Representative and the Office team explained that the General Assembly mandate for impact investing did not specify any percentage targets. The Office team also explained that while no industry standards had yet been developed to specifically identify impact investments, the Office had identified funds specializing in impact investments that used their own metrics to determine which securities qualified. The Office had not yet completed purchases of planned impact investments. Once those investments had been completed, the Office would develop procedures to report on

their risk adjustment returns and provide data to assure the General Assembly that its impact investing met the four criteria referred to in paragraph 21 of section XIII of resolution 76/246 A.

46. A Board member commented that while the investment authority of the Secretary-General should be respected, the fact that divestment from fossil fuels was not a United Nations intergovernmental decision should be taken into account. The Representative replied that the Office had completed divestment in fossil fuel investments in companies with no planned or ongoing programmes to transition to renewable energy.

47. **The Board took note of the report and thanked the Representative of the Secretary-General and his staff for the outstanding work undertaken in relation to the investment of the Fund's approximately $90 billion in assets.**

# Chapter IV
# Actuarial matters

## A. Thirty-seventh actuarial valuation of the Fund as at 31 December 2023

48. Article 12 (a) of the Regulations of the Fund provides that the Board shall have an actuarial valuation made of the Fund at least once every three years by the consulting actuary. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities. The practice of the Board has been to carry out a valuation every two years.

49. The consulting actuary submitted to the Board the report on the thirty-seventh actuarial valuation of the Fund as at 31 December 2023. The Board was also provided with the observations of the Committee of Actuaries' on the consulting actuary's valuation report.

### 1. Summary of results

50. Using the assumptions approved by the Pension Board at its seventy-fifth session, the results of the actuarial valuation as at 31 December 2023 showed that the current contribution rate collected by the Fund was 0.68 per cent of pensionable remuneration higher than the amount required to maintain actuarial balance. The consulting actuary reminded the Board that the Fund received an annual contribution of 23.7 per cent of pensionable remuneration, of which one third was paid by staff members and two thirds by member organizations. By comparison, the valuation results showed that only 23.02 per cent of pensionable remuneration was required as at 31 December 2023. However, the Committee of Actuaries noted that the Fund had changed from having a more significant surplus of 2.30 per cent of pensionable remuneration at the prior actuarial valuation as at 31 December 2021 to the current modest surplus of 0.68 per cent as at 31 December 2023. Notwithstanding the decline in the reported actuarial surplus, the required contribution rate remained within the corridor of 21.70 to 25.70 per cent of pensionable remuneration. Consequently, no action was currently required.

51. In considering the sensitivity results completed by the consulting actuary using three real rate of return assumptions, the Committee of Actuaries noted that those alternative results demonstrated that a 1 per cent difference in the assumed real rate of investment return would produce a change in the required contribution rate in the order of 8 per cent of pensionable remuneration. The Board was reminded that the real rate of return assumption was a best estimate of future long-term expected investment return based on the Fund's strategic asset allocation, current long-term forecasted capital market conditions and other economic factors. As in prior years, the Committee again noted that investment return continued to be the most important factor affecting the Fund's financial position. The consulting actuary also examined the sensitivity of the valuation results to a modest decline in participant population over the next 10 years. It was determined that such a decline would only very modestly affect the required contribution rate.

52. Upon reviewing the long-term, year-by-year projections of cash flow completed by the consulting actuary, the Committee of Actuaries did not foresee that liquidity issues would arise over the next 50 years.

### 2. Valuation results

53. The valuation was prepared on the basis of the actuarial assumptions recommended by the Committee of Actuaries and approved by the Board at its seventy-fifth session, in 2023.

54. The consulting actuary explained to the Board that the value of the assets used in the actuarial valuation had been calculated using a five-year smoothing methodology, subject to a limiting corridor of 15 per cent below and above the market value of the assets as at the valuation date. With respect to the valuation as at 31 December 2023, the actuarial value of assets was $92,322.9 million, which was 104.02 per cent of the market value of the assets as at that date, namely, $88,757.9 million. The consulting actuary pointed out that the losses incurred in 2022 would be recognized over time and that the previous year's gains had not been fully reflected in the smoothed asset value. That had resulted in the actuarial value of assets being greater than the market value of assets as at 31 December 2023. However, it should be understood that, for any future actuarial valuation, the actuarial asset value could be higher or lower than the market value.

55. The consulting actuary explained that without the smoothing method, the required contribution rate could vary significantly from valuation to valuation, which would be difficult to communicate to stakeholders. In the end, given that contributions and investment return were the only sources to cover future benefit payments, the required contribution rate calculated using the asset smoothing method was merely a way to create relatively level valuation results for the purposes of understanding and communicating long-term funding requirements.

56. The following statement of the actuarial position of the Fund as at 31 December 2023, adopted by the Committee of Actuaries, is reproduced in annex III to the present report:

> At its meetings in June 2024, the Committee of Actuaries reviewed the results of the actuarial valuation as of 31 December 2023, which was carried out by the consulting actuary. Based on the results of the regular valuation, and after consideration of further relevant indicators and calculations, the Committee of Actuaries and the consulting actuary were of the opinion that the present contribution rate of 23.7 per cent of pensionable remuneration is sufficient to meet the benefit requirements under the plan and would be reviewed at the time of the next actuarial valuation, as of 31 December 2025.

57. The consulting actuary performed an analysis of sources of gains and losses to reconcile the prior actuarial valuation results to the current valuation results. The major categories of gains and losses are summarized in table 1.

Table 1
**Major categories of gains and losses between the current and prior actuarial valuation**
(Percentage)

| *Increase/(decrease) in required contribution rate as a percentage of pensionable remuneration* | |
|---|---|
| Actual inflation | 1.05 |
| Change in assumed real rate of return | 0.73 |
| All other assumption changes | 0.04 |
| Asset performance | 0.09 |
| Other | (0.29) |
| **Total** | **1.62** |

58. The consulting actuary explained to the Board that the two most significant factors that drove the change in valuation results were inflation that was greater than expected and the change in the real rate of return assumption. The high inflation over

the previous few years had resulted in cost-of-living increases to benefits in payment of 8.6 per cent and 6.4 per cent for 2021 and 2022 (effective 1 April 2022 and 2023) respectively. The change in the real rate of return assumption was decreased from 3.5 per cent to 3.4 per cent per year to reflect the anticipated long-term trend in investment return over the very long term (50 plus years).

### 3. Current value of accrued benefits under article 26 of the Regulations of the Fund

59. Under article 26 of the Regulations of the Fund, the actuarial valuation is also used to determine whether assets are sufficient to meet the contractual liabilities without the pension adjustment system. In the event that they are not, member organizations may be required to make additional contributions to the Fund. The funded status determined under article 26 is the current assets of the Fund compared with the value of accrued benefits on a termination basis (i.e., the benefits for retired participants and beneficiaries and the benefits considered to have been earned by all current participants if their service was terminated on the valuation date). The consulting actuary reported that the funded status under that basis, without the inclusion of the pension adjustment system, was 152 per cent as at 31 December 2023. That meant that the Fund had considerably more assets than needed to pay benefits if no adjustments were made in pensions for changes in the cost of living.

60. The statement of sufficiency under article 26 of the Regulations of the Fund, as approved by the Committee of Actuaries, is contained in annex III. When assumed future cost-of-living adjustments under the pension adjustment system are included, the funded ratio is reported as 111.0 per cent as at 31 December 2023.

### 4. Hypothetical projection models

61. Hypothetical models of the estimated progress of the Fund over the next 50 years were also prepared on the basis of the economic and participant assumptions in the regular valuation. The results were presented in both nominal and inflation-adjusted terms. The models showed that the Fund's assets increased in real dollar terms for the entire 50-year projection period. In other words, the principal of the Fund is projected to continue to grow and is not expected to be used to pay benefits for at least the next 50 years. Under additional sensitivity analysis models, where the assumed real rate of return on investments was set at less than 3.4 per cent, the Fund's assets in real dollar terms would begin to decrease (e.g., after approximately 20 years under the 2.5 per cent real rate of investment return assumption).

62. In addition, as recommended by the Committee of Actuaries and as agreed by the Pension Board, the consulting actuary performed actuarial valuations based on alternative real rates of return. The Committee of Actuaries noted that those alternative results demonstrated that a 1 per cent difference in the long-term real rate of investment return was equivalent to a change in the required contribution rate in the order of 8 per cent of pensionable remuneration (i.e., required contribution rates ranging from 19.26 per cent for a 3.9 per cent real return assumption to 30.16 per cent of pensionable remuneration for a 2.5 per cent real return). As in prior years, the Committee of Actuaries again noted that investment return continued to be the most important factor affecting the Fund's financial position.

63. When queried about long-term horizons, the consulting actuary stated that for actuarial valuation purposes, the Fund was modelled well beyond 50 years, as it was assumed the Fund would run into perpetuity.

64. **The Board noted that the actuarial valuation as at 31 December 2023 revealed a surplus of 0.68 per cent of pensionable remuneration, which was a decrease from the surplus of 2.30 per cent reported in the actuarial valuation of 31 December 2021. It noted that the decrease was due largely to the higher-than-**

**expected cost-of-living adjustments on benefits in payment and the reduction in the assumed real rate of return assumption.**

65. **The Board also noted that no liquidity issues were expected over the next 50 years and that the Fund remained in a strong financial position, with its funded status remaining above 100 per cent.**

66. **The Board thanked the consulting actuary for its work.**

## B. Report of the Committee of Actuaries

67. The Chair and of the Committee of Actuaries presented the report of the sixty-third session of the Committee. The Committee's comments and conclusions on the actuarial valuation results as at 31 December 2023 are summarized in paragraphs 32 to 34 above.

68. The Board was informed that the Committee of Actuaries had discussed external trends and risk factors that could have an impact on the long-term solvency of the Fund. From both a liability and an asset perspective, that included, but was not limited to, uncertainties arising from artificial intelligence, the increased number of humanitarian crises, ongoing geopolitical risks and climate change. The Committee emphasized that the outlook for the short term suggested a need for prudence, which was consistent with the feedback provided by the Chair of the Investments Committee. The Board noted that the Committee had agreed to continue to monitor developments, which could also include additional sensitivity tests in the actuarial valuation, additional risk quantification studies and/or more frequent asset liability management studies.

69. The Board noted that the Committee had reviewed and updated the new version of the Fund's solvency risk dashboard prepared by the Pension Administration for subsequent discussion with the Fund Solvency and Assets and Liabilities Monitoring Committee. The Chair of the Committee of Actuaries highlighted the areas that would be closely monitored, including the future outlook for capital markets, future inflation, the uptake of the two-track system and the emerging new entrant profile. The Chair also noted that all factors would be reviewed again during 2025 as part of setting the assumptions for the next actuarial valuation as at 31 December 2025.

70. The Board was also informed that the Committee had discussed potential intergenerational equity issues and other potential areas of inequity specific to the Fund. The Committee noted that the results of the actuarial valuation as at 31 December 2023 showed a required contribution rate for future participants of 22.24 per cent of pensionable remuneration, compared with 24.98 per cent for present participants. The Committee considers that this gap between present and future participants is an indicator that the Fund currently relies on the continuance of some level of inequity to preserve the plan's solvency.

71. The Board noted that the Committee had discussed possible areas of focus for the review of the funding policy in 2025, including the addition of risk categories from the updated solvency risk dashboard, the definition of "surplus" when benefit improvements could be considered, and re-evaluating the secondary funding target in the context of the statement of actuarial sufficiency under article 26.

72. The Board was also informed that the Committee had discussed the possible plan changes under consideration by the Plan Review Group and the consulting actuary's estimate of associated increases in the Fund's liabilities. The Committee was sensitive to the fact that some of the proposed changes had been approved by the General Assembly a number of years earlier and that one of the changes would have a positive impact on most retirees and beneficiaries. However, the Committee considered that the long-term solvency of the Fund should be a priority; the current short-term outlook

meant that it would be prudent to wait and see how the next few years developed before adopting any of the proposed changes. The Chair of the Committee emphasized that the reported surplus of 2023 (0.68 per cent of pensionable remuneration) was less than one third of the surplus reported in the 2021 valuation (2.30 per cent of pensionable remuneration). Also, had the valuation reflected the market value of assets instead of the actuarial value of assets, the Fund would have reported a small deficit.

73. The Board was informed that the Committee had also discussed a revision to the factors used for transfer values coming into the Fund. The Committee recommends to the Board that the factors used for benefits transferring into the Fund under the relevant transfer agreements, and the assumptions for retroactive recognition of contributory service, be updated using the actuarial valuation basis at 31 December 2023. The assumptions for retroactive recognition of contributory service would be updated with immediate effect following approval by the Board, and the new transfer value factors would be effective for all transfer-in elections from 1 January 2025.

74. The Board was informed that the Committee had also considered the request from OPCW to join the Fund with effect from 1 January 2025. The Committee observed that OPCW had a small group of participants equivalent to around 0.25 per cent of the total number of participants of the Fund and that its admission would present no apparent actuarial risk to the Fund.

75. The Board noted that, as in previous years, the Committee had conducted a self-assessment of its effectiveness. The Committee had also discussed the forthcoming governance review and, in that context, had requested that the Board consider an amendment to the categories of membership of the Committee of Actuaries. Specifically, that included removing the “ad hoc” member status, so that all members would be classed as “regular” members, and aligning with the Investments Committee. That could, for example, involve amending article 9 to specify that the membership of the Committee of Actuaries would comprise up to nine members, with representation across the five geographic regions.

76. The Board was also reminded that each year, the Committee completed an annual evaluation of the services provided by the consulting actuary. The Committee recognized the continuing complexity of the issues addressed by the consulting actuary and confirmed its most recent overall appraisal that the consulting actuary continued to consistently apply high professional standards.

77. **The Pension Board agreed with the Committee’s recommendation that the factors used for benefits transferring into the Fund under the relevant transfer agreements, and the assumptions for retroactive recognition of contributory service, be updated using the actuarial valuation basis at 31 December 2023. Further, the assumptions for retroactive recognition of contributory service should be updated with immediate effect, and the new transfer value factors would be effective for all transfer-in elections from 1 January 2025.**

78. **The Board took note that the Committee of Actuaries had:**

(a) **Commented that the long-term solvency of the Fund should be a priority and that the current short-term outlook meant that it would be prudent to wait and see how the next few years developed before adopting any of the proposed changes being considered by the Plan Review Group;**

(b) **Developed a new version and updates to the Fund’s solvency risk dashboard;**

(c) **Considered the request from OPCW to join the Fund with effect from 1 January 2025 and observed that the admission of OPCW to the Fund would present no apparent actuarial risk to the Fund.**

79. **The Board referred the request of the Committee of Actuaries regarding membership to the Governance Review Working Group.**

80. **The Board thanked the Committee of Actuaries for its report and continued service to the Fund and took note of the Committee's report.**

## C. Membership of the Committee of Actuaries

81. Article 9 of the Regulations of the Fund provides that a committee consisting of five independent actuaries shall be appointed by the Secretary-General upon the recommendation of the Board. The terms of reference for the Committee of Actuaries stipulate that the terms of regular members will be 3 years and renewable up to a maximum of 15 years. The terms of reference of the Committee also allow for ad hoc members to serve for 2-year terms, renewable for up to 15 years.

82. The Board was informed that the terms of three committee members would expire at the end of 2024. One member had expressed interest in continuing to serve on the Committee. Two members had conveyed that it had been an honour to have served the Committee and expressed their will to step down. The Pension Administration indicated that the Committee would keep gender balance in mind in seeking candidates to replace the two departing members.

83. **The Board thanked Rosemary Nantambi-Amiri and Roland Schmid for their service to the Board as members of the Committee.**

84. **The Board recommends that the Secretary-General reappoint Assia Billig (Canada (Western European and other States)) to the Committee of Actuaries as a regular member for a term of three years from 1 January 2025.**

# Chapter V
# Investments of the Fund

## A. Management of the investments of the Fund

85. As at 31 December 2023, the Fund was valued at $88.25 billion, an increase of $10.33 billion from $77.92 billion as at 31 December 2022. In relation to the absolute return goals, the 15-year annualized real rate of return was 4.81 per cent, above the long-term objective of 3.5 per cent. The 15-year period includes the impact of two major market downturns: part of the global financial crisis and the evolution of the global pandemic. In relation to the relative return goals, as at 31 December 2023, the Fund had achieved its objective of outperforming the total policy benchmark return over the short term, which was defined as three years. The Fund had returned a three-year annualized nominal return of 2.90 per cent, outperforming the benchmark return of 2.63 per cent.

**Discussion in the Board**

86. In response to a question from a representative of the participants regarding the cost of investment being 30 per cent below the cost relative to peers used for the benchmarking, the Representative of the Secretary-General highlighted three key reasons. First, the unit cost for staff in the Office of Investment Management was lower than in other pension funds owing to lower salaries. Second, the Office operated with a smaller headcount compared with its peers. Third, 88 per cent of the Office's investments were managed internally, incurring fewer fees. Those efficiencies contributed directly to the fund and were reinvested.

87. In response to a question from a representative of governing bodies and representatives of participants regarding impact investment, the Representative of the Secretary-General and the Chief Investment Officer stated that the Office of Investment Management was mandated by the General Assembly to do impact investing. The recommendation of the Investments Committee was always to be very cautious and never to sacrifice return or risk. The performance of the impact investing would be reported once the investment had been made.

88. FAFICS and the representative of participants expressed concerns about recent changes to benchmarks. However, the group of participants' representatives acknowledged that:

(a) In accordance with article 19 (a) of the Regulations of the Fund, it was the prerogative of the Secretary-General to manage the investments of the Fund and he had delegated that responsibility to the Representative of the Secretary-General for the investment of the assets of the Fund;

(b) Benchmarks were key elements of the investment process. The selection of investment benchmarks was a helpful way to set limits for individual investment managers as well as to monitor performance in accordance with their assigned mandates. Such uses of benchmarks were purely an investment matter that belonged under the purview of the Representative of the Secretary-General;

(c) However, there were different benchmarks for different purposes. Long-term enduring, stable, non-customized benchmarks:

(i) Assisted in ensuring the stable management of assets;

(ii) Provided additional detailed information, as referenced in article 19 (b), to support the oversight duties of the Pension Board;

(iii) Covered the investable universe;

(iv) Improved long-term risk assessments and the credibility of performance evaluations;

(d) The customization of benchmarks could be valuable for investment management. However, such benchmarks had less value for:

(i) Solvency risk analysis;

(ii) Comparison with other investors or funds;

(iii) Monitoring of long-term performance;

(e) For the Pension Board's long-term oversight, as assisted by the Fund Solvency and Assets and Liabilities Monitoring Committee, an industry-standard benchmark was needed, with broad, global coverage that was representative of the investable universe.

89. The Representative of the Secretary-General clarified that the total fund policy benchmark, as defined in the investment policy statement, was the only institutional benchmark. The benchmark was the only representation of the investable universe of the Fund given that the exclusions were reflected. The total fund policy benchmark was determined following the strategic asset allocation every four years or earlier, on an extraordinary basis, if the conditions changed materially; it was aligned with and contributed to the achievement of the long-term investment objective, in accordance with the solvency objective of the Fund. Any other benchmark was not aligned with the long-term investment objective and hence was not aligned with the solvency of the Fund and did not represent the investable universe.

90. The peer comparison requested by the General Assembly is shared with the Assembly and disclosed publicly on the Fund's website in October every year. The Representative clarified that the Wilshire Trust Universe Comparison Service report had not been used because the CEM Benchmarking report was more suitable and accepted by the General Assembly.

91. Regarding advisers, the Chief Information Officer stated that the Office of Investment Management had several different advisers and tools. The Office was constantly exploring the new tools and advisers with a view to further enhancing productivity and efficiency, including the use of artificial intelligence.

92. Responding to questions from the representative of the participants regarding venture capital, the Representative of the Secretary-General stated that it fell under private equity. The Office of Investment Management had allocated funds to private equity for over a decade and would follow the same process. The Office invested in funds in private markets where it held stock, giving the Office decision-making power. It was important not to confuse investing in funds with using external managers, given that they were distinct activities. Regarding lending of securities, the Office had nothing to report given that the programme had not started. As soon as revenue was generated, it would be reflected in the financial statements.

93. Regarding the potential shrinkage of the portfolio, the Office had experienced a reduction in staff numbers from 2020 to 2021. The Office could manage such changes and would not always request increases given that there were mechanisms in place to handle such situations.

94. A member of the governing bodies group said that the Net-Zero Asset Owner Alliance was an initiative driven by the Secretary-General, not an intergovernmental decision, and that a mechanism was needed to monitor the performance of sustainable investments.

95. The Representative of the Secretary-General responded that in 2021, the Office of Investment Management had decided to divest from fossil fuel companies that were

not transitioning to renewable energy sources. Some fossil fuel companies that were transitioning to renewables and met specific criteria remained in the portfolio. That divestment strategy had helped to reduce carbon emissions, allowing the Office to reduce the carbon footprint of its portfolio ahead of schedule. Fortunately, the Office was more than 1 percentage point above the plan benchmark; the information was reported publicly on the Fund's website and updated every month. Thus, the Office was not only avoiding losses but also generating more revenue by investing in other areas. Regarding the specific impact investments towards climate action, they would be duly reported to the General Assembly.

96. The Chief Information Officer responded to the questions from the representatives of the participants and the governing bodies regarding in-house management versus external management. He stated that it was important to invest the assets in the wider universe in order to enhance investment returns and mitigate risks through diversification. The Office used external managers when internal resources were insufficient. For instance, in 2022, the Office had used external managers to invest credit securities in fixed income because it had only one investment officer. With a current team of four staff members, the Office was now reallocating assets internally as planned. The Office strived to internalize strategies whenever feasible, starting with external managers if needed.

### Statement by the Chair of the Investments Committee

97. The Chair of the Investments Committee stated that the Committee comprised nine regular members and one ad hoc member, who met monthly. In their day jobs, the members managed assets valued at $2 trillion in both the public and private sectors. They dedicated 1.5 to 3 hours each month to meetings with the Representative of the Secretary-General to review the performance of the portfolio, provide professional advice and discuss market conditions.

98. The Chair stated that the Pension Fund had grown significantly and was among the top 50 funds in the world, reaching a value of $93 billion. The Chair had been on the Committee for more than 12 years, during which time assets had doubled. Despite challenging times, the Fund had been able to generate a real rate of return higher than 3.5 per cent, which had been sustained over the long term (15 years). He reminded the Board of the Fund's dual mandate of achieving the 3.5 per cent real rate of return in the long term (15 years) and in the short term (3 years), which is to meet or exceed the policy benchmark's returns within the established risk parameters.

99. The Chair highlighted the Fund's consistent outperformance over the past 3, 5, 15 and 20 years, attributing a significant portion of that success to a prudent emphasis on dollar-based assets. He subsequently discussed the recent resurgence of the fixed-income market, noting that the asset class had offered minimal returns following the financial crisis. However, the past 18 months had witnessed a turnaround owing to the hikes in central bank rates. He noted that the Fund currently allocated 39 per cent to fixed income and advocated for investment in that area and other specialized domains such as private markets. He emphasized the Fund's high operational efficiency, underscored by a low staff-to-asset ratio compared with industry peers.

100. In analysing the broader economic landscape, the Chair expressed optimism regarding the current economic tailwinds, characterized by robust global gross domestic product (GDP) growth, tamed inflation, low unemployment and wage growth. While equity markets had reached record highs driven by the technology and industrial sectors, especially in developed markets, he cautioned about elevated valuations and recommended maintaining vigilance.

101. The Chair concluded by reiterating the importance of vigilance, advocating for increased staffing levels to support the Fund's growth and reaffirming the Fund's commitment to fulfilling its obligations to stakeholders.

**Discussion in the Board**

102. In response to a request for a comment by a representative of the governing bodies on the historical inverse relationship between global growth and interest rates and on the team's projection for the duration of the current high-interest rate cycle, the Chair responded that the fixed-income market had experienced significant volatility as a result of unprecedented monetary policy interventions. The actions taken by central banks to suppress interest rates followed by subsequent adjustments to stimulate the economy had contributed to inflationary pressures and aggressive rate hikes. While a return to the previous low-rate environment was not anticipated in the near or intermediate term, a moderate interest rate reduction remained a possibility influenced by factors such as inflation, employment conditions and political dynamics.

103. In response to a question from a representative of the participants regarding the Fund's staffing levels compared with industry standards and whether the calculation was inclusive of externally managed assets, the Chair stated that the current staffing request encompassed two positions, including roles within specialized markets such as private credit. While the previously mentioned discrepancy between the internal staffing levels of the Office of Investment Management relative to industry staffing levels was an estimate, the proposed budget represented a step towards addressing that shortfall. Although understaffed, the organization maintained a cautious approach to avoid compromising asset protection. In terms of cost, the investment management strategy placed the Fund 30 per cent below the median cost for peers.

104. FAFICS asked about the Investment Committee's overall outlook on global markets, noting that despite optimism regarding a potential decline in United States and European interest rates, the increasing debt-to-GDP ratio raised concerns. The Chair responded that investment decisions continued to prioritize the United States dollar owing to its dominance and liquidity. The increasing debt burden posed concerns, potentially leading to sustained interest rate hikes, appreciation of the dollar and adverse impacts on certain emerging markets. Notwithstanding those challenges, the organization maintained a focus on high-quality emerging market assets. Global markets had exhibited remarkable resilience in the face of geopolitical and economic uncertainties. The current economic strength was underpinned by robust investment and consumer spending, with artificial intelligence emerging as a significant driver of growth. While economic volatility was to be expected, the overall outlook remained positive.

105. In response to a question from the representative of executive heads regarding the Committee's assessment of an optimal allocation for impact investing within the portfolio, a Committee member defined impact investing, in accordance with the International Finance Corporation, as an investment strategy that generated measurable social and environmental impact alongside financial returns. She noted the relatively small scale of impact investments, which constituted approximately 1 per cent of the total $100 trillion asset base. The member emphasized the challenges inherent in impact investing and cautioned against imposing excessive expectations on the investment team.

106. Another member of the Investments Committee observed that China would persist in its reform efforts, anticipating sustained growth in productivity driven by advancements in artificial intelligence and clean energy technologies.

107. **The Board thanked the Investments Committee for its continued service to the Office of Investment Management and the Fund.**

## B. Membership of the Investments Committee

108. Article 20 of the Regulations of the Fund provides for a nine-member Investments Committee. The members are appointed by the Secretary-General after consultation with the Board and the Advisory Committee on Administrative and Budgetary Questions, subject to confirmation by the General Assembly. The current membership of the Committee comprises nine regular members and one ad hoc member. The Secretary-General authorized the Representative of the Secretary-General to consult with the Board and, in turn, with the Advisory Committee on the:

(a) Reappointment of Keiko Honda (Japan/Asia-Pacific States) as a regular member for a three-year term, commencing 1 January 2025;

(b) Reappointment of Macky Tall (Mali/African States) as an ad hoc member for a one-year term, commencing 1 January 2025.

109. **Having been consulted, the Board took note of the proposals of the Secretary-General regarding the appointment of Investments Committee members.**

## C. Risk management progress report

110. The Chief Risk and Compliance Officer presented an overview of the risk management and compliance function within the Fund. During the reporting period, the risk management and compliance services continued to monitor, assess, calculate and evaluate the risk, performance and compliance of the investment function of the Fund.

111. In addition to the regular responsibilities, numerous activities had been undertaken to strengthen the control environment of the Office of Investment Management during 2023. Achievements included the conduct of the quadrennial asset liability management study in collaboration with the Pension Administration, the completion of the migration to the new strategic asset allocation in February 2024, including the investment benchmarks included in the asset liability management study, and the design and implementation of the counterparty credit risk limits on the notional amount for derivative trading on the to-be-announced instruments. Those limits were monitored daily, and the credit rating of derivatives' counterparties were monitored multiple times a day and circulated within the risk and investment teams.

112. The consolidation of the risk management functions of the Pension Administration and the Office of Investment Management had become effective as at 1 January 2024. The team had started several projects to crystallize the long-term view of the risk management of the Fund and had finished the technical evaluation of the risk management and performance system and selected the vendor.

113. The Fund had remained compliant with the Global Investment Performance Standards after an independent party had concluded the successful verification process and also had achieved significant progress in implementing and closing OIOS and Board of Auditors recommendations.

114. In his overview of the risk management and compliance function within the Fund, the Chief Risk and Compliance Officer focused on how it represented a solid second line of defence and explained the plans for the function. He highlighted that the activities of the risk management and compliance team were guided by the enterprise risk management framework.

115. The risk and compliance team covered four key areas:

(a) Investment risk team: The team monitored the health of the investment portfolio through regular assessment of a wide array of ex-ante and ex-post risk metrics. It also performed strategic risk management by evaluating portfolio performance and asset allocation optimization through the updating of capital market assumptions and by discussing tactical opportunities with the investment team;

(b) Compliance team: The team ensured adherence to rules and regulations and managed policies specific to the Office of Investment Management. It also handled the assessment of internal controls and functions as the focal point for audits;

(c) Investment performance team: The team reported on portfolio performance, managed benchmarks and conducted annual due diligence in respect of the custodian and master record keeper;

(d) Non-investment risk team: The team oversaw a variety of risks, focusing mainly on operational risk.

116. The Chief Risk and Compliance Officer explained that the Fund's internal control system was integral to enterprise risk management, which was broader than the internal control system. Enterprise risk management was based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission, ensuring long-term sustainability, enhanced decision-making and stakeholder trust.

117. The Chief Risk and Compliance Officer outlined the plans for risk management, which were divided into four main pillars:

(a) Institutionalizing the risk function: This included enhancing the enterprise risk management framework, harmonizing risk assessment and measurement across the Pension Administration and the Office of Investment Management, reinforcing risk culture and drafting a comprehensive risk appetite statement;

(b) Evolving investment risk management: A factor-based investment analysis was being introduced to improve asset allocation methods, provide a better understanding of risks and aid investment decisions;

(c) Strengthening operational risk management: This included emphasizing the three-lines-of-defence model, increasing cyberrisk and third-party risk coverage and introducing the risk and control self-assessment;

(d) Enhancing risk governance: This included designing and implementing new risk management frameworks for operational, cyber, third-party and sustainable risks, establishing a Fund-wide Risk Committee and maintaining the Investment and Compliance Committees.

118. The Chief Risk and Compliance Officer concluded by emphasizing that the above initiatives represented significant progress in the Fund's risk management journey, with the aim of protecting the Fund's assets and reputation while positioning the Fund for sustainable growth and success in an increasingly complex environment. He stressed that the Board's support for the initiatives had been instrumental in setting the "tone from the top" and increasing the probability of success in their implementation.

### Discussion in the Board

119. In response to a question from FAFICS regarding whether there were sufficient staff to monitor and manage the operational and resilience risks of the Fund, enhance the collaboration between the Office of Investment Management and the Pension Administration and conduct training and testing, the Chief Risk and Compliance Officer highlighted that the resources in the operational risk team had been doubled in response to the growing operational complexity of the Fund. He added that the

cornerstone for strengthening operational risk would be achieved through the risk and control self-assessment, emphasizing the importance of strengthening the three-lines-of-defence model. The self-assessment was a proven mechanism for making the first line of defence more accountable for risks and controls and reducing reliance on the third line of defence, namely, the audit function. He explained that the other mechanism to strengthen operational risk was the use of technology, with a governance, risk and compliance system that allowed the Fund to have a complete view of processes, risks, controls, assessments and policies. He also emphasized the importance of having a robust system for event reporting. The Chief Risk and Compliance Officer stressed that the effort to strengthen the risk culture was on course to be implemented through the deployment of mandatory risk training for all Fund personnel. He recognized the difficulty of the different initiatives and projects and stressed the necessity of recruiting new staff at a senior level who would implement the operational risk framework and the new risk and compliance governance scheme.

120. In response to a question from a representative of the governing bodies regarding mechanisms to enhance risk management through stress tests, the Chief Risk and Compliance Officer stated that the team ran a total of some 20 different scenarios every week to reproduce known past crises, such as the financial crisis of 2008 and ad hoc events. He mentioned that the team was running quarterly stress tests that were more macroeconomic (systemic) based and reassured that extensive stress testing was being conducted as a risk management tool.

121. **The Board took note of the report.**

# Chapter VI
# Governance matters

## A. Update by the Governance Review Working Group

122. The Chair of the Governance Review Working Group provided a summary of the Group's work since its terms of reference and membership were approved at the Board's session in February 2024. It was recalled that the Board had established the Group at its seventy-fifth session, in July 2023, to review the impact of implemented governance reforms on the efficiency of the Board's work. The Group had met virtually three times since its establishment.

123. To complete its work, it was important for the Group to understand the history of the reforms. In that regard, the Group had reviewed numerous documents, including the Mosaic report, OIOS governance report, Board reports, Board survey results for the past three years and applicable General Assembly decisions. The Group determined that a key measure of the impact of the governance reforms would be the comments and views of Fund stakeholders. To that end, it had developed a survey questionnaire to seek the input and opinions of the Board and staff pension committee secretaries on the effectiveness of the reforms and whether any actions were needed. The survey covered the size and composition of the Board, the review of Board committees, the frequency of the meetings of the Board, the roles of Board leadership, standards of conduct, the fiduciary responsibilities of the Board and efficiency measures.

124. The Chair of the Group noted that the completion of the survey and the provision of feedback would be key to the Group's review in order to understand what and how specific areas could be improved. In accordance with its terms of reference, the Group would review the survey results and develop recommendations regarding appropriate follow-up actions concerning the decisions of the Board and the General Assembly on the Board's governance. The Group's final report would be presented to the Board at its July 2025 session, with interim reports provided at the February and April 2025 sessions.

125. **The Board took note of the upcoming survey, thanked the Group for its work and looked forward to its final report.**

## B. Report of the Ethics Policy Review Group

126. At its sixty-ninth session, in 2021, the Board approved its ethics policy and the appointment of an Ethics Adviser. The ethics policy was submitted to the General Assembly as part of the Board's report on its sixty-ninth session (A/76/297). The Assembly, in paragraph 13 of section XIII of its resolution 76/246 A, requested the Board, in consultation with the Ethics Adviser, to revise and adjust the policy and to provide further analysis and clarification in its next report. At its seventy-second session, in July 2022, the Board decided that it would provide outcomes thereon to the seventy-eighth session of the Assembly. The decision was endorsed by the Assembly in paragraph 10 of its resolution 77/258.

127. The Ethics Policy Review Group considered feedback from the General Assembly and input from the Board provided in 2023. During its meetings, the Group reviewed the general structure of the ethics policy, removed duplications and established a comprehensive framework to guide the integrity of the Board in performing its functions. The Group also made changes to the policy to align the coverage between the policy and the code of conduct. In conjunction with its review

of the ethics policy, the Group also reviewed the "Declaration" and proposed revisions, as applicable.

128. **The Board commended the work of the Ethics Policy Review Group and thanked the Review Group for its final report and draft revised ethics policy, including the Declaration by Members and Alternate Members of the Board, its Subcommittees and Staff Pension Committees, Representatives and Observers. The Board requested the Chair of the Board to seek a legal review of the revised policy by the Office of Legal Affairs and to submit the resulting document to the Board for endorsement at its meeting in February 2025.**

## C. Report of the Ethics Adviser for 2023/24

129. The ethics policy provides for the appointment of an Ethics Adviser to assist the Board in its interpretation and application of the code of conduct and the ethics policy. Godfred Awa Eddy Penn, retired General Counsel and Director of Legal Services of the African Development Bank Group, was appointed to succeed Peter Liria as the Ethics Adviser to the Board effective 19 September 2023.

130. The terms of reference of the Ethics Adviser require that he/she provide an annual report to the Board. In his report, the Ethics Adviser noted that, in addition to becoming familiar with the Fund and the Board's method of operating, he had been called upon to provide an opinion concerning the appointment of a member of the Committee of Actuaries and to participate in various virtual meetings with the Ethics Policy Review Group and the Board to revise the ethics policy.

131. **The Board took note of the report of the Ethics Adviser.**

## D. Renewal of the appointment of the Ethics Adviser

132. At its seventy-fifth session, in a closed session, the Board virtually met two candidates for the position of Ethics Adviser to the Board. The Board unanimously agreed to engage Godfred Penn (Cameroon) under a one-year consultancy contract, which began on 19 September 2023.

133. The Board was informed that the Succession Planning and Evaluation Committee had met and determined that Mr. Penn had performed satisfactorily and in accordance with the terms of reference. Further, Mr. Penn had confirmed his interest in renewing his engagement under an additional one-year consultancy contract. The Board was therefore requested to approve the re-engagement of Mr. Penn as Ethics Adviser to the Board for an additional year.

134. **The Board took note of the paper and approved the re-engagement of the Ethics Adviser under a one-year consultancy contract. In doing so, the Board expressed its expectation that the Ethics Adviser would liaise, as appropriate, with the three constituent groups during the year ahead.**

## E. Report of the Plan Review Group

135. The Board established the Plan Review Group at its seventieth session, in February 2022, and approved the Group's terms of reference at its seventy-first session, in April 2022. The Chair of the Group presented a summary of the completed work as well as its conclusions and recommendations.

136. In accordance with its mandate, the Group completed the following tasks:

(a) Assessed the major developments to be considered in defining the future needs of the Fund;

(b) Reviewed the proposals by the 2008–2010 Working Group on Plan Design to:

(i) Determine whether priority should still be given to those proposals approved by the General Assembly to be implemented when the actuarial valuation of the United Nations Joint Staff Pension Fund shows a clear upward pattern of surpluses, namely, a positive trend of actuarial surpluses;[1]

(ii) Determine whether the proposals not yet approved by the General Assembly should still be adopted;

(c) Reviewed proposals submitted by staff pension committees;

(d) Considered proposals for simplification and clarification of the Regulations, Rules and Pension Adjustment System that facilitate the administration of benefits but do not change the nature of any benefits;

(e) Formulated and prioritized proposals to meet the future long-term needs of the Fund.

137. The Group's consideration of the above proposals took into account the history of each item, the Board's rationale for considering changes that have been implemented or have been approved in principle, and the actuarial and administrative costs in relation to each proposal. Based on its review, the Plan Review Group established the following prioritizations:

(a) Priority 1: Elimination of the 0.5 per cent reduction factor in the first cost-of-living adjustment due after retirement. This proposal is considered to be the first priority because it would benefit almost all participants and has already been recommended by the Board and approved by the General Assembly. In addition, the Assembly has decided not to consider any further proposals to enhance or improve pension benefits until action has been taken on this and the other issue contained in its resolution 57/286;

(b) Priority 2: Commencement of cost-of-living adjustments for deferred benefits from age 50. The Plan Review Group considers this proposal to remain a priority because it has already been recommended by the Board and approved by the General Assembly. In addition, the Assembly has decided not to consider any further proposals to enhance or improve pension benefits until action has been taken on this and the other issue contained in its resolution 57/286;

(c) Priority 3: Automatic restoration of deferred retirement benefits. This proposal was partially addressed in 2023 when article 24 bis of the Regulations of the Fund was introduced to allow the restoration of deferred retirement benefits on a cost-neutral basis to the Fund. The Group considers that it will be important to fully reinstate the remaining element of this proposal;

(d) Priority 4: Removing the cap on benefits for participants at the Assistant Secretary-General/Under-Secretary-General levels. The Group acknowledges the intent of the General Assembly with respect to this proposal at the time it was implemented. However, the Group considers that it is important to address the proposal to remove the inequity between the contribution levels of the affected participants and their resulting applicable benefit levels and, thus, treat all participants equally.

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[1] See General Assembly resolutions 57/286 and 59/269.

138. The Chair of the Group informed the Board that, after taking into account the actuarial valuation results as at 31 December 2023, the costings of each proposal provided by the consulting actuary, the long-term sustainability and intergenerational equity of the Fund and the advice from the Committee of Actuaries to be prudent at this time, it was of the view that the present funded status of the Fund could not support any changes to the Regulations that would create a cost at the present time.

139. **The Board agreed with the prioritizations of the considered proposals recommended by the Plan Review Group.**

140. **The Board thanked the Group for its work and its final report and, in the light of the foregoing, agreed to remain seized of this matter. The Board requested the Committee of Actuaries to continue to study these items in conjunction with the next actuarial valuation of the Fund as of 31 December 2025, or subsequent valuations, for the ongoing consideration of the Board.**

141. **In addition, the Board recommends that the General Assembly adopt the amendments aimed at simplifying and clarifying the Regulations and the Pension Adjustment System as presented in annexes IV and V to the present report. The Board adopted the proposed amendments to the Administrative Rules and the Financial Rules, as set out in annexes VI and VII. The Board further took note that that these simplifications and clarifications of the Regulations, Rules and Pension Adjustment System facilitate the administration of benefits and do not change the nature of any benefits, in accordance with the terms of reference approved by the Board.**

## F. Applications for membership in the Fund

142. In accordance with the Board's decision at its seventy-sixth session, the Chief Executive provided an update to the Board on expressions of interest in joining the Fund. The Board was informed that OPCW had formally requested admission to the Fund effective 1 January 2025.

143. OPCW is the implementing body for the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction. It has 193 member States and is based in The Hague, Kingdom of the Netherlands. As at 31 December 2023, it employed 363 staff members. The Board was informed that the Pension Administration had reviewed the request by OPCW and that it met the conditions for consideration by the Board under article 3 of the Regulations of the Fund. The Board was also informed that ICSC had confirmed that OPCW generally followed the provisions of the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies. The Committee of Actuaries had reviewed the request of OPCW for membership at its sixty-third session, in June 2024 and had concluded that the admission of OPCW to the Fund would present no apparent actuarial risk to the Fund.

144. **Following consideration, the Board recommends that the General Assembly, in accordance with article 3 (c) of the Regulations of the Fund, admit OPCW for membership in the Fund with effect from 1 January 2025, with such admission subject to:**

(a) **The Conference of the States Parties to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction confirming, at its twenty-ninth session, to be held in November 2024, its approval of OPCW joining the Fund effective 1 January 2025;**

(b) **The draft amended OPCW Staff Regulations and Rules entering into force on or prior to 1 January 2025 in substantially the form received by the Pension Administration, incorporating any comments provided thereon by the Pension Administration;**

(c) **The conclusion of the terms of an agreement between OPCW and the Board, to be signed by the Chief Executive of Pension Administration on behalf of the Board if the General Assembly approves the admission of OPCW, substantially in the same terms as recent agreements concluded with new member organizations and specifically addressing the acceptance by OPCW of the Regulations and Rules of the Fund, including the jurisdiction of the United Nations Appeals Tribunal in respect of pension matters.**

145. **The Board emphasized that the admission of OPCW to the Fund was premised on the understanding that OPCW should not have any expectation of being entitled to a voting seat on the Board at the present time, noting that the Governance Review Working Group was considering the issues of size and composition of the Board.**

## G. Report of the Fund Solvency and Assets and Liabilities Monitoring Committee

146. The Chair of the Fund Solvency and Assets and Liabilities Monitoring Committee informed the Board that since its most recent report to the Board for the calendar year ending December 2023, the Committee had held two meetings, virtually from 26 to 28 March 2024 and in person from 25 to 27 June 2024. In accordance with its mandate of monitoring and providing advice and recommendations to the Pension Board on the long-term solvency and sustainability of the Fund, the Committee focused on both the investments and liabilities of the Fund.

147. Based on its review of the information provided by the Office of Investment Management, the Chair of the Committee summarized the observations of the Committee as follows:

(a) The Committee welcomed the rebound of the Fund of more than 13 per cent since 2022;

(b) The Fund had outperformed the benchmark over the past three years;

(c) The real rate of return earned over the past 15 years was 4.81 per cent;

(d) The new strategic asset allocation, as implemented during the first quarter of 2024, was expected to improve return and reduce risk in the long run;

(e) The updated capital market assumptions had only a marginal impact on future expected returns;

(f) The Committee noted the recent and frequent changes in the benchmarks and expected the Fund to meet or exceed its benchmarks on a consistent level on a long-term basis;

(g) The Committee looked forward to the suggestions and recommendations of the external adviser.

148. Further, based on its review of the information provided by the consulting actuary and the Committee of Actuaries, the Committee brought the following observations to the Board's attention regarding the actuarial valuation results as at 31 December 2023:

(a) The Fund remained in a strong financial position and there were no liquidity constraints foreseen for the next 50 years;

(b) The current required contribution rate was 23.02 per cent, below the actual contribution rate of 23.70 per cent, which meant that the valuation disclosed a positive status of 0.68 per cent. However, the required contribution rate was higher than in the most recent valuation, indicating a change in the positive trend of the past six valuations;

(c) The factors driving the key changes in the valuation results, compared with the results at the end of 2021, were high inflation, a decrease in the real rate of return assumption and the current positive effect of the asset smoothing method.

149. In the Committee's report to the Board, it was noted that the Committee had discussed the meaning of article 19 of the Regulations of the Fund in relation to the Board's and the Committee's responsibilities for making observations and suggestions on investment policy. Further, article 2 of the Regulations required that the Board interpret the regulations and rules while also being responsible for Fund solvency (article 12 (c)). Given that article 19 had been written many years earlier at a time when both investments and the technical ability to monitor them were not as sophisticated as they were now, the Committee was seeking any clarity that could be provided by the Board either through the General Assembly or the Governance Review Working Group, especially to assist the external adviser soon to be retained by the Board.

150. The Committee updated the Fund's solvency risk dashboard (see below), which the Committee Chair presented to the Board. The Chair noted that the Committee of Actuaries had added seven new risk categories; the Committee had reviewed and agreed to the categories, but had expressed concern that it might be too early to change the risk level of the capital market assumptions from high risk to medium risk.

## Summary dashboard

**Dark gray:** high risk, immediate action required
**Medium gray:** medium risk, actively monitoring
**Light gray:** no immediate risk, long-term monitoring

| Category | | Risk factor | Status at June 2024 | Status at June 2023 | Status at June 2022 |
|---|---|---|---|---|---|
| Plan design | | **Higher-than-expected cost or take-up of Two-Track** | | New | New |
| Plan design | | **Take-up of lump sums** commuted on retirement impacts actuarial balance | | New | New |
| Demographic and behavioural | New entrants | **Lower number of new entrants** than expected | | | |
| Demographic and behavioural | New entrants | **New entrant profile different** than expected | | New | New |
| Demographic and behavioural | Mortality | Actual **mortality is lower** than projected mortality | | | |
| Demographic and behavioural | Withdrawals | **Withdrawal experience impacts actuarial balance** | | New | New |
| Demographic and behavioural | Retirements | **Early retirement experience impacts actuarial balance** | | New | New |
| Economic | Investment returns | **Actual** long-term **investment returns** are lower than expected to the extent that they impact long-term solvency | | | |
| Economic | Investment returns | Future outlook for capital markets suggest lower **future investment assumption** | | | |
| Economic | Inflation | **Higher-than-expected inflation** leading **to higher-than-expected cost-of-living adjustments** on benefits | | New | New |
| Economic | Pensionable remuneration | **Higher-than-expected rise in pensionable remuneration** | | New | New |
| Economic | Liquidity | Available **cash insufficient to cover benefit obligations,** resulting in poor timing of liquidation of assets | | | |
| Operational | Data quality | Poor data quality leads to **inaccurate experience studies and/or liability valuations** | | | |

151. The Chair of the Committee noted to the Board that its funding policy was now posted on the Fund's website and had been acknowledged by other international pension funds. The Board was informed that the intention was to include the new

presentation of solvency risk categories as an additional annex to the Fund's funding policy when it was reviewed in 2025.

152. The Chair of the Committee noted that the Committee's rules of procedure had been updated in accordance with the Board's request.

153. **The Board took note of the report of the Fund Solvency and Assets and Liabilities Monitoring Committee and thanked the Committee for its work. The Board did not approve a second in-person meeting for the Committee in 2025.**

#### Update on the selection of the external adviser

154. The Chair of the Committee provided background on the procurement process for the Committee's external adviser. He noted that a technical committee consisting of the Representative of the Secretary-General, the Chief Executive and himself had reviewed the questions for the request for quotation provided to the Procurement Division. The Procurement Division had managed the request for quotation, which had been sent to 12 potential providers. It was noted that the Fund had received only two responses.

155. **Following the presentation by the Chair of the Fund Solvency and Assets and Liabilities Monitoring Committee on the outcome of the procurement process to select an external adviser to support the work of the Committee, the Board noted that the request-for-quotation process did not allow for sufficient time to reach out to a wider pool of potential qualified vendors and requested the initiation of a request-for-proposals process and a report on the outcome at the Board session following the completion of that process.**

## H. Performance evaluation of the Chief Executive of Pension Administration

### 1. Report by the Chair

156. At its sixty-ninth session, the Board approved the process and report template for the performance evaluation of the Chief Executive of Pension Administration, who reports to the Chair of the Pension Board.

157. Following a self-evaluation by the Chief Executive of Pension Administration, the Chair of the Pension Board for the 2023 sessions completed the performance evaluation and submitted a report to the Board.

158. **In closed session, the Board took note of the report on the performance evaluation of the Chief Executive of Pension Administration for the period from July 2023 to June 2024.**

### 2. Report by the Succession Planning and Evaluation Committee

159. At its sixty-fifth session, in July 2018, the Pension Board established the Succession Planning and Evaluation Committee to:

(a) Assist the Board in selecting senior staff, in particular the Chief Executive of Pension Administration and the Deputy Chief Executive of Pension Administration, for recommendation for appointment by the Secretary-General;

(b) Develop performance evaluation methodologies;

(c) Take a long-term strategic approach to succession planning in the senior executive levels of the Fund.

160. At its sixty-ninth session, in July 2021, the Pension Board approved the performance evaluation process and report template contained in the note of the Succession Planning and Evaluation Committee, which indicates that the Committee shall obtain the completed reports of both the Chief Executive of Pension Administration and the Deputy Chief Executive of Pension Administration at the end of the respective reporting period to ensure that the performance evaluation process was followed and that there were no procedural flaws to the extent possible. Also at the sixty-ninth session, the Board decided that the evaluation process would be subject to a review in two years, namely, at the seventy-fifth session, in July 2023. At that session, the Committee recommended to the Board, and the Board agreed, that the Committee's review of the evaluation processes of both the Chief Executive of Pension Administration and the Deputy Chief Executive of Pension Administration should be deferred until at least two evaluation cycles had been completed, namely, at the current session.

161. The Chair of the Committee presented the comments of the Committee based on its review of the process. The comments clarified a number of procedures already outlined in the review process. **The Board took note of the report.**

# Chapter VII
# Benefits system

## A. Changes in the Regulations, Rules and Pension Adjustment System of the Fund

162. The discussion and decision on changes in the Regulations, Rules and Pension Adjustment System are covered in the section on the report of the Plan Review Group (chap. VI, sect. E).

## B. Report on monitoring the impact of currency fluctuations on pension benefits

163. The Board reviewed the report by the Chief Executive of Pension Administration on the monitoring of the impact of currency fluctuations on the pension benefits of the Fund. The document contained details on the biennial monitoring of the operation of the two-track feature of the pension adjustment system and on a recently developed analysis of the impact of fluctuations after separation by assessing the variation in the most recent ratio of the local currency track to the respective dollar track.

164. As in the past, the results indicated that the pension benefit amounts in the local currency track continued to be maintained at or near the targeted levels. In addition, the results of the analysis of the impact of fluctuations after separation indicated that, despite some variability, the performance of the two-track feature remained relatively stable for the majority of benefits with different separation dates within a country.

165. **The Board took note of the report.**

## C. Guidelines for spousal benefits under articles 34 and 35 of the Regulations

166. Following the request of the General Assembly in paragraph 23 of its resolution 77/258, at its seventy-fifth session, in July 2023, the Board approved amendments to the guidelines to determine eligibility for spousal benefits under articles 34 and 35 of the Regulations so as to allow spouses married after separation from service to be recognized for a prospective widow's or widower's benefit under articles 34 and 35 of the Regulations, subject to various requirements concerning the existence of the relationship at the time of the participant's separation from service and changes in national law after the participant's separation from service. The revised guidelines included specific deadlines relating to the date of marriage, which had to be entered into on or before 31 December 2022, and the date of the request to the Fund for recognition, which had to be submitted on or before 31 December 2024.

167. In its resolution 78/253, the General Assembly requested the Board to examine any other circumstances where the guidelines could be extended in the context of changes in national law and marital status.

168. The Chief Executive reported that, since the issuance of the revised guidelines on 8 September 2023, the Pension Administration had received six requests for recognition of spouses married after separation from service. Of those, four had been approved and two had been rejected because they did not meet the applicable requirements. In one of the cases that was rejected, the participant and his spouse had married in September 2023 and thus did not meet the requirement of their marriage having taken place no later than 31 December 2022.

169. A member of the governing bodies shared some considerations regarding the impediments for former participants and retirees with respect to requesting the Fund to retrospectively recognize their spouse as a prospective survivor for survivor benefits, meaning potential cases not covered by the guidelines as amended in 2023. He referred to General Assembly resolution 78/253, in which the Assembly had requested the Board to examine other circumstances where the guidelines could be extended in the context of changes in national law and marital status, and noted that the amended guidelines, did not account for situations where marriage before separation from service was impeded by different circumstances, including ones other than changes in the national legislation. A number of suggestions on how to further amend the guidelines for that purpose, broadening the scope of the guidelines to include changes in marital status, were offered.

170. **In response to paragraph 5 of section VII of General Assembly resolution 78/253, the Board requested the Pension Administration to prepare a document for its July 2025 meeting advising the Board on addressing other circumstances referenced by the resolution that are not covered in the existing guidelines in the context of changes in national law and marital status. Specifically, the Board requested the Pension Administration to advise on the regulatory changes (together with associated costing and estimated actuarial impact) that would be required to extend spousal benefits to former participants who upon separation were not married but were in a relationship and after separation married the person with whom they were in a relationship at the time of separation.**

## D. Special adjustment for small pensions

171. The Board reviewed a note by the Chief Executive of Pension Administration on the adjustment scale applied to small pensions, as specified under section E of the Pension Adjustment System. The note had been prepared in response to a request from the Board at its seventy-seventh session, in April 2024, to set out:

(a) A proposal for a one-off uplift to the current small pension scale to reflect changes in cost of living since the current scale came into effect in 2016;

(b) An approach to developing a longer-term mechanism for the special adjustment for small pensions alongside the flat rates applied for the purpose of the minimum pension benefits under article 28 (e) and (f).

172. To address item (a), the Pension Administration had conducted further analysis and proposed the implementation of a new set of small pension adjustments to take effect on 1 April 2025.

173. The revised adjustments were considered with reference to the anticipated cumulative United States cost-of-living adjustments from April 2016 to April 2025, amounting to an increase of 35 per cent from the current scale. It was also proposed that a minor modification be made to the relative progression of the adjustments to address some inequities that existed with the current scale. The above proposed scale is aimed at increasing small pensions, such that an individual with longer contributory service cannot receive a smaller benefit than a comparable individual who has had fewer years of service. The new scale seeks to eliminate income inversion and ensure fair compensation for retirees with higher base benefits.

174. The governing bodies group indicated that it would not be supportive of any automatic indexation of small pension benefits.

175. To address the need to develop a long-term mechanism for the special adjustment for small pensions that coexist with the minimum benefit thresholds, it was proposed that the Pension Administration analyse potential options for the Board

to consider at its April 2025 session, with a final proposal to be presented at the July 2025 session of the Board. In response to a request by the Pension Administration, FAFICs noted that it would be available to assist.

176. **The Board recommended that the General Assembly approve the amendment to the scale for small pensions for participants with 15 or more years of contributory service, under section E of the Pension Adjustment System, with effect from 1 April 2025, as contained in annex V. The consulting actuary of the Fund confirmed that that change would not have any meaningful impact on the actuarial balance of the Fund.**

177. **The Board also requested that the Pension Administration propose options for a longer-term mechanism for amending the small pension scale for presentation at the April 2025 Board session, with the final proposal to be presented at the July 2025 Board session.**

## E. Provisional payments

178. In 2016, the Pension Board authorized the then Chief Executive Officer to implement a provisional payment measure for periodic benefits that had not been put into payment within three months of receipt of all documentation required for processing the benefit. The payment was limited to 80 per cent of the estimated monthly benefit payable. Subsequently, in 2021, the Pension Board authorized the Chief Executive of Pension Administration to advance, where reasonable and appropriate, periodic pension payments in respect of financial hardship in cases lacking the full set of separation documents, not to exceed 50 per cent of the estimated monthly periodic benefit in each case. The Board periodically extended the Chief Executive's authority to issue provisional payments and, at its seventy-fifth session, in July 2023, decided to review the Chief Executive's authority in three years and to receive reports from the Chief Executive on the use of the mechanism on a yearly basis.

179. The Chief Executive reported that, since July 2021, a total of 17 cases had been considered for possible provisional payment. In 16 cases, the employing organization's payroll office had promptly submitted the missing separation notification form upon follow-up by the Pension Administration, avoiding the need for a provisional payment. In the remaining case, there was an outstanding overpayment issue between the participant and the employing organization, which had precluded the use of the provisional payment mechanism.

180. The Chief Executive noted the efforts and various initiatives undertaken by the Pension Administration in conjunction with the human resources and payroll offices of the United Nations family organizations and with the staff pension committee secretaries of other member organizations to accelerate the submission of separation documents to the Fund. For participants of United Nations family organizations, the average time from separation to receipt of the separation notification by the Pension Administration was reduced from 20 weeks in 2019 to 8 weeks in 2022. In 2023, the average time remained stable at 8 weeks despite an increase in the volume of cases of approximately 15 per cent. For participants of the other member organizations, the average time taken from separation from service to receipt of the separation notification by the Pension Administration was reduced from 11 weeks in 2019 to 6 weeks in 2022 and 4 weeks in 2023. Upon receipt of the required documentation, the Pension Administration had continued to exceed its processing benchmark. In 2023, an average of 92.8 per cent of cases had been released within 15 days of receipt of all separation documents.

181. **The Board took note of the report.**

# Chapter VIII
# Administrative matters

## A. Status report on the Emergency Fund

182. The Board was provided with a status report on the Emergency Fund for the period from 1 January to 31 December 2023. The Emergency Fund, which is not an integral part of the pension benefit system, is financed from the assets of the Fund through an appropriation of $112,500 per year, as approved by the General Assembly.

183. In 2023, there was a slight decrease in the number of Emergency Fund requests received and payments made. There was an increase in the value of the payments compared with the previous year, with a total of $42,975 disbursed under the Emergency Fund in 2023 compared with $29,057 in 2022. During 2023, the Fund received 135 new requests for assistance through the Emergency Fund and made a total of 26 payments. The majority of the payments were to assist with medical and funeral costs. While the number of cases decreased overall, the value of the payments increased because of the nature of the claims made.

184. The status report confirmed that instructions and processes had been established within the Pension Administration to ensure the prioritization and efficient processing of Emergency Fund requests. Applications can be submitted through the member self-service portal on the Fund's website. The Pension Administration is automatically notified of the request and an information letter detailing the requirements for making a claim is immediately sent by reply email. A copy of the Fund's information booklet is sent as an attachment to the reply. The booklet is available in Arabic, English, French and Spanish. The Fund also continues to advertise the existence of the Emergency Fund on its website, in its pre-retirement seminars and in briefings held by the Fund on pension matters.

185. **The Board took note of the report.**

## B. Status of information and communications technology systems and initiatives

186. The Pension Administration introduced its report on the ICT initiatives conducted in accordance with the CARE strategy, as approved by the Board and the General Assembly. The ICT initiatives included the technical configuration of the new customer relationship management system (United Nations Joint Staff Pension Fund Connect); new business intelligence reports and dashboards; the initial cloud migration; the integration of the electronic signature verification system with IPAS; technical implementation of the United Nations digital identification solution; improvements to payroll functionalities; pension statement and data quality enhancements; continuous monitoring and strengthening of cybersecurity controls and awareness projects; and additional enhancements and simplifications of the digital certificate of entitlement.

187. The report confirmed the consistent progress made in the implementation of the audit recommendations issued by the oversight bodies, including those related to performance management, operational dashboards, pension interfaces, cybersecurity, business intelligence and reporting, client experience and service management.

188. **The Board took note of the report.**

# Chapter IX
# Financial matters

## A. Financial statements for the year ended 31 December 2023

189. The Officer-in-Charge/Chief Financial Officer introduced the paper on the financial statements of the Fund for the year ended 31 December 2023. The Board was informed that the financial statements presented a snapshot of the financial situation of the Fund as at 31 December 2023, using a presentation specific to pension funds and not comparable to other United Nations system organizations.

190. The Officer-in-Charge/Chief Financial Officer noted that the Board of Auditors report on the Fund for the year ended 31 December 2023 contained an unqualified audit opinion.

191. It was highlighted that the statement of net assets available for benefits presented investments valued at $87.6 billion as at 31 December 2023 and that the value of the investments was significantly higher compared with 31 December 2022 ($77.4 billion). The increase was mainly a result of the appreciation in fair value of public-equity and fixed-income investments.

192. The statement of changes in net assets showed an investment gain of $10.3 billion for 2023, which resulted in an equivalent increase in net assets available for benefits for 2023.

193. With regard to the information provided in the annexes to the financial statements, the Officer-in-Charge/Chief Financial Officer explained that the Fund continued to grow as a result of an increase in participants and beneficiaries. The increase in the number of participants was driven mainly by the increase in the number of participants from the United Nations and the International Organization for Migration.

194. With regard to the information provided in the notes to the financial statements, the Officer-in-Charge/Chief Financial Officer informed the Board of the change in accounting policy for the year ended 31 December 2023 to include future increases in pensionable remuneration in the actuarial assumptions under IAS 26 in preparation for the adoption of IPSAS 49 as of 1 January 2024.

195. With regard to the information provided in the notes to the financial statements, the Officer-in-Charge/Chief Financial Officer addressed the question raised at the virtual meeting of the Board on 25 and 26 April 2024 and provided detailed information on realized and unrealized valuation gains and losses for real assets and fixed income. He also confirmed that the information had been shared with the Audit Committee as part of the presentation of the 2023 financial statements in May of 2024 and no additional questions were raised.

196. **The Board thanked the Officer-in-Charge/Chief Financial Officer and his team for the clarity of the financial statements as well as for the usefulness of the information contained in the financial overview. The Board took note of the unqualified opinion of the Board of Auditors and approved the financial statements for the year ended 31 December 2023 for presentation to the General Assembly.**

## B. Budget estimates for the year 2025

197. The 2025 budget estimates originally proposed by the Fund amounted to $152,488,200 before recosting, representing an increase of $12,698,500, or 9.1 per

cent, compared with the appropriation for 2024. The budget submission was presented for the secretariat of the Pension Board ($1,883,600), the Pension Administration ($72,246,100), the Office of Investment Management ($75,980,000) and audit costs ($2,378,500). In addition, the estimates provided for an amount not to exceed $112,500 for the Emergency Fund.

### 1. Secretariat of the Pension Board

198. The proposed budget for 2025 for the secretariat of the Pension Board amounts to $1,883,600 before recosting, representing an increase of 35.8 per cent compared with the appropriation for 2024. The request includes the establishment of one post and an increase in non-post resources of $380,500.

### 2. Pension Administration

199. The proposed budget for 2025 for administrative costs under Pension Administration amounts to $72,246,100 before recosting, representing an increase of 2.4 per cent compared with the appropriation for 2024. The increase is accounted for by second-year costs of new initiatives, offset in part by the removal of first-year costs of new initiatives and a reduction in resources for core activities.

200. The proposal includes the establishment of five posts, the conversion of five general temporary assistance positions to posts and the redeployment of two posts. It also includes three new general temporary assistance positions.

### 3. Office of Investment Management

201. The proposed budget for 2025 for the investment costs under the Office of Investment Management amounts to $75,980,000 before recosting, which reflects an increase of 15.8 per cent compared with the appropriation for 2024.

202. The proposal includes the establishment of 21 new posts and the conversion of 7 general temporary assistance positions to posts. It also includes one new general temporary assistant position.

203. The proposed budget for audit costs for 2025 amounts to a total of $2,378,500 before recosting to cover external ($412,900) and internal ($1,965,600) audit costs, representing an increase of 5.5 per cent compared with the appropriation for 2024.

204. The proposal provides for the establishment of one post and the conversion of one general temporary assistance position to post.

205. A summary of the proposed changes in posts and general temporary assistance positions in the Fund is provided in table 2.

Table 2
**Changes in posts and general temporary assistance positions**

| | *2024 approved* | *General temporary assistance conversions* | *Establishment* | *2025 proposed* |
|---|---|---|---|---|
| **Secretariat of the Pension Board** | | | | |
| Posts | 3 | – | 1 | 4 |
| **Subtotal** | **3** | **–** | **1** | **4** |
| **Pension Administration** | | | | |
| Posts | 262 | 5 | 5 | 272 |
| General temporary assistance positions | 20 | (5) | 3 | 18 |
| **Subtotal** | **282** | **–** | **8** | **290** |
| **Office of Investment Management** | | | | |
| Posts | 158 | 7 | 21 | 186 |
| General temporary assistance positions | 7 | (7) | 1 | 1 |
| **Subtotal** | **165** | **–** | **22** | **187** |
| **Internal audit** | | | | |
| Posts | 6 | 1 | 1 | 8 |
| General temporary assistance positions | 2 | (1) | – | 1 |
| **Subtotal** | **8** | **–** | **1** | **9** |
| **United Nations Joint Staff Pension Fund (overall)** | | | | |
| Posts | 429 | 13 | 28 | 470 |
| General temporary assistance positions | 29 | (13) | 4 | 20 |
| **Total** | **458** | **–** | **32** | **490** |

## 4. Emergency Fund

206. An amount not to exceed $112,500 was requested to supplement the Emergency Fund.

### Discussion in the Board

207. The Chair of the Budget Committee introduced its report (see annex VIII), expressed his appreciation for the support of the Fund's management and thanked the members of the Budget Committee for their contribution.

208. The Board members expressed appreciation for the Committee's diligent review of the 2025 budget proposal.

209. The Pension Board reiterated that budget assumptions for travel expenses of the committees of the Pension Board should be limited to one in-person meeting, not exceeding five days, and that any exception to that policy could be considered only under extraordinary circumstances.

210. The Board expressed its appreciation for the contributions of FAFICS in the work of the Board.

211. The Board reviewed and discussed the meeting schedule for 2025 for all committees of the Board, agreed on the assumptions for the budget with respect to meeting frequency, duration, location and attendance and decided to update the budget assumptions and estimates.

212. The executive heads urged the Budget Committee to share with the Board the supplementary information received from the Fund during its review of the management's budget proposal, including the written responses to questions raised, which would help to prevent redundant enquiries being made by Board members during session.

213. **The Board concurred with the recommendations of the Budget Committee, except as follows:**

(a) **The Board reiterated that budget assumptions for travel expenses of the committees of the Pension Board shall be limited to one in-person meeting, not exceeding five days, and that any exception to that policy may be considered only under extraordinary circumstances;**

(b) **The Board reaffirmed its prior decision that while four representatives of FAFICS may attend the Board's in-person session, the Fund will cover travel expenses for two representatives only. The Board further decided to include this as one of the items referred to the Governance Review Working Group for review.**

### Recommendations of the Board

214. **The Board endorsed, for submission to the General Assembly, the proposed budget estimates for 2025 amounting to $151,745,300 (before recosting), as reflected in table 3, of which $5,155,300 (before recosting) is attributable to the cost of services provided by the Fund to the United Nations for the United Nations Staff Pension Committee, chargeable to the United Nations.**

215. **In addition, the Board recommended maintaining an amount not to exceed $112,500 for the Emergency Fund.**

Table 3
**Summary of total estimates for 2025**
(Thousands of United States dollars)

| | *Estimate (before recosting)* | *Number of posts* |
|---|---|---|
| Secretariat of the Pension Board | 770.8 | 4 |
| Pension Administration[a] | 72 246.1 | 272 |
| Office of Investment Management | 75 465.8 | 183 |
| Audit | 2 262.6 | 7 |
| **Total** | **151 745.3** | **466** |

[a] Includes the amount of $5,155,300, before recosting, directly chargeable to the United Nations for services related to the United Nations Staff Pension Committee.

# Chapter X
# Audit

## A. Board of Auditors

216. The Director of External Audit (Chile) of the Audit Operations Committee introduced the report of the Board of Auditors on the audit of the financial statements of the Fund for the year ended 31 December 2023, which was issued by the Board of Auditors at its annual session on 24 July 2024.

217. The Board of Auditors issued an unqualified audit opinion on the Fund's financial statements for the year ended 31 December 2023, which had been prepared in accordance with IPSAS and IAS 26.

218. The Board of Auditors identified scope for improvement in relation to budget formulation and the monitoring of budget implementation, geographical representation, functional reporting, census data quality, the financial accounting manual and the management of cases and legal matters. As a result of the audit, the Board issued 14 new audit recommendations: 4 for the Pension Administration, 3 for the Office of Investment Management and 7 for the Fund as a whole.

219. The Board of Auditors highlighted that 60 per cent of previous audit recommendations had been fully implemented, that events had overtaken 13 per cent and that the rate of implementation indicated the strong commitment of the Fund's management to manage long-standing audit recommendations.

220. The Board of Auditors team from Chile noted that the audit for the financial year 2023 would be its last audit period with the Fund and thanked the Pension Board for its support over the six audit periods from 2018 to 2023. The Board of Auditors noted that in its 2023 audit, it had made 15 recommendations: 7 for the Fund as a whole, 5 for the Pension Administration and 3 for the Office of Investment Management.

221. The Board of Auditors concluded the presentation by recognizing the strong commitment of the Pension Fund's management and staff to the audit process and the positive evolution of the implementation of audit recommendations, which was key to the success of the audits.

222. **The Board took note of the audit report and expressed its gratitude to the Board of Auditors team from Chile for the audit work and to the Fund for the good progress made on the implementation of previous audit recommendations. The Board also noted with appreciation the unqualified audit opinion on the Fund's financial statements.**

## B. Office of Internal Oversight Services

223. The Under-Secretary-General for Internal Oversight Services presented the report on the activities of OIOS at the Fund for the period from 1 July 2023 to 30 June 2024, which covered both internal audit activities and investigations.

224. OIOS reported that it had issued six audit reports during the year: two audits for the Pension Administration and four audits for the Office of Investment Management. As a result, OIOS had made 41 important audit recommendations: 15 for the Pension Administration and 26 for the Office of Investment Management.

225. It was reported that as at 30 June 2024, there were 53 open important audit recommendations, including 30 for the Pension Administration and 23 for the Office

of Investment Management. OIOS highlighted that 22 audit recommendations were not yet due. It also highlighted the continued decline in the number of open audit recommendations as a result of management's efforts and the positive interaction between OIOS and the Fund's management. OIOS reported that during the year, 32 audit recommendations had been closed for the Pension Administration and 16 for the Office of Investment Management.

226. The Board was informed that the internal audit plan for 2023 envisaged 12 internal audit engagements and that the audit plan for 2024 covered 13 audit engagements, including 4 carried over from 2023. OIOS informed the Board that as at 30 June 2024, it had completed the fieldwork for the audits of benefit processing and the audit of business continuity and disaster recovery in the Pension Administration, which were at the reporting stage. The fieldwork for two audits in the Office of Investment Management was under way.

227. Regarding investigation activities, OIOS reported that over the past year, there had been four reports of possible unsatisfactory conduct related to the Fund. As at 30 June 2024, there were two ongoing investigations relating to disreputable conduct and the implementation of internal control mechanisms. Regarding the Fund's staff, OIOS had issued four investigation reports with findings of possible misconduct by staff members and one closure notice.

228. It was reported that OIOS regularly met with the Audit Committee, the Fund's senior management and the Board of Auditors. OIOS concluded the presentation by assuring its commitment to working cooperatively with the Fund's management to provide timely, effective and independent internal oversight services.

229. **The Board noted with appreciation the OIOS report for the year ended 30 June 2024. The Board expressed appreciation for the good cooperation and continued dialogue between the Fund's management and OIOS in the implementation of audit recommendations.**

## C. Audit Committee

230. The Chair of the Audit Committee presented the Committee's eighteenth report to the Pension Board.

231. In the report, the Committee:

(a) Welcomed the good progress made on transparency by the Fund and recommended that management take the necessary actions to achieve or exceed peer benchmarks on transparency;

(b) Encouraged the Fund to eliminate the use of outside parties to perform internal control testing except for specific items requiring outside expertise;

(c) Expressed appreciation for the Fund's fraud prevention policies and internal control practices and suggested that additional, more aggressive practical monitoring be implemented with respect to cybersecurity and general fraud incidences relating to financial institutions;

(d) Recommended that the Pension Administration and the Office of Investment Management review annually the assumptions used by the actuary for the annual valuation of after-service health insurance liabilities and gain assurance that the assumptions used were up to date and appropriate for the Fund's population as reported in its financial statements;

(e) Recommended that the Pension Board request the Pension Administration and the Office of Investment Management to clearly resolve, in the early drafts of the

2024 financial statements, the comments provided by the Committee that had not been included in the financial statements for 2022 and 2023;

(f) Recommended that the Pension Board request OIOS to provide a detailed risk assessment, draft audit plan and expected caseload for investigations as part of its future proposals for its draft budget, for review by the Committee;

(g) Recommended that the Pension Board request the Board of Auditors to provide written documentation on audit planning;

(h) Recommended that, during the external audit process, the secretariat share systematically with the Committee the management letters issued by external audit and the management's response thereon;

(i) Recommended that the Pension Board approve the updated terms of reference of the Audit Committee as set out in its report.

232. **The Board took note of the report of the Audit Committee and thanked the Audit Committee for the work completed during the year.**

233. **The Board referred the Audit Committee's recommended changes to its terms of reference to the Governance Review Working Group for review.**

# Chapter XI
# Other items

## A. Report on the 211th meeting of the Standing Committee

234. **The Board took note of the report of the 211th meeting of the Standing Committee, held on 3 July 2024.** The Board had considered the report of the 210th meeting of the Standing Committee at its seventy-seventh session, in April 2024.

## B. Rotation schedule for the Standing Committee (rule B.1 of the rules of procedure)

235. The Board was informed that the six-year rotation schedule for the Standing Committee membership had expired at the end of 2023. **The Board decided to restart the current six-year schedule so that the first rotation applied for 2018 would be used in 2024, and so on, through 2029. The Board referred the discussion related to moving the rotation for the Standing Committee to a calendar year schedule to the Governance Review Working Group. The nominations to the Standing Committee will be considered at the February 2025 Board session.**

## C. Membership of Board committees

236. The Board was presented with the nominations for replacement of vacancies of current committee members whose term would expire during 2024 and/or who had recently resigned, requiring successors.

237. **The Board approved the following appointments/reappointments of:**

(a) **Moncef Chaarabi (WIPO) nominated by the governing bodies group, Maria Costa (United Nations) and Jean-Paul Lovato (ITU) nominated by the executive heads group, and Mary Abu-Rakabeh (United Nations) and John Levins (WFP) nominated by the participants group to the Budget Committee for a three-year term from 1 August 2024 to 31 July 2027;**

(b) **David Traystman (United Nations) and Jörg Stosberg (United Nations) nominated by the governing bodies group, Martha Helena Lopez (United Nations) and Magdolna Bona (UNESCO) nominated by the executive heads group, and Youssef Sfeir (United Nations) and Isabel Nicolasa Vigil (WHO) nominated by the participants group to the Succession Planning and Evaluation Committee for a three-year term from 1 August 2024 to 31 July 2027;**

(c) **Ian Richards (United Nations) nominated by the participants group to replace and serve the remaining term of Christian Castelli on the Fund Solvency and Assets and Liabilities Monitoring Committee beginning 1 August 2024 and ending 31 July 2025.**

238. **The Board confirmed the appointment of Darshak Shah designated by FAFICS to the Audit Committee for a four-year term from 1 August 2024 through 31 July 2028.**

## D. Report of the medical consultant

239. The report of the medical consultant covered the two-year period from 1 January 2022 to 31 December 2023. The report contained statistics with respect to disability benefits awarded during the period under review, including the incidence rate,

distribution of cases by gender and age group, leading causes of disability by diagnostic category, average years of contributory service of participants separating on disability, distribution of cases by member organization and deaths in service.

240. During the 2022–2023 biennium, there had been 263 new disability benefits awarded to participants, representing an incidence rate of 0.90 new disability cases per thousand participants. The leading causes of disability cases continued to be psychiatric (46 per cent), neurological (18 per cent), neoplasm (12 per cent) and orthopaedic (8 per cent). Participants aged 50 or above accounted for 74 per cent of all new disability cases. In terms of gender distribution, male participants accounted for 55 per cent of new cases and female participants accounted for 45 per cent. A total of 244 deaths in service had been reported during the 2022–2023 biennium, representing an annual mortality of approximately 0.83 per thousand participants. With regard to disabled children, a total of 106 new child disability benefits had been awarded during the period under review; the leading causes of disability among children of participants continued to be psychiatric, neurological and genetic.

241. The report provided statistics on the number of cases reviewed by the Division of Health-care Management and Occupational Safety and Health prior to submission to the United Nations Staff Pension Committee for the possible award of a disability benefit. The medical consultant noted that the number of cases that had been reviewed by the Division and recommended for disability was roughly equal to the number of cases that were not recommended for disability. There were various reasons for that result, such as an active return-to-work plan or insufficient medical evidence. The medical consultant reported that he had initiated a discussion with the medical directors of other member organizations to encourage the collection of similar data for their respective organizations.

242. The report provided an update on the United Nations System Workplace Mental Health and Well-being Strategy for 2024 and beyond, which had been launched in 2023. The strategy identified key areas of action aimed at preventing risks to mental health at work, promoting well-being and protecting mental health at work, and supporting personnel with mental health conditions.

243. Lastly, the medical consultant provided an update on the impact of the coronavirus disease (COVID-19), including long COVID-19, noting that no noticeable impact on disability benefits had been detected to date.

244. **The Board took note of the report.**

## E. Venue and dates of the 2025 sessions of the Pension Board

245. **The Board agreed on the dates for the 2025 sessions of the Board as follows:**

(a) **February 2025: A virtual meeting of two working days, on 19 and 20 February;**

(b) **April 2025: A virtual meeting of two working days, on 23 and 24 April;**

(c) **July 2025: In-person/hybrid meeting of five working days, from 21 to 25 July;**

**and expressed its appreciation for the invitation of the United Nations Industrial Development Organization in Vienna to host the July 2025 in-person/hybrid session. However, recalling paragraph 4 of section VII of General Assembly resolution 78/253, the Board agreed to defer its decision on the venue until its seventy-ninth session, in February 2025. The Board also agreed that it may be flexible with respect to its alternating schedule between the United Nations Secretariat and the specialized agencies for meeting hosts.**

## F. Other business

246. **The Board noted that the self-evaluation survey would be circulated to all individuals attending the Board session under section A.9 (a), (b), (c) and (d) of the rules of procedure.**

# Chapter XII
## Closure of the seventy-eighth session of the Board

247. **The Board adopted the report of its seventy-eighth session.**

248. The Board expressed its appreciation to the Chair and the other officers of the Board and to the Fund and the secretariat of the Board for their contributions to the efficient and effective conduct of the session.

# Annex I

## Summary of the operations of the United Nations Joint Staff Pension Fund for the year ended 31 December 2023

1. During the year ended 31 December 2023, the number of participants in the Fund increased from 143,612 to 149,848, or 4.3 per cent; the number of periodic benefits in award increased from 83,988 to 86,013, or 2.4 per cent. As at 31 December 2023, the breakdown of the periodic benefits in award was as follows: 31,308 retirement benefits; 17,721 early retirement benefits; 9,734 deferred retirement benefits; 12,762 widows' and widowers' benefits; 10,153 children's benefits; 2,028 disability benefits; and 32 benefits for secondary dependants. Over the year, 5,266 lump-sum withdrawal and other settlements were paid. A breakdown by member organization of participants and of benefits awarded during the year ended 31 December 2023 is shown in tables 1 and 2 of the annex to the notes to the financial statements (see annex XI).

2. During the one-year period from 1 January 2023 to 31 December 2023, the net assets available for benefits increased from $77,918,346,000 to $88,239,309,000 (see annex XI, financial statements for the year ended 31 December 2023, statement of net assets available for benefits). The investment income of the Fund during the period amounted to $10.5 billion and contributions and other income amounted to $3.4 billion.

3. Benefit payments and expenses for the one-year period ended 31 December 2023 amounted to $3.5 billion.

4. Benefit payments exceeded contributions for the one-year period ended 31 December 2023 by $118.5 million.

5. The Fund's overall annual nominal investment performance for the one-year period ended 31 December 2023 was 13.61 per cent. The 15-year real rate of return increased from 2.18 per cent at the end of 2022 to 4.81 per cent at the end of 2023, above the target rate of 3.5 per cent. As at December 2023, the fund returned a three-year annualized nominal return of 2.90 per cent, outperforming the benchmark return of 2.63 per cent.

6. A summary of the Fund's investments as at 31 December 2023 and their market values are given in annex XI.

# Annex II

## Membership of the Fund, the United Nations Joint Staff Pension Board and its committees

### A. Member organizations of the Fund

The member organizations of the United Nations Joint Staff Pension Fund are the United Nations and the following:

European and Mediterranean Plant Protection Organization

Food and Agriculture Organization of the United Nations

International Atomic Energy Agency

International Centre for Genetic Engineering and Biotechnology

International Centre for the Study of the Preservation and the Restoration of Cultural Property

International Civil Aviation Organization

International Criminal Court

International Fund for Agricultural Development

International Labour Organization

International Maritime Organization

International Organization for Migration

International Seabed Authority

International Telecommunication Union

International Tribunal for the Law of the Sea

Inter-Parliamentary Union

Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization

United Nations Educational, Scientific and Cultural Organization

United Nations Industrial Development Organization

Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies

World Health Organization

World Intellectual Property Organization

World Meteorological Organization

World Tourism Organization

## B. Membership of the Board and attendance at the seventy-eighth session

1. The Secretary of the Board was notified of the appointment of the following persons by the staff pension committees as members and alternate members of the Board for 2024, in accordance with article 5 of the Regulations and rule A.2 of the rules of procedure.

2. Below is the list of the members entitled to attend in person.

| *Representing* | *Member* | *Alternate* |
|---|---|---|
| **United Nations** | | |
| General Assembly | Jun Yamada | Dmitry Chumakov |
| General Assembly | Jörg Stosberg | Philip Richard O. Owade |
| General Assembly | Pia Poroli[a] | David Traystman |
| General Assembly | Lovemore Mazemo | Ahmed Al-Kabir |
| Secretary-General | Catherine Pollard | |
| Secretary-General | Martha Helena Lopez | |
| Secretary-General | Arnab Roy | |
| Secretary-General | Kathryn Alford | |
| Participants | Patricia Nemeth | |
| Participants | Mary Abu Rakabeh | |
| Participants | Ian Richards[b] | |
| Participants | Youssef Sfeir[b] | |
| **Food and Agriculture Organization of the United Nations/World Food Programme** | | |
| Governing body | Denis Cherednichenko | |
| Executive head | John Lackey | |
| Participants | John Levins | |
| **World Health Organization** | | |
| Governing body | Gerald Anderson | |
| Executive head | Claude Hennetier Rossier | |
| Participants | Paul de la Croix-Vaubois | |
| **United Nations Educational, Scientific and Cultural Organization** | | |
| Governing body | George Sarpong | |
| Participants | Tapiwa Jongwe | |

| *Representing* | *Member* | *Alternate* |
|---|---|---|
| **International Labour Organization** | | |
| Executive head | Danielle Guiho | |
| Participants | Florian Léger | |
| **International Atomic Energy Agency** | | |
| Governing body | Gustavo A. Sancho | |
| Executive head | Peter Frobel | |
| **United Nations Industrial Development Organization** | | |
| Executive head | Michael Conneely[c] | |
| **World Intellectual Property Organization** | | |
| Governing body | Moncef Charaabi | |
| **International Civil Aviation Organization** | | |
| Governing body | Heinz Decker[b] | |
| Executive head | Olga Nam[b] | |
| **International Telecommunication Union** | | |
| Participants | Aida Martín Andrés | |
| **World Meteorological Organization** | | |
| Governing body | Arlene Laing | |
| **International Maritime Organization** | | |
| Executive head | Andrew Richardson | |
| **International Fund for Agricultural Development** | | |
| Participants | Sheila Codamus-Platel | |
| **International Organization for Migration** | | |
| Participants | Sam Derbali | |
| **Federation of Associations of Former International Civil Servants** | | |
| Representatives | Jerry Barton | |
| Representatives | Suzanne Bishopric | |
| Representatives | Gerhard Schramek[a] | |
| Representatives | Theresa Panuccio | |
| **Consulting Actuary** | | |
| | Tonya Manning | |
| | Stuart Schulman | |
| | Jessie Bunting | |

| Representing | Member | Alternate |
|---|---|---|
| **Committee of Actuaries** | | |
| Chair | Marcia Dush | |
| **Office of Investment Management** | | |
| Representative of the Secretary-General for the investment of the assets of the United Nations Joint Staff Pension Fund | Pedro Guazo | |
| | Toru Shindo | |
| | William Wilkinson | |
| | Jose Antonio Núñez Poblete | |
| | Enzo Iaderosa | |
| **Pension Administration** | | |
| Chief Executive of Pension Administration | Rosemarie McClean | |
| | David Penklis | |
| | Dino Dell'Accio | |
| | Cristiano Papile | |
| | Sarah Mathieson | |
| **Pension Board secretariat** | | |
| Secretary of the Board | Wiryanto Sumitro | |
| | Carolyn Kaiser | |
| | Gedma Arndt | |

[a] Decided to attend virtually.
[b] Attended instead of member.
[c] Did not attend.

3. Below is the list of those who attended virtually for all or part of the session.

| Representing | Representative | Alternate |
|---|---|---|
| **United Nations** | | |
| Secretary-General | | Chandramouli Ramanathan |
| Secretary-General | | Maria Costa |
| **Food and Agriculture Organization of the United Nations/World Food Programme** | | |
| Governing body | | Bin Abdul Wahab Abdul Rahman |
| Executive head | | Camilla Dupont |
| Participants | | Massimiliano Merelli |
| Secretary | Shasha You | |

| *Representing* | *Representative* | *Alternate* |
|---|---|---|
| **World Health Organization** | | |
| Governing body | | Ahmed Shadoul |
| Executive head | | Arpit Aggarwal |
| Participants | | Isabel Vigil |
| Secretary | Frederick Loirat | |
| **United Nations Educational, Scientific and Cultural Organization** | | |
| Participants | | Anna D'Addio |
| Executive head | Magdi Bona | |
| Secretary | Immo Welter | |
| **International Labour Organization** | | |
| Governing body | Luca Cirigliano | |
| Secretary | Marie-Sylvie Zinzindohoué | |
| **International Atomic Energy Agency** | | |
| Participants | Imed Zabaar | |
| Secretary | James Hanneman | |
| **United Nations Industrial Development Organization** | | |
| Executive head | | Ralf Dotzauer |
| Governing body | Presh Adurthy | |
| Participants | Steven Eales | |
| Secretary | Alejandro Tagarro Cervantes | |
| **World Intellectual Property Organization** | | |
| Governing body | | Jean-Luc Perrin |
| Executive head | Janice Cook Robbins | |
| Participants | Nicoletta Marin-Cudraz Davi | |
| Secretary | Benoit Gosset | |
| **International Civil Aviation Organization** | | |
| Governing body | | Dionisio Mendez Mayora[a] |
| Executive head | | Tolulope Agiri[a] |
| Participants | Christiane DerMarkar | |
| Secretary | Susan Mwangi | |

| Representing | Representative | Alternate |
|---|---|---|
| **International Telecommunication Union** | | |
| Participants | | Marie-Jo Deraspe |
| Governing body | Vilém Veselý | |
| Secretary | Subira Suedi | |
| **World Meteorological Organization** | | |
| Participants | Giacomo Teruggi | |
| Secretary | Chenchen Hu | |
| **International Maritime Organization** | | |
| Governing body | Watchara Chiemanukulkit | |
| Participants | Edwin Titi-Lartey | |
| Secretary | David Afable | |
| **International Fund for Agricultural Development** | | |
| Participants | | Claudio Mainella |
| Governing body | Sylvain Fournel | |
| Executive head | Allegra Saitto | |
| Secretary | Francesca Maselli | |
| **International Organization for Migration** | | |
| Governing body | Zeineb Letaief | |
| Executive head | Alejandro Rovira | |
| Secretary | Malcolm Grant | |
| **International Tribunal for the Law of the Sea** | | |
| Executive head | Antje Vorbeck | |
| Secretary | Svitlana Buergers-Vereshchak | |
| **International Centre for Genetic Engineering and Biotechnology** | | |
| Executive head | Maria Luisa Fichera | |
| **Comprehensive Nuclear-Test-Ban Treaty Organization** | | |
| Governing body | Margarete Sobral | |
| Secretary | Juliana Gomes Lacchini | |
| **Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies** | | |
| Executive head | Ditta Ciganikova | |
| Secretary | Gabriela Kremnitzer | |

| *Representing* | *Representative* | *Alternate* |
|---|---|---|
| **Federation of Associations of Former International Civil Servants** | | |
| | | Vladimir Yossifov |
| | | Marlene Arduo |
| **Pension Board 2023** (30 July) | | |
| Chair | Annick Vanhoutte | |
| **Investments Committee** (31 July) | | |
| Chair | Michael Klein | |
| | Keiko Honda | |
| | Shan Li | |
| | Sarah Alade | |
| **Audit Committee** (1 August) | | |
| Chair | George Kyriacou | |
| **External Auditors** (1 August) | | |
| | Valentina Monasterio | |
| | Pablo Dequero | |
| **Office of Internal Oversight Services** (1 August) | | |
| | Fatoumata Ndiaye | |
| | Byung-Kun Min | |
| | Gurpur Kumar | |
| | Suzette Schultz | |
| | Venkata Bendapudi | |
| | Folu Odusote | |
| | David Nyskohus | |
| | Qichun He | |
| **Federation of International Civil Servants' Associations** | | |
| | Wadzanai Garwe | |
| **Coordinating Committee for International Staff Unions and Associations of the United Nations System** | | |
| | Nathalie Meynet | |
| **United Nations International Civil Servants Federation** | | |
| | Karin Esposito | |

| *Representing* | *Representative* | *Alternate* |
|---|---|---|
| **Office of Investment Management** | | |
| | Pako Thupayagale | |
| | Sandhya Peerthum | |
| | Terezie Hesounova | |
| | Valentin Gradinaru | |
| | Kumiko Harley (31 July) | |
| | Suhail Mohiuddin (31 July) | |
| | Urvesh Thakkar (1 August) | |
| **Pension Administration** | | |
| | Maria Clarissa O'Donnell | |
| | Alan Blythe | |
| | Margherita Capellino | |
| | Kathalina Manosalvas | |
| | Abu Bockarie | |
| | Young Kim (1 August) | |

[a] Decided to attend virtually.

## C. Membership of the Standing Committee

| *Representing* | *Member* | *Alternate* |
|---|---|---|
| **United Nations (Group I)** | | |
| General Assembly | A. Al-Kabir | J. Stosberg |
| | J. Yamada | |
| Secretary-General | M. H. Lopez | |
| | K. Alford | |
| Participants | P. Nemeth | Y. Sfeir |
| | I. Faye | |
| **Specialized agencies (Group II)** | | |
| Governing body | G. Anderson (WHO) | A. Shadoul (WHO) |
| Executive head | C. Hennetier Rossier (WHO) | A. Aggarwal (WHO) |
| Participants | M. Pardo (FAO) | |
| **Specialized agencies (Group III)** | | |
| Governing body | G. Sarpong[a] (UNESCO) | |
| Executive head | P. Frobel (IAEA) | |
| Participants | E. Fombuena (ILO) | |
| **Specialized agencies (Group IV)** | | |
| Governing body | M. Charaabi (WIPO) | |
| Executive head | T. Agiri (ICAO) | |
| **Specialized agencies (Group V)** | | |
| Participants | E. Titi-Lartey (IMO) | |

| | *Member* | *Alternate representative* |
|---|---|---|
| **Federation of Associations of Former International Civil Servants** | | |
| | J. Barton | G. Schramek |
| | T. Panuccio | S. Bishopric |

[a] Chair.

## D. Membership of the Committee of Actuaries

| *Member* | *Representing* |
|---|---|
| R. Nantambi (Uganda) | Region I (African States) |
| I. Hourani (Lebanon) | Region II (Asian States) |
| T. Párniczky (Hungary) | Region III (Eastern European States) |
| A. Scardino Devoto (Uruguay) | Region IV (Latin America and the Caribbean) |
| A. Billig (Canada) | Region V (Western European and other States) |

| *Ad hoc member* | *Representing* |
|---|---|
| M. Dush (United States of America) (Chair) | Region V (Western European and other States) |
| R. Schmid (Switzerland) | Region V (Western European and other States) |
| S. Venkatramani (India) | Region II (Asian States) |
| D. Ruparelia (Kenya) | Region I (African States) |

## E. Membership of the Investments Committee

| *Member* | *Representing* |
|---|---|
| M. Klein (Chair) | United States of America/Western European and other States |
| K. Honda | Japan/Asia-Pacific States |
| S. Li | China/Asia-Pacific States |
| J. Fricke | Germany/Western European and other States |
| L. Ribeiro | Brazil/Latin American and Caribbean States |
| P. Parise | Argentina/Latin American and Caribbean States |
| N. Khanjenkova | Russian Federation/Eastern European States |
| S. Omotunde Alade | Nigeria/African States |
| Y. Al-Rumayyan | Saudi Arabia/Asia-Pacific States |

| *Ad hoc member* | |
|---|---|
| M. Tall | Mali/African States |

## F. Membership of the Audit Committee

| *Member* | *Representing* |
| --- | --- |
| G. Anderson (WHO) | Governing bodies |
| G. Sarpong (UNESCO) | Governing bodies |
| G. Kyriacou (WHO) (Chair) | Executive heads |
| C. Ramanathan (United Nations) | Executive heads |
| J. Levins (WFP) | Participants |
| I. Richards (United Nations) | Participants |
| D. Shah | FAFICS |

| *Expert member* |
| --- |
| G. Amon |
| B. Hage |

## G. Membership of the Budget Committee

| *Member* | *Representing* |
|---|---|
| M. Charaabi (WIPO) | Governing bodies |
| J. Yamada (United Nations) (Chair) | Governing bodies |
| J. P. Lovato (ITU) | Executive heads |
| M. Costa (United Nations) | Executive heads |
| J. Levins (WFP) | Participants |
| M. Abu Rakabeh (United Nations) | Participants |
| C. Adams | FAFICS |
| W. Blenk | FAFICS |

## H. Membership of the Succession Planning and Evaluation Committee

| *Member* | |
|---|---|
| J. Stosberg (United Nations) | Governing bodies |
| D. Traystman (United Nations) (Chair) | Governing bodies |
| M. H. Lopez (United Nations) | Executive heads |
| M. Bona (UNESCO) | Executive heads |
| Y. Sfeir (United Nations) | Participants |
| I. Vigil (WHO) | Participants |
| J. Barton | FAFICS |
| T. Panuccio | FAFICS |

# I. Membership of the Fund Solvency and Assets and Liabilities Monitoring Committee

| *Member* | |
|---|---|
| N. O. Opilo (UNESCO) | Governing bodies |
| P. R. O. Owade (United Nations) | Governing bodies |
| J. Cook Robbins (WIPO) | Executive heads |
| M. Costa (United Nations) | Executive heads |
| I. Richards (United Nations) | Participants |
| F. Léger (WHO) (Chair) | Participants |
| S. Bishopric | FAFICS |
| M. Seenappa | FAFICS |

# Annex III

## Actuarial statements

### A. Statement of the actuarial sufficiency, as at 31 December 2023, of the Fund to meet the liabilities under article 26 of the Regulations

1. In its report on the thirty-seventh actuarial valuation of the United Nations Joint Staff Pension Fund, the Consulting Actuary has assessed the actuarial sufficiency of the Fund, for purposes of determining whether there is a requirement for deficiency payments by the member organizations under article 26 of the Regulations of the Fund. The assessment as at 31 December 2023 was based on participant and asset information submitted by the Pension Administration of the Fund and on the Regulations in effect as from 1 January 2014.

2. The demographic and other actuarial assumptions used, including a 6.0 per cent discount rate, were those adopted by the Pension Board at its seventy-fifth session in 2023, except that future participants were not taken into account and no future salary growth was assumed.

3. The liabilities were calculated on a plan termination methodology. Under this methodology, the accrued entitlements of active participants were measured on the basis of their selecting the benefit of the highest actuarial value available to them, assuming termination of employment on the valuation date. The liabilities for pensioners and their beneficiaries were valued on the basis of their accrued pension entitlements as at the valuation date. For purposes of demonstrating sufficiency under article 26 of the Regulations, no provision was made for pension adjustments subsequent to 31 December 2023.

4. **All calculations were performed by the Consulting Actuary in accordance with established actuarial principles and practices.**

5. **The results of the calculations are outlined in the table below:**

**Actuarial sufficiency of the Fund as at 31 December 2023**

(Millions of United States dollars)

| *Item* | *Amount* |
|---|---|
| Actuarial value of assets* | $92 322.9 |
| Actuarial value of accrued benefit entitlements | $60 747.6 |
| **Surplus** | **$31 575.3** |

* Five-year moving average market value methodology, as adopted by the Pension Board for determining the actuarial value of the assets.

6. As indicated in the table above, the actuarial value of assets exceeds the actuarial value of all accrued benefit entitlements under the Fund, based on the Regulations of the Fund in effect on the valuation date. **Accordingly, there is no requirement, as at 31 December 2023, for deficiency payments under article 26 of the Regulations of the Fund.** The market value of assets as at 31 December 2023 is $88,757.9 million. Therefore, the market value of assets also exceeds the actuarial value of all accrued benefit entitlements as at the valuation date.

## B. Statement of the actuarial position of the Fund as at 31 December 2023

### Introduction

1. The actuarial valuation as at 31 December 2023 was performed on a range of economic assumptions regarding future investment earnings and an assumed long-term inflation assumption of 2.6 per cent. In addition, two sets of participant growth assumptions were used. The remaining actuarial assumptions, which are of a demographic nature, were derived on the basis of the emerging experience of the Fund, in accordance with sound actuarial principles. The assumptions used in the valuation were those adopted by the Pension Board at its seventy-fifth session in 2023, based on the recommendations of the Committee of Actuaries.

### Actuarial position of the Fund as at 31 December 2023

2. At its meetings in June 2024, the Committee of Actuaries reviewed the results of the actuarial valuation as at 31 December 2023, which was carried out by the Consulting Actuary. On the basis of the results of the regular valuation, and after consideration of further relevant indicators and calculations, the Committee and the Consulting Actuary were of the opinion that the present contribution rate of 23.7 per cent of pensionable remuneration was sufficient to meet the benefit requirements under the plan and would be reviewed at the time of the next actuarial valuation, as at 31 December 2025.

# Annex IV

## Recommendations to the General Assembly for amendments to the Regulations of the Fund

### For approval

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| Article 1 | Article 1 | |
| (e) “*Child*” shall mean a child existing on the date of separation or death in service of a participant and shall include the step-child or adopted child of a participant, and a child *in utero* upon its birth; in the event of uncertainty as to whether adoption has taken place, the matter shall be decided by the Board. | (e) “*Child*” shall mean a child existing on the date of separation or death in service of a participant and shall include the **adopted child or** step-child ~~**or adopted child**~~ of a participant, and a child *in utero* upon its birth~~**; in the event of uncertainty as to whether adoption has taken place, the matter shall be decided by the Board**~~. | *Amendment to reflect that review of adoption documents is an operational matter handled by the Pension Administration.* |
| | **(h) “*Early retirement age*” shall mean:**<br>**(i) Age 55, for a participant whose participation commences or recommences prior to 1 January 2014; and**<br>**(ii) Age 58, for a participant whose participation commences or recommences on or after 1 January 2014.** | *New definition added to simplify the Fund’s Regulations and Rules where reference is made to the early retirement age.* |
| (n) “*Normal retirement age*” shall mean age 60, except that it shall mean age 62 for a participant whose participation commences or recommences on or after 1 January 1990 but before 1 January 2014, and age 65 for a participant whose participation commences or recommences on or after 1 January 2014. | (~~**n**~~**o**) “*Normal retirement age*” shall mean**:**<br>**(i)** ~~**a**~~**A**ge 60, ~~**except that it shall mean age 62**~~ for a participant whose participation commences or recommences ~~**on or after**~~ **prior to** 1 January 1990**;** ~~**but**~~<br>**(ii) Age 62 for a participant whose participation commences or recommences on or after 1 January 1990 but** before 1 January 2014**;** and<br>**(iii)** ~~**a**~~**A**ge 65 for a participant whose participation commences or recommences on or after 1 January 2014. | *To simplify the definition of “normal retirement age” by creating subparagraphs rather than including exceptions.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| | **(p) “*Orphan*” shall mean a child who is entitled to a benefit under article 36 of these Regulations and who:**<br>**(i) Does not have a surviving natural or adoptive parent entitled to a periodic benefit from the Fund or who is a participant in the Fund; and**<br>**(iii) Is not in the care of an individual entitled to a periodic benefit from the Fund or who is a participant in the Fund.** | *New definition added to simplify the language in article 36 (e) and to clarify the meaning of “able, in the opinion of the Board, to support the child”.* |
| (o) “*Own contributions*” shall mean the contributions, not exceeding the percentage of his or her pensionable remuneration specified in article 25(a), column B, made to the Fund by or on behalf of a participant in respect of contributory service under article 22, with interest, provided that, in respect of service in a member organization prior to its admission to membership in the Fund, which has been recognized as contributory, it shall mean:<br>(i) The amount transferred on account of the participant from the Provident Fund of such member organization at the time of its admission, without interest; or<br>(ii) The amount, not exceeding 12 per cent of his or her pensionable remuneration, received by the participant from the Provident Fund of such member organization on separation prior to its admission and repaid to that organization, upon re-employment, for the purpose of recognition of such service as contributory, without interest. | (~~o~~**q**) “*Own contributions*” shall mean the contributions, not exceeding the percentage of his or her pensionable remuneration specified in article 25(a), column B, made to the Fund by or on behalf of a participant in respect of contributory service under article 22, with interest**.**~~, provided that,~~<br>~~i~~**In** respect of service in a member organization prior to its admission to membership in the Fund, which has been recognized as contributory, it shall mean:<br>(i) The amount transferred on account of the participant from the Provident Fund of such member organization at the time of its admission, without interest; or<br>(ii) The amount, not exceeding 12 per cent of his or her pensionable remuneration, received by the participant from the Provident Fund of such member organization on separation prior to its admission and repaid to that organization, upon re-employment, for the purpose of recognition of such service as contributory, without interest. | *To make clear that the provisions of subparagraphs (i) and (ii) apply only to service in a member organization prior to its admission to membership of the Fund, the definition has been divided into two paragraphs.* |
| (v) “*Separation*” shall mean ceasing to be in the service of a member organization otherwise than by death. | (~~v~~**x**) “*Separation*” shall mean ceasing to be in the service of a member organization ~~otherwise than by~~ **for any reason other than** death. | *To simplify the language.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| Article 21 | Article 21 | |
| (b) Participation shall cease when the organization by which the participant is employed ceases to be a member organization, or when he or she dies or separates from such member organization, except that participation shall not be deemed to have ceased where a participant resumes contributory service with a member organization within 36 months after separation without a benefit having been paid. | (b) Participation shall cease when the organization by which the participant is employed ceases to be a member organization, or when he or she dies or separates from such member organization, except that participation shall not be deemed to have ceased where a participant resumes contributory service with a member organization within 36 months after separation, ~~**without a**~~ **provided that no** benefit ~~**having been**~~ **was** paid. | *To simplify the language.* |
| Article 22 | Article 22 | |
| (a) Contributory service shall accrue to a participant in pay status from the date of commencement to the date of cessation of participation. For the purposes of articles 28(b) and (c) and 29(b), separate periods of contributory service shall be aggregated except that in such aggregation no account shall be taken of periods of service in respect of which a withdrawal settlement was paid and which were not subsequently restored. | (a) Contributory service shall accrue to a participant in pay status from the date of commencement to the date of cessation of participation. For the purposes of articles 28(b) and (c) and 29(b) **and (c)**, separate periods of contributory service **within the same period of participation** shall be aggregated ~~**except that in such aggregation no account shall be taken of periods of service in respect of which a withdrawal settlement was paid and which were not subsequently restored**~~. | *To reflect that article 29(c) is also relevant and to clarify that periods of contributory service will be aggregated when there is no break in service of more than 36 months and no benefit has been paid. However, periods of contributory service that derive from separate periods of participation will not be aggregated for purposes of article 22.* |
| (c) Additional contributory service may accrue to a participant if prior service is validated or restored in accordance with article 23 or 24, or if service in a member organization prior to its admission to membership has been recognized as contributory. | (c) Additional contributory service may accrue if prior service is **transferred,** validated or restored in accordance with article**s 13**, 23**,** 24 **or 24 *bis***, or if service in a member organization prior to its admission to membership has been recognized as contributory. | *To reflect that contributory service may also accrue through a transfer-in of pension rights under article 13 or through restoration of a deferred retirement benefit under article 24 bis.* |
| Article 27 | Article 27 | |
| (a) A participant who is not eligible for a retirement benefit under article 28 or a disability benefit under article 33 may elect on separation to receive an early retirement benefit or a deferred retirement benefit or a withdrawal settlement if he or she satisfies the conditions of article 29, 30 or 31 respectively. | (a) A participant who is not eligible for a retirement benefit under article 28 ~~**or a disability benefit under article 33**~~ may elect on separation to receive an early retirement benefit or a deferred retirement benefit or a withdrawal settlement if he or she satisfies the conditions of article 29, 30 or 31 respectively. | *To reflect that a participant who has reached the early retirement age at the time when he or she is awarded a disability benefit may elect to receive an early retirement benefit instead of a disability benefit.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| Article 28 | Article 28 | |
| (d)(i) However, except as provided in (ii) below, the benefit otherwise payable at the standard annual rate in accordance with the applicable provisions of (b) or (c) above to a participant at a level above D-2, top step, of the scale of pensionable remuneration indicated in article 51 (see appendix B below), shall not exceed, as at the time of the participant's separation, the greater of: | (d)(i) However, except as provided in (ii) below, the benefit otherwise payable at the standard annual rate in accordance with the applicable provisions of (b) or (c) above to a participant at a level above D-2, top step, of the scale of pensionable remuneration indicated in article 51 (see appendix B below), shall not exceed, as at the time of the participant's separation, the greater of: | *No change* |
| (A) 60 per cent of the participant's pensionable remuneration on the date of separation; or | (A) 60 per cent of the participant's pensionable remuneration on the date of separation; or | *No change* |
| (B) The maximum benefit payable under the provisions of (b) or (c) above to a participant at the level D-2 (top step for the preceding five years) separating on the same date as the participant; | (B) The maximum benefit payable under the provisions of (b) or (c) above to a participant at the level D-2 (top step for the preceding five years) separating on the same date as the participant; | *No change* |
| (ii) However, for a participant separating at the level of Under-Secretary-General, Assistant Secretary-General or their equivalent level, to whom the provisions of (i) above are applicable, the benefit payable shall not be less than the benefit that would have been payable at the standard annual rate if the participant had separated from service on 31 March 1986; for participants separating at other levels above D-2, top step, in the scale of pensionable remuneration in appendix B below, to whom the provisions of (i) above are applicable, the benefit payable shall not be less than the benefit that would have been payable at the standard annual rate if the participant had separated from service on 31 March 1993; for participants who entered or re-entered the Fund at an ungraded level before 1 April 1993, the provisions of (i) above shall not be applicable. | (ii) However, for a participant separating at the level of Under-Secretary-General, Assistant Secretary-General or their equivalent level, to whom the provisions of **(d)**(i) above are applicable, the benefit payable shall not be less than the benefit that would have been payable at the standard annual rate if the participant had separated from service on 31 March 1986; for participants separating at other levels above D-2, top step, in the scale of pensionable remuneration in appendix B below, to whom the provisions of **(d)**(i) above are applicable, the benefit payable shall not be less than the benefit that would have been payable at the standard annual rate if the participant had separated from service on 31 March 1993; for participants who entered or re-entered the Fund at an ungraded level before 1 April 1993, the provisions of **(d)**(i) above shall not be applicable. | *To clarify which provision is being referenced.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| (e) The benefit shall however be payable at the minimum annual rate which is obtained by multiplying the years of the participant's contributory service, not exceeding 10, by the smaller of 180 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or 1/30 of the final average remuneration, if the benefit so calculated would be greater than the amount under (b) or (c) above. | (e) The benefit shall however be payable at the minimum annual rate which is obtained by multiplying the years of the participant's contributory service, not exceeding 10, by the smaller of 180 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or 1/30 of the final average remuneration, if the benefit so calculated would be greater than the amount under (b) or (c) above. **The annual rate of such a benefit may also be subject to a special adjustment for small pensions under the Pension Adjustment System.** | *For clarity, reference is added to the additional possibility of an adjustment under the Pension Adjustment System for a small pension.* |
| (f) The annual rate of the benefit shall nevertheless not be less, when no other benefit is payable on account of the participant under these Regulations, than the smaller of 300 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or the final average remuneration of the participant. | (f) The annual rate of the benefit shall nevertheless not be less, when no other benefit is payable on account of the participant under these Regulations, than the smaller of 300 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or the final average remuneration of the participant. **The annual rate of such a benefit may also be subject to a special adjustment for small pensions under the Pension Adjustment System.** | *As above.* |
| Article 29 | Article 29 | |
| *Participation in the Fund has commenced or recommenced prior to 1 January 2014:* | ~~***Participation in the Fund has commenced or recommenced prior to 1 January 2014:***~~ | *To simplify the language, the headings are removed and the reduction factors for an early retirement benefit are divided based on the time period in which participation commenced.* |
| (a) An early retirement benefit shall be payable to a participant whose age on separation is at least 55 but less than the normal retirement age and whose contributory service was five years or longer. | (a) An early retirement benefit shall be payable to a participant whose age on separation is at least ~~**55**~~ **the early retirement age** but less than the normal retirement age and whose contributory service was five years or longer. | |
| (b) The benefit shall be payable at the standard annual rate for a retirement benefit, reduced for each | (b) **For participants whose early retirement age is 55,** ~~**T**~~**t**he benefit shall be payable at the standard | *To simplify the language, as above.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| year or part thereof by which the age of the participant on separation was less than the normal retirement age (60 or 62), at the rate of 6 per cent a year, except that:<br>(i) If the contributory service of the participant was 25 years or longer but less than 30 years, the standard annual rate would be reduced by 2 per cent a year in respect of the period of contributory service performed before 1 January 1985, and 3 per cent a year in respect of the period of such service performed as from 1 January 1985; or<br>(ii) If the contributory service of the participant was 30 years or longer, the standard annual rate would be reduced by 1 per cent a year;<br>provided however that the rate in (i) or (ii) above shall apply to no more than five years. | annual rate for a retirement benefit, reduced for each year or part thereof by which the age of the participant on separation was less than the normal retirement age (60 or 62), at the rate of 6 per cent a year, except that:<br>(i) If the contributory service of the participant was 25 years or longer but less than 30 years, the standard annual rate**:**<br>**(A) In respect of the period of contributory service performed before 1 January 1985,** ~~**would**~~ **shall** be reduced by 2 per cent a year ~~**in respect of the period of contributory service performed before 1 January 1985,**~~ **and**<br>**(B) In respect of the period of such service performed as from 1 January 1985, shall be reduced** by 3 per cent a year ~~**in respect of the period of such service performed as from 1 January 1985**~~; or<br>(ii) If the contributory service of the participant was 30 years or longer, the standard annual rate ~~**would**~~ **shall** be reduced by 1 per cent a year;<br>provided however that the rate in (i) or (ii) above shall apply to no more than five years. | *To simplify the language, the reduction factors have been divided based on the time period in which the contributory service accrued.* |
| *Participation in the Fund has commenced or recommenced on or after 1 January 2014:* | ~~***Participation in the Fund has commenced or recommenced on or after 1 January 2014:***~~ | *As above, to simplify the language, the headings are removed and the reduction factors for an early retirement benefit are divided based on the time period in which participation commenced.* |
| (c) An early retirement benefit shall be payable to a participant whose age on separation is at least 58 but less than the normal retirement age and whose contributory service was five years or longer. | ~~**(c) An early retirement benefit shall be payable to a participant whose age on separation is at least 58 but less than the normal retirement age and whose contributory service was five years or longer.**~~ | |
| (d) The benefit shall be payable at the standard annual rate for a retirement benefit, reduced for each year or part thereof by which the age of the participant on separation was less than the normal retirement age (65), at the rate of 6 per cent a year, except that: | (~~**d**~~**c**) **For participants whose early retirement age is 58,** ~~**T**~~**the** benefit shall be payable at the standard annual rate for a retirement benefit, reduced for each year or part thereof by which the age of the participant on separation was less than the normal retirement age (65), at the rate of 6 per cent a year, except that: | *As above.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| (i) If the contributory service of the participant was 25 years or longer, the standard annual rate would be reduced by 4 per cent a year; and<br>(ii) The rate in (i) above shall apply to no more than five years. | (i) If the contributory service of the participant was 25 years or longer, the standard annual rate ~~would~~ **shall** be reduced by 4 per cent a year; and<br>(ii) The rate in (i) above shall apply to no more than five years. | |
| (e) The benefit may be commuted by the participant into a lump sum to the extent specified in article 28(g) for a retirement benefit. | (~~e~~**d**) The benefit may be commuted by the participant into a lump sum to the extent specified in article 28(g) for a retirement benefit. | *Re-numbering required following the changes above.* |
| Article 31 | Article 31 | |
| (a) A withdrawal settlement shall be payable to a participant whose age on separation is less than the normal retirement age, or if the participant is the normal retirement age or more on separation but is not entitled to a retirement benefit. | (a) A withdrawal settlement shall be payable to a participant **who:** ~~whose~~<br>**(i) Has not reached** ~~age on separation is less than~~ the normal retirement age **on separation;**~~,~~<br>**(ii) Has reached** ~~or if the participant is~~ the normal retirement age or more on separation but is not entitled to a retirement benefit**;**~~.~~ **or**<br>**(iii) Has reached the normal retirement age or more on separation, and the entitlement to a benefit derives from the application of article 40(b) or (c).** | *For consistency with the possibility of electing a withdrawal settlement under article 40 (b) or (c).* |
| Article 32 | Article 32 | |
| (a) The payment to a participant of a withdrawal settlement, or the exercise by a participant of a choice among available benefits, or between a form of benefit involving payment in a lump sum and another form, may be deferred at the participant's request for a period of 36 months. | (a) The payment to a participant of a withdrawal settlement, or the exercise by a participant of a choice among available benefits, or between a form of benefit involving payment in a lump sum and another form, may be deferred at the participant's request for a period of 36 months. | *No change* |
| (b) A participant who deferred a choice under (a) above shall, if the choice is not made within the period by submitting applicable payment instructions, be deemed to have chosen a deferred retirement benefit if his or her age on separation was less than the normal retirement age. | (b) A participant who deferred a choice under (a) above **and has five years or more of contributory service** shall, if the choice is not made within the period by submitting applicable payment instructions, be deemed to have chosen a deferred retirement benefit if his or her age on separation was less than the normal retirement age. | *To clarify that a participant who has not vested cannot be deemed to have elected a deferred retirement benefit.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| (c) A participant who makes no deferment of choice of benefit nor submits payment instructions for a period of 36 months after separation shall be deemed to have chosen a deferred retirement benefit if his or her age on separation was less than the normal retirement age. | (c) A participant who makes no deferment of choice of benefit nor submits payment instructions for a period of 36 months after separation **and has five years or more of contributory service** shall be deemed to have chosen a deferred retirement benefit if his or her age on separation was less than the normal retirement age. | *As above* |
| Article 33 | Article 33 | |
| (a) A disability benefit shall, subject to article 41, be payable to a participant who is found by the Board to be incapacitated for further service in a member organization reasonably compatible with his or her abilities, due to injury or illness constituting an impairment to health which is likely to be permanent or of long duration. | (a) A disability benefit shall, subject to article 41, be payable to a participant who is found by the Board to be incapacitated for further service in a member organization reasonably compatible with his or her abilities, due to injury or illness constituting an impairment to health which is likely to be permanent or of long duration. | *No change* |
| (b) The benefit shall commence on separation or, if earlier, on the expiration of the paid leave due to the participant and shall continue for as long as the participant remains incapacitated, provided that incapacity shall be deemed to be permanent once the former participant reaches an age seven years less than that when he or she would have been entitled to receive a normal retirement benefit, except in cases where the normal retirement age is 60, in which case the period shall be five years less than the normal retirement age. | (b) The benefit shall commence on separation or, if earlier, on the expiration of the paid leave due to the participant and shall continue for as long as the participant remains incapacitated, provided that **the** incapacity shall be deemed to be permanent once the former participant reaches ~~**an age seven years less than that when he or she would have been entitled to receive a normal retirement benefit, except in cases where the normal retirement age is 60, in which case the period shall be five years less than the normal**~~ **the early** retirement age. | *To simplify the language in view of the addition of a definition of early retirement age.* |
| Article 34<br>WIDOW'S BENEFIT | Article 34<br>~~WIDOW'S~~ SURVIVING SPOUSES'S BENEFIT | |
| (a) A widow's benefit shall, subject to article 41 and to (b) below, be payable to the surviving female spouse of a participant who was entitled to a retirement, early retirement, deferred retirement or disability benefit at the date of his death, or who died in service, if she was married to him at the date of his death in service or, if he was separated | (a) A ~~**widow's**~~ **surviving spouse's** benefit shall, subject to article**s 39 and** 41 and to (b) below, be payable to the surviving ~~**female**~~ spouse of a participant who was entitled to a retirement, early retirement, deferred retirement or disability benefit at the date of ~~**his**~~ **the participant's** death, or who died in service, if ~~**she**~~ **the surviving spouse** was married to ~~**him**~~ **the participant** at the date of his **or** | *For simplification, articles 34 and 35 have been combined into one article.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| prior to his death, she was married to him at the date of separation and remained married to him until his death. | **her** death in service or, if ~~he~~ **the participant** was separated prior to his **or her** death, ~~she~~ **the surviving spouse** was married to ~~him~~ **the participant** at the date of separation and **they** remained married ~~to him~~ until ~~his~~ **the participant's** death. | |
| (b) A benefit shall nevertheless not be payable if the participant had commuted his widow's prospective benefit under article 28 or 29. | (b) A benefit shall nevertheless not be payable if the participant had commuted ~~his widow's~~ **the surviving spouse's** prospective benefit under article 28 or 29. | *As above.* |
| (c) The benefit shall, if the participant died in service or during entitlement to a retirement, early retirement or disability benefit, be payable at the standard annual rate of half the retirement or disability benefit which would have been payable to the participant had he become entitled thereto at the date of his death, or of half of his retirement, early retirement or disability benefit including such part thereof as may have been commuted, as the case may be, provided that the rate shall not be less than the smaller of:<br><br>(i) 750 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or<br><br>(ii) Twice the standard annual rate above. | (c)**(i)** ~~The benefit shall,~~ **I**f the participant died ~~in service or~~ during entitlement to a retirement, early retirement or disability benefit, **the surviving spouse's benefit shall** be payable at the standard annual rate of half **of** the **participant's** retirement**,** **early retirement** or disability benefit**,** ~~which would have been payable to the participant had he become entitled thereto at the date of his death, or of half of his retirement, early retirement or disability benefit~~ **and in the event that the participant had partially commuted the retirement benefit or early retirement benefit under article 28(g)(i) or 29(d), the surviving spouse's benefit shall be calculated on the basis of the unreduced amount of the retirement or early retirement benefit.**<br><br>**(ii) If the participant died in service, the surviving spouse's benefit shall be payable at the standard annual rate of half of the retirement benefit that would have been payable had the participant remained in service until the normal retirement age and had the final average remuneration remain unchanged.**<br><br>**(iii) In all cases** ~~provided that~~ the rate shall not be less than the smaller of:<br><br>(~~i~~**A**) 750 dollars subject to subsequent adjustments in | *For simplification and clarity, the provisions for the participant's death in service and death after separation have been divided.* |

| *Existing text* | *Proposed text[a]* | *Comments* |
|---|---|---|
| | accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or<br><br>(~~ii~~**<u>B</u>**) Twice the standard annual rate above. | |
| (d) The annual rate of the benefit shall, notwithstanding (c) above, not be less, when no other benefit is payable on account of the participant under these Regulations, than the smaller of 500 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or the final average remuneration of the participant. | (d) The annual rate of the benefit shall, notwithstanding (c) above, not be less, when no other benefit is payable on account of the participant under these Regulations, than the smaller of 500 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or the final average remuneration of the participant. | *No change* |
| (e) The benefit shall, if the participant died after the commencement of a deferred retirement benefit which had not been commuted under article 30(c), be payable at half the annual rate of such benefit and, if he died before its commencement, at the rate of half the actuarial equivalent at the date of death of the annual rate of the benefit at the normal retirement age. | (e) The benefit shall, if the participant died after the commencement of a deferred retirement benefit which had not been commuted under article 30(c), be payable at half the annual rate of such benefit and, if ~~he~~ **<u>the participant</u>** died before its commencement, at the rate of half the actuarial equivalent at the date of death of the annual rate of the benefit at the normal retirement age. | *To implement combination of articles 34 and 35.* |
| (f) The benefit shall be payable at periodic intervals for life, provided that a benefit payable at an annual rate of less than 600 dollars may be commuted by the widow into a lump sum which is the actuarial equivalent of the benefit at the standard annual rate under (c) above, or the annual rate under (e) above, as the case may be. | (f) The benefit shall be payable at periodic intervals for life, provided that a benefit payable at an annual rate of less than 600 dollars may be commuted by the ~~widow~~ **<u>surviving spouse</u>** into a lump sum which is the actuarial equivalent of the benefit at the standard annual rate under (c) above, or the annual rate under (e) above, as the case may be. | *As above.* |
| (g) The benefit shall, where there is more than one surviving spouse, be divided equally between the spouses, and upon the death of each such spouse shall be equally divided among the remainder. | (g) The benefit shall, where there is more than one surviving spouse, be divided equally between the spouses, and upon the death of each such spouse shall be equally divided among the remainder. | *No change* |
| (h) Notwithstanding the provisions of (a) and (f) above, with respect to a surviving spouse who had remarried prior to 1 April 1999 the benefit under (a) above shall be payable as from | ~~**(h) Notwithstanding the provisions of (a) and (f) above, with respect to a surviving spouse who had remarried prior to 1 April 1999 the benefit under (a) above shall be**~~ | *Deleted as obsolete.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| 1 January 2001, subject to recovery (with interest) of the lump sum payment that had been made to that surviving spouse upon remarriage, as provided in the Regulations then in effect. | ~~**payable as from 1 January 2001, subject to recovery (with interest) of the lump sum payment that had been made to that surviving spouse upon remarriage, as provided in the Regulations then in effect.**~~ | |
| Article 35 | Article 35 | |
| A widower's benefit, at the rates and under the conditions applicable in article 34 to a widow's benefit, shall be payable to the surviving male spouse of a participant. | **[DELETED]** ~~**A widower's benefit, at the rates and under the conditions applicable in article 34 to a widow's benefit, shall be payable to the surviving male spouse of a participant.**~~ | *To simplify the Regulations, articles 34 and 35 have been combined into one article.* |
| Article 35 *bis* | Article 35 *bis* | |
| (a) Any divorced spouse of a participant or former participant, separated on or after 1 April 1999, who was entitled to a retirement, early retirement, deferred retirement or disability benefit, or of a participant who died in service on or after that date, may, subject to the provisions of article 34(b) (applicable also to widowers), request a former spouse's benefit, if the conditions specified in paragraph (b) below are fulfilled. | (a) Any divorced spouse of a participant or former participant, separated on or after 1 April 1999, who was entitled to a retirement, early retirement, deferred retirement or disability benefit, or of a participant who died in service on or after that date, may, subject to the provisions of article 34(b) ~~**(applicable also to widowers)**~~, request a former spouse's benefit, if the conditions specified in paragraph (b) below are fulfilled. | *To implement combination of articles 34 and 35.* |
| (c) A former spouse who, in the opinion of the Chief Executive of Pension Administration, has met the conditions set out in paragraph (b) above shall be entitled to the widow's or widower's benefit under article 34 or 35 as the case may be; however, if the participant is survived by both one or more such former spouses and/or by a spouse entitled to a benefit under article 34 or 35, the benefit payable under article 34 or 35 shall be divided between the spouse and former spouse(s) in proportion to the duration of their marriages to the participant. | (c) A former spouse who, in the opinion of the Chief Executive of Pension Administration, has met the conditions set out in paragraph (b) above shall be entitled to the ~~**widow's or widower's**~~ **surviving spouse's** benefit under article 34 ~~**or 35 as the case may be**~~; however, if the participant is survived by both one or more such former spouses and/or by a spouse entitled to a benefit under article 34 ~~**or 35**~~, the benefit payable under article 34 ~~**or 35**~~ shall be divided between the spouse**(s)** and former spouse(s) in proportion to the duration of their marriages to the participant. | *As above.*<br><br>*To clarify that the benefit will be divided between all current and former spouses.* |
| Article 35 *ter* | Article 35 *ter* | |
| (a) A former participant receiving a periodic benefit may elect to provide a periodic benefit for life in a specified amount (subject to paragraph (b) below) to a spouse who was not | (a) A former participant receiving a periodic benefit may elect to provide a periodic benefit for life in a specified amount (subject to paragraph (b) below) to a spouse who was not | *To align with language of other provisions of the Regulations.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| married to him or her at the date of separation. Such election shall be made within one year of the date of marriage and shall become effective 18 months after the date of marriage. The benefit shall be payable as of the first day of the month following the death of the former participant. When the election becomes effective, the benefit payable to the former participant shall be reduced in accordance with actuarial factors to be determined by the Fund's Consulting Actuary. An election under this subsection may not be revoked after it becomes effective, except by an explicit request in writing by the former UNJSPF retiree who has divorced the new spouse or by the death of the spouse, in which case it will be considered terminated as from that date. The UNJSPF retiree may rescind his or her decision to provide a periodic benefit for life to a spouse married after separation by providing the Fund with a final divorce decree issued by a competent national court. Payments made for the annuity before such a cancellation will not be refunded to a UNJSPF retiree, neither do such payments convey to the divorced spouse a benefit entitlement from the Fund. | married to him or her at the date of separation. Such election shall be made within one year of the date of marriage and shall become effective 18 months after the date of marriage. The benefit shall be payable as of the first day of the month following the death of the former participant. When the election becomes effective, the benefit payable to the former participant shall be reduced in accordance with actuarial factors to be determined by the Fund's Consulting Actuary. An election under this subsection may not be revoked after it becomes effective, except by an explicit request in writing by the former ~~**UNJSPF retiree**~~ **participant** who has divorced the new spouse or by the death of the spouse, in which case it will be considered terminated as from that date. The ~~**UNJSPF retiree**~~ **participant** may rescind his or her decision to provide a periodic benefit for life to a spouse married after separation by providing the Fund with a final divorce decree issued by a competent national court. Payments made for the annuity before such a cancellation will not be refunded to a ~~**UNJSPF retiree**~~ **participant**, neither do such payments convey to the divorced spouse a benefit entitlement from the Fund. | |
| Article 36 | Article 36 | |
| (a) A child's benefit shall, subject to (b) and (c) below, be payable for each child of a participant who is entitled to a retirement, early retirement or disability benefit or who has died in service, while the child remains under the age of 21. | (a) A child's benefit shall, subject to (b) and (c) below, be payable for each child of a participant who is entitled to a retirement, early retirement or disability benefit or who has died in service, while the child remains under the age of 21. | *No change* |
| (b) A benefit shall be payable for a child who is over the age of 21 if the child is found by the Board to have been incapacitated by illness or injury for substantial gainful employment:<br>(i) On reaching the age of 21, if immediately prior thereto a child's benefit was payable; or | (b) A benefit shall be payable for a child **of a participant who is entitled to a retirement, early retirement or disability benefit or who has died in service** who is over the age of 21 if the child is found by the Board to have been incapacitated by illness or injury for substantial gainful employment~~:~~**.** | *To align with the language of article 36 (a).* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| (ii) At the time of the death in service or entitlement to a benefit of the participant.<br><br>A benefit payable as above shall continue for as long as the child remains incapacitated. | ~~**(i) On reaching the age of 21, if immediately prior thereto a child's benefit was payable; or**~~<br><br>~~**(ii) At the time of the death in service or entitlement to a benefit of the participant.**~~<br><br>A benefit payable as above shall continue for as long as the child remains incapacitated. | *Deleted as the text is administrative in nature and is already contained in Administrative Rule H.8.* |
| (e) The benefit, if no other periodic benefit is payable and there is no surviving parent able, in the opinion of the Board, to support the child, or if the other periodic benefit payable is to a surviving spouse who is not a natural or adoptive parent and does not have custody of the child, and further subject to (f) below, shall be payable at the rate in (d) above increased by the greater of:<br><br>(i) 300 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or one quarter of the retirement, early retirement or disability benefit from which it is derived, if one child's benefit is payable; and<br><br>(ii) 600 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or half the retirement, early retirement or disability benefit from which it is derived, and divided by the number of eligible children, if more than one such benefit is payable. | (e) ~~**The benefit, if no other periodic benefit is payable and there is no surviving parent able, in the opinion of the Board, to support the child, or if the other periodic benefit payable is to a surviving spouse who is not a natural or adoptive parent and does not have custody of the child, and further subject to (f) below,**~~ **<u>If the child is an orphan, and subject to (f) below, the benefit</u>** shall be payable at the rate in (d) above increased by the greater of:<br><br>(i) 300 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or one quarter of the retirement, early retirement or disability benefit from which it is derived, if one child's benefit is payable; and<br><br>(ii) 600 dollars subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System (Click here)[2] or half the retirement, early retirement or disability benefit from which it is derived, and divided by the number of eligible children, if more than one such benefit is payable. | *To simplify the language and reflect the definition of "orphan" in Article 1.* |
| (f) The total benefits payable under (d) above shall nevertheless not exceed an annual rate of 1,800 dollars subject to subsequent adjustments in accordance with the movement of the | (f) The total benefits payable under (d) above shall nevertheless not exceed an annual rate of 1,800 dollars subject to subsequent adjustments in accordance with the movement of the | *To reflect combination of articles 34 and 35.* |

| *Existing text* | *Proposed text[a]* | *Comments* |
|---|---|---|
| United States CPI under the Pension Adjustment System (Click here)[2] nor shall the total benefits under (d) or (e) above, added to any retirement benefit payable under article 28(b), (c), (d) or (e), early retirement benefit under article 29(b), disability, widow's or widower's benefit exceed the final average remuneration of the participant added to the total annual children's allowances that were payable by the member organization at the time the participant was separated. | United States CPI under the Pension Adjustment System (Click here)[2] nor shall the total benefits under (d) or (e) above, added to any retirement benefit payable under article 28(b), (c), (d) or (e), early retirement benefit under article 29(b), disability, ~~**widow's or widower's**~~ **surviving spouse's** benefit exceed the final average remuneration of the participant added to the total annual children's allowances that were payable by the member organization at the time the participant was separated. | |
| Article 37 | Article 37 | |
| (c) The benefit shall be payable at the following rates:<br>(i) In the case of a mother or father, at the rates and under the conditions applicable in article 34(b), (c), (d), (f) and (h) to a widow's or widower's benefit;<br>(ii) In the case of a brother or sister, at the rate applicable in article 36(d) to a child's benefit and shall be payable or shall continue to be payable beyond the age of 21 under the conditions of article 36(b). | (c) The benefit shall be payable at the following rates:<br>(i) In the case of a mother or father, at the rates and under the conditions applicable in article 34(b), (c), (d), (f) and (h) to a ~~**widow's or widower's**~~ **surviving spouse's** benefit;<br>(ii) In the case of a brother or sister, at the rate applicable in article 36(d) to a child's benefit and shall be payable or shall continue to be payable beyond the age of 21 under the conditions of article 36(b). | *To reflect combination of articles 34 and 35.* |
| (d) In the event that more than one person is eligible under this article, the benefit shall be payable to the person designated by the Board. | (d) In the event that more than one person is eligible under this article, the benefit shall be payable to the person ~~**designated**~~ **determined** by the ~~**Board**~~ **Chief Executive of Pension Administration**. | *To reflect that the determination of which eligible secondary dependant to pay is an operational matter handled by the Pension Administration.* |
| Article 38 | Article 38 | |
| (b) The settlement shall be payable to a beneficiary designated by the participant and alive when the payment is due; failing such beneficiary, the settlement shall be paid to the estate of the participant. | (b) The settlement shall be payable to ~~a~~ **each** beneficiary designated by the participant and alive when the payment is due; failing such beneficiary, the settlement shall be paid to the estate of the participant. **If more than one recipient is designated, the recipients shall share the settlement equally, unless otherwise indicated by the participant. If one of the designated beneficiaries predeceases the** | *To reflect the fact that a participant may designate more than one recipient of a residual settlement.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| | **participant, the share of that beneficiary will be distributed among the surviving designated recipients in the ratio of their own shares.** | |
| Article 39 | Article 39 | |
| (a) Entitlement to a disability benefit or to a benefit payable in case of death, during a period of leave without pay granted for the performance of military service, shall instead be to a withdrawal settlement calculated as of the day immediately preceding the commencement of such leave, in accordance with article 31. | (a) Entitlement to a disability benefit or to a benefit payable in case of death, during a period of leave without pay granted for the performance of military service **with or without contributions being paid**, shall instead be to a withdrawal settlement calculated as of the day immediately preceding the commencement of such leave, in accordance with article 31. | *To clarify that the provisions of article 39(a) apply regardless of whether contributions are made pursuant to article 25(b).* |
| (b) In the event that a participant becomes entitled to a retirement, early retirement or deferred retirement benefit on separation during a period of leave without pay, a widow's, widower's, child's or secondary dependant's benefit shall not be payable unless entitlement thereto would have existed had the participant died on the day immediately preceding the commencement of such leave. | (b) In the event that a participant becomes entitled to a retirement, early retirement or deferred retirement benefit on separation during a period of leave without pay, a ~~widow's, widower's~~ **surviving spouse's**, child's or secondary dependant's benefit shall not be payable unless entitlement thereto would have existed had the participant died on the day immediately preceding the commencement of such leave. | *To reflect combination of articles 34 and 35.* |
| Article 40 | Article 40 | |
| (a) If a former participant who is entitled to a retirement, early retirement or deferred retirement benefit under these Regulations again becomes a participant, entitlement to such benefit or to a benefit derived therefrom shall be suspended and no benefit shall be payable until the participant dies or is again separated. | (a) If a former participant who is entitled to a retirement, early retirement or deferred retirement benefit under these Regulations again becomes a participant **in accordance with article 21(a)**, entitlement to such benefit or to a benefit derived therefrom shall be suspended and no benefit shall be payable until the participant dies or is again separated. **There is no retroactive payment of suspended ~~UNJSPF~~ benefits that may have been accrued from previous participation in the Fund, which shall be deemed to be cancelled.** | *To clarify the meaning of participant.*<br><br>*The language was moved from sub-paragraph (e) to clarify that it applies to all retirees who re-enter service under article 40, not just to ungraded officials.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
| --- | --- | --- |
| (e) Article 40 shall apply *mutatis mutandis* to the ungraded officials who are appointed or elected irrespective of whether they join the Fund again during their tenure as elected officials. There is no retroactive payment of suspended UNJSPF benefits that may have been accrued from previous participation in the Fund. | (e) Article 40 shall apply *mutatis mutandis* to the ungraded officials who are appointed or elected irrespective of whether they join the Fund again during their tenure as elected officials. **~~There is no retroactive payment of suspended UNJSPF benefits that may have been accrued from previous participation in the Fund.~~** | *As above.* |
| Article 45 | Article 45 | |
| (a) A participant or beneficiary may not assign his or her rights under these Regulations. Notwithstanding the foregoing, the Fund may, to satisfy a legal obligation on the part of a participant or former participant arising from a marital or parental relationship and evidenced by a final and executable order of a court or by a settlement agreement incorporated into a divorce or other court order, remit a portion of a benefit payable by the Fund to such participant for life to one or more former spouses and/or a current spouse from whom the participant or former participant is living apart. Such payment shall not convey to any person a benefit entitlement from the Fund or (except as provided herein) provide any rights under the Regulations of the Fund to such person or increase the total benefits otherwise payable by the Fund. | (a) A participant or beneficiary may not assign his or her rights under these Regulations. Notwithstanding the foregoing, the Fund may, to satisfy a legal obligation on the part of a participant or former participant arising from a marital or parental relationship and evidenced by a final and executable order of a court or by a settlement agreement incorporated into a divorce or other court order, remit a portion of a **periodic** benefit payable **~~by the Fund~~** to such participant **~~for life~~** to one or more former spouses and/or a current spouse from whom the participant or former participant is living apart. Such payment shall not convey to any person a benefit entitlement from the Fund or (except as provided herein) provide any rights under the Regulations of the Fund to such person or increase the total benefits otherwise payable by the Fund. | *To clarify that the Fund will only remit a portion of a periodic benefit, not a lump sum or withdrawal settlement, under article 45.* |
| Article 45 *bis* | Article 45 *bis* | |
| (b) The deduction may be applied to a benefit payable to a participant under these Regulations, including a withdrawal settlement or a lump sum commutation. The assignment shall normally be irrevocable; however, such payments shall cease following the death of the participant. The assignment shall not apply to a survivor's benefit under article 34, 35, 35 *bis* and 35 *ter* of the Regulations. | (b) The deduction may be applied to a benefit payable to a participant under these Regulations, including a withdrawal settlement or a lump sum commutation. The assignment shall normally be irrevocable; however, such payments shall cease following the death of the participant. The assignment shall not apply to a survivor's benefit under article 34, **~~35,~~** 35 *bis* and 35 *ter* of the Regulations. | *To reflect combination of articles 34 and 35.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| Article 46 | Article 46 | |
| (b) The right to a retirement, early retirement, deferred retirement or disability benefit, widow's or widower's benefit, divorced surviving spouse's benefit, child's benefit or secondary dependant's benefit shall be forfeited if, for five years after the first payment has been due, the beneficiary has failed to submit payment instructions or has failed or refused to accept payment. | (b) The right to a retirement, early retirement, deferred retirement or disability benefit, ~~**widow's or widower's**~~ **<u>surviving spouse's</u>** benefit, divorced surviving spouse's benefit, child's benefit or secondary dependant's benefit shall be forfeited if, for five years after the first payment has been due, the beneficiary has failed to submit payment instructions or has failed or refused to accept payment. | *To reflect combination of articles 34 and 35.* |
| (c) The right to continued periodic payments of a retirement, early retirement, deferred retirement or disability benefit, widow's or widower's benefit, divorced surviving spouse's benefit, child's benefit or secondary dependant's benefit shall be forfeited if, for two years after a periodic payment has been due, the beneficiary has failed to submit payment instructions, or has failed or refused to accept payment, or has failed to submit the duly signed Certificate of Entitlement. | (c) The right to continued periodic payments of a retirement, early retirement, deferred retirement or disability benefit, ~~**widow's or widower's**~~ **<u>surviving spouse's</u>** benefit, divorced surviving spouse's benefit, child's benefit or secondary dependant's benefit shall be forfeited if, for two years after a periodic payment has been due, the beneficiary has failed to submit payment instructions, or has failed or refused to accept payment, or has failed to submit the duly signed Certificate of Entitlement. | *To reflect combination of articles 34 and 35.* |
| | (d) **<u>The Chief Executive of Pension Administration may, if in his or her opinion there are circumstances beyond the beneficiary's control which so warrant, reinstate the right to any benefit which has been forfeited under (a), (b), or (c) above. A benefit that is reinstated after forfeiture shall recommence from the date on which it was due, unless the Chief Executive of Pension Administration, after a review of the circumstances of the case, decides that it shall recommence from a later date.</u>** | *To confirm the Chief Executive's authority to reinstate a forfeited benefit in certain circumstances.* |
| (d) The Fund shall not accept any claim alleging non-receipt of a lump sum, including a withdrawal settlement, or monthly periodic benefit or request for correction of an amount due in respect of any lump sum or monthly periodic benefit payable under these Regulations, more than 10 years after the amount was due or the error was made. | (~~**d**~~**<u>e</u>**) The Fund shall not accept any claim alleging non-receipt of a lump sum, including a withdrawal settlement, or monthly periodic benefit or request for correction of an amount due in respect of any lump sum or monthly periodic benefit payable under these Regulations, more than 10 years after the amount was due or the error was made. | *Re-numbering required following the changes above.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| (e) The Board may, if in its opinion there are circumstances beyond the beneficiary's control which so warrant, restore the right to any benefit which has been forfeited or after the 10-year time limit under (d) above, to any payment that that has not been received. | ~~**(e)**~~ **Notwithstanding the foregoing,** ~~**The**~~ **the** Board may, if in its opinion there are circumstances beyond the beneficiary's control which so warrant, ~~**restore**~~ **re-instate** the right to any **such** ~~**benefit which has been forfeited or after the 10-year time limit under (d) above, to any**~~ payment **that has not been received**. | *To simplify the language.* |
| Article 47 | Article 47 | |
| (b) Benefits shall be calculated in dollars and shall be payable in any currency selected by the recipient, at the rate of exchange for dollars obtained by the Fund on the date of payment. | (b) Benefits shall be calculated in dollars and shall be payable in any **executable** currency selected by the recipient, at the rate of exchange for dollars obtained by the Fund on the date of payment. | *To reflect the fact that the Fund can only pay in its executable currencies.* |
| Supplementary article A | Supplementary article A | |
| The provisions of these Regulations and of the Administrative Rules shall apply equally to members of the staff of each member organization whose employment is for at least half the time of full-time members of the staff, except that: | The provisions of these Regulations and of the Administrative Rules shall apply equally to members of the staff of each member organization whose employment is for at least half the time of full-time members of the staff, except that: | *No change* |
| | (a) **Contributions by the participant and by the employing member organization, as specified in article 25(a), shall be reduced at the ratio which the employment bears to full employment; and** | *To clarify that just as benefit entitlements are reduced during part-time employment, contributions are also proportionally reduced.* |
| (a) The entitlement to and the amount of benefits resulting from such employment shall be reduced in the ratio which it bears to full employment; and | (~~**a**~~**b**) The entitlement to and the amount of benefits resulting from such employment shall be reduced in the ratio which it bears to full employment**.**~~**; and**~~ | *To align with new numbering of subparagraphs.* |
| (b) Such employment prior to 1 January 1975 shall not be open to validation or be taken into account for any other purpose. | ~~**(b) Such employment prior to 1 January 1975 shall not be open to validation or be taken into account for any other purpose.**~~ | *Removed as it is obsolete.* |
| Supplementary article C | Supplementary article C | |
| (a) Effective 1 April 1987, notwithstanding the provisions of article 1(h), the final average remuneration of a participant in the Professional or higher categories who was in contributory service on 31 March 1987, had at least 36 | (a) Effective 1 April 1987, notwithstanding the provisions of article 1(~~**h**~~**i**), the final average remuneration of a participant in the Professional or higher categories who was in contributory service on 31 March 1987, had at least 36 | *To align with changes in the numbering of subparagraphs in article 1.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| completed calendar months of such service as of that date and whose pensionable remuneration was lowered by the scale of pensionable remuneration effective 1 April 1987, shall be calculated under both article 1(h) and paragraph (b) of this article, with the participant being entitled to that method of calculation which results in the higher benefit at the standard annual rate. | completed calendar months of such service as of that date and whose pensionable remuneration was lowered by the scale of pensionable remuneration effective 1 April 1987, shall be calculated under both article 1(**~~h~~i**) and paragraph (b) of this article, with the participant being entitled to that method of calculation which results in the higher benefit at the standard annual rate. | |
| (b)(i) The highest final average remuneration to which the participant would have been entitled in accordance with article 1(h) if he or she had separated from service on 31 December 1984 or on any later date preceding the actual date of separation shall be applied to the participant's contributory service up to and including the date on which that final average remuneration was first attained; | (b)(i) The highest final average remuneration to which the participant would have been entitled in accordance with article 1(**~~h~~i**) if he or she had separated from service on 31 December 1984 or on any later date preceding the actual date of separation shall be applied to the participant's contributory service up to and including the date on which that final average remuneration was first attained; | *As above.* |
| (ii) The final average remuneration calculated in accordance with article 1(h) shall be applied to the participant's contributory service after such date; and | (ii) The final average remuneration calculated in accordance with article 1(**~~h~~i**) shall be applied to the participant's contributory service after such date; and | |
| (iii) The benefit payable at the standard annual rate under the provisions of article 28(b) or (c) shall be calculated by adding to the benefit based on the contributory service in (i) above the benefit based on the contributory service in (ii) above, subject to article 28(d) where applicable. | (iii) The benefit payable at the standard annual rate under the provisions of article 28(b) or (c) shall be calculated by adding to the benefit based on the contributory service in (i) above the benefit based on the contributory service in (ii) above, subject to article 28(d) where applicable. | |

[a] Proposed additions and deletions appear in boldface type.

# Annex V

## Recommendations to the General Assembly for amendments to the Pension Adjustment System of the Fund

### For approval

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| 4. Except as otherwise noted (e.g., in paragraphs 5(d), 10 and 27 below with regard to deferred retirement benefits), the Pension Adjustment System applies to retirement, early retirement, deferred retirement, disability, widow's, widower's, child's and secondary dependant's periodic benefits. It does not apply to withdrawal or other lump-sum payments, including those derived from the partial or total commutation of a periodic benefit, nor does it apply to any benefit arising from voluntary deposits. Adjustments operate on benefits based on standard, minimum and maximum formulae, including those that are based on flat dollar amounts. | 4. Except as otherwise noted (e.g., in paragraphs 5(d), 10 and 27 below with regard to deferred retirement benefits), the Pension Adjustment System applies to retirement, early retirement, deferred retirement, disability, ~~**widow's, widower's**~~ **surviving spouse's**, child's and secondary dependant's periodic benefits. It does not apply to withdrawal or other lump-sum payments, including those derived from the partial or total commutation of a periodic benefit, nor does it apply to any benefit arising from voluntary deposits. Adjustments operate on benefits based on standard, minimum and maximum formulae, including those that are based on flat dollar amounts. | *To reflect the combination of articles 34 and 35.* |
| 10. No special adjustment shall be made in the case of early or deferred retirement benefits. In the case of widow's, widower's, orphan's and secondary dependant's benefits, a special adjustment is applied only if those benefits are derived from benefits which themselves were (or would have been) subject to a special adjustment. In that case, the special adjustment factor shall be the same as the one which had (or would have) been applied to the retirement or disability pension from which the benefit is derived. | 10. No special adjustment shall be made in the case of early or deferred retirement benefits. In the case of ~~**widow's, widower's**~~ **surviving spouse's**, orphan's and secondary dependant's benefits, a special adjustment is applied only if those benefits are derived from benefits which themselves were (or would have been) subject to a special adjustment. In that case, the special adjustment factor shall be the same as the one which had (or would have) been applied to the retirement or disability pension from which the benefit is derived. | *To reflect the combination of articles 34 and 35.* |
| 11. Beneficiaries in receipt of retirement or disability benefits or of widow's, widower's or secondary dependant's benefits derived therefrom, who were aged 75 or over on 1 January 1982 and whose annual retirement or disability benefit on that date was below 50 per cent of the then net base salary of a staff member at grade P-1, step I, | 11. Beneficiaries in receipt of retirement or disability benefits or of ~~**widow's, widower's**~~ **surviving spouse's** or secondary dependant's benefits derived therefrom, who were aged 75 or over on 1 January 1982 and whose annual retirement or disability benefit on that date was below 50 per cent of the then net base salary of a | *To reflect the combination of articles 34 and 35.* |

| *Existing text* | *Proposed text*[a] | *Comments* |
|---|---|---|
| became entitled from that date to receive a thirteenth monthly payment every year. The thirteenth payment shall be calculated in such a way that the total annual benefit payable to a beneficiary above the limit is not less than the amount payable to a beneficiary just below the limit. | staff member at grade P-1, step I, became entitled from that date to receive a thirteenth monthly payment every year. The thirteenth payment shall be calculated in such a way that the total annual benefit payable to a beneficiary above the limit is not less than the amount payable to a beneficiary just below the limit. | |
| E. Special adjustment for small pensions | E. Special adjustment for small pensions | |

| Separations on or after 1 April 2016 | | Separations on or after 1 April 2016 **but before 1 April 2025** | |
|---|---|---|---|
| Annual amount of pension | Special adjustment (percentage) | Annual amount of pension | Special adjustment (percentage) |
| $7 150 | 0 | $7 150 | 0 |
| 6 875 | 3 | 6 875 | 3 |
| 6 600 | 7 | 6 600 | 7 |
| 6 325 | 12 | 6 325 | 12 |
| 6 050 | 17 | 6 050 | 17 |
| 5 775 | 22 | 5 775 | 22 |
| 5 500 | 28 | 5 500 | 28 |
| 5 225 | 34 | 5 225 | 34 |
| 4 950 | 40 | 4 950 | 40 |
| 4 675 | 52 | 4 675 | 52 |
| 4 400 | 60 | 4 400 | 60 |
| 4 125 | 68 | 4 125 | 68 |
| 3 850 | 76 | 3 850 | 76 |
| 3 575 | 85 | 3 575 | 85 |
| 3 300 | 94 | 3 300 | 94 |
| 3 025 or less | 104 | 3 025 or less | 104 |
| | | **Separations on or after 1 April 2025** | |
| | | **Annual amount of pension** | **Special adjustment (percentage)** |
| | | **$9 655** | **0** |
| | | **9 280** | **3** |

| *Existing text* | *Proposed text*[a] | | *Comments* |
|---|---|---|---|
| | **8 910** | **6** | |
| | **8 540** | **10** | |
| | **8 170** | **14** | |
| | **7 795** | **18** | |
| | **7 425** | **23** | |
| | **7 055** | **28** | |
| | **6 685** | **34** | |
| | **6 310** | **40** | |
| | **5 940** | **48** | |
| | **5 570** | **56** | |
| | **5 200** | **65** | |
| | **4 825** | **76** | |
| | **4 455** | **89** | |
| | **4 085 or less** | **104** | |

[a] Proposed additions and deletions are indicated in boldface type.

# Annex VI

## Amendments to the Administrative Rules of the Fund

### For information

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| Introduction | Introduction | |
| (g) "*Commencement or recommencement of participation*" within the meaning of article 1 (n) (normal retirement age) refers to participation, or a new participation, in the Fund under article 21 of the Regulations and Section B of the Administrative Rules. The normal retirement age is determined by the date the participant began his or her contributory service as a participant with the Fund, regardless of the effective date of his or her appointment with his or her employing organization. Therefore, if a staff member is appointed by a member organization of the Pension Fund before 1 January 1990 or 1 January 2014, as applicable, but his or her participation in the Fund under the Regulations of the Fund only commences or re-commences on or after 1 January 1990 but before 1 January 2014, or on or after 1 January 2014, the normal retirement age of the participant is 62 or 65, respectively. Validation of prior non-contributory service under article 23, and/or restoration of prior contributory service under article 24 does not change the date of participation in the Fund and, therefore, does not alter the normal retirement age of the participant. | (g) "*Commencement or recommencement of participation*" within the meaning of article 1 (~~n~~**o**) (normal retirement age) refers to participation, or a new participation, in the Fund under article 21 of the Regulations and Section B of the Administrative Rules. The normal retirement age is determined by the date the participant began his or her contributory service as a participant with the Fund, ~~regardless~~ **irrespective** of the effective date of his or her appointment with his or her employing organization. Therefore~~,~~**:** | *To align with changes in the numbering of subparagraphs in article 1.* |
| | **(i)** ~~i~~If a staff member is appointed by a member organization of the Pension Fund before 1 January 1990 ~~or 1 January 2014, as applicable,~~ but his or her participation in the Fund under the Regulations of the Fund only commences or recommences on or after 1 January 1990 but before 1 January 2014, **the normal retirement age of the participant is 62;** | *To clarify the language, it has been divided into subparagraphs, each addressing the different relevant time periods.* |
| | **(ii) If a staff member is appointed by a member organization of the Pension Fund before 1 January 2014, but his or her participation in the Fund under the Regulations of the Fund only commences** on or after 1 January 2014, the normal retirement age of the participant is ~~62 or~~ 65~~, respectively~~. | |
| | Validation of prior non-contributory service under article 23, and/or restoration of prior contributory service under article 24 **or 24 bis** does not change the **participant's** date of **entry into** participation in the Fund and, therefore, does not alter the normal retirement age of the participant. | *To align with the addition of article 24 bis in the Regulations.* |

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| Section B | Section B | |
| B.5 The participant shall, as soon as practicable after the commencement of participation, specify in writing, on a form provided for the purpose by the secretary of the committee, the person whom he or she designates as the beneficiary in the event of a benefit becoming payable under article 38 of the Regulations by reason of the participant's death in service without a surviving spouse, including a divorced spouse, child, or secondary dependant, entitled to a benefit; any changes thereafter in such designation shall similarly be specified by the participant in writing. A new designation must be completed for each new participation in the Fund. | B.5 The participant shall, as soon as practicable after the commencement of participation, specify in writing, on a form ~~provided~~ **designated** for the purpose by the ~~secretary of the committee~~ **Chief Executive of Pension Administration**, the person**(s)** whom he or she designates as the beneficiary **or beneficiaries** in the event of a ~~benefit~~ **residual settlement** becoming payable under article 38 of the Regulations by reason of the participant's death in service without a surviving spouse, including a divorced spouse, child, or secondary dependant, entitled to a benefit; any changes thereafter in such designation shall similarly be specified by the participant in writing. A new designation must be completed for each new participation in the Fund. **A new designation will supersede all previous designations.** | *To reflect the fact that the responsibility for issuing forms rests with the Pension Administration.* <br><br> *To align with the change in article 38 to allow for multiple designated recipients of a residual settlement.* <br><br> *To clarify the effect of a new designation.* |
| Section C | Section C | |
| C.3 A participant who refuses to undergo a medical evaluation to determine fitness for employment and fulfils the requirements under article 21(a) of the Regulations, and for whom the findings of an earlier medical evaluation are not accepted, shall not, until completion of five years of contributory service be entitled to a disability benefit under the Regulations, nor shall a widow's, widower's or secondary dependent's benefit be payable. | C.3 A participant who refuses to undergo a medical evaluation to determine fitness for employment and fulfils the requirements under article 21(a) of the Regulations, and for whom the findings of an earlier medical evaluation are not accepted, shall not, until completion of five years of contributory service be entitled to a disability benefit under the Regulations, nor shall a ~~widow's, widower's~~ **surviving spouse's** or secondary dependent's benefit be payable. | *To reflect the combination of articles 34 and 35.* |
| Section D | Section D | |
| D.1 Contributions as specified in column B in article 25(a) of the Regulations shall be deducted monthly by the member organization from the salary and emoluments of each of its participants in pay status and remitted in dollars to the Fund; however, to the extent required for the payment of benefits in local currencies, the Chief Executive of | D.1 Contributions as specified in column B in article 25(a) of the Regulations shall be deducted monthly by the member organization from the salary and emoluments of each of its participants in pay status and remitted in dollars to the Fund; however, to the extent required for the payment of benefits in local currencies, the Chief Executive of Pension Administration | *To clarify the meaning of "partial pay".* |

| *Existing text* | *Revised text*[a] | *Comments* |
| --- | --- | --- |
| Pension Administration may accept that a member organization remit its monthly contributions in a specific local currency rather than in dollars (applying the United Nations operational rate of exchange in effect when the organization's contribution is remitted). The contributions of a participant in partial pay status shall be on the basis of his or her full pensionable remuneration. | may accept that a member organization remit its monthly contributions in a specific local currency rather than in dollars (applying the United Nations operational rate of exchange in effect when the organization's contribution is remitted). The contributions of a participant in partial pay status**, including special leave with partial pay and sick leave with half pay,** shall be on the basis of his or her full pensionable remuneration. | |
| D.6 The financial year of the Fund shall be the period 1 January to 31 December inclusive. | ~~**D.6 The financial year of the Fund shall be the period 1 January to 31 December inclusive.**~~ | *Moved to the Financial Rules.* |
| Section F | Section F | |
| F.1 A participant who elects to restore prior contributory service as a former participant under article 24(a) of the Regulations shall give notice in writing of such election to the secretary of the staff pension committee of the member organization by which he or she is employed not later than one year after the re-commencement of participation and in any case prior to the date of separation if earlier. | F.1 A participant who elects to restore prior contributory service as a former participant under article 24(a) of the Regulations shall give notice in writing of such election to the secretary of the staff pension committee of the member organization by which he or she is employed not later than one year after the recommencement of participation and in any case prior to the date of separation if earlier. | *No change.* |
| F.4 (a) Payment shall be made, in accordance with the method selected by the participant under rule F.3 above, by remittance to the organization within the time limits applicable. | F.4 (a) Payment shall be made, in accordance with the method selected by the participant under rule F.3 above, by remittance to the organization within the time-limits applicable. **In the event that the participant changes employing organization before the total amount due has been paid, the participant shall inform the Fund of the change in employment and inform the new employing organization of the payment arrangements so as to ensure continuity of payments.** | *To clarify that it is the participant's responsibility to notify the new employing organization.* |
| (b) In the event of default in the payment of a lump sum or the first payment of an instalment, the right of the participant to restoration shall be deemed to be cancelled; in the event of default thereafter, the participant shall be given notice in | (b) In the event of default in the payment of a lump sum or the first payment of an instalment, the right of the participant to restoration shall be deemed to be cancelled~~;~~**.** ~~in~~ **In** the event of **a** default thereafter, the participant shall be given notice in | *To clarify what actions may be taken in cases of repeated defaults.* |

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| writing by the secretary of the committee to effect payment within ninety days, failing which the right to restoration shall similarly be deemed to be cancelled. | writing by the secretary of the committee to effect payment within ninety days, failing which the right to restoration shall similarly be deemed to be cancelled. **In the event of repeated defaults during the course of instalment payments, the right to restoration shall be deemed to be cancelled.** | |
| (c) A participant whose right to restoration is cancelled shall be refunded forthwith the payments already made, with accrued interest, and shall forfeit any further right to such restoration. | (c) A participant whose right to restoration is cancelled shall be refunded forthwith the payments already made, with accrued interest, and shall forfeit any further right to such restoration. | *No change.* |
| Section G | Section G | |
| G.1 A participant who wishes contributory service to accrue in terms of article 22(b) of the Regulations in respect of leave without pay shall make arrangements with the member organization by which he or she is employed for the full contributions to be remitted to the Fund concurrently with such leave in the same manner as contributions due in respect of a participant in pay status. | G.1 A participant who wishes contributory service to accrue in terms of article 22(b) of the Regulations in respect of leave without pay shall make arrangements with the member organization by which he or she is employed for the full contributions to be remitted to the Fund concurrently with such leave in the same manner as contributions due in respect of a participant in pay status. **Where a participant was engaged in part-time employment immediately prior to the start of leave without pay, contributions during the period of leave without pay shall be at the same ratio as was payable immediately prior to the commencement of the leave without pay.** | *To reflect the existing requirement that contributions during a period of leave without pay immediately succeeding part-time employment are remitted at the same ratio as they were immediately prior to leave without pay.* |
| G.4 The provisions of section G of the Administrative Rules in force on 31 December 1982 shall continue to apply to leave without pay which commenced prior to 1 January 1983. | ~~**G.4 The provisions of section G of the Administrative Rules in force on 31 December 1982 shall continue to apply to leave without pay which commenced prior to 1 January 1983.**~~ | *Removed as obsolete.* |
| G.5 However, participants whose leave without pay commenced prior to 1 January 1983 may, at their option, pay contributions concurrently for the unexpired portion of such leave remaining after 1 January 1983. | ~~**G.5 However, participants whose leave without pay commenced prior to 1 January 1983 may, at their option, pay contributions concurrently for the unexpired portion of such leave remaining after 1 January 1983.**~~ | *Removed as obsolete.* |

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| G.6 Participants who avail themselves of the option under rule G.5 above may, at the same time, choose to pay the amounts due for the prior period of leave without pay. | ~~**G.6 Participants who avail themselves of the option under rule G.5 above may, at the same time, choose to pay the amounts due for the prior period of leave without pay.**~~ | *Removed as obsolete.* |
| G.7 Extensions of leave without pay which commenced prior to 1 January 1983 granted after 1 January 1983 shall be treated in accordance with the provisions applicable to leave without pay commencing after that date. | ~~**G.7 Extensions of leave without pay which commenced prior to 1 January 1983 granted after 1 January 1983 shall be treated in accordance with the provisions applicable to leave without pay commencing after that date.**~~ | *Removed as obsolete.* |
| Section H | Section H | |
| H.1 (a) The determination of incapacity for the purpose of disability benefits under article 33(a) and (b) of the Regulations and of children's and secondary dependants' benefits under article 36(b) and (c) shall, by virtue of powers hereby delegated in accordance with article 4(d), be made in each case by the staff pension committee of the organization by which the participant is employed, subject to the provision that, failing unanimity, a determination with respect to a disability benefit shall be referred to the Standing Committee for decision. | H.1 (a) The determination of incapacity for the purpose of disability benefits under article 33(a) and (b) of the Regulations and of children's and secondary dependants' benefits under article 36(b) and (c) shall, by virtue of powers hereby delegated in accordance with article 4(d), be made in each case by the staff pension committee of the organization by which the participant is employed, subject to the provision that, failing unanimity~~**, a determination with respect**~~ **on the question of whether** to **award** a disability benefit**, the matter** shall be referred to the Standing Committee for decision. | *To clarify that unanimity is required only at the time of award of the benefit and is not required when deciding whether to continue the benefit.* |
| H.3 A request for a determination by the staff pension committee under article 33(a) of the Regulations shall be made by the organization:<br><br>(a) Whenever during, or on the expiry of, the appointment of a participant there is reason to believe that he or she may be incapacitated within the meaning of article 33(a); or<br><br>(b) Whenever a participant is placed, or is proposed to be placed, on leave without pay for reasons of health; or<br><br>(c) Whenever the appointment of a participant is terminated, or is proposed to be terminated, for reasons of health. | H.3 A request for a determination by the staff pension committee under article 33(a) of the Regulations shall be made by the organization **whenever**:<br><br>(a) ~~**Whenever d**~~**D**uring, or on the expiry of, the appointment of a participant there is reason to believe that he or she may be incapacitated within the meaning of article 33(a); or<br><br>(b) ~~**Whenever a**~~**A** participant is placed, or is proposed to be placed, on leave without pay for reasons of health; or<br><br>(c) ~~**Whenever t**~~**T**he appointment of a participant is terminated, or is proposed to be terminated, for reasons of health. | *To simplify and streamline the language.* |

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| H.4 A determination under article 33(a) shall be made by the staff pension committee at the request of a participant: | H.4 A determination under article 33(a) shall be made by the staff pension committee at the request of a participant **whenever**: | *As above.* |
| (a) Whenever the organization has not acted in accordance with rule H.3 above; or | (a) ~~**Whenever t**~~**T**he organization has not acted in accordance with rule H.3 above; ~~**or**~~ | |
| (b) Whenever a participant alleges that on the date of separation he or she was incapacitated within the meaning of article 33(a). | (b) ~~**Whenever a**~~**A** participant alleges that on the date of separation he or she was incapacitated within the meaning of article 33(a)~~.~~**;** | |
| | **(c) The participant did not separate from service pursuant to an agreed termination with the member organization; and** | |
| | **(d) No payment has yet been made to the participant by the Fund, provided that the participant must have fully exhausted all paid leave entitlements as well as any applicable administrative recourse against the employing organization under the applicable staff regulations and rules prior to consideration of the request by the staff pension committee.** | *To avoid parallel proceedings and clarify the cases where a participant may make a request for a disability benefit directly to a staff pension committee.* |
| H.6 (a) A determination that a participant is incapacitated within the meaning of article 33(a) shall be reviewed by the committee from time to time for the purpose of establishing the participant's continued eligibility for a disability benefit, in accordance with article 33(b) until the participant reaches an age seven years less than that when he or she would have been entitled to receive a normal retirement benefit, except in cases where the normal retirement age is 60, in which case the period shall be five years less than the normal retirement age. The final review of the benefit shall take place at the time that the beneficiary reaches the age stipulated in article 33(b) or, at the earliest, up to two years prior to that date and the disability may be deemed permanent at that time if the medical condition so warrants. | H.6 (a) A determination that a participant is incapacitated within the meaning of article 33(a) shall be reviewed by the committee from time to time for the purpose of establishing the participant's continued eligibility for a disability benefit, in accordance with article 33(b) until the participant reaches ~~**an age seven years less than that when he or she would have been entitled to receive a normal retirement benefit, except in cases where the normal retirement age is 60, in which case the period shall be five years less than the normal retirement age**~~ **the early retirement age**. The final review of the benefit shall take place at the time that the beneficiary reaches the age stipulated in article 33(b) or, at the earliest, up to two years prior to that date and the disability may be deemed permanent at that time if the medical condition so warrants. | *To implement the definition of "early retirement age".* |

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| H.8 A determination under article 36(b) or 37(c)(ii) of the Regulations shall be made by the staff pension committee whenever the child, or the brother or sister, of a participant, eligible in other respects for a child's or secondary dependant's benefit, claims, or is claimed, to be incapacitated by illness or injury for substantial gainful employment: | H.8 A determination under article 36(b) or 37(c)(ii) of the Regulations shall be made by the staff pension committee whenever the child, or the brother or sister, of a participant, eligible in other respects for a child's or secondary dependant's benefit, claims, or is claimed, to be incapacitated by illness or injury for substantial gainful employment**. The request shall be submitted by the participant or other interested party**: | *To clarify who is responsible for submitting the request for a child/secondary dependant's disability benefit.* |
| (a) Upon reaching the age of 21, if immediately prior thereto a child's or a secondary dependant's benefit was payable, as the case may be; | (a) Upon reaching the age of 21, if immediately prior thereto a child's or a secondary dependant's benefit was payable, as the case may be; | *No change.* |
| (b) Upon the death in service or entitlement to a retirement or disability benefit of the participant, if the child is then over the age of 21; | (b) Upon the death in service or entitlement to a retirement or disability benefit of the participant, if the child is then over the age of 21; | *No change.* |
| (c) Upon the entitlement of the participant to an early retirement benefit. However, a child under the age of 21 shall be considered to be disabled only if the child would have been considered to be such had he or she been 21 years of age on the date of the participant's separation; | (c) Upon the entitlement of the participant to an early retirement benefit. However, a child under the age of 21 shall be considered to be disabled only if the child would have been considered to be such had he or she been 21 years of age on the date of the participant's separation; **or** | *Editorial change.* |
| (d) Upon the death of a participant entitled to a retirement, early retirement, or disability benefit, if a brother or sister is then over the age of 21 and is claimed to have been incapacitated at the date of the participant's separation. | (d) Upon the death of a participant entitled to a retirement, early retirement, or disability benefit, if a brother or sister is then over the age of 21 and is claimed to have been incapacitated at the date of the participant's separation**;**~~.~~ | *No change.* |
| (e) i) A staff pension committee may accept a request for a disabled child's benefit under Article 36(b) or secondary dependant's benefit under Article 37(c) (ii) that is made after separation from service, provided that the disability was reported before separation from service. In cases where the request is made more than two years after separation from service, payment of the benefit, if awarded, shall commence on the day after the date of the staff pension | (e) ~~i)~~ **In all cases, in line with Administrative Rule H.1(c), the incapacity for substantial gainful employment must be found to exist or to have existed on the participant's date of separation. This is normally evidenced through the child or secondary dependant being reported to the Fund as disabled by the member organization at the time of the participant's separation from service or death in service. In cases where the child or secondary dependant was not** | *To clarify the deadlines by which a request for a child/secondary dependant's disability benefit must be made.* |

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| committee's decision, with no retroactive payment.<br><br>ii) A staff pension committee may accept a request for a child disability benefit where the disability was not reported before separation from service if the Medical Consultant concludes that the medical condition was in existence at the time of the participant's separation from service but could not have been diagnosed prior to the time of the request. In such cases, the request must be made within one year of diagnosis. Payment of the benefit, if awarded, shall commence on the day after the date of the staff pension committee's decision, with no retroactive payment. | **reported as disabled at the time of the participant's separation from service or death in service, a staff pension committee may accept a request for a child disability benefit or disabled secondary dependant benefit only if there is clear and convincing medical evidence, endorsed by the medical officer of the member organization, establishing that the medical condition was in existence at the time of the participant's separation from service or death in service.** ~~**A staff pension committee may accept a request for a disabled child's benefit under Article 36(b) or secondary dependant's benefit under Article 37(c) (ii) that is made after separation from service, provided that the disability was reported before separation from service.**~~**;**<br><br>**(f)** In cases where the request is made more than two years ~~**separation from service**~~ after **the deadlines in (a) through (d) above**, payment of the benefit, if awarded, shall commence on the day after the date of the staff pension committee's decision, with no retroactive payment.<br><br>~~**ii) A staff pension committee may accept a request for a child disability benefit where the disability was not reported before separation from service if the Medical Consultant concludes that the medical condition was in existence at the time of the participant's separation from service but could not have been diagnosed prior to the time of the request. In such cases, the request must be made within one year of diagnosis. Payment of the benefit, if awarded, shall commence on the day after the date of the staff pension committee's decision, with no retroactive payment.**~~ | |
| H.10 A determination that a child or secondary dependant is incapacitated within the meaning of article 36(b) or (c) shall be reviewed, *mutatis* | H.10 A determination that a child or secondary dependant is incapacitated within the meaning of article 36(b) or (c) shall be reviewed, *mutatis mutandis*, | *To clarify that child disability benefits are subject to final review at age 55.* |

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| *mutandis*, in accordance with the provisions applicable to disability benefits in rules H.6 and H.7 above, save that the intervals between for those cases involving a medical condition that is not likely to improve over time may be increased to ten years. The committee may nevertheless review a determination at an earlier date than that set for the review if there is reason to believe that the beneficiary is no longer incapacitated within the meaning of article 36(b). | in accordance with the provisions applicable to disability benefits in rules H.6 and H.7 above, save that the intervals between **reviews** for those cases involving a medical condition that is not likely to improve over time may be increased to ten years**, and the benefit shall be deemed permanent once the beneficiary reaches the age of 55**. The committee may nevertheless review a determination at an earlier date than that set for the review if there is reason to believe that the beneficiary is no longer incapacitated within the meaning of article 36(b). | |
| H.11 (a) A beneficiary in receipt of a disability benefit may earn, through paid activities during a 12-month period, up to the maximum gross amount of USD 30,000 or the G-2/Step 1 net remuneration applicable for the duty station where the beneficiary resides, subject to subsequent adjustments as may be determined by the Board, whichever is higher. | **Paid activities**<br>H.11 (a) A beneficiary in receipt of a disability benefit **who**, **although remaining incapacitated within the meaning of article 33, is nevertheless engaged in paid activities,** may earn~~,~~ ~~through paid activities~~ during a 12-month period, up to the maximum gross amount of USD 30,000 or the G-2/Step 1 net remuneration applicable for the duty station where the beneficiary resides, subject to subsequent adjustments as may be determined by the Board, whichever is higher. | *To clarify that the provisions on paid activities apply only to beneficiaries who remain incapacitated within the meaning of article 33; if a beneficiary is no longer incapacitated, then the disability benefit stands to be discontinued in line with Administrative Rule H.6(d)(iii).* |
| | **H.14 An appeal by a participant, retiree or other beneficiary against a decision of a staff pension committee in respect of a disability matter under Section H of these Rules shall be handled in accordance with Section K, below.** | *To clarify where to find provisions on how to appeal a decision under Section H.* |
| Section I | Section I | |
| I.1 Entitlement to a benefit shall, subject to rules I.3 and I.4 below but without further action by an organ of the Fund other than as may be required to determine eligibility for a disability or incapacitated child's benefit under these Rules, vest in a participant and in the child of a participant on the day succeeding the last day of contributory service; it shall vest in the widow, widower, | I.1 Entitlement to a benefit shall, subject to rules I.3 and I.4 below but without further action by an organ of the Fund other than as may be required to determine eligibility for a disability or incapacitated child's benefit under these Rules, vest in a participant and in the child of a participant on the day succeeding the last day of contributory service; it shall vest in the ~~widow, widower~~ **surviving spouse**, secondary | *To reflect the combination of articles 34 and 35.* |

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| secondary dependant, designated beneficiaries or estate of a participant on the day succeeding the day of the participant's death in service, and on the first day of the month succeeding the death if the participant died while in receipt of a periodic benefit. | dependant, designated beneficiaries or estate of a participant on the day succeeding the day of the participant's death in service, and on the first day of the month succeeding the death if the participant died while in receipt of a periodic benefit. | |
| Section J | Section J | |
| J.3 The participant shall at the same time, where there is a prospect that a benefit may become payable under article 38 of the Regulations, specify similarly the person designated as the beneficiary; in the absence of such designation, payment shall be made in accordance with the designation of the participant under rule B.5 above. | J.3 **(a)** The participant shall at the same time, where there is a prospect that a ~~**benefit**~~ **residual settlement** may become payable under article 38 of the Regulations, specify **on a form designated for the purpose by the Chief Executive of Pension Administration,** ~~**similarly**~~ the person**(s) whom he or she** designate**s**~~**d**~~ as the beneficiary **or beneficiaries**; in the absence of such designation, payment **of any residual settlement** shall be made in accordance with the designation of the participant under rule B.5 above. | |
| | **(b) A participant shall also specify, on a form designated for the purpose by the Chief Executive of Pension Administration, the recipient(s) of any retroactive due but unpaid benefit owing to the participant at the time of his or her death.** | *To streamline and simplify the process of payments that are currently made to estates.* |
| J.5 The contributory service of a participant which is used to determine eligibility for a benefit shall be calculated according to the actual years, months and days comprised therein; for the purpose of determining the final average remuneration, incomplete months shall be disregarded except as provided in article 1(h). | J.5 The contributory service of a participant which is used to determine eligibility for a benefit shall be calculated according to the actual years, months and days comprised therein **regardless of whether the service was on a full-time or part-time basis**; for the purpose of determining the final average remuneration, incomplete months shall be disregarded except as provided in article 1(~~**h**~~**i**). | *To clarify that even when on part-time service, the entitlement to a retirement benefit vests after 5 years of service.*<br><br>*To align with renumbering in article 1.* |

[a] Additions and deletions are indicated in boldface type.

# Annex VII

## Amendments to the Financial Rules of the Fund

### For information

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| Section A | Section A | |
| **A.7** In the interpretation and application of these financial rules, the definitions set out in article 1 of the Regulations of the Fund and the following definitions shall apply: | **A.7** In the interpretation and application of these financial rules, the definitions set out in article 1 of the Regulations of the Fund and the following definitions shall apply: | *To delete reference to IFRS, as the applicable accounting standards are now fully captured in IPSAS.* |
| [,,,] | [,,,] | |
| (i) "IFRS" shall mean the International Financial Reporting Standards; | ~~**(i) "IFRS" shall mean the International Financial Reporting Standards;**~~ | |
| (j) "IPSAS" shall mean the International Public Sector Accounting Standards; | (~~**j**~~**i**) "IPSAS" shall mean the International Public Sector Accounting Standards; | |
| (k) "Officials of the Fund" shall mean the Chief Executive of Pension Administration, the Deputy Chief Executive of Pension Administration, the Representative of the Secretary-General and all other staff of the Fund as are required by the Board and appointed in accordance with article 7 (d) of the Regulations of the Fund, and secretaries of staff pension committees of the member organizations of the Fund appointed in accordance with article 8 (b) of the Regulations of the Fund; | (~~**k**~~**j**) "Officials of the Fund" shall mean the Chief Executive of Pension Administration, the Deputy Chief Executive of Pension Administration, the Representative of the Secretary-General and all other staff of the Fund as are required by the Board and appointed in accordance with article 7 (d) of the Regulations of the Fund, and secretaries of staff pension committees of the member organizations of the Fund appointed in accordance with article 8 (b) of the Regulations of the Fund; | |
| (l) "Participant" shall have the meaning set forth in articles 1 and 21 of the Regulations of the Fund and in section B of the Administrative Rules of the Fund; | (~~**l**~~**k**) "Participant" shall have the meaning set forth in articles 1 and 21 of the Regulations of the Fund and in section B of the Administrative Rules of the Fund; | |
| (m) "Representative of the Secretary-General" shall mean the Representative of the Secretary-General for the Investment of the Assets of the Fund appointed by the Secretary-General in accordance with General Assembly resolution 68/247 B of 9 April 2014. | (~~**m**~~**l**) "Representative of the Secretary-General" shall mean the Representative of the Secretary-General for the Investment of the Assets of the Fund appointed by the Secretary-General in accordance with General Assembly resolution 68/247 B of 9 April 2014. | |

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| [New provision.] | **<u>A.8 The financial year of the Fund shall be the period 1 January to 31 December inclusive.</u>** | *This provision was formerly addressed in Administrative Rule D.6 and does not make a substantive change.* |
| Section E | Section E | |
| **E.2** The Chief Executive of Pension Administration and the Representative of the Secretary-General, for their respective operations, shall decide on the content and resource allocation of the proposed budget for the administrative expenses of the Fund to be submitted to the Board for endorsement and to the General Assembly for approval. Budget proposals for the forthcoming budget period shall be prepared and submitted to the Board at such times, in such manner and in such detail as the Board may prescribe and shall be prepared, where applicable, in accordance with the methodology used by the Secretariat of the United Nations under the Financial Regulations and Rules of the United Nations and, as applicable, the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8). | **E.2** The Chief Executive of Pension Administration and the Representative of the Secretary-General, for their respective operations, shall decide on the content and resource allocation of the proposed budget for the administrative expenses of the Fund to be submitted to the Board for endorsement and to the General Assembly for approval. Budget proposals for the forthcoming budget period shall be prepared and submitted to the Board at such times, in such manner and in such detail as the Board may prescribe and shall be prepared, where applicable, in accordance with the methodology used by the Secretariat of the United Nations under the Financial Regulations and Rules of the United Nations and, as applicable, the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (**~~ST/SGB/2000/8~~ ST/SGB/2018/3**). | *To reflect the current Secretary-General's Bulletin.* |
| Section G | Section G | |
| **G.1** The Chief Executive of Pension Administration and the Representative of the Secretary-General shall be responsible for the accounts of the Fund within their respective authority under the Regulations of the Fund and shall establish accounting policies and systems for the accounts of the Fund in compliance with IPSAS and International Accounting Standard 26 (IAS 26). The Chief Financial Officer shall oversee the accounting policies and systems of the Fund to ensure consistency with IPSAS, IAS 26 and the Regulations and Administrative Rules of the Fund, including the | **G.1** The Chief Executive of Pension Administration and the Representative of the Secretary-General shall be responsible for the accounts of the Fund within their respective authority under the Regulations of the Fund and shall establish accounting policies and systems for the accounts of the Fund in compliance with **<u>International Public Sector Accounting Standards (</u>**IPSAS**<u>)</u>** **~~and International Accounting Standard 26 (IAS 26)~~**. The Chief Financial Officer shall oversee the accounting policies and systems of the Fund to | *To delete reference to IAS 26, as the applicable accounting standards are now fully captured in IPSAS.* |

| Existing text | Revised text[a] | Comments |
|---|---|---|
| present financial rules. The financial period for the accounts of the Fund shall be the calendar year. | ensure consistency with IPSAS~~, IAS 26~~ and the Regulations and Administrative Rules of the Fund, including the present financial rules. The financial period for the accounts of the Fund shall be the calendar year. | |
| **G.2** Pursuant to article 14 (a) of the Regulations of the Fund, the financial statements of the Fund shall be reported annually in United States dollars in accordance with the Regulations of the Fund and the Administrative Rules, including the present financial rules, with decisions of the Board and the General Assembly and with IPSAS and IAS 26, "Accounting and reporting by retirement benefit plans", of the International Financial Reporting Standards. The financial statements of the Fund consist of the following:<br><br>(a) A statement of net assets available for benefits;<br><br>(b) A statement of changes in net assets available for benefits;<br><br>(c) A statement of cash flows;<br><br>(d) A statement showing a comparison of the Fund's administrative budget and actual amounts expended on the basis of the budget;<br><br>(e) A note disclosing the actuarial present value of defined retirement benefits, distinguishing between vested benefits and non-vested benefits;<br><br>(f) Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory notes. | **G.2** Pursuant to article 14 (a) of the Regulations of the Fund, the financial statements of the Fund shall be reported annually in United States dollars in accordance with the Regulations of the Fund and the Administrative Rules, including the present financial rules, with decisions of the Board and the General Assembly and with IPSAS**. The financial statements may include additional disclosures beyond the specific requirements of IPSAS.** ~~**and IAS 26, "Accounting and reporting by retirement benefit plans", of the International Financial Reporting Standards. The financial statements of the Fund consist of the following:**~~<br><br>~~**(a) A statement of net assets available for benefits;**~~<br><br>~~**(b) A statement of changes in net assets available for benefits;**~~<br><br>~~**(c) A statement of cash flows;**~~<br><br>~~**(d) A statement showing a comparison of the Fund's administrative budget and actual amounts expended on the basis of the budget;**~~<br><br>~~**(e) A note disclosing the actuarial present value of defined retirement benefits, distinguishing between vested benefits and non-vested benefits;**~~<br><br>~~**(f) Notes to the financial statements, comprising a summary of significant**~~ | *To delete reference to IAS 26, as the applicable accounting standards are now fully captured in IPSAS.*<br><br>*To align the Fund's financial statements with the presentation requirements of IPSAS, which are defined in the standards and therefore do not need to be reiterated and codified in the Financial Rules*<br><br>*To codify additional disclosures in alignment with IPSAS 1.29(c) and IPSAS 3.12.* |

| *Existing text* | *Revised text*[a] | *Comments* |
|---|---|---|
| | ~~**accounting policies and other explanatory notes.**~~ | |
| **G.3** All financial transactions of the Fund shall be recorded in the Fund's accounts on an accrual basis in compliance with IPSAS and IAS 26. | **G.3** All financial transactions of the Fund shall be recorded in the Fund's accounts on an accrual basis in compliance with IPSAS ~~**and IAS 26**~~. | *To delete reference to IAS 26, as the applicable accounting standards are now fully captured in IPSAS.* |
| **G.4** The financial statements shall be accompanied by a statement of internal control signed by the Chief Executive of Pension Administration and the Representative of the Secretary-General, in a form approved by them in consultation with the Audit Committee. The financial statements shall be certified by signature of the Chief Financial Officer of the Fund. | **G.4** The financial statements shall be accompanied by a statement of internal control signed by the Chief Executive of Pension Administration and the Representative of the Secretary-General **and a statement of management responsibility documenting the certification of the Chief Financial Officer of the Fund and the approval by the Chief Executive of Pension Administration and the Representative of the Secretary-General for their respective areas of responsibility**, in a form approved by them in consultation with the Audit Committee. ~~**The financial statements shall be certified by signature of the Chief Financial Officer of the Fund.**~~ | *To align the financial statements with best practices in the Pension Industry and addresses questions with respect to compliance with the requirements of IPSAS 1.* |
| **G.5** The annual financial statements of the Fund shall be transmitted to the Board of Auditors and to the Board following certification in accordance with financial rule G.4 and no later than four months following the end of the relevant financial period. The Board shall present the Fund's audited financial statements to the General Assembly through the Advisory Committee. | **G.5** The annual financial statements of the Fund shall be transmitted to the Board of Auditors and to the Board following certification **and approval** in accordance with financial rule G.4 and no later than four months following the end of the relevant financial period. The Board shall present the Fund's audited financial statements to the General Assembly through the Advisory Committee. | *For consistency with Financial Rule G.4.* |

[a] Proposed additions and deletions are indicated in boldface type.

# Annex VIII

## Report of the Budget Committee

*Executive summary*

The Budget Committee began its work on 10 June 2024 and held a total of six meetings and numerous informal consultations. It reviewed the budget estimates for 2025 and the accompanying supplementary information.

Following a comprehensive examination of the budget estimates, along with discussions held with managers from the Pension Administration, the Office of Investment Management, the secretariat of the Pension Board and the Office of Internal Oversight Services, **the Budget Committee recommended that the Board approve resources as follows:**

| | *Resources (before recosting) (Thousands of United States dollars)* | | | *Number of posts* | |
|---|---|---|---|---|---|
| | | *Budget Committee* | | | |
| | *Fund's proposal* | *Changes* | *Estimates* | *Fund's proposal* | *Budget Committee* |
| Secretariat of the Pension Board | 1 883.6 | 16.6 | 1 900.2 | 4 | 4 |
| Pension Administration | 72 246.1 | – | 72 246.1 | 272 | 272 |
| Office of Investment Management | 75 980.0 | (514.2) | 75 465.8 | 186 | 183 |
| Audit | 2 378.5 | (115.9) | 2 262.6 | 8 | 7 |
| **Total** | **152 488.2** | **(613.5)** | **151 874.7** | **470** | **466** |

The details of the proposal, the discussion and the Committee's recommendation are set out below.

The Committee also considered the request by the Pension Fund to allow the Fund to carry over from one budget period to the next unspent funds allocated to contractual services related to multi-year projects, under "new initiatives", until project completion and expresses its support, although the Committee noted that multi-year budgeting was typically applied to the totality of the estimated overall project implementation costs. The views of the Committee in that regard are reflected in paragraph 39.

## A. Proposed estimates for the year 2025

1. The budget estimates originally proposed by the Fund for 2025 amounted to $152,488,200 (before recosting), representing an increase of $12,698,500, or 9.1 per cent compared with the appropriation for 2024. Budget estimates were presented for: the secretariat of the Pension Board ($1,883,600); the Pension Administration ($72,246,100); the Office of Investment Management ($75,980,000); and audit costs ($2,378,500). In addition, the estimates provided for an amount not to exceed $112,500 for the Emergency Fund.

### 1. Secretariat of the Board

2. The proposed budget for 2025 for the secretariat of the Pension Board amounted to $1,883,600 (before recosting), representing an increase of $496,400, or 35.8 per cent compared with the appropriation for 2024. The request included the establishment of one post and an increase in non-post resources of $380,500.

### 2. Pension Administration

3. The proposed budget for 2025 for administrative costs under the Pension Administration amounted to $72,246,100 (before recosting), representing an increase of $1,696,200, or 2.4 per cent compared with the appropriation for 2024. This increase was accounted for by second-year costs of new initiatives, partly offset by the removal of first-year costs of new initiatives and a reduction in resources for core activities.

4. The proposal included the establishment of five new posts, the conversion of five general temporary assistance positions to posts and the redeployment of two posts. It also included three new general temporary assistance positions.

### 3. Office of Investment Management

5. The proposed 2025 budget for the investment costs under the Office of Investment Management amounted to $75,980,000 (before recosting), reflecting an increase of $10,381,500, or 15.8 per cent compared with the appropriation for 2024.

6. The proposal included the establishment of 21 new posts and the conversion of seven general temporary assistance positions to posts. It also included one new general temporary assistant position.

### 4. Audit

7. The Fund requested a total of $2,378,500 (before recosting) to cover external ($412,900) and internal ($1,965,600) audit costs, representing an increase of $124,400, or 5.5 per cent compared with the appropriation for 2024.

8. The proposal provided for the establishment of one post and the conversion of one general temporary assistance position to a post.

### 5. Summary of proposed changes in posts and general temporary assistance positions:

9. A summary of the proposed changes in posts and general temporary assistance positions in the Fund is provided in Table 1.

Table 1
**Changes in posts and general temporary assistance positions**

| | *2024 approved* | *Conversion* | *Establishment* | *2025 proposed* |
|---|---|---|---|---|
| **Secretariat of the Pension Board** | | | | |
| Posts | 3 | – | 1 | 4 |
| **Subtotal** | **3** | **–** | **1** | **4** |
| **Pension Administration** | | | | |
| Posts | 262 | 5 | 5 | 272 |
| General temporary assistance | 20 | (5) | 3 | 18 |
| **Subtotal** | **282** | **–** | **8** | **290** |
| **Office of Investment Management** | | | | |
| Posts | 158 | 7 | 21 | 186 |
| General temporary assistance | 7 | (7) | 1 | 1 |
| **Subtotal** | **165** | **–** | **22** | **187** |
| **Internal Audit** | | | | |
| Posts | 6 | 1 | 1 | 8 |
| General temporary assistance | 2 | (1) | – | 1 |
| **Subtotal** | **8** | **–** | **1** | **9** |
| **United Nations Joint Staff Pension Fund (overall)** | | | | |
| Posts | 429 | 13 | 28 | 470 |
| General temporary assistance | 29 | (13) | 4 | 20 |
| **Total** | **458** | **–** | **32** | **490** |

### 6. Emergency Fund

10. An amount not to exceed $112,500 was requested to supplement the Emergency Fund.

## B. Budget Committee

11. The Committee's comments and recommendations are set out below.

12. In accordance with the decision made by the Board at its seventy-sixth session, the final composition of the Committee was as follows:

Jun Yamada (United Nations), governing bodies (Chair)
Vladimir Yossifov (WIPO), governing bodies
Maria Costa (United Nations), executive heads
Jean-Paul Lovato (ITU), executive heads
Christian Castelli (United Nations), participants
John Levins (WFP), participants
Clemens Adams (FAFICS)
Werner Blenk (FAFICS)

13. The Committee began its work on 10 June 2024, meeting virtually on all occasions to discuss the proposed budget estimates for 2025 for the Fund's administrative expenses. It held six meetings with members of the secretariat of the Pension Board, the Pension Administration, the Office of Investment Management and the Office of Internal Oversight Services. The secretariat of the Fund provided three sets of supplementary information and detailed explanations. The Committee discussed the budget estimates for 2025 (JSPB/78/R.25/Rev.1) and the accompanying supplementary information.

## 1. Overview

14. The Fund proposed a budget of $152.5 million (before recosting) for 2025, reflecting an increase of $12.7 million (or 9.1 per cent) compared with the approved budget for 2024.

15. The Committee underlined that the budget of the Fund represented a ceiling of reasonable expenditure to administer the Pension Fund rather than a mandate for implementation. Any unspent appropriation represented savings rather than under-implementation and remained in the Fund. It was further noted that all expenses for the administration of the Fund were funded through contributions from participants; member organizations on behalf of the participants; and investment returns. There was no direct draw on Member States' assessed contributions for any of the Fund's administrative expenses or expenses of the Emergency Fund. Nevertheless, the overall increase of the proposed budget for 2025 in comparison with the approved budget for 2024 was noted by the Committee. The need for cost constraint, consolidation of new staff capacities, where practicable, and identification of synergies was impressed upon management.

16. **The Committee recommended that the Pension Board approve the following budget for the Fund for 2025:**

(a) **The Fund budget estimates for 2025 amounting to $151,874,700 (before recosting), comprising:**

(i) **Secretariat of the Board ($1,900,200);**

(ii) **Pension Administration ($72,246,100), of which $5,155,300 would be directly chargeable to the United Nations for services related to the United Nations Staff Pension Committee;**

(iii) **Office of Investment Management ($75,465,800); and**

(iv) **Audit ($2,262,600);**

(b) **An amount not exceeding $112,500 to supplement the contributions to the Emergency Fund.**

## 2. Secretariat of the Board

17. Having carefully considered the budget proposal for 2025 for the secretariat of the Board, including both post and financial resources, the Committee recommended that the Board approve the amount of $1,900,200 (before recosting), representing an increase of $513,000, primarily related to the provision for one post of Programme Management Officer (P-4), general temporary assistance replacement and surge capacity during peak workload, including a consultant in lieu of the ethics advisory services, increased costs of travel of representatives and a one-off provision for an external advisor to the Fund Solvency and Assets and Liabilities Monitoring Committee.

*Post resources*

18. The Committee reviewed the proposal to establish the post of Programme Management Officer (P-4) to address the gap between the current workload and the workload estimated at the time when the secretariat of the Pension Board was established in 2021 under the governance reform package of the United Nations Joint Staff Pension Board.

19. Upon enquiry, the Committee was informed that the workload in relation to the governance reform agenda mandated by the Board and the General Assembly was expected to rise significantly towards the time of the Board's session in July 2025, which would require high-quality services and support by the secretariat of the Board. The Secretary of the Board further explained that, under the current staffing of one D-1, one P-5 and one General Service (Other level) post, sufficient substantive and technical service could not be provided to its regular service to the Chair and the Board (including its committees and working groups), as well as to the work related to the reform agenda. **The Committee, recognizing the imminent staffing needs of the Board secretariat, endorsed the proposal to establish a Programme Management Officer (P-4).**

*Non-post resources*

20. The Committee considered the proposed non-post resources, including the increases in the provision of resources for general temporary assistance for surge capacity during peak workloads, the resources to provide for a consultant for ethics advisory, and the increase in the resources for travel of representatives. On the travel of representatives, the Committee enquired why the secretariat of the Board had budgeted more than one in-person meeting for the Audit Committee and for the Fund Solvency and Assets and Liabilities Monitoring Committee against the backdrop of the decision made by the Board in 2023 to hold one in-person meeting for each committee and working group per year. The Board secretariat explained that the numbers of in-person committee meetings proposed in the budget were based on the merits of each committee or working group's proposal, although the number of meetings of the committees would be subject to the decision of the Board. **The Committee supported the explanation of the Board secretariat and acknowledged that the number of in-person meetings of each committee or working group should be considered on merit, subject to the final decision of the Board. The Committee also noted that, against the backdrop of the Board's decision in 2023, the committees and working groups should aim to have only one in-person meeting per year.**

21. On other specific matters related to travel, **the Committee considered that there was merit in resuming the funding of in-person participation of four FAFICS members in the Board's main session, in order to benefit appropriately from the voice of representatives of the retirees, the largest beneficiary group of the Fund. The Committee also supported funding one or two Board secretariat staff for their in-person support services in the case of a committee or a working group meeting being held outside of New York.**

### 3. Pension Administration

22. Having carefully considered the budget proposal for 2025 for Pension Administration, the Committee recommended the approval of the amount of $72,246,100 (before recosting), representing an increase of 2.4 per cent compared with the appropriation for 2024 for the Pension Administration. Of that, $5,155,300 would be directly chargeable to the United Nations for services related to the United Nations Staff Pension Committee.

*Post resources*

23. The Committee discussed the following on a case-by-case basis and requested additional information where necessary:

(a) The proposed establishment of five posts;

(b) The proposed conversion of five general temporary assistance positions to regular posts;

(c) The proposed redeployment of two posts (one P-3 and one General service (Other level));

(d) The proposed reassignment of one post at the General service (Other level).

24. Upon enquiry, the Chief Executive of the Pension Administration explained that three out of the five requests for establishment of posts were resubmissions of the same requests made in the budget proposal for 2024, which were not recommended for approval by the Advisory Committee on Administrative and Budgetary Questions and not approved by the General Assembly. Regarding those resubmissions, the Committee asked how the Pension Administration would justify the posts previously not approved. The Chief Executive expressed her readiness to provide sufficient justification for each post.

25. The Pension Administration, upon enquiry, explained that of the four posts approved in the 2024 budget, two had been filled (both General Service (Other level) – one Administrative Assistant and one Benefits Assistant), one was pending onboarding (Information Systems Officer (P-3)), and one was pending interview (Information Systems Officer (P-4)).

26. With regard to the establishment of the post of a Senior Information Systems Officer (P-5), as well as the creation of the Business Intelligence Team, the Committee was informed, upon enquiry, that the Pension Administration was re-submitting those proposals because the Business Intelligence Team would: (a) generate significant efficiency gains for centralized and standardized data management; (b) build and maintain a robust and scalable infrastructure for data storage, processing and analysis; (c) enable the Pension Fund to leverage the technical expertise of information technology professionals in areas such as database administration; (d) maintain the Pension Fund's core systems, such as IPAS, the financial system, customer relationship management and seamless data extraction and reporting across different data sources. **As the Pension Fund has invested in a broad range of information technology developments to create improved functionality that will enhance its client servicing, the Committee saw significant merit in establishing a team in charge of overarching business intelligence and fully supported the establishment of the Senior Information Systems Officer (P-5) as well as the creation of the Business Intelligence Team.**

27. With regard to the establishment of a General Service (Principal level) Senior Finance and Budget Assistant post, the Committee was informed, upon enquiry, that the Budget Unit continued to face significant challenges in effectively carrying out its functions, particularly in the areas of budget monitoring, expenditure analysis and resource allocation. The Committee was also informed that, without the Senior Finance and Budget Assistant, key challenges in areas such as the review of expenditure and open items, budget monitoring and expenditure analysis, Umoja budget management, and capacity to respond to external queries would persist. **As the current capacity of the Budget Unit was insufficient to address those imminent challenges, the Committee supported the establishment of the General Service (Principal level) Senior Finance and Budget Assistant post.**

28. With regard to the establishment of a General Service (Other level) Accounting Assistant post in the Accounts Section, the Committee was informed, upon enquiry, that the financial interface with the Fund's reporting entities, implementation of which was started in 2019, covered 4 per cent of total participants in 2023. Implementation was expected to continue for the next 10 years until reaching the level of 99 per cent. The Committee was further informed that a dedicated team would be needed to effectively manage the increasing workload. **In view of the continuing need to enhance the Accounts Section, the Committee supported the establishment of a General Service (Other level) Accounting Assistant post in the Accounts Section.**

29. With regard to the establishment of an Acquisition Planning Officer (P-4) post in the Sourcing Coordination Unit, the Committee was informed, upon enquiry, that the Pension Administration considered that moving the two posts (P-3 and General Service) and not establishing the P-4 post, as recommended by the Advisory Committee on Administrative and Budgetary Questions in the proposed budget for 2024, would not address the issues raised by the Office of Internal Oversight Services, including the need for additional capacity and higher expertise in vendor management. The Committee was further informed that, without the P-4 post, the Pension Administration would be significantly challenged in the execution, planning and timely completion of acquisition activities. The Pension Administration further explained that the Procurement Division of the Department of Operational Support had been consulted on the creation of the P-4 post, which it fully supported. **With the explanation provided, the Committee supported the establishment of the Acquisition Planning Officer (P-4) post in the Sourcing Coordination Unit.**

30. With regard to the establishment of an Administrative Assistant (Human Resources) (General Services (Other level)) post to provide human resources support to the Geneva office, the Committee was informed, upon enquiry, that the existing Administrative Assistant was currently stretched beyond capacity under an excessive workload, working 350 extra hours in 2023 with no backup, resulting in a higher risk of delays and potential errors, as well as of chronic stress, fatigue and burnout for the Administrative Assistant**. In view of that workload analysis, the Committee supported the establishment of the Administrative Assistant (General Service (Other level)) post in the Fund's Geneva office.**

31. With regard to the conversion of an Information Systems Officer (P-3) position, the Committee was informed, upon enquiry, that the general temporary assistance position had been created solely for the purpose of integrating the Service Now customer relationship management system, but in 2023, the scope had been expanded significantly to include extensive integration between the V3 platform and Service Now, encompassing the migration of all management self-service functionality to Service Now. In order to support those expanded efforts, the Fund had invested in MuleSoft, a robust integration middleware platform for improved integration and application programming interface management. **Given the explanation for the increased scope and the ongoing integrated maintenance, the Committee supported the conversion of the Information Systems Officer (P-3) position to a regular post.**

32. With regard to the conversion of a Benefit Assistant (General Service (Other level)) position in the Client Services Service, the Committee was informed, upon enquiry, that the request for conversion had originally emerged from the background of reviewing the general temporary assistance workforce for the 2022 budget and the continued need for a permanent solution to meet the increased workload existing since then. The Pension Administration explained that, while the conversion had been approved by the Board in 2022, the conversion could not be realized under the approved 2023 budget. **In view of the explanation and acknowledging the continuing workload level, the Committee supported the conversion of the Benefit Assistant (General Service (Other level)) position in the Client Services Service to a regular post.**

33. With regard to the conversion of two Accounting Assistant (General Service (Other level)) positions in the Accounts Section, the Committee was informed upon enquiry that the two general temporary assistance positions were for the continuous and regular operational needs of the Accounts Section, in support of the functions that had been transferred from the Fund's Geneva office in 2020 when posts dedicated to those functions had been reassigned to the Client Services Service. In response to the observation of the Advisory Committee on Administrative and Budgetary Questions in its report in 2023 (A/78/7/Add.7) that it would be premature to convert the general temporary assistance positions, which had been established only recently, the Pension Administration explained that the incumbents of those positions performed core finance functions that were not temporary in nature. **With the explanation provided, the Committee supported the conversion of two Accounting Assistant (General Service (Other level)) positions in the Accounts Section to posts.**

34. With regard to the conversion of a Human Resources Officer (Training and Development) (P-3) position, the Committee was informed, upon enquiry. that the incumbent training officer led and implemented the training and development strategy linked to the CARE 2024 and Beyond strategy and that the function would be key to the long-term development and implementation of other initiatives until and beyond 2030. The function was a core and long-term requirement, and a conversion was necessary. **In view of the explanation provided, the Committee supported the conversion of a Human Resources Officer (Training and Development) (P-3) position to a regular post.**

35. Having carefully considered the proposed post changes and the additional information provided by the Pension Administration, the Committee recommended that the Board approve the post changes as presented in table 2.

Table 2
**Changes in post resources (Pension Administration)**

| *Component* | *Action* | *Post* | *Category* | *Proposed number* |
|---|---|---|---|---|
| **Executive direction and management (EDM)** | | | | |
| | Redeployment | Communications Officer | P-3 | 1 |
| | Redeployment | Team Assistant | GS (OL) | 1 |
| **Programme of work (POW)** | | | | |
| | Establishment | Senior Information Systems Officer | P-5 | 1 |
| | Establishment | Acquisition Planning Officer | P-4 | 1 |
| | Establishment | Senior Finance and Budget Assistant | GS (PL) | 1 |
| | Establishment | Accounting Assistant | GS (OL) | 1 |
| | Conversion | Information Systems Officer | P-3 | 1 |
| | Conversion | Accounting Assistant | GS (OL) | 2 |
| | Conversion | Benefits Assistant | GS (OL) | 1 |
| | Redeployment | Communications Officer | P-3 | (1) |
| | Redeployment | Team Assistant | GS (OL) | (1) |
| **Programme Support (PS)** | | | | |
| | Establishment | Administrative Assistant | GS (OL) | 1 |
| | Conversion | Training Officer | P-3 | 1 |
| **Total net change** | | | | **10** |

*Abbreviations*: GS (OL), General Service (Other level); GS (PL), General Service (Principal level).

*Non-post resources*

36. The Committee considered the proposed non-post resources, including:

(a) General temporary assistance positions resources, including those proposed for conversion to established posts;

(b) Other non-post resources.

37. With the information provided in the budget proposal by the Pension Administration, **the Committee had no objections to the proposed continuation of five general temporary assistance positions and the three new general temporary assistance positions.**

38. Upon request, the Committee was provided with detailed information on significant expenditure objects and analyses of historical data for general operating expenses (which included rent) and contractual services.

39. With regard to the request by the Fund to carry over from one budget period to the next unspent funds allocated to multi-year projects, under “new initiatives”, until project completion, **the Committee acknowledged the need for the seamless funding for such projects by following similar precedents of multi-year funding projects in the United Nations system. The Committee further recommended that the Board approve the estimated costs for “new initiatives” for 2025, on the condition that the Pension Administration presents at the Board session of February 2025 well-elaborated documents with clear objectives, timeline or implementation schedule with the expected cost at each stage, as well as information on the implementation, used resource and achieved results (such as for the customer relationship management project for 2023 and 2024 as well as KOFAX). With such documents, the Committee viewed that the Board would have a tool to monitor the implementation and use of resources of the “new initiatives”. Additionally, the Committee recommended that the Board request the Pension Administration to provide an annual progress report, in the context of the budget proposal for prospective years, on the implementation of the projects endorsed under “new initiatives”.**

40. Having carefully considered the proposed non-post resources and the explanation provided by the Pension Administration, the Committee recommended that the Board approve non-post resources amounting to $33,637,200 (before recosting) and the general temporary assistance positions as presented in Table 3.

Table 3
**General temporary assistance positions (Pension Administration)**

| *Component* | *Position title* | *Category* | *Number* |
|---|---|---|---|
| **Programme of work** | | | |
| | Change and Project Management Officer | P-3 | 1 |
| | Information Systems Officer | P-3 | 1 |
| | Senior Accounting Assistant | GS (PL) | 1 |
| | Accounting Assistant | GS (OL) | 3 |
| | Benefits Assistant | GS (OL) | 10 |
| | Information Systems Assistant | GS (OL) | 1 |
| | Treasury Assistant | GS (OL) | 1 |
| **Total** | | | **18** |

*Abbreviations*: GS (OL), General Service (Other level); GS (PL), General Service (Principal level).

### 4. Office of Investment Management

41. Having carefully considered the budget proposal for 2025 for the Office of Investment Management, the Committee recommended the approval of the amount of $75,465,800 (before recosting), representing an increase of $9,867,300, or 15.0 per cent compared with the appropriation for 2024.

42. The Committee emphasized that the objective of the Office of Investment Management was to generate a long-term positive real rate of return for the Fund of at least 3.5 per cent.

*Post resources*

43. The Committee discussed the following on a case-by-case basis and requested additional information, where necessary:

(a) The proposed establishment of 21 posts;

(b) The proposed conversion of seven general temporary assistance positions to established posts;

(c) The proposed reclassification of two posts from P-3 level to P-4 level.

44. The Committee took note of the Secretary-General's authority and accountabilities on investment matters and his prerogatives, delegated to the Representative of the Secretary-General, on management of the Fund's investments, within an effective and well-defined governance framework, staffed by suitably qualified and experienced experts. It reiterated its view that that authority and the related accountabilities and prerogatives must be respected and that no undue political or other influence should be allowed to influence decisions on how the investments are managed, irrespective of whether those seeking to exercise such undue influence possessed investment qualifications, experience or expertise.

45. The Office of Investment Management, upon enquiry, explained that among the eight posts approved in the 2024 budget, five had been filled (Investment Officer (P-4), Senior Information Systems Assistant (G-7), Associate Human Resources Officer (P-2), Information Systems Assistant (G-6) and Associate Data Engineer (P-2)), one was at the onboarding stage (Programme Management Officer (P-3)), one was pending technical interview (Associate Legal Officer (P-2)) and after the selected candidate for the remaining post (Investment Officer (P-4)) declined the offer, the second ranked candidate was being onboarded.

46. The Committee discussed thoroughly the "peer comparison" analysis provided by the Office of Investment Management based on the request contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/78/7/Add.7, para. 12). The structure and cost of a pension fund's investment management office is primarily determined by the concept of assets under management, which represents the consolidated market value of the fund's entire portfolio. Assets under management was used to establish two essential indicators, namely, total cost of investment and full-time equivalents, making the cost and team structure of pension fund investments comparable. The total cost of investment is the first indicator determined using assets under management. An independent analysis by an expert firm, which collects information from about 300 pension funds worldwide shows that the total cost of investment of the Fund's peer medians were 41.1 basis points for 2021 and 45.8 for 2022, which indicate that the Fund's total cost of investment is approximately 30 per cent lower than the peer median. Furthermore, where assets under management is used, the full-time equivalents (or number of employees) shows the size that the investment office should have, based on the size of the assets, the asset allocation and the style of investment. For example, as at

31 December 2023, given assets under management of $88.3 billion, the Office of Investment Management would have required 198 staff based on peer median statistics. Compared with the approved staffing resources for 2024 of 165 (158 posts and 7 general temporary assistance positions) that would indicate that the staffing level was 17 per cent lower than the peer benchmark. Furthermore, if the assets under management were to increase by an additional 5 per cent during 2024, that would translate into a benchmark of 199 staff, and the Office's request for 2025 of 187 staff would still be 6 per cent below the benchmark.

47. The Committee raised questions on the correlation between the request for establishing 21 posts and the justifications provided by the Office of Investment Management based on the "peer comparison". While they recognized the relevance and significant value of the "peer comparison", members of the Committee underlined that, regardless of the unique funding mechanism of the Fund and the Office, in accordance with current practice of the General Assembly, each post establishment requested in the budget should be justified. Members mentioned that the validity of the comparison was also influenced by the different income levels of United Nations staff and of those working in the private industry. Views were also expressed that many of the newly requested posts for the budget for 2025 needed further justification for the substantial increase of 17.5 per cent of post resources. Furthermore, views were expressed that the "peer comparison" analysis would serve only as a benchmark and should not be considered as a target or a goal for increasing the number of posts.

48. **The Committee requested the Office of Investment Management, in its future submissions of budget proposals, to continue to provide detailed information on the establishment of posts, which should be commensurate with the increase in total resources. The Committee also requested that the Office explain how each newly requested post/position/conversion would serve the Office's objective of generating long-term positive returns for the Fund.**

*Post resources*

49. With regard to the establishment of a Deputy Chief Investment Officer (D-1) post, a Senior Investment Officer (Quantitative Strategy) (P-5) post and an Investment Officer (Quantitative Strategy) (P-4) post, the Committee was informed, upon enquiry, that the Deputy Chief Investment Officer, and the team in charge of quantitative strategy composed of one P-5 and one P-4 officer would be needed to (a) complement the successful existing active management based on fundamental analysis with robust quantitative analysis that would incorporate macro and microeconomic, together with environmental, social, and governance factors and to (b) advise the Chief Investment Officer based on quantitative and fundamental analysis, to make tactical asset allocation decisions within the ranges established in the Investment Policy Statement for the strategic asset allocation. The Committee was further informed that two officers in charge of quantitative strategy at the levels of P-5 and P-4 respectively were essential to support the Deputy Chief Investment Officer in advising the Chief Investment Officer in making tactical asset allocation decisions, within the ranges established in the Investment Policy Statement for the strategic asset allocation, which will allow the fund to generate excess return over the institutional benchmark and/or manage risks effectively. With such a team in existence, the Office of Investment Management will be in a better position to increase the likelihood of achieving higher rates of return in the short, middle and long term. **Given the explanation provided by the Office, the Committee supported the establishment of the Deputy Chief Investment Officer (D-1) post, the Senior Investment Officer (Quantitative Strategy) (P-5) post and the Investment Officer (Quantitative Strategy) (P-4) post.**

50. With regard to the establishment of an Investment Officer (Private Credit) (P-4) and an Associate Investment Officer (Private Credit) (P-2), the Committee was informed, upon enquiry, that there were currently two vacant posts in the private markets team. Upon further enquiry, the Committee was informed that one of those vacancies was a P-3 post in the real estate/real assets team. Hiring managers for both vacant posts were currently administering written technical exams and both vacancies were expected to be filled before the end of 2024. The Committee was further informed that, while the recruitment processes for the vacant posts were underway, the degree of specialization of the private credit posts was completely different to the specialization of the other three areas of private equity, real estate and real assets, which underlined the fact that it was indispensable to have a dedicated team to implement the recommendation of the Asset Liability Management Study to create capacity in the asset areas. After **hearing the explanation of the Office of Investment Management, the Committee supported the establishment of the Investment Officer (Private Credit) (P-4) post and the Associate Investment Officer (Private Credit) (P-2) post.**

51. With regard to the establishment of a Senior Investment Officer (Fixed Income, Securitized Portfolio) (P-5) and a Senior Investment Officer (Fixed Income, Treasury) (P-5), the Committee was informed, upon enquiry. that the Senior Investment Officer (Fixed Income, Securitized Portfolio) was required to lead the development and implementation of investment strategies geared towards optimizing the opportunities and innovations in the securitized sector. The Senior Investment Officer (Fixed Income, Securitized Portfolio) was also expected to spearhead the expansion of the derivatives programme to ensure that they contributed even further to the robustness of the investment policy of the Office of Investment Management. According to the Office, such undertakings would require a seasoned professional with diverse experience across the securitized sector. As for the Senior Investment Officer (Fixed Income, Treasury), the Committee was informed that the latter was needed to provide leadership, decision-making and accountability in the management of the treasury portfolio and to increase its return against the benchmark and manage risk adequately. It was noted that the fixed-income portfolio had grown from almost $10 billion to $12 billion following the most recent strategic asset allocation. The Committee was further informed that the Senior Investment Officer (Fixed Income, Treasury) would advise the Fixed Income Director on active management within the fixed-income portfolio based on sound macroeconomic and quantitative research and analysis. **In view of the explanation provided, the Committee supported the establishment of the Senior Investment Officer (Fixed Income, Securitized Portfolio) (P-5) and the Senior Investment Officer (Fixed Income, Treasury) (P-5).**

52. With regard to the establishment of a Senior Risk Officer (Operational Risk) (P-5), a Senior Risk Officer (Strategy and Governance) (P-5) and a Risk Officer (Audit Coordination) (P-3), the Committee was informed, upon enquiry, that the Senior Risk Officer (Operational Risk) would be a senior-level person to drive the necessary design, documentation, and implementation of a new Operational Risk Management Framework for the Fund (both for the Pension Administration and the Office of Investment Management), which was required for the implementation of a robust risk and control self-assessment and comprehensive risk-event recording. The Committee was also informed that a deeper coverage of cyberrisk, through a new cyberrisk management framework, would be necessary in order to protect sensitive data. Furthermore, the Committee was informed that the Audit Committee had expressed its support for reinforcing the first line-of-defence accountability for risks and controls through the implementation of a risk and control self-assessment. With regard to the Senior Risk Officer (Strategy and Governance) (P-5), the Committee was informed that the Senior Risk Officer would be the Head of Risk Strategy and would assist with the preparation and implementation of the new risk management

frameworks. The Senior Risk Officer would enhance the Fund's overarching Enterprise Risk Management Framework and ensure that all frameworks were coherent. The Committee was further informed that none of the activities to be undertaken by the Senior Risk Officer were currently carried out by a dedicated person and the non-approval of the Senior Risk Officer would imply a delay in the design and implementation of the Enterprise Risk Management Framework and the implementation of sustainability risk oversight. With regard to the Risk Officer (Audit Coordination) (P-3), the Committee was informed that the Risk Officer was needed given the continued expansion and increased complexity of enterprise risk management and internal control processes, the adoption of new risk assessment methods, and new risk categories. Furthermore, the Committee was informed that the Risk Officer would oversee managing requests and responses for internal and external auditors, namely, the Office of Internal Oversight Services and the Board of Auditors, and monitor the implementation of audit observations. **Given the explanation provided by the Office of Investment Management, the Committee supported the establishment of the Senior Risk Officer (Operational Risk) (P-5) and the Senior Risk Officer (Strategy and Governance) (P-5) posts. The Committee was, however, not fully satisfied with the justification provided for the Senior Risk Officer (Strategy and Governance) (P-5) post in comparison to the explanations given for the other Senior Risk Officer post. With regard to the Risk Officer (Audit Coordination) (P-3) post, the Committee did not support its establishment, based on the view that coordination activities with the internal and external auditors should be undertaken by existing posts at a higher level.**

53. With regard to the establishment of a Risk Officer (Performance) (P-3) post and a Risk Officer (Total Portfolio) (P-3) post, the Committee was informed, upon enquiry, that the Risk Officer (Performance) would fill the gap in the performance team, which was currently operating with two members under a workload for three members. As for the Risk Officer (Total Portfolio) (P-3) post, the Committee was informed that the latter would carry out the foundation risk analytics work required for implementing a total portfolio approach. The Committee was further informed that the total portfolio approach allows for a more integrated and proactive investment management process, which can better meet investors' evolving needs and objectives in a rapidly changing market environment. **With the explanation provided by the Office of Investment Management, the Committee supported the establishment of a Risk Officer (Performance) (P-3) post and a Risk Officer (Total Portfolio) (P-3) post.**

54. With regard to the establishment of a Programme Management Officer (Business Transformation) (P-4) post, and a Programme Management Officer (Change Management) (P-3) post, the Committee was informed, upon enquiry, that the former post was urgently needed to centralize and standardize work in the Office of Investment Management by integrating its business practices, routines and methods within the organizational structure. In response to the information provided, the Committee was of the view that the business transformations in other organizations were undertaken with clear targets, including a clear timeline of the transformation, whereas the explanation provided by the Office for the P-4 post lacked clarity on such targets. As for the P-3 post, the Committee was informed that the proposed Programme Management Officer would undertake the cultural transformation efforts which began in 2021. The Committee was informed that the culture transformation was not a one-time project but was an ongoing and evolving process that would require dedicated time and resources. **Based on the explanations provided by the Office of Investment Management, the Committee did not support the establishment of the Programme Management Officer (Business Transformation) (P-4) post but supported the establishment of the Programme Management Officer (Change Management) (P-3) post.**

55. With regard to the establishment of a Chief of Section (Investment Accounting) (P-5) post, the Committee was informed upon enquiry that the proposed Chief of Section was expected to perform (a) the creation of a shadow accounting book of records as part of the Fund's search for a new financial suite solution; (b) the introduction of investment in private credit as a new asset class in the private markets portfolio; (c) the introduction of sustainability reporting requirements in the next years as a new reporting requirement not currently performed; and (d) the increase in the level of sophistication of the investment transactions of the Office of Investment Management, which required the proper segregation of duties between the treasury investment operations functions and the book-keeping for the same investment transactions. **In view of the explanations provided by the Office of Investment Management, the Committee supported the establishment of the Chief of Section (Investment Accounting) (P-5) post.**

56. With regard to the establishment of a Legal Officer (P-4) post, the Committee was informed upon enquiry that the proposed Legal Officer would oversee and advise on contracts for private market investment and specific investment. Against the backdrop of a proposed Legal Officer (P-4) post which had not been recommended for approval by the Advisory Committee on Administrative and Budgetary Questions and not approved by the General Assembly in the context of the budget for 2024, the Committee sought further clarification on the consistent need of the Office of Investment Management for enhancing its legal capacities. The Office explained that, without sufficient human resources in the legal team, the Office would remain susceptible to risks of "lost deals" because it lacks the capacity for settling timely legal agreements with its counterparts in a highly competitive market, which could entail loss of returns. **Based on the explanation provided by the Office of Investment Management, the Committee supported the establishment of the Legal Officer (P-4) post.**

57. With regard to the establishment of a Data Scientist (P-4) post, a Technical Programme Coordinator (Enterprise Programme and Vendor Management Office) (P-3) post, an Information Systems Officer (Office of Investment Management Information Infrastructure) (P-3) post, and a Associate Information Systems Officer (Service Now Platform) (P-2) post, the Committee was informed, upon enquiry, that the proposed Data Scientist (P-4) was expected to enhance decision-making across sections, optimize resource allocation and deliver deeper customer insights. It was also explained that the Data Scientist's role was differentiated from the two existing posts, one for a Data Analyst and the other for a Data Engineer, within the Data Analytics and Business Applications Team in the Office of Investment Management. As for the Technical Programme Coordinator (Enterprise Programme and Vendor Management Office) (P-3), the Committee was informed that the proposed P-3 post would reduce operational risks and increase the Office's programme of work at the enterprise level, as well as strengthen the weaker areas of the Enterprise Programme and Vendor Management Office as identified through previous audit recommendations. On the Information Systems Officer (P-3) post, the Committee was informed that the new Information Systems Officer would be required to achieve operational efficiencies and maintain a high-quality service, as well as support all infrastructure related services covering data centre operations, networks and endpoint management. With regard to the Associate Information Systems Officer (P-2) post, the Committee was informed that the Officer would be the primary operational support resource for the Service Now platform, which had just gone live in March 2024 and would focus on new Service Now implementations. **With the explanation provided by the Office of Investment Management, the Committee supported the establishment of the following posts: one Data Scientist (P-4), one Technical Programme Coordinator (Enterprise Programme and Vendor Management Office) (P-3), one Information Systems Officer (Office of Investment Management**

**Information Infrastructure) (P-3), and one Associate Information Systems Officer (Service Now Platform) (P-2).**

58. With regard to the establishment of a Programme Management Officer (Corporate Social Responsibility) (P-3), the Committee was informed. upon enquiry, that the post was intended to support the new sustainability reporting requirements for the Fund under the International Financial Reporting Standards and imminently from IPSAS. In addition, it was reported that additional activities would be needed within the Fund for it to become sustainable in its operations, for which the post would provide support on an ongoing basis. **The Committee was of the view that, while acknowledging the Fund's expected role in corporate social responsibility, the justification for establishing a post at the P-3 level for the purpose was not fully convincing. The Committee therefore did not support the establishment of the Programme Management Officer (Corporate Social Responsibility) in the context of the budget for 2025.**

59. With regard to the seven proposed conversions of an Associate Accountant (P-2) position, an Accountant (Securities Lending) (P-3) position, an Accountant (Collateral Management) (P-3) position, an Accountant (Derivative Accounting) (P-3) position, an Associate Accountant (Collateral Management/FX) (P-2) position, a Senior Accountant Assistant (Derivative Accounting) (General Service (Principal level)) position, and a Risk Officer (Derivative Risk) (P-4) position, **the Committee had no objections to the conversion of those positions into regular posts based on the information provided by the Office of Investment Management.**

60. Having carefully considered the proposed post changes and the explanation provided by the Office of Investment Management, the Committee recommended that the Board approve the post changes as presented in Table 4.

Table 4
**Changes in post resources (Office of Investment Management)**

| *Component* | *Action* | *Post* | *Category* | *Proposed number* |
|---|---|---|---|---|
| **Programme of work** | | | | |
| | Establishment | Deputy Chief Investment Officer | D-1 | 1 |
| | Establishment | Senior Investment Officer | P-5 | 1 |
| | Establishment | Investment Officer | P-4 | 1 |
| | Establishment | Investment Officer | P-4 | 1 |
| | Establishment | Associate Investment Officer | P-2/1 | 1 |
| | Establishment | Senior Investment Officer | P-5 | 1 |
| | Establishment | Senior Investment Officer | P-5 | 1 |
| | Establishment | Senior Risk Officer | P-5 | 1 |
| | Establishment | Senior Risk Officer | P-5 | 1 |
| | ~~Establishment~~ | ~~Risk Officer (Audit coordination)~~ | ~~P-3~~ | ~~1~~ |
| | Establishment | Risk Officer (Performance) | P-3 | 1 |
| | Establishment | Risk Officer (Total portfolio) | P-3 | 1 |
| | ~~Establishment~~ | ~~Programme Management Officer (Business Transformation)~~ | ~~P-4~~ | ~~1~~ |
| | Establishment | Programme Management Officer (Change management) | P-3 | 1 |
| | Establishment | Chief of Section, Investment Accounting | P-5 | 1 |
| | Establishment | Legal Officer | P-4 | 1 |

| Component | Action | Post | Category | Proposed number |
|---|---|---|---|---|
| | Establishment | Coordinator, Programme Management | P-3 | 1 |
| | Establishment | Information Systems Officer | P-3 | 1 |
| | Establishment | Associate Information Systems Officer | P-2/1 | 1 |
| | Establishment | Data Scientist | P-4 | 1 |
| | ~~Establishment~~ | ~~Programme Management Officer (Corporate Social Responsibility)~~ | ~~P-3~~ | ~~1~~ |
| | Conversion | Associate Accountant | P-2/1 | 2 |
| | Conversion | Accountant | P-3 | 3 |
| | Conversion | Senior Accounting Assistant | GS (PL) | 1 |
| | Conversion | Risk Officer | P-4 | 1 |
| **Total net change** | | | | **25** |

*Abbreviation*: GS (PL), General Service (Principal level).

*Non-post resources*

61. The Committee considered the proposed non-post resources, including:

(a) General temporary assistance positions resources, including seven proposed for conversion to established posts;

(b) Other non-post resources.

62. Upon request, the Committee was provided with detailed information for significant expenditure objects and analyses of historical data for general operating expenses (which include rent) and contractual services.

63. With respect to the new P-4 position, Staff Development Officer (Career Development), the Committee was informed upon enquiry that, due to the competitiveness of the labour market in the financial industry in New York, training and career development represented the most important attraction and retention tools for qualified staff, thereby making it necessary for the Office of Investment Management to institutionalize its staff development. **Nevertheless, the Committee was not convinced by the explanation provided by the Office of Investment Management on the need to establish an exclusive position for staff development and did not support the funding for the general temporary assistance position.**

64. **Having carefully considered the proposed non-post resources and the explanation provided by the Office of Investment Management, the Committee recommended that the Board approve non-post resources amounting to $44,855,000 (before recosting) and the general temporary assistance positions as presented in table 5.**

Table 5
**General temporary assistance positions (Office of Investment Management)**

| *Component* | *Position title* | *Category* | *Number of positions* |
|---|---|---|---|
| **Programme of work (POW)** | | | |
| | ~~Staff Development Officer (Career Development)~~ | ~~P-4~~ | ~~1~~ |
| **Total** | | | **0** |

## 5. Audit

65. Having carefully considered the budget proposal for 2025 for audit costs, the Committee recommended the approval of the amount of $2,262,600 (before recosting), representing an increase of $8,500, or 0.4 per cent compared with the appropriation for 2024. The proposal includes proposed changes in the number of posts from six to seven and the number of general temporary assistance positions from two to one.

*Post resources*

66. The Committee considered the proposed post resources, including the proposal to establish one Auditor (P-4) post and convert one general temporary assistance position to a post.

67. With regard to the request for establishing an Auditor (P-4) post, the Committee raised questions on the need for a post rather than external experts. The representative of the Office of Internal Oversight Services explained that the request was based on the expected additional workload of the Office in order to meet emerging needs in the area of investments. The Committee further questioned the reason why the Office could not address the rising workload by outsourcing to external experts or by focusing existing audit capacity to auditing the high-risk areas of investments. In response, the Office explained the difficulty of identifying such external experts and concluding an outsourcing contract with an external expert with sufficient level of knowledge and experience in investments and the need for specialized expertise in the area of investments. **Nevertheless, the Committee was not convinced by the explanation provided by the Office of Internal Oversight Services and suggested that the Office give serious consideration to the suggestions of the Committee. Accordingly, it did not support the establishment of the Auditor (P-4) post but supported the proposed conversion of the P-5 position to a regular post.**

*Non-post resources*

68. The Committee considered the proposed non-post resources of $754,900 and had no objections to its approval.

## 6. Conclusion

69. Table 6 reflects a summary of resource changes recommended by the Committee.

Table 6
**Estimates recommended for 2025**

| | Resources (before recosting) (Thousands of United States dollars) | | | Number of posts | |
|---|---|---|---|---|---|
| | Fund's proposal | Budget Committee | | Fund's proposal | Budget Committee |
| | | Changes | Estimates | | |
| Secretariat of the Pension Board | 1 883.6 | 16.6 | 1 900.2 | 4 | 4 |
| Pension Administration | 72 246.1 | – | 72 246.1 | 272 | 272 |
| Office of Investment Management | 75 980.0 | (514.2) | 75 465.8 | 186 | 183 |
| Audit | 2 378.5 | (115.9) | 2 262.6 | 8 | 7 |
| **Total** | **152 488.2** | **(613.5)** | **151 874.7** | **470** | **466** |

## 7. General observations

70. The Committee drew the attention of the Board to paragraph 12 of section XIII of General Assembly resolution 76/246, in which the Assembly emphasized that the budget of the Fund should be accountable to all stakeholders, including beneficiaries and the member organizations, and encouraged the Board to strengthen the functions of the Budget Committee with the aim of ensuring proper oversight of the resource requirements in the light of the operational needs and budget accuracy of the Fund.

71. The Committee noted that 2024 was the third year in which it had functioned as a fully fledged Committee, having succeeded its predecessor organ, the ad hoc Budget Working Group, which had been established annually. The Committee had further enhanced the working methods initially adopted by the Budget Working Group. That included in-depth discussions on the budget proposals well ahead of the July Board meeting to afford members of the Committee the necessary time to properly examine the budget proposal and to allow them sufficient time for adequate discussion and consideration of additional information.

72. The Committee enjoyed continuity of membership that had not been possible with an ad hoc annual working group. The retention of knowledge made possible by that continuity and the qualifications of the members engendered a high level of professional engagement, thus ensuring a higher level of trust in what was a more robust process and inevitably an improved level of governance and oversight.

73. The Committee aspired to a situation where the Advisory Committee on Administrative and Budgetary Questions and the General Assembly had a very high degree of confidence in the deliberations of the Committee and the Board on the budget, with less need for a more detailed review at their level. The Committee, under the guidance of the Board, the Advisory Committee on Administrative and Budgetary Questions and the General Assembly, would continue to explore ways to improve its working methods further to ensure proper oversight and accountability for the resources of the Fund.

74. The Budget Committee acknowledged the quality of the Fund's information as provided by the secretariat of the Board, the Pension Administration, the Office of Investment Management and the Office of Internal Oversight Services, the prompt and comprehensive responses to the Committee's enquiries and the invaluable support provided by the secretariat of the Board in conducting its consultations.

# Annex IX

## Statements by observers

### A. Statement on behalf of the Coordinating Committee for International Staff Unions and Associations

Madam Chair, distinguished members of the Pension Board, colleagues, I am Nathalie Meynet, President of the Coordinating Committee for International Staff Unions and Associations of the United Nations System, and pleased to address the Pension Board. Our federation represents over 60,000 staff in the United Nations common system, through 17 member unions. Among the responsibilities of the federation in its statutes is the requirement to “promote and safeguard the rights, interests and welfare of all staff of the United Nations System”. In this context, I was mandated by the membership of our federation to share their concerns.

With regard to the Pension Administration, CCISUA is pleased to hear of the progress made on the customer relationship management project and looks forward to the enhancements that the system will offer participants. We congratulate the Plan Review Group on its work, especially the proposal for a long overdue cost-of-living allowance increase for small pension benefits, and other improvements made to the pension regulations. The Federation urges the Pension Board to review benefits for children with disabilities, in line with provisions made by the General Assembly.

CCISUA remains concerned that the 2016 provisional payments option, which provides for partial payments in the case of late submission of the separation notification form by member Organizations, or where not all separation documents have been received, has been underutilized and not used at all in 2023, despite some new retirees waiting for months. The raison d’être of the United Nations Joint Staff Pension Fund is to “pay benefits”, yet there was a substantial increase of more than 2,500 additional “inactive participants” who could potentially be eligible to receive a payment.

CCISUA attaches great importance to investment performance. While the Fund met the policy benchmark for 3 and 5 years, the Fund missed the one-year benchmark by 1.2 percentage points. For a portfolio of $90 billion, this means a relative loss of $1 billion. We are concerned that the significant growth in posts at all levels, beyond those that were necessary to the Office of Investment Management commitment to manage more portfolios internally, has not translated into results.

CCISUA attaches great importance as well to the transparency of the Fund and calls upon the Office of Investment Management and the Pension Administration to engage with participants of the Fund directly or through the website before going to the press. For example, we found out two weeks ago in an article online that while the fund remains fully funded, the surplus has dropped from 117% to 111%. Similarly, we frequently find out about the intentions of the Representative of the Secretary-General for investments in publications such as the Institutional Investor and CIO magazine or on LinkedIn, for example of his intention to invest in venture capital, regarding which we have concerns about risk and liquidity.

Our federation also attaches great importance to peer comparison. The work of the Fund Solvency and Assets and Liabilities Monitoring Committee has clarified that the annual customer experience management report mainly focuses on costs (vs. performance), and that the information is “self-reported”. Therefore, to further improve transparency, CCISUA recommends that the Office of Investment Management reinstates its use of the more objective Wilshire Trust Universe Comparison Service report. We look forward to the Representative of the Secretary-

General delivering on his promise to engage more with the Federations. The Representative of the Secretary-General also said in mid-2022, that the 7 percent corporate credit portfolio being sent for external passive management would be returned to internal management when posts were approved, and staff recruited. However, it is not clear from the website that this is the case.

On the latter, CCISUA wrote several letters regarding the outsourcing and externalization of investment management and wrote again recently following the termination of several senior investment officers who had engaged in whistleblowing – a protected activity in accordance with staff rules – while upholding their fiduciary duty to the Fund. We believe that the toxic culture raised by the Office of Internal Oversight Services in its Governance Audit needs to be addressed, to provide a healthy work environment allowing staff to work at an optimal level.

Finally, on behalf of CCISUA membership, I would like to express our appreciation to the staff of the Pension Fund for their hard work and dedication.

Thank you.

## B. Statement on behalf of the Federation of International Civil Servants' Associations

Madam Chair, Distinguished members of the Board, dear colleagues, dear friends, on behalf of the Federation of International Civil Servants' Associations, I thank you for allowing me to address the Board today and appreciate the continued efforts by the Pension Board to communicate improvements regarding the processing of pensions when our members separate.

FICSA notes that the fund is healthy for the next 50 years at least. The sustainability of the fund depends on the inflow of new participants, so this is important to note and monitor. FICSA welcomes the Pension Board's townhall of 3 April which launched the WhatsApp broadcast facility and the updating of the educational booklets providing pension contributors and beneficiaries with information in a clear and concise manner.

FICSA recognizes the paramount importance of the joint efforts undertaken by the Pension Board to manage and secure the welfare of the beneficiaries of the staff Pension Fund. The dedication and professionalism demonstrated by the Pension Board in administering the pension scheme are commendable and greatly appreciated by the entire international civil service community.

FICSA represents many of the specialized agencies who are also members of the United Nations Joint Staff Pension Fund. Since the adoption of the governance reform package by the Board in July 2021 which was then endorsed by the General Assembly in its resolution 76/246 (see section XIII, page 12), many FICSA members, in particular from smaller organizations, raised numerous concerns regarding the lack of representation at Board sessions in particular because of the decision that members without seats with voting rights could not attend the July Board session which is held in person. Owing to the established rotation schedule, these organizations always feel disadvantaged compared to other colleagues from other organizations who are not affected by these changes except for their Alternates who could not attend unless the principal member is not available.

FICSA is pleased to read that a working group to review previous decisions has been established and would welcome further improvement taking account of the concerns raised. We continue to reiterate our membership's main concerns, raised by both participants and beneficiaries who have emphasized the importance of maintaining a sustainable and adequate pension scheme that fully reflects the cost of living and economic realities faced by retirees. With increasing life expectancies and uncertain global economic conditions, we urge the Board to take necessary measures to safeguard the long-term sustainability of the Pension Fund while ensuring the financial security of our members during retirement.

FICSA takes note of the changes in the benchmarks and for its part will thoroughly review to see if these frequent changes would allow for statistically viable conclusions. Furthermore, FICSA supports the paper presented by the Federation of Associations of Former International Civil Servants on small pension benefits and hopes that the concerns raised could be addressed by the Board to identify a practical and stable solution.

FICSA remains firmly committed to promoting a positive and constructive environment, where the focus lies solely on supporting the welfare and interests of international civil servants, including their pension security.

Once again, we extend our deepest gratitude to each member of the Joint Staff Pension Board for their dedicated service and continuous efforts to preserve and enhance the pension fund. FICSA stands ready to support your endeavours and to collaborate towards furthering the common cause of securing the welfare of civil servants worldwide.

Thank you for your time and attention.

## C. Statement on behalf of the United Nations International Civil Servants Federation

Thank you, Chair, distinguished members of the Board, and dear colleagues.

On behalf of the Staff Federation UNISERV, thank you for this opportunity to have virtually observed this session. We remain fully assured of the abilities, competencies and strong governance exercised by the Board.

In representing a large number of staff serving in difficult locations, not only related to safety and security but also financial predictability and stability, UNISERV’s constituent unions continuously monitor timely access to pensions, including the application of pension benefits. UNISERV emphasizes that pensions are not only a “defined benefit” but also a tool to combat precarity, age-related income poverty, and societal safety-net declines.

These goals are becoming ever more important due to disruptive changes in staff tenure with the organizations, caused by the average onboarding age, as well as downsizing and restructuring trends, resulting in shorter than expected contributory periods. While rejuvenation is part of the long-term solvency of the pension fund, it may not be a socially equitable tool if staff of any age are simply not entitled to full pension benefits due to termination or time-barring.

UNISERV also continues to monitor the impacts of digitization and digitalization, including the introduction of modern data transfer solutions, such as the digital ID plans. We wish to express our concerns about a potential digital divide, as well as the impact of shifting the responsibilities for due governance and management of processes from organizations to staff members. Going forward, we believe that a broad dialogue on technical access barriers and adequacy of processes, as well as accurate legal ownership of data are required.

We once again thank the Board for the continued openness to engage with the Staff Federations by allowing our virtual observation of this session, and we commend the overall effective and participatory governance structure that ensures inclusiveness and participant representation.

Thank you, Chair.

# Annex X

## Report of the Board of Auditors on the financial statements of the United Nations Joint Staff Pension Fund for the year ended 31 December 2023

## Letters of transmittal

### Letter dated 29 April 2024 from the Chief Executive of Pension Administration of the United Nations Joint Staff Pension Fund and the Representative of the Secretary-General for the investment of the assets of the United Nations Joint Staff Pension Fund addressed to the Chair of the Board of Auditors

In accordance with financial rule G.5 of the United Nations Joint Staff Pension Fund, we have the honour to transmit the financial statements of the Fund for the year ended 31 December 2023, which we hereby approve. The Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the Fund approved the financial statements for their respective areas of responsibility. The financial statements have been completed and certified by the Chief Financial Officer of the Fund as correct in all material respects.

(*Signed*) Rosemarie **McClean**
Chief Executive of Pension Administration
United Nations Joint Staff Pension Fund

(*Signed*) Pedro **Guazo**
Representative of the Secretary-General for the investment of the assets of the United Nations Joint Staff Pension Fund

*Note*: The present annex reproduces the letters of transmittal and chapters I and II of the financial report and audited financial statements for the year ended 31 December 2023 and report of the Board of Auditors on the United Nations Joint Staff Pension Fund (A/79/5/Add.16).

## Letter dated 24 July 2024 from the Chair of the Board of Auditors addressed to the President of the General Assembly

I have the honour to transmit to you the report of the Board of Auditors, together with the financial report and the audited financial statements of the United Nations Joint Staff Pension Fund for the year ended 31 December 2023.

(*Signed*) **Hou** Kai
Auditor General of the People's Republic of China
Chair of the Board of Auditors

# Chapter I

## Report of the Board of Auditors on the financial statements: audit opinion

### Opinion

We have audited the financial statements of the United Nations Joint Staff Pension Fund, which comprise the statement of net assets available for benefits (statement I) as at 31 December 2023, the statement of changes in net assets available for benefits (statement II), the cash flow statement (statement III), and the statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2023 (statement IV), as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the United Nations Joint Staff Pension Fund as at 31 December 2023 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26.

### Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing and the International Standards of Supreme Audit Institutions. Our responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". We are independent of the Fund in accordance with the ethical requirements relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the financial statements and the auditor's report thereon

The Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the Fund, within their respective authority under the Regulations of the Fund, are responsible for the other information, which comprises the financial report for the year ended 31 December 2023, contained in chapter IV below, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

The Chief Executive of Pension Administration and the Representative of the Secretary-General, within their respective authority under the Regulations of the Fund, are responsible for the preparation and fair presentation of the financial statements in accordance with International Accounting Standard 26 and IPSAS and for such internal control as the management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the management intends either to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Fund.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Fund;

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

(d) Draw conclusions as to the appropriateness of the management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

In our opinion, the transactions of the Fund that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and the financial rules of the Fund and their legislative authority.

In accordance with article VII of the Financial Regulations and Rules of the United Nations, we have also issued a long-form report on our audit of the Fund.

(*Signed*) **Hou** Kai
Auditor General of the People's Republic of China
Chair of the Board of Auditors

(*Signed*) Dorothy **Pérez Gutiérrez**
Acting Comptroller General of the Republic of Chile
(Lead Auditor)

(*Signed*) Pierre **Moscovici**
First President of the Court of Auditors of France

24 July 2024

# Chapter II
# Long-form report of the Board of Auditors


*Summary*

The United Nations Joint Staff Pension Fund was established in 1949 by the General Assembly to provide retirement, death, disability and related benefits for the staff of the United Nations and other organizations admitted to the membership of the Fund. It is administered by the United Nations Joint Staff Pension Board.

The Board of Auditors audited the financial statements of the Fund and reviewed its operations for the year ended 31 December 2023 in accordance with General Assembly resolutions 74 (I) of 1946 and 680 (VII) of 1952 and in conformity with article VII of the Financial Regulations and Rules of the United Nations and the International Standards on Auditing. The interim audit was carried out at the Fund's office in Geneva from 12 to 26 October 2023 and at the Fund's headquarters in New York from 13 November to 14 December 2023. The final audit was conducted at the Fund's headquarters in New York from 6 May to 7 June 2024.

**Scope of the report**

The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly and have been discussed with the management of the Fund, whose views have been appropriately reflected.

The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements present fairly the net assets available for benefits of the United Nations Joint Staff Pension Fund as at 31 December 2023 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26. The audit included a general review of the financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

The Board also reviewed the Fund's operations under regulation 7.5 of the Financial Regulations and Rules of the United Nations, which allows the Board to make observations on the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of operations.

The Board also reviewed a detailed follow-up of actions taken in response to recommendations made in previous years.

**Audit opinion**

In the Board's opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the United Nations Joint Staff Pension Fund as at 31 December 2023 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with IPSAS and International Accounting Standard 26.

### Overall conclusion

The Fund has prepared its financial statements in accordance with International Accounting Standard 26 and following the provisions of IPSAS since 2012. The Fund has incorporated the guidance from International Accounting Standard 26 into its financial policies. Its financial presentation is based on that guidance, and additional information is presented where requested by IPSAS.

The Board did not identify significant errors, omissions or misstatements from the review of the financial records of the Fund for the year ended 31 December 2023. However, the Board identified scope for improvement in formulation and budgetary implementation monitoring, geographical representation, risk management, functional reporting, census data quality, financial manual updating and management of cases and legal matters.

As of December 2023, the total assets of the Fund amounted to $88.76 billion, and the total liabilities amounted to $0.52 billion. Net assets available for benefits totalled $88.24 billion.

The Fund's total value of investments as at 31 December 2023 amounted to $87.60 billion. The increase in the appreciation of its fair value led to a rise of $10.32 billion in the net assets available for benefits.

### Key findings

The Board's key findings are as follows:

### The Fund

*Need to evaluate and improve post resources requests in budget proposals*

For the Pension Administration and the Office of Investment Management, the Board noticed that the approved post resources had increased significantly in the past three years. However, a number of posts that belonged to the Professional and higher categories and to the General Service and related categories were still vacant since 2022. In this regard, it was observed that new posts were requested each year in the budget proposal even though some posts approved in previous budget periods had not yet been filled.

*Deficiencies in monitoring of the Fund's budget implementation*

The Board analysed the overall budget implementation performed by the Fund (Pension Administration and Office of Investment Management) as at 31 December 2023 and noted that, although the overall budget utilization rate was 99 per cent, expenditures were not aligned with the approved appropriations, i.e. underutilization in some categories was balanced by overutilization in other categories. In this respect, the Board noticed that there were no cross-cutting guidelines at the Fund level that contribute to the monitoring of expenditures and to effective budget implementation that aim to provide timely financial information to decision makers to correct any eventual deviations from the approved resources.

### Pension Administration

*Insufficient disclosure and breakdown of post resources requirements for offices involved in functional reporting*

The Board analysed the tasks carried out by the Pension Entitlements Section, the Client Services Section and the Record Management and Quality Control Unit in both the Geneva and New York offices from January to October 2023, including the number of workflows, cases and queries, among other things, and observed that in cases related to the workflows of the Pension Entitlements Section and queries managed outside iNeed by the Client Services Section, the tasks performed by the Geneva office exceeded those carried out by the New York office. To handle these workflows, the Fund allocated 26 posts in Geneva and 37 in New York for the Pension Entitlement Section, and 11 and 14 posts, respectively, for the Client Services Section. In addition, the Board reviewed the Fund's budget proposal for 2023 and 2024 and noticed that the budget proposal did not disclose or break down the information related to post resources requirements for the Geneva and New York offices and their respective workloads.

**Main recommendations**

On the basis of the audit findings, the Board recommends that:

*Need to evaluate and improve post resources requests in budget proposals*

(a) **The Fund evaluate the new posts requested in its budget proposals and incorporate into the next budget proposals an analysis of the vacant posts, according to category, grade, year of approval and time since vacancy, among other factors, as well as the effectiveness of the budgeted vacancy rate, so that the governing bodies can have more accurate information at the time when they evaluate and approve the Fund's budget;**

(b) **The Fund continue to fill the vacancies from previous budget periods, taking into account the opportunity provided by vacant posts to address the imbalance in gender and geographical representation without affecting the continuity of operations;**

*Deficiencies in monitoring of the Fund's budget implementation*

(c) **The Fund evaluate its monitoring mechanism on the budget process in order to ensure that it comprehensively addresses all stages of the process, at the Fund-wide level, and thus contributes to strengthening the entity's budgeting;**

(d) **The Fund develop and implement effective measures that strengthen controls around budget monitoring, in particular with respect to significant categories with overexpenditure or underexpenditure;**

*Insufficient disclosure and breakdown of post resources requirements for offices involved in functional reporting*

(e) **The Pension Administration document and formalize the mechanism for measuring and distributing the workload for the Geneva and New York offices to clearly define the nature and complexity of records processed by each office and the standards needed for measurement, using the resources and information technology available in the Fund;**

(f) **The Pension Administration disclose and break down separately the post resources requirements for the Geneva and New York offices with their respective workloads in the next budget proposals presented to the governing bodies as important steps towards greater transparency and accountability of its budget.**

**Follow-up of previous recommendations**

The Board verified the status of implementation of previous years' recommendations for the period ended 31 December 2023. Of the 15 outstanding recommendations, the Fund had implemented 9 (60 per cent), 4 were under implementation (27 per cent) and 2 were considered to have been overtaken by events (13 per cent).

| Key facts | |
|---|---|
| **25** | Number of member organizations |
| **149,848** | Participants' accounts in the Fund |
| **86,013** | Periodic benefits |
| **$88.76 billion** | Total assets |
| **$88.24 billion** | Net assets available for benefits |
| **$10.57 billion** | Investment income/(loss) |
| **$3.41 billion** | Pension contributions and income (other than investments) |
| **($3.66 billion)** | Benefit payments and expenses |

## A. Mandate, scope and methodology

1. The United Nations Joint Staff Pension Fund was established in 1949 by the General Assembly to provide retirement, death, disability, and related benefits for the staff of the United Nations and other organizations admitted to the membership of the Fund. It is administered by the United Nations Joint Staff Pension Board and currently has 25 participating organizations, including the United Nations. The Fund is a multiple employer defined benefit plan.

2. The Board has audited the financial statements of the Fund and has reviewed its operations for the year ended 31 December 2023 in accordance with General Assembly resolutions 74 (I) of 1946 and 680 (VII) of 1952. The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the International Standards on Auditing. Those standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

3. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements presented fairly the net assets available for benefits of the United Nations Joint Staff Pension Fund as at 31 December 2023 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26. The audit was conducted in conformity with the Financial Regulations and Rules of the United Nations as well as the International Standards on Auditing and the International Standards of Supreme Audit Institutions. This included an assessment of whether the expenses recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether income and expenses had been properly classified and recorded.

4. The audit included a general review of the financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

5. The Board also reviewed Fund operations under regulation 7.5 of the Financial Regulations and Rules of the United Nations. This requires that the Board make observations with respect to the efficiency of the financial procedures, the accounting

system and the internal financial controls and, in general, the administration and management of Fund operations.

6. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the management of the Fund, whose views have been appropriately reflected in the report.

## B. Findings and recommendations

### 1. Follow-up of previous recommendations

7. The Board verified the status of implementation of previous years' recommendations for the period ended 31 December 2023. Of the 15 outstanding recommendations, the Fund had implemented 9 (60 per cent), 4 were under implementation (27 per cent) and 2 were considered to have been overtaken by events (13 per cent). A detailed status and progress of all previous outstanding recommendations are given in the annex to chapter II and in table II.1.

Table II.1
**Status of implementation of recommendations**

| *Report and audit year* | *Recommendations pending as at 31 December 2022* | *Implemented* | *Under implementation* | *Not implemented* | *Overtaken by events* | *Recommendations pending as at 31 December 2023* |
|---|---|---|---|---|---|---|
| A/76/5/Add.16, chap. II (2020) | 2 | 1 | 1 | – | – | 1 |
| A/77/5/Add.16, chap. II (2021) | 4 | 2 | 1 | – | 1 | 1 |
| A/78/5/Add.16, chap. II (2022) | 9 | 6 | 2 | – | 1 | 2 |
| **Total** | **15** | **9** | **4** | **–** | **2** | **4** |
| **Percentage** | **100** | **60** | **27** | **–** | **13** | **–** |

8. The Board considers that a 60 per cent rate of implementation indicates the commitment of the Fund to managing long-standing recommendations. The Board acknowledges the management's efforts and encourages the Fund to complete the implementation process fully. This is particularly relevant regarding the recommendation pending from 2020, included in the report for 2020 (A/76/5/Add.16, chap. II), in which the Board refers to the Office of Investment Management, in order to enable the broker account module to include the direct broker feeds for the verification of staff members' brokerage accounts to comply adequately with the best practices of the industry and contribute to mitigating the risks related to potential conflicts of interest with the activities of the Fund.

*Recommendations issued over the past six audit periods*

9. As a result of the audits performed from 2018 to 2023, the Board has issued 128 recommendations and conducted 218 assessments on previous years' recommendations. A breakdown of recommendations submitted in the indicated audit periods is detailed in table II.2.

Table II.2
**Implementation rates of issued recommendations, 2018–2023**

| *Report (audit year)* | *Number of audit recommendations issued* | *Number of outstanding audit recommendations as at end of audit period* | *Audit recommendations fully implemented as at end of audited period* | |
|---|---|---|---|---|
| | | | *(Number)* | *(Percentage)* |
| A/74/5/Add.16, chap. II (2018) | 23 | 38 | 12 | 32 |
| A/75/5/Add.16, chap. II (2019) | 32 | 45 | 33 | 73 |
| A/76/5/Add.16, chap. II (2020) | 28 | 44 | 30 | 68 |
| A/77/5/Add.16, chap. II (2021) | 21 | 41 | 26 | 64 |
| A/78/5/Add.16, chap. II (2022) | 9 | 35 | 29 | 83 |
| A/79/5/Add.16, chap. II (2023) | 15 | 15 | 9 | 60 |
| **Total/average percentage** | **128** | **218** | **139** | **63** |

10. Most of the 128 recommendations issued during the past six audit periods were related to contributions, benefits management, investment management and census data for actuarial valuations, which were directly linked to the Fund's core business. Other recommendations focused on budget management, information and communications technology, and governance and executive management.

11. With regard to the 218 assessments made over the past six years on the outstanding recommendations, progress was noted in the implementation rate, with an initial implementation level of 32 per cent, maintained at an equal rate or above 60 per cent in the subsequent five years, reaching a peak of 83 per cent in the fifth audit cycle.

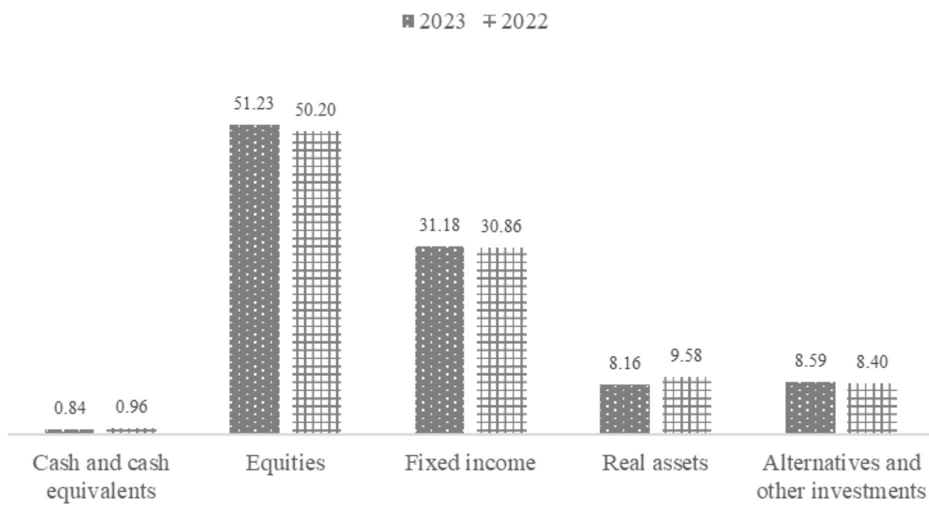
## 2. Financial overview

12. During 2023, investments recovered from the underperformance experienced in 2022. The value of the Fund's total investments as at 31 December 2023 amounted to $87.60 billion (2022: $77.44 billion), reflecting an increase of $10.16 billion (13.1 per cent) in comparison with the prior year.

13. As at December 2023, the total assets of the Fund amounted to $88.76 billion (2022: $78.61 billion), and the total liabilities amounted to $0.52 billion (2022: $0.69 billion). Net assets available for benefits totalled $88.24 billion (2022: $77.92 billion), which represented an increase of $10.32 billion (13.2 per cent) compared with the decrease of $13.54 billion in 2022.

14. The Fund assets consist mainly of investments, representing 98.69 per cent of the total assets, whose fair value reported by the Fund as at 31 December of 2023 was $87.60 billion, and cash and cash equivalents totalled $0.74 billion. The asset class allocation was $45.26 billion (51.23 per cent) in equities, $27.54 billion (31.18 per cent) in fixed income, $7.21 billion (8.16 per cent) in real assets and $7.59 billion (8.59 per cent) in alternative investments. The percentage share of each component of investment, compared with 2022, is shown in figure II.I.

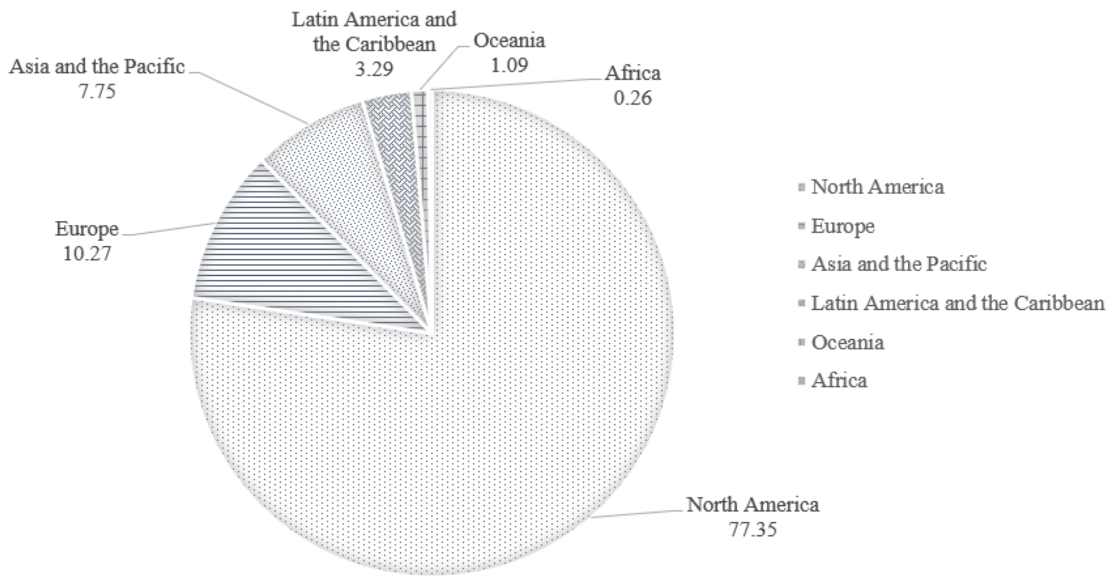
Figure II.I
**Share of components in the fair value of investments and cash and cash equivalents in 2023, compared with 2022**
(Percentage)




*Source*: United Nations Joint Staff Pension Fund financial statements.

15. As at 31 December 2023, investments were distributed in more than 50 countries. The largest concentration of investments was allocated in the United States of America, corresponding to 75.85 per cent of total investments, followed by the United Kingdom of Great Britain and Northern Ireland with 3.23 per cent, Japan with 3.22 per cent and the Cayman Islands with 2.52 per cent. Consequently, most investments were allotted to North America (77.35 per cent), Europe (10.27 per cent), Asia and the Pacific (7.75 per cent), Latin America and the Caribbean (3.29 per cent), Oceania (1.09 per cent) and Africa (0.26 per cent). The geographical distribution of investments in 2023 is shown in figure II.II.

Figure II.II
**Geographical distribution of investments, 2023**
(Percentage)




*Source*: United Nations Joint Staff Pension Fund financial statements.

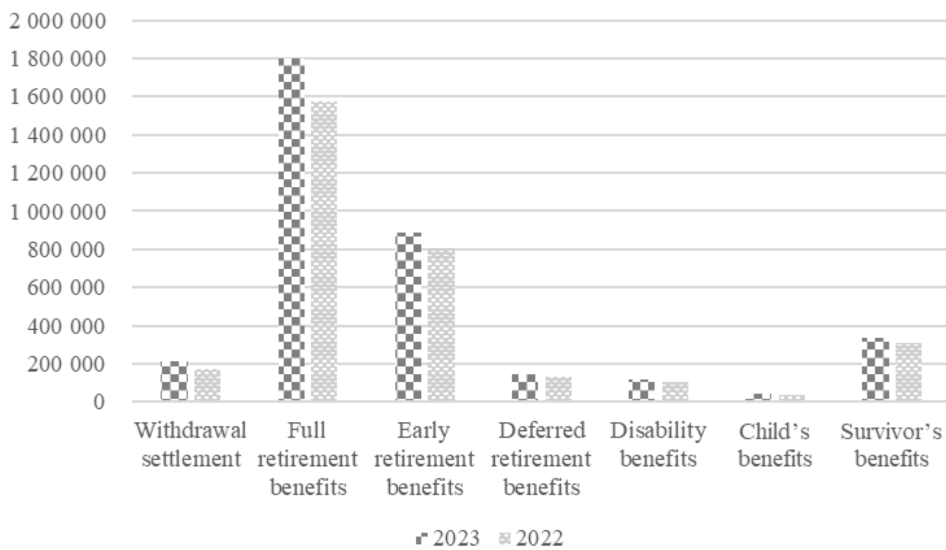
16. In 2023, the total investment income of the Fund was $10.57 billion (investment loss in 2022: $13.46 billion), including appreciation in the fair value of investments of $9.04 billion (depreciation in the fair value in 2022: $14.74 billion), dividend income of $0.86 billion (2022: $0.83 billion) and interest income of $0.82 billion (2022: $0.59 billion). Historically, appreciation/depreciation in the fair value of the Fund's investments has been the driving force for investment income. The other components have largely remained constant.

17. Other components of the changes in net assets available for benefits were income from services provided to the United Nations ($8.7 million), administrative expenses ($132.96 million) and other expenses ($1.48 million).

*Participants and benefits*

18. As at 31 December 2023, the Fund had 149,848 participants' accounts (2022: 143,612 participants) and 86,013 beneficiaries (2022: 83,988 beneficiaries). In 2023, the pension contributions amounted to $3.41 billion (2022: $3.12 billion), and the annual payments of periodic benefits made by the Fund amounted to $3.53 billion (2022: $3.13 billion) and were issued in 18 currencies in some 190 countries. The benefits paid by type of benefit in 2023 and 2022 are shown in figure II.III.

Figure II.III
**Benefits paid in 2023 by type of benefit, compared with 2022**
(Thousands of United States dollars)




*Source*: United Nations Joint Staff Pension Fund financial statements.

*Financial statements*

19. Various suggestions made by the Board for the enhancement of disclosures of the financial statements were reflected in the final version of the statements.

## 3. The Fund

*Need to evaluate and improve post resources requests in budget proposals*

20. In its resolution 77/258 of 30 December 2022, the General Assembly approved the estimated amount of $126,283,400 for the administration of the Fund for 2023. Also in the resolution, the Pension Board was requested to strengthen its efforts to improve budgeting accuracy, including as it pertains to the establishment of vacancy rates.

21. Within this estimate, 258 posts were approved for the Pension Administration, 91 in the Professional and higher categories and 167 in the General Service and related categories. Meanwhile, for the Office of Investment Management, 150 posts were approved, 115 in the Professional and higher category and 35 in the General Service and related categories.

22. The Board analysed the Fund's budgetary trend related to the item posts, in the past three budget cycles (from 2021 to 2023), by comparing approved posts by category and grade against the vacancy rates over the same period.

23. For the Pension Administration, it was noted that the post resources approved have increased significantly over the past three years. As shown in table II.3, in 2021, 198 posts were approved, compared with 231 in 2022 and 258 in 2023. In turn, the number of vacant posts was 23 in 2021 (11.6 per cent), 17 in 2022 (7.35 per cent) and 25 as at 31 December 2023 (9.7 per cent).

Table II.3
**Comparison of Pension Administration approved posts in relation to vacant posts, 2021–2023**
(Number of posts)

| | *Pension Administration* | | | | | |
|---|---|---|---|---|---|---|
| | *Approved posts* | | | *Vacant posts* | | |
| | *2021* | *2022* | *2023* | *2021* | *2022* | *2023* |
| | | | | *31 December* | *31 December* | *31 December* |
| *Professional and higher categories* | | | | | | |
| Assistant Secretary-General | 1 | 1 | 1 | – | – | – |
| D-2 | 1 | 1 | 1 | – | – | – |
| D-1 | 4 | 4 | 4 | – | – | – |
| P-5 | 12 | 12 | 14 | 1 | – | – |
| P-4 | 24 | 26 | 27 | 3 | 2 | 1 |
| P-3 | 33 | 37 | 43 | 4 | 3 | 5 |
| P-2/1 | 1 | 1 | 1 | 1 | – | – |
| **Subtotal** | **76** | **82** | **91** | **9** | **5** | **6** |
| **Vacancy rate (percentage)** | | | | **11.8** | **6.1** | **6.6** |
| *General Service and related categories* | | | | | | |
| Principal level | 11 | 11 | 13 | – | – | – |
| Other level | 109 | 136 | 152 | 14 | 12 | 19 |
| Local level | 2 | 2 | 2 | – | – | – |
| **Subtotal** | **122** | **149** | **167** | **14** | **12** | **19** |
| **Vacancy rate (percentage)** | | | | **11.5** | **8.05** | **11.4** |
| **Total** | **198** | **231** | **258** | **23** | **17** | **25** |
| **Percentage of total vacancy rate** | | | | **11.6** | **7.35** | **9.7** |

*Source*: Based on data provided by the Pension Administration and extracted from the budget proposals for 2021, 2022 and 2023.

24. In respect of the 25 posts that remained vacant for the Pension Administration as at 31 December 2023, 6 belonged to the Professional and higher categories and 19 to the General Service and related categories. In a detailed analysis of the 25 vacant posts, it was verified that 3 had been vacant since January 2022, 5 since January 2023 and the rest since between June and September 2023.

25. The Pension Administration indicated that the reasons that these positions had not been filled were the natural turnover of personnel, retirements, reassignments, the category's unattractiveness, challenges filling certain posts due to a lack of suitable qualified candidates, and the long recruitment cycle, which also affected the vacancy status of posts.

26. In addition, the Pension Administration indicated that for the positions vacant since January 2022, all candidates selected for three positions had been onboarded in early 2024. Meanwhile, those vacant since January 2023 were completed, with a candidate onboarded or pending selection/onboarded.

27. With respect to the Office of Investment Management, it was noticed that the post resources approved had also grown significantly in the past three years. As shown in table II.4, in 2021, 108 posts were approved, compared with 137 in 2022 and 150 in 2023. In turn, it was observed that there were 11 vacant posts in 2021 (10.2 per cent), 12 in 2022 (8.8 per cent) and 6 as at 31 December 2023 (4 per cent).

Table II.4
**Comparison of Office of Investment Management approved posts in relation to vacant posts, 2021–2023**
(Number of posts)

| | *Office of Investment Management* | | | | | |
|---|---|---|---|---|---|---|
| | *Approved posts* | | | *Vacant posts* | | |
| | *2021* | *2022* | *2023* | *2021* | *2022* | *2023* |
| | | | | *31 December* | *31 December* | *31 December* |
| *Professional and higher categories* | | | | | | |
| Assistant Secretary-General | 1 | 1 | 1 | – | – | – |
| D-2 | 1 | 1 | 1 | – | – | |
| D-1 | 4 | 5 | 5 | 1 | 1 | 1 |
| P-5 | 12 | 13 | 14 | – | 1 | 1 |
| P-4 | 27 | 32 | 35 | 2 | 4 | 2 |
| P-3 | 28 | 41 | 47 | 4 | 4 | 2 |
| P-2/1 | 2 | 9 | 12 | 3 | 2 | – |
| **Subtotal** | **75** | **102** | **115** | **10** | **12** | **6** |
| **Vacancy rate (percentage)** | | | | **13.3** | **11.8** | **5.2** |
| *General Service and related categories* | | | | | | |
| Principal level | 15 | 21 | 21 | 1 | – | – |
| Other level | 18 | 14 | 14 | – | – | – |
| Local level | – | – | – | – | – | – |
| **Subtotal** | **33** | **35** | **35** | **1** | – | – |
| **Vacancy rate (percentage)** | | | | **3.0** | – | – |
| **Total** | **108** | **137** | **150** | **11** | **12** | **6** |
| **Percentage of total vacancy rate** | | | | **10.2** | **8.8** | **4.0** |

*Source*: Based on data provided by the Office of Investment Management and extracted from the budget proposals for 2021, 2022 and 2023.

28. It was noted that as at 31 December 2023, six posts in the Professional and higher categories were still vacant, one since November 2022, two since January 2023 and the rest since between May and August 2023.

29. The Office of Investment Management indicated that the job openings had been published. However, they had had to be cancelled and readvertised either because there were no suitable candidates or owing to a lack of suitable candidates of the underrepresented gender.

30. It should be noted that in each budget proposal and following the standard practice, the Fund estimated a budgeted vacancy rate as a benchmark to compare with

the actual vacancy rate; however, such a budgeted vacancy rate would not be effective in practice.

31. The Board considers that vacancies remaining unfilled since 2022 and early 2023 make it essential for the Fund to reassess its staffing requirements. This reassessment is crucial because new positions are requested in each year's budget proposal despite some approved posts from previous budget periods still being vacant. These positions were initially justified to manage the increasing volume of operations due to the growing number of participants and beneficiaries of the Fund during that specific budget cycle; therefore, it should be analysed whether the situation remains and the posts are still needed.

32. The Board acknowledges that the Fund's hiring process must balance recruitment priorities, fill positions, onboard suitable candidates and meet benchmarks for gender and geographical distribution; however, the Board sees an opportunity to improve the budgetary formulation process for the staffing item. This improvement is necessary to adequately respond to the General Assembly's request for more accurate budgeting, considering that the Fund has also invested resources in technology to have more efficient processes to deal with the increasing number of participants and beneficiaries each year.

33. **The Board recommends that the Fund evaluate the new posts requested in its budget proposals and incorporate into the next budget proposals an analysis of the vacant posts, according to category, grade, year of approval and time since vacancy, among other factors, as well as the effectiveness of the budgeted vacancy rate, so that the governing bodies can have more accurate information at the time when they evaluate and approve the Fund's budget.**

34. **The Board recommends that the Fund continue to fill the vacancies from previous budget periods, taking into account the opportunity provided by vacant posts to address the imbalance in gender and geographical representation without affecting the continuity of operations.**

35. The Fund accepted the recommendations.

*Deficiencies in monitoring of the Fund's budget implementation*

36. In its resolution 77/258 of 30 December 2022, the General Assembly approved the estimates of $126.28 million for the administration of the Fund for 2023, which corresponds to $66.18 million for the Pension Administration, $56.65 million for the Office of Investment Management, $1.25 million for the secretariat of the Pension Board and $2.19 million for internal and external audit. Also in the resolution, the Pension Board was requested to strengthen its efforts to improve budgeting accuracy.

37. The Board analysed the overall budget implementation by the Fund as at 31 December 2023 and noted that in the case of the Pension Administration, the consumed budget totalled $65.21 million. The categories for other staff costs and general operating expenses had underexpenditure of $1.25 million and $1.15 million, respectively. The reasons were mainly lower utilization of general temporary assistance, owing primarily to difficulties in filling temporary positions, and lower expenditure for real estate taxes, utility and facility management and lower-than-anticipated resources for the medical board and United Nations Appeals Tribunal cases, respectively. In contrast, the contractual services category had overexpenditure of $1.44 million, related mainly to expenditure (commitments) for the customer relationship management system. The 2022 commitments for the customer relationship management system, owing to delays in signing its contract, could not be fully utilized and were raised using 2023 resources to meet the outstanding obligations.

Table II.5
**Appropriations and consumed budget as at 31 December 2023**
(Millions of United States dollars)

| | *Appropriation 2023* | *Consumed budget* | *Balance* | *Utilization rate percentage* | *Variance percentage* |
|---|---|---|---|---|---|
| **Pension Administration** | | | | | |
| Posts | 35 712.2 | 35 807.4 | (95.2) | 100 | 0 |
| Other staff costs | 3 046.9 | 1 793.8 | 1 253.1 | 59 | (41) |
| Hospitality | 3.4 | – | 3.4 | 0 | (100) |
| Consultants | 223.0 | 144.1 | 7.9 | 65 | (35) |
| Travel of staff | 365.4 | 395.2 | (29.8) | 108 | 8 |
| Contractual services | 15 411.7 | 16 857.7 | (1 446.0) | 109 | 9 |
| General operating expenses | 10 726.6 | 9 571.9 | 1 154.7 | 89 | (11) |
| Supplies and materials | 50.8 | 26.6 | 24 2 | 48 | (52) |
| Furniture and equipment | 639.1 | 613.1 | 26.0 | 96 | (4) |
| **Total** | **66 179.1** | **65 209.8** | **969.3** | **99** | **(1)** |
| **Office of Investment Management** | | | | | |
| Posts | 24 817.1 | 25 810.0 | (992.9) | 104 | 4 |
| Other staff costs | 1 479.4 | 2 260.0 | (780.6) | 153 | 53 |
| Hospitality | 3.2 | 1.3 | 1.9 | 41 | (59) |
| Consultants | 335.8 | 285.0 | 50.8 | 85 | (15) |
| Travel of representatives | 122.4 | 0.2 | 122 2 | 0 | (100) |
| Travel of staff | 218.7 | 309.4 | (90.7) | 141 | 41 |
| Contractual services | 24 741.5 | 22 059.2 | 2 682.3 | 89 | (11) |
| General operating expenses | 4 844.2 | 5 277.0 | (432.8) | 109 | 9 |
| Supplies and materials | 10.7 | 15.9 | (5.2) | 149 | 49 |
| Furniture and equipment | 76.8 | 345.2 | (268.4) | 449 | 349 |
| Improvement of premises | – | 4.0 | (4.0) | 0 | (100) |
| **Total** | **56 649.8** | **56 363.2** | **286.6** | **99** | **(1)** |

*Source*: Based on information provided by the Fund.

38. With regard to the Office of Investment Management, the consumed budget as at 31 December 2023 totalled $56.36 million. The category for contractual services had significant underexpenditure of $2.6 million due to some projects not being finalized. With respect to the categories' posts, other staff costs, general operating expenses and furniture and equipment had overexpenditure of $0.99 million, $0.78 million, $0.43 million and $0.27 million, respectively. The reasons were mainly higher-than-projected requirements for general temporary assistance, the disbursement of some additional charges from Headquarters cost-sharing under general operating expenses and unplanned upgrades to conference room equipment and software licences.

39. In this regard, the Board noticed that there were no cross-cutting guidelines at the Fund level that contribute to monitoring expenditures and effective budget implementation that aim to provide timely financial information to decision makers to correct any eventual deviations from the approved resources. For instance, each office monitored budget implementation with its own internal mechanisms, using

expenditure reports with different assessment frameworks on parameters and time. Likewise, the offices had different dashboards, which did not allow managers to identify detailed and real-time budget information.

40. The Fund stated that the overall budget utilization for both the Pension Administration and the Office of Investment Management was approximately 99 per cent for the year 2023. In addition, it indicated that its Budget Unit has centralized and harmonized its budget process, providing instructions, arranging monitoring meetings and issuing reports for the Fund as a whole.

41. The Board considers that, although the overall budget utilization was 99 per cent, the variances observed at the category level indicate the need to reinforce the monitoring of the budgetary process since the implementation was not aligned with the approved appropriations. Thus, the general implementation rate resulted from the offset between the underutilization of some categories and the overutilization of other categories, and vice versa.

42. In this regard, the Board is of the view that a comprehensive monitoring process contributes to the effectiveness of budgetary control and limits the impact of budget overruns or underruns, especially in categories with significant overexpenditures or underexpenditures.

43. The Board is also concerned that deficiencies in the monitoring of expenditures may lead to difficulties in the entire budgetary process, from formulation to implementation, to ensure budgeting accuracy, taking into account that a similar situation has already been flagged in paragraphs 21 to 28 of the Board's report for 2021 (A/77/5/Add.16), in which significant variances between budget allocations and expenditures were identified.

44. **The Board recommends that the Fund evaluate its monitoring mechanism on the budget process in order to ensure that it comprehensively addresses all stages of the process, at the Fund-wide level, and thus contributes to strengthening the entity's budgeting.**

45. **The Board recommends that the Fund develop and implement effective measures that strengthen controls around budget monitoring, in particular with respect to significant categories with overexpenditure or under expenditure.**

46. The Fund accepted the recommendations.

*Need to refine the contract with consulting actuary*

47. According to the Regulations, Rules and Pension Adjustment System of the Fund, a consulting actuary to the Board is appointed by the Secretary-General upon the recommendation of the Pension Board to provide actuarial services to the Fund.

48. At its seventy-fifth session, the Pension Board recommended to the Secretary-General a private company to be appointed as the Fund's consulting actuary, effective from 1 January 2020, for an initial term of four years. Subsequently, this company was reappointed for two additional periods beginning on 1 January 2024. Later, on 19 December 2023, a contract amendment was signed indicating that it would continue for the following two years until 31 December 2025 under the terms of the initial contract.

49. In this regard, annex B to the above-mentioned contract establishes the statement of work of actuarial consulting services for the Fund, including the timeline of work to provide results of the annual valuation.

50. Likewise, according to the Regulations, Rules and Pension Adjustment System of the Fund, the Fund's annual financial statements, which disclose its actuarial

situation, are to be transmitted to the Board of Auditors and the Pension Board no later than four months following the end of the relevant financial period.

51. Annex B, related to the statement of work of actuarial consulting services for the Fund, includes the timeline of work established to receive the results of the annual valuation provided by the consultant actuary, which does not consider that the results were included in the annual financial statements of the Fund within the period defined by the regulations.

52. In this sense, the census data corresponding to the actuarial valuation for 2023 were provided to the consulting actuary on 8 April 2024. In accordance with International Accounting Standard 26, Accounting and reporting by retirement benefit plans, the annual valuation report and the note of the financial statements were provided by the consulting actuary on 13 June 2024.

53. Even though the Fund is compliant with the provisions for issuing financial statements established in the Regulations, Rules and Pension Adjustment System by including the most recent valuation in the first version of the statements issued by the end of April each year and that neither International Accounting Standard 26 nor IPSAS 49 require annual valuation, given the relevance of the actuarial valuation disclosure, adjusting its presentation to a closer date than that of the issuance of the financial statements should be analysed.

54. Furthermore, considering the Fund's early adoption of IPSAS 49 for the fiscal year ending 31 December 2024, the Board deems relevant that the contract signed with the consultant actuary must reflect the accounting framework in place, which means IPSAS instead of International Accounting Standard 26.

55. **The Board recommends that the Fund refine the contract with the consulting actuary to reflect the accounting standards applied for the annual reporting period beginning on 1 January 2024.**

56. The Fund accepted the recommendation.

*Geographical representation*

57. According to Article 101, paragraph 3, of the Charter of the United Nations, the paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible.

58. In accordance with the geographical diversity strategy of the Department of Management Strategy, Policy and Compliance issued in 2020, the goal is to reduce the proportion of the most highly represented regional groups and to increase the proportion of less represented regional groups, thereby reducing the overall imbalance of the regional group diversity composition of staff at the United Nations.

59. Likewise, on repeated occasions, in its resolutions 74/263, 75/246, 76/246 and 77/258, the General Assembly has reiterated its request that the Secretary-General and the Pension Board ensure that the staff composition of the Office of Investment Management and of the Pension Administration is based on as wide a geographical basis as possible, bearing in mind the aforementioned Article of the Charter.

60. It should be noted that the Advisory Committee on Administrative and Budgetary Questions, in its report on the Fund's proposed programme budget for 2024 (A/78/7/Add.7), analysed the situation of geographical representation as at 22 September 2023 and reiterated its trust that the Fund would continue its efforts to ensure equitable geographical representation and gender balance in appointments and

nominations at all levels, and also that the Fund would use the opportunity provided by vacant posts to address the imbalance.

61. In this regard, the Board analysed the situation concerning the geographical representation of the Fund's staff as at 30 November 2023. The breakdown is shown in the following table.

Table II.6
**Geographical representation breakdown as at 30 November 2023**

| *Region* | *Staff* | *Percentage* |
|---|---|---|
| **Pension Administration** | | |
| Africa | 25 | 10 |
| Asia Pacific | 56 | 23 |
| Eastern Europe | 6 | 2 |
| Latin America and the Caribbean | 14 | 6 |
| Western Europe and others | 141 | 59 |
| **Total** | **242** | **100** |
| **Office of Investment Management** | | |
| Africa | 11 | 7 |
| Asia Pacific | 43 | 29 |
| Eastern Europe | 6 | 4 |
| Latin America and the Caribbean | 5 | 4 |
| Western Europe and others | 83 | 56 |
| **Total** | **148** | **100** |

*Source*: Based on information provided by the Fund as at 30 November 2023.

62. As presented in the table, it was noticed that there were highly represented regional groups and other less represented regional groups, a situation that reflects an imbalance in the regional group diversity composition of the Fund's staff.

63. In this regard, the Fund stated that it adheres to the geographical diversity strategy of the Department of Management Strategy, Policy and Compliance. With respect to the imbalance in geographical representation, the Fund stated that there were some considerations to take into account when measuring geographical representation, such as nationality of birth, staff distribution and concentration and restrictions imposed by host countries' policies in hiring non-local staff without authorization to work.

64. For the Office of Investment Management, it was indicated that the Representative of the Secretary-General for investments signs a compact with the Secretary-General every year in the form of a senior manager's compact, which provides a report of the Office's progress towards the United Nations Secretariat strategy of geographical distribution. In the case of the Pension Administration, the Chief Executive did not report to the Secretary-General; however, she reported progress on this matter to the Pension Board and other governance bodies.

65. The Board acknowledges that the Fund has taken measures to attract candidates from all countries and regions, with an emphasis on increasing unrepresented and underrepresented Member States; nevertheless, the Board is of the opinion that developing a clear pathway to achieve an appropriate balance between the application

of the geographical criteria and its staffing needs would contribute to the efficient fulfilment of the Fund's mandate.

66. The Board concurs with the Advisory Committee report (A/78/7/Add.7) and encourages the Fund to continue its efforts to ensure equitable geographical representation in appointments and nominations at all levels, as established in the Charter, and also to use the opportunity provided by vacant posts to address the aforementioned imbalance.

*Absence of a unified view of risk categories across the Fund*

67. In the Fund's enterprise-wide risk management policy, approved in 2006 and updated in July 2022, it is stated that the main purpose of the functioning risk management process is to provide the main stakeholders of the Fund with a reasonable assurance that the Fund's mission and long-term objectives will be met.

68. The policy defines the mission and objectives, risk appetite, risk management objectives, principles, risk management process, limitations, risk governance, roles and responsibilities in the management of the Fund's risks.

69. The Pension Administration and the Office of Investment Management have been working on the management of the Fund's risks under the same enterprise-wide risk management policy dated July 2022; nevertheless, both offices have issued their own enterprise-wide risk management methodology document according to the specific risks of their operation.

70. In the analysis of the risk management process carried out by the Fund, the Board noticed that there was no joint or consistent view of risk categories across the Fund.

71. In this regard, the Board observed the following situations:

(a) Both offices had a risk register updated as at 30 September 2023. For the Pension Administration, 48 risks were identified, and for the Office of Investment Management, 50 risks were identified;

(b) Inconsistencies in the risks reported by each office in the risk register and presented in the report to the Audit Committee as at 30 September 2023. For instance, for 25 risks identified for the Pension Administration and 18 for the Office of Investment Management, the risk register included risk assessment variations based on new naming and grouping of risks with similar characteristics, which differed from the information reported to the Audit Committee;

(c) The Pension Administration did not have a systematic risk management tool to record and manage the risks, in contrast with the Office of Investment Management, which had a tool for these purposes.

72. The Board considers that the absence of a comprehensive view of the risk categories affecting the Fund could have an impact on the implementation of the above-mentioned methodology in the Fund and, hence, the enterprise-wide risk management.

73. The Board is concerned that the absence of a joint enterprise risk management methodology in place could jeopardize the Fund's ability to identify risks and develop an appropriate response to address them, which, in turn, may lead to non-compliance with the rules and regulations, potential financial impacts and the arising of potential reputational risks.

74. **The Board recommends that the Fund revise and update the current enterprise-wide risk management catalogue to ensure that the Fund-wide risks reflect a general, unified and comprehensive view of the Fund, and subsequently set it out in the enterprise-wide risk management methodology.**

75. **The Board recommends that the Fund develop a joint automated risk tool for the registration and management of the Fund-wide risks, making more efficient and effective use of the existing resources to address this matter.**

76. The Fund accepted the recommendations.

## 4. Pension Administration

*Insufficient disclosure and breakdown of post resources requirements for offices involved in functional reporting*

77. In 2020, the Pension Administration introduced the functional reporting structure for its operating locations, centralizing the reporting and monitoring functions at the New York headquarters office, aiming to strengthen the service provided to its participants and beneficiaries. This restructure led the units in Geneva that perform service activities, such as the Pension Entitlements Section, the Client Services Section and the Record Management and Quality Control Unit, to report directly to the Chief of Units in New York.

78. In this regard, in December 2023, the Board analysed the tasks carried out by the three aforementioned units in both the Geneva and New York offices from January to October 2023, including the number of workflows, cases and queries. The distribution of the tasks performed by the units is shown in table II.7.

Table II.7
**Main tasks carried out by the Geneva and New York offices (number of workflows, queries, cases, etc.), January–October 2023**

| | | *Tasks performed* | |
|---|---|---|---|
| *Unit* | *Detail* | *Geneva office* | *New York office* |
| PES | Total PES workflows | 8 534 | 8 224 |
| CSS | Total CS workflows – queries in iNeed | 10 086 | 13 805 |
| | CS queries managed outside iNeed | 4 081 | 2 074 |
| | Walk-in clients to provide pension guidance | 1 426 | 1 438 |
| | Outreach (virtual and in-person) | 10 | 16 |
| RMQCU | Signature captures | 25 711 | 61 144 |
| | CE workflows processed | 4 230 | 18 738 |
| | Documents indexed and ingested into IPAS | 129 160 | 185 158 |
| | Geneva replies to organizations to obtain correct forms and/or documents | 471 | n/a |
| | New York replies to organizations to obtain correct forms and/or documents | n/a | 1 053 |
| | Replies sent to clients to obtain correct form according to payment instructions | n/a | 2 071 |
| | iNeed tickets created for emails that contain questions, then assigns to Client Services | n/a | 7 945 |
| | Archiving hard copy of documents | 11 577 | 43 245 |

*Source*: Based on the information provided by the Pension Administration as at 15 December 2023 (cut-off date: 31 October 2023).

*Abbreviations*: CE, certificate of entitlement; CS, client services; CSS, Client Services Section; IPAS, Integrated Pension Administration System; n/a, not applicable; PES, Pension Entitlements Section; RMQCU, Record Management and Quality Control Unit.

79. The Board observed that in cases related to the workflows of the Pension Entitlements Section and queries managed outside iNeed by the Client Services Section, the tasks performed by the Geneva office exceeded those carried out by the New York office. To handle these workflows, the Fund allocated 26 posts in Geneva and 37 in New York to the Pension Entitlement Section, and 11 posts in Geneva and 14 in New York to the Client Services Section.

80. In this matter, the Pension Administration stated that the Geneva and New York offices did not operate as two independent offices; thus, their workflows and approved posts should not be directly compared owing to the different nature of work and the clients served by each office. The Pension Administration added that since the implementation of functional reporting, the management had introduced mechanisms and tools for resource and capacity planning and monitoring, including rebalancing the workloads between offices as required.

81. For instance, the Pension Administration explained that the Geneva office handled cases from specialized agencies and processed cases that had already been checked and validated by the local Staff Pension Committee. In contrast, the Pension Entitlements Section in New York, in the role of the Staff Pension Committee for the United Nations family organizations, undertook more extensive processing and review compared with the cases from specialized agencies. In addition, owing to quality control mechanisms and training provided to the local Staff Pension Committees, submissions of separation documents in Geneva were better than those of United Nations family organizations in New York.

82. It should be noted that, in January 2024, the Pension Administration indicated the system fixes or enhancements for Operations and Client Services and indicated that some tasks of the Record Management and Quality Control Unit were performed exclusively in New York.

83. The Board reviewed the Fund's budget proposal for 2023 and 2024, which has been approved by the Pension Board for consideration by the Advisory Committee on Administrative and Budgetary Questions and approval by the General Assembly, and it was noticed that the budget proposal did not disclose or break down the information related to the post resources requirements for the Geneva and New York offices and their respective workloads.

84. In turn, it was noted that the Geneva office has had the same number of approved and vacant posts since 2022. In this regard, the Pension Administration clarified that two positions for the Pension Entitlement Section in Geneva were included in the budget proposal for 2024 and subsequently approved by the General Assembly for implementation in the same year (resolution 78/253).

85. The Board acknowledges that it is challenging for the Pension Administration to assess the entire workload of each unit; however, with the existing resources it should be able to measure all the workflows, cases, queries, etc., that constitute the core operations provided to participants and beneficiaries in both offices, to justify the post resources required in the budget proposals by each office. Thus, it is crucial that the mechanisms and tools in place provide clear and known standards to evaluate the complexity of the workload and then determine whether a document requires more processing efforts beyond the office in charge.

86. In this regard, although the Pension Administration has made significant progress in implementing functional reporting, the Board considers that there is still room for improvement in the distribution of the workload carried out by both offices and the post assignments to avoid situations such as those already noted in the Board's report for 2019 (A/75/5/Add.16, paras. 18–28).

87. Likewise, given that the Geneva and New York offices primarily manage clients' requests directly, which are the core of the Pension Administration's operations, the Board deems it paramount that the budget proposals disclose and break down the post resources requirements for both offices to provide a comprehensive view to the governing bodies. Detailed information based on the actual workloads and the staffing needs of the offices would contribute to those in charge of governance making informed decisions regarding the effective post requirements according to the volume of transactions handled by each office.

88. **The Board recommends that the Pension Administration document and formalize the mechanism for measuring and distributing the workload for the Geneva and New York offices to clearly define the nature and complexity of records processed by each office and the standards needed for measurement, using the resources and information technology available in the Fund.**

89. **The Board recommends that the Pension Administration disclose and break down separately the post resources requirements for the Geneva and New York offices with their respective workloads in the next budget proposals presented to the governance bodies as important steps towards greater transparency and accountability of its budget.**

90. The Pension Administration accepted the recommendations.

*Outdated year-end procedures manual*

91. In accordance with the Regulations, Rules and Pension Adjustment System of the Fund, the financial statements for the year ended 31 December 2023 have been prepared on the accrual basis of accounting under IPSAS and International Accounting Standard 26.

92. Likewise, in November 2023, the IPSAS Board issued IPSAS 49 concerning in particular retirement benefit plans, effective 1 January 2026, with earlier adoption permitted. Later, in February 2024, the Pension Board unanimously approved amendments to the Fund's financial rules to implement early adoption of IPSAS 49 for the year ended 31 December 2024.

93. To provide an understanding of the Fund's annual closing process and practical assistance to the staff involved in preparing IPSAS-compliant financial statements, the Fund developed the Year-end Procedures Manual at the end of 2016. The Manual comprises items relating to the Fund, the Pension Administration and the Office of Investment Management. It should be noted that, in addition to the Year-end Procedures Manual, the Office of Investment Management annually updates the Accounting Procedures Manual to describe its monthly and annual financial closing process, as well as the preparation of financial statements and disclosure notes, among other things.

94. The Board observed that since it was issued in 2016, the Year-end Procedures Manual had not been updated, amended or enhanced despite several topics, as part of a living document, having been modified over time. It should be noted that the Manual is kept in a draft stage and has never been officially approved.

95. Although the Fund, mainly the Pension Administration, has adjusted some procedures since 2016 and updated the control matrices in 2023 related to financial closing and reporting, these have not been entirely incorporated into the Manual or consolidated in another document in order to have a comprehensive text that reflects the procedures undertaken for the monthly or year-end closing process effectively, specifically for preparing the financial statements.

96. In this regard, the Board verified outdated and missing procedures. For instance, the Manual did not refer to carrying out a census data validation process for the benefits granted to employees or what processes were carried out upon receipt of the results provided by the actuary regarding the actuarial valuation of employee benefits. Likewise, the procedure did not include any reference to the preparation of significant disclosures, such as the actuarial valuation of the Fund, nor of the tables annexed to the financial statements.

97. The Board further observed that until May 2024, there was no progress on updating any accounting or year-end procedures related to the forthcoming adoption of IPSAS 49.

98. The Board deems that not having an updated manual on the annual closing process nor emphasizing the relevance of the procedures and controls detailed therein may have an impact on the comprehensive and shared understanding of the process by staff involved in preparing the financial statements. This becomes even more significant considering the Fund's early adoption of IPSAS 49 for the fiscal year ending 31 December 2024.

99. **The Board recommends that the Pension Administration disseminate an enhanced and approved version of the financial closing and reporting process manual to reflect, at least, the year-end accounting procedures, the preparation of financial statements and significant disclosure notes under IPSAS 49.**

100. The Pension Administration accepted the recommendation.

*Census data quality issues*

101. In accordance with article 12 of the Regulations of the Fund, the Pension Board shall have an actuarial valuation of the Fund, at least once every three years, prepared by the consulting actuary.

102. In this regard, a full actuarial valuation needed to be performed for the 2023 financial statements based on census data as at 31 December 2023. Therefore, on 19 January 2024, the data for the actuarial valuation and experience investigation of the Fund were requested by the consulting actuary through a data request letter, specifying the minimum fields required. The census data include data for retirees, dependants and active participants, as well as separations during 2023.

103. Exhibit IV of the consulting actuary's data request letter indicates that it is expected that the Fund performed some data checks before the submission of the data for completeness, related mainly to missing or unreasonable information. It is also established that if any such information is missing or cannot be obtained in a timely fashion, assumptions will be made about each item based on the general nature of the group.

104. The Board reviewed the census data provided to the consulting actuary to perform the actuarial valuation as at 31 December 2023, applying similar procedures carried out in 2021 related to data quality checks, specifically on the fields required. Through a sample analysis, the information contained in the data for participants and beneficiaries for the actuarial valuation was compared with the supporting documentation in the Integrated Pension Administration System.

105. From the review, some cases with the following data quality issues were detected in active participants and beneficiaries:

(a) Records of deceased participants had no date of death;

(b) Records had null values in the required fields "deceased", "marital status" and "spouse sex";

(c) Records contained null values in the information on pensionable remuneration rates;

(d) There were missing and unknown records in the required field "sex";

(e) Records of participants had no "average remuneration".

106. Likewise, the Board identified a small number of cases of duplicate records of active participants, one non-existent active participant and one deceased active beneficiary.

107. Furthermore, the Board noted that the financial overview prepared by the Fund did not clearly state that the participant data were based on the number of participant accounts. The Board noted that at least 187 participants had more than one participant account.

108. It is important to mention that the consulting actuary uses the data provided by the Fund and makes assumptions concerning the missing data, but not the erroneous data.

109. The Board acknowledges the progress made by the Pension Administration to identify data quality issues in the census data through a coordinated effort by the different areas involved in data governance. However, although the Fund pointed out that the data quality issues have not had an impact on the actuarial valuation, having low materiality, nor on the processing of benefits, the Board considers that the Fund's data management still has scope for improvement to ensure the completeness, accuracy and reliability of the census data used to determine the analysis experience and actuarial valuation.

110. **The Board recommends that the Pension Administration develop and implement an action plan to identify the root causes of the erroneous, missing and incomplete data to ensure that the information is accurate for the actuarial valuation and benefits processing by the Fund.**

111. The Pension Administration accepted the recommendation and indicated that the census data are within the scope of the data quality policy and would be measured by agreed data quality metrics, which are under development by the entity.

*Absence of a system to record cases of the Legal Office of the Pension Administration*

112. In paragraph 91 of annex X, Budget estimates for 2024, to the Board's report on the work of its seventy-fifth session and administrative expenses (A/78/329), it is indicated that the Legal Office provides unified legal services to all sections and offices of the Pension Administration, as well as legal advice on the consistent and uniform interpretation and application of the Regulations, Rules and Pension Adjustment System of the Fund, legal and procedural support to the Pension Board, the Standing Committee and the United Nations Staff Pension Committee, and the handling of appeals arising from decisions of the Standing Committee before the United Nations Appeals Tribunal.

113. The Board requested from the Legal Office of the Pension Administration information the open and closed legal cases as at 31 August 2023. The Legal Office provided a list of 488 cases handled by its officers, which were related to the diverse nature of topics such as disability, enforcement of regulations and rules of the Fund and the validity of legal documents, among other issues. The Legal Office received these cases mainly by email, telephone or other means.

114. The Board noted the absence of a standardized and centralized methodology for the distribution and management of legal cases. In this context, it was observed that the established practice was that legal officers recorded the cases in their own Excel

spreadsheet, without any connection with the rest of the Office's cases. This practice hindered the ability to determine the number of cases handled by each staff member, as cases received by phone or recorded at the discretion of the legal officer were not consistently documented. In addition, this decentralized approach made it difficult to consult past cases for reference. Consequently, no comprehensive report could be generated to review the cases and their status.

115. In the same vein, it was noted that the information was managed mainly by email and kept by each staff member using the means available to the Pension Administration, such as SharePoint, specifically those related to the resolution of cases.

116. On another note, when asked about key performance indicators of the Legal Office, the Pension Administration stated that owing to the particularity of its tasks and cases, it has not been possible to establish a suitable indicator.

117. The Board considers that the absence of a standard and centralized methodology for handling and recording legal cases may lead to difficulties by not having a common register that can be consulted to apply a cross-cutting criterion for treating similar cases. Likewise, the Board deems that the lack of centralized recording of legal cases could affect the accuracy of the data and make it difficult to keep the information.

118. The Board is of the view that implementing a tool to track and manage legal cases would allow the management to establish key performance indicators and extract reports of the cases and enable legal officers to streamline the record of their cases as well as access past cases for reference expeditiously.

119. **The Board recommends that the Pension Administration establish a system to accurately record the legal cases, including at least a centralized mechanism to keep the information related to their resolution, track their status, search for similar cases and include all the relevant information on the case.**

120. The Pension Administration accepted the recommendation.

### 5. Office of Investment Management

*Need to strengthen the coordination mechanism between Office of Investment Management senior management and the Legal Team*

121. In the legal procedures manual of the Office of Investment Management, dated 30 April 2020, it is stated that the Legal Team is part of the Office of the Representative of the Secretary-General for investments.

122. The manual also establishes that the Legal Team provides legal advice to the Representative of the Secretary-General and the Director of Investments on an ongoing basis, and to all teams of the Office of Investment Management on an as needed basis on matters of public and private law. This includes, in particular, advising on, with the assistance of the Office of Legal Affairs of the United Nations, the application of the privileges and immunities of the United Nations to the activities of the Office of Investment Management, the interpretation and application of the Rules, Regulations and Policies of the Fund, the Fund's governance structure and processes, the interpretation of procurement contracts, the implementation of the applicable formal modes of solicitation, contractual terms and structure of investments and compliance requests made by external service providers or counterparties, among others.

123. Regarding its functional structure, the Legal Team supporting the work of the Office of Investment Management includes a Senior Legal Officer, four Legal Officers and two Associate Legal Officers.

124. In 2020, the Office of Investment Management established a mechanism to record and handle legal matters, in response to a recommendation included in the Board's report of 2019 (A/75/5/Add.16).

125. The Board reviewed the mechanism established and implemented by the Office of Investment Management to record and handle the legal matters related to the revision and renegotiation of new and existing investment management agreements, legal provisions in private market investment and the legal revision of investment contracts and services, among other matters.

126. For the aforementioned purpose, it was verified that the Legal Team manually recorded the legal matters under analysis in an Excel spreadsheet. Since the Team began using the spreadsheet in November 2020, and until 4 November 2023, 321 matters have been registered on it.

127. At the time of the audit, 178 of the 321 legal matters were shown as still in an ongoing status at various stages and assigned to one or more of the Legal Officers in the current team.

128. From the 178 ongoing matters, it was noticed that:

(a) 102 were from the 2023 period and 76 from previous periods;

(b) 16 recorded cases did not set opening dates;

(c) 116 cases were not recorded with any due or projected closing dates;

(d) In those cases with registered dates, 2 had been ongoing for more than 37 months. When considering the expected closing date, there were cases exceeding 12 months. For example, the "derivates project" had been in process for more than one year;

(e) 28 cases were still at an ongoing stage under the management of a Legal Officer in the Office of Legal Affairs, a person indicated as part of the United Nations Secretariat, external to the Office of Investment Management;

(f) There were 12 cases for which the listed "client contact" was either a former staff member of the Office of Investment Management not currently working at the mentioned Office or a current staff member of the Secretariat, and there were 24 cases without any counterpart in the Office (outside the Legal Team).

129. In this context, the Board identified that there is scope for improvement concerning the current coordination mechanism between the senior management and the Legal Team to ensure timely follow-up on legal matters, updating of the registry by the Legal Team and addressing legal matters that represent key topics for investment activities in a timely manner.

130. The Board is of the opinion that strong and continued coordination between the senior management and the Legal Team is essential for the provision of legal advice within accurate estimated time frames and the finalization of agreements needed for investment activities to avoid delays or stalemates in legal analysis that could, for example, affect the commitments of the investment strategy or the materialization of a project.

131. The Board considers that manual record-keeping in an Excel spreadsheet, instead of purpose-specific software to track legal matters, may not be an optimal tool to ensure efficiency and consistency in recording analysed legal matters or provide the full functionality needed to cover all relevant data fields and reporting.

132. **The Board recommends that the Office of Investment Management review recent instances in which legal agreements used for investment activities not previously engaged in by the Fund were developed and negotiated, to identify the**

**contingencies that should be taken into account when new investment activities are considered by the Fund.**

133. **The Board recommends that the Office of Investment Management strengthen its coordination mechanisms between the Legal Team and the investment areas in order to develop estimated time frames for the provision of legal advice and the finalization of agreements needed for investment activities.**

134. **The Board recommends that the Office of Investment Management assess the acquisition and implementation of a purpose-specific software or platform for recording the intake and progress of matters on which legal advice has been requested.**

135. The Office of Investment Management accepted the recommendations.

## C. Transmissions of information by management

### 1. Write-off of losses of cash, receivables and property

136. During the year 2023, the Pension Administration recorded receivable write-offs for $785,619.50, as a result of normal business operations in accordance with the established policy on benefit overpayments receivable. There were no write-offs of receivables from the Office of Investment Management. There were no write-offs of losses of cash or property, in the respective areas of responsibility.

### 2. Ex gratia payments

137. The Fund reported to the Board that there were no ex gratia payments in 2023.

### 3. Cases of fraud and presumptive fraud

138. The Fund reported that there was no case of fraud and presumptive fraud related to the staff of the Fund for the financial year ended 31 December 2023.

## D. Acknowledgement

139. The Board expresses its sincere appreciation and gratitude to the Representative of the Secretary-General for the investment of the assets of the Fund, the Chief Executive of Pension Administration and the members of their staff for the assistance and cooperation extended during the conduct of the audit.

(*Signed*) **Hou** Kai
Auditor General of the People's Republic of China
Chair of the Board of Auditors

(*Signed*) Dorothy **Pérez Gutiérrez**
Acting Comptroller General of the Republic of Chile
(Lead Auditor)

(*Signed*) Pierre **Moscovici**
First President of the Court of Auditors of France

24 July 2024

# Annex

## Status of implementation of recommendations up to the financial year ended 31 December 2022

| No. | Audit report year | Report reference | Recommendation | Management's response | Board's assessment | Status after verification: Implemented | Under implementation | Not implemented | Overtaken by events |
|---|---|---|---|---|---|---|---|---|---|
| 1. | 2020 | A/76/5/Add.16, chap. II, para. 72 | The Board also recommends that the Pension Administration issue an official report with the results of the review and of the adjustments made to the after-service health insurance census data each year, in order to support the reasonableness review performed in the context of the preparation of the financial statements. | The recommendation is implemented.<br>The Human Resources Team and the Accounts Section reviewed after-service health insurance census data and issued a report with the results in accordance with the established procedure. The revised census data for 2023 were shared and considered for the after-service health insurance actuarial valuation for 2023. | Although the Pension Administration did not issue an official report with the results of the review and adjustments made to the after-service health insurance census data, the Board observed that the Pension Administration carried out the annual review in accordance with the provision of the Fund's end of service liabilities census data validation policy and procedures, which were approved in May 2022. Therefore, the recommendation is considered to have been implemented. | X | | | |
| 2. | 2020 | A/76/5/Add.16, chap. II, para. 121 | The Board also recommends that the Office of Investment Management enable the broker account module to include the direct broker feeds for the verification of staff members' brokerage accounts to comply adequately with the best practices of the industry and contribute to mitigating the risks related to potential conflicts of interest with the activities of the Fund. | The Office of Investment Management is in the process of obtaining the broker statements from all staff members. However, obtaining the direct broker feeds would not be possible owing to unforeseen obstacles. Some of the brokers require a minimum number before they enable the direct broker feeds. The Procurement Division of the United Nations has published a request for information for the selection of a compliance adviser that will be mandated for the review of the brokerage statements to ensure that privacy concerns have been addressed. | Although the Office of Investment Management is working to get the broker statements from all staff members, the broker account module has not been enabled in the system to include the direct broker feeds for the verification of staff members' brokerage accounts to comply adequately with the best practices of the industry and contribute to mitigating the risks related to potential conflicts of interest with the activities of the Fund. Consequently, the recommendation remains under implementation. | | X | | |

| No. | Audit report year | Report reference | Recommendation | Management's response | Board's assessment | Status after verification: Implemented | Under implementation | Not implemented | Overtaken by events |
|---|---|---|---|---|---|---|---|---|---|
| 3. | 2021 | A/77/5/Add.16, chap. II, para. 27 | The Board recommends that the Fund carry out an analysis of the categories that present the most significant differences between what is approved and what is executed, to improve the budgetary estimates and thus make budget proposals more accurate and better adjusted to actual expenditure made in the execution period. | The Fund's budget is the best estimate of the administrative resources required for its operation. The Fund is expected to process all entitlements and manage its investments regardless of the level of its budget or changes in the geopolitical and socioeconomic environments of its beneficiaries. The budget is therefore a ceiling of reasonable administrative expenses, and any underexpenditure remains in the Fund and should be considered as savings.<br><br>The Fund recognizes the need for budget accuracy and has taken steps to improve it. An analysis of expenditure over the past three budget cycles informed the budget request for 2024. | Since the observation in the present report on deficiencies in the monitoring of the Fund's budget implementation includes two recommendations that address this matter in an extended manner, this recommendation is considered to have been overtaken by events. | | | | X |
| 4. | 2021 | A/77/5/Add.16, chap. II, para. 32 | The Board recommends that the Fund define and implement key performance indicators linked to the main budgetary categories, for example, staff costs and contractual services, to determine and justify the resource requirements with the governance bodies. | In the 2022, 2023 and 2024 budget proposals, the Fund introduced key performance indicators and workload statistics by function and not by budget line item. New key performance indicators were introduced for Operations and Client Services. The Office of Investment Management uses the most relevant indicator, i.e. a 3.5 per cent real rate of return. The Office of Investment Management has also defined other performance | The Board verified that the Fund (both the Pension Administration and the Office of Investment Management) had introduced key performance indicators in the 2024 budget proposal; however, it has not defined and implemented indicators that link professional staff performance to individual portfolio returns for the Office of Investment Management, and had not provided detailed information on workload indicators for Pension Administration transactions. The inclusion of these elements will be reviewed in the 2025 budget proposal in the next visit. | | X | | |

| No. | Audit report year | Report reference | Recommendation | Management's response | Board's assessment | Status after verification: Implemented | Under implementation | Not implemented | Overtaken by events |
|---|---|---|---|---|---|---|---|---|---|
| | | | | indicators for specific investment portfolios/ asset classes, which are published for the Office on the website and separately monitored. | Therefore, the recommendation remains under implementation. | | | | |
| 5. | 2021 | A/77/5/Add.16, chap. II, para. 50 | The Board recommends that the Pension Administration develop and implement a dashboard incorporating key results and key performance indicators using a business intelligence technology platform to review and monitor performance and assist in taking corrective action, as required. | The recommendation is implemented. Presentations and screenshots with the content of the key performance indicators business intelligence dashboard, as well as evidence of the meetings and discussions maintained by senior management to monitor performance and adopt corrective actions, should be considered. The key performance indicators dashboard allows monitoring in real time of the key performance indicators defined in the CARE Strategy for the Pension Administration. | The Board has reviewed the current status of the dashboard developed by the Fund. The information for 2023 has been incorporated into this tool, making it available for trend analysis along with the 2024 information for key performance indicators monitoring. Therefore, this recommendation is considered to have been implemented. | X | | | |
| 6. | 2021 | A/77/5/Add.16, chap. II, para. 119 | The Board recommends that the Office of Investment Management strengthen and update the current procedure for brokers and counterparties, including the standards that brokers and counterparties need to meet, the reports and reviews currently carried out by the risk team and the Risk Committee and the criteria that need to be weighed and evaluated in the removal of or decision to retain brokers and counterparties. | The brokers and counterparties procedure was updated and approved in June 2024 to include the standards and expand the scope of the reviews currently carried out on the brokers and counterparties. | The Board verified that the Office of Investment Management has updated the brokers and counterparties procedure, including the standards that brokers and counterparties need to meet, the reports and reviews currently carried out by the risk team and the Risk Committee and the criteria that need to be weighed and evaluated in the removal of or decision to retain brokers and counterparties. Therefore, the recommendation is implemented. | X | | | |

| No. | Audit report year | Report reference | Recommendation | Management's response | Board's assessment | Status after verification: Implemented | Under implementation | Not implemented | Overtaken by events |
|---|---|---|---|---|---|---|---|---|---|
| 7. | 2022 | A/78/5/Add.16, chap. II, para. 29 | The Board recommends that the Office of Investment Management strengthen the role of the Internal Investment Committee to oversee the Office's approach to sustainable investment. | The role of the Internal Investment Committee was strengthened to oversee the Office's approach to sustainable investment, as can be evidenced in the minutes. | The Board verified that the sustainable investment manifest and policy defined that the Internal Investment Committee was responsible for meeting monthly and supervising the sustainable investment approach. In this sense, it was verified that in January, February, April and September 2023, environmental, social and governance metrics and impact investing issues were discussed. In addition, it was verified that the Internal Investment Committee's terms of reference had been adjusted on 6 April 2023 in order to strengthen and give a more relevant role in the review of investments in sustainable issues, including within its functions approving the investment recommendation under new eligible asset classes, new strategies, including impact investing and Sustainable Development Goal-aligned investment under the existing asset classes, or instruments. Therefore, the recommendation is considered to have been implemented. | X | | | |
| 8. | 2022 | A/78/5/Add.16, chap. II, para. 30 | The Board recommends that the Office of Investment Management sustainable investing team complement the current workplan, including activities, staff responsible, goals, benchmarks and deadlines, to comply with the broad topics established in its strategic plan for 2022–2023 and the recommendations and targets committed to by the | Regarding the matter observed, the Office's sustainable investment team provided the status of the activities of the strategic plan for 2022–2023 and of the recommendations and targets committed to by the Task Force on Climate-related Financial Disclosures. In addition, the team developed a Gantt chart for the period 2024 through "detailed planning". | The Board acknowledges the progress made by the sustainable investment team to identify at least activities, staff responsible, goals, benchmarks and deadlines, and also the status for compliance with the broad topics regarding the strategic plan for 2022–2023 and the Task Force on Climate-related Financial Disclosures. Consequently, the recommendation is considered to have been implemented. | X | | | |

| No. | Audit report year | Report reference | Recommendation | Management's response | Board's assessment | Status after verification: Implemented | Under implementation | Not implemented | Overtaken by events |
|---|---|---|---|---|---|---|---|---|---|
| | | | Task Force on Climate-related Financial Disclosures. | | | | | | |
| 9. | 2022 | A/78/5/Add.16, chap. II, para. 31 | The Board recommends that the Office of Investment Management develop and implement a workplan to address and close the 70 engagements committed to, and to include the metrics and targets to meet the objective of reduced financed emissions in other asset classes by 2025, with the purpose of complying with the Net-Zero Asset Owner Alliance timetable committed to. | Regarding the Net-Zero Asset Owner Alliance, the Office of Investment Management indicated through "detailed planning" the plan to integrate other asset classes, and provided an "engagement programme" that includes several activities to be performed.<br>For the 70 engagement targets, the Office pointed out that their closing does not depend on the Office since the company does not have to comply with its request and may elect to never follow its requests. It added that, following the recommendation of the Board, an escalation strategy that addresses failed engagements was developed. | Although the Board considers that the full implementation of a workplan is still an ongoing process and needs to be closely followed by the Office, it noted the progress in developing and implementing a workplan with activities and a timeline, and additional commitments to address the engagements, including metrics and targets to meet the objective of reduced financed emissions. Therefore, the recommendation is considered to have been implemented. | X | | | |
| 10. | 2022 | A/78/5/Add.16, chap. II, para. 42 | The Board recommends that the Office of Investment Management revise and adjust the current sustainable investing implementation guidelines to ensure that the activities are aligned with the nature of the investment and the current operation for each asset class. | The Office of Investment Management revised and issued the sustainable investment manifest and policy to ensure that the activities are aligned with the nature of the investment and the current operation for each asset class.<br>In addition, the Office's sustainable investment team provided several documents, for instance the "Procedures | The Board verified that the Office of Investment Management issued and approved the sustainable investment manifest and policy in August 2023, which establishes even more generally that the sustainable investing implementation guidelines such as environmental, social and governance are integrated into the investment decision for equities, fixed income and private markets. As long as the sustainable investing implementation | | X | | |

| | | | | | | Status after verification | | | |
|---|---|---|---|---|---|---|---|---|---|
| *No.* | *Audit report year* | *Report reference* | *Recommendation* | *Management's response* | *Board's assessment* | *Implemented* | *Under implementation* | *Not implemented* | *Overtaken by events* |
| | | | | – Sustainable Investing Team", which describes the monitoring and reporting activities applied and the templates used by the team to perform the due diligence questionnaire for private markets and the environmental, social and governance materiality assessment for public equities. | guidelines are adjusted or the new guideline comprehensively describes the effective activities performed in the environmental, social and governance integration of the investment for each asset class, considering the subcategories included in the asset class, the recommendation remains under implementation. | | | | |
| 11. | 2022 | A/78/5/Add.16, chap. II, para. 43 | The Board recommends that the Office of Investment Management strengthen and evaluate its current monitoring mechanism to ensure that the environmental, social and governance metrics are effectively integrated into the investment decision-making process, in order to comply with the investment policy statement and environmental, social and governance guidelines. | The Office of Investment Management issued and approved the sustainable investment manifest and policy in August 2023. The Office showed the progress made in the integration of environmental, social and governance in the investment decision-making process in 40 stocks. A specific example of the environmental, social and governance materiality assessment for public equities has been shared.<br><br>The Office of Investment Management indicates that it continued to perform environmental, social and governance due diligence as shown during the previous audit cycle. Moreover, the Office provided "Procedures – Sustainable Investing Team" and evidence of tools developed to monitor the implementation of | The Board acknowledges the efforts and improvements made by the sustainable investment team in planning environmental, social and governance integration. Through a sample review of new investments, the Board observed that although the integration of environmental, social and governance is aligned with the guidelines, it did not identify any major differences with respect to the activities conducted in the previous year. Furthermore, it was noted that some activities focused on addressing all asset classes are in the process of being implemented. Considering that the Office is working in 2024 to roll out the integration process in the portfolio and thus ensure that the metrics are effectively integrated into the investment decision-making process for each asset class, the Board considers it appropriate to assess the effectiveness of monitoring controls for all asset classes once they have been implemented for the 2024 period. Consequently, the | | X | | |

| No. | Audit report year | Report reference | Recommendation | Management's response | Board's assessment | Status after verification: Implemented | Under implementation | Not implemented | Overtaken by events |
|---|---|---|---|---|---|---|---|---|---|
| | | | | environmental, social and governance factors into the investment decision-making process. | recommendation is considered to be under implementation. | | | | |
| 12. | 2022 | A/78/5/Add.16, chap. II, para. 52 | The Board recommends that the Office of Investment Management revise the current investment policy statement to ensure that all instruments by each asset class are not exempt from the analysis of environmental, social and governance and rating restrictions, including exchange-traded funds and any other index products. | The investment policy statement was revised as requested and a copy of the revised policy is available on the Fund's website. | The Board verified that the investment policy statement was modified and endorsed by the Pension Board in July 2023 to clarify that exchange-traded funds are not exempt from the analysis and monitoring of environmental, social and governance and rating restrictions. Therefore, the recommendation is considered to have been implemented. | X | | | |
| 13. | 2022 | A/78/5/Add.16, chap. II, para. 53 | The Board recommends that the Office of Investment Management establish and implement a procedure to integrate the analysis of the environmental, social and governance metrics, rating restrictions and reputational risk issues through the exchange-traded funds investment process, in order to be aligned with the sustainable strategy for all asset classes. | The Office of Investment Management did not accept the recommendation and explained that the exception for exchange-traded funds grants access to markets, making it impossible to follow the Office's environmental, social and governance policies. Nevertheless, the Office provided the environmental, social and governance monitoring review for the fourth quarter of 2023, over the exchange-traded funds held as at 31 December 2023. | Although the Office of Investment Management did not accept the recommendation, it was verified that the investment policy statement was modified and endorsed by the Pension Board in July 2023 to clarify that exchange-traded funds are not exempt from the analysis and monitoring of environmental, social and governance and rating restrictions.<br>Through the updated policy, the Board noticed that even if the individual holdings in the exchange-traded funds fall under the criteria for restricted and prohibited industries and/or the minimum required credit ratings, they might be maintained in the investable universe. Therefore, the recommendation is considered to have been overtaken by events. | | | | X |

| No. | Audit report year | Report reference | Recommendation | Management's response | Board's assessment | Status after verification | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Implemented | Under implementation | Not implemented | Overtaken by events |
| 14. | 2022 | A/78/5/Add.16, chap. II, para. 64 | The Board recommends that the Pension Administration revise and adjust the write-off policy, taking into consideration the nature and different factors that would contribute to further categorizing the overpayments made, and then proceed with the write-off, if applicable. | The Pension Administration has issued the procedures on recovery and write-off of pension benefit overpayments. The revised procedure clarifies the review on overpayments and the judgment applied to determine when the claim for the repayment of an overpayment should be surrendered by the Fund (also referred to as write-off). The procedure provides guidance to determine when the Pension Administration authorizes to give up a claim for repayment rather than defining objectives and key performance indicators for the minimum number and/or percentage of claims to be surrendered for each period. | The Board verified that the Pension Administration revises and adjusts the write-off policy called "procedures on recovery and write-off of pension benefit overpayments", which clarifies the review on overpayments and the judgment applied to determine when the claim for repayment of an overpayment should be surrendered by the Fund. Therefore, the recommendation is considered to have been implemented. | X | | | |
| 15. | 2022 | A/78/5/Add.16, chap. II, para. 72 | The Board recommends that the Fund, on the basis of analysis, include in its gender strategy a specific target and margin of gender parity that it aims to accomplish. | The Fund's gender strategy was updated in March 2023, and target margins were incorporated, in line with the Secretary-General's gender parity strategy. The updated strategy shows performance against the target margins. Progress on the implementation of the strategy is regularly reported to senior management and annually to the Pension Board. The updated strategy was disseminated to all staff and is available on the Fund's intranet. | The Board verified that the Fund carried out an analysis and issued an updated gender strategy, which includes an action plan and specific target of 50/50 to achieve gender parity and enhance inclusivity within the organization. Therefore, the recommendation is considered to have been implemented. | X | | | |

| No. | Audit report year | Report reference | Recommendation | Management's response | Board's assessment | | *Status after verification* Implemented | Under implementation | Not implemented | Overtaken by events |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | The list of gender focal points for the Office of Investment Management and the Pension Administration, who support the implementation of the strategy, was recently updated.<br><br>The Fund has achieved substantial progress in the implementation of the action plan contained in the gender strategy for 2021–2023. Among other activities, a lactation room was allocated at the Fund's headquarters in New York, and outreach activities have been conducted for International Women's Day and at an internal event for children. | | | | | | |
| | **Total number of recommendations** | | | | | **15** | **9** | **4** | **0** | **2** |
| | **Percentage of total number of recommendations** | | | | | **100** | **60** | **27** | **0** | **13** |

# Annex XI

## Financial statements of the United Nations Joint Staff Pension Fund for the year ended 31 December 2023

# Chapter III

## Certification of financial statements

### Letter dated 13 June 2024 from the Chief Financial Officer of the United Nations Joint Staff Pension Fund addressed to the Chair of the Board of Auditors

The financial statements of the United Nations Joint Staff Pension Fund for the year ended 31 December 2023 have been prepared in accordance with the Regulations, Rules and Pension Adjustment System of the United Nations Joint Staff Pension Fund,[1] International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board and International Accounting Standard 26, Accounting and reporting by retirement benefit plans, as issued by the International Accounting Standards Board. The summary of significant accounting policies applied in the preparation of the financial statements is included in the notes to the financial statements. The notes provide additional information on and clarification of the financial activities undertaken by the Fund during the period covered by these statements.

I certify that the appended financial statements of the United Nations Joint Staff Pension Fund are correct in all material respects.

(*Signed*) Enzo **Iaderosa**
Chief Financial Officer (Officer-in-Charge)
United Nations Joint Staff Pension Fund

*Note*: The present annex reproduces chapters III to V of the financial report and audited financial statements for the year ended 31 December 2023 and report of the Board of Auditors on the United Nations Joint Staff Pension Fund (A/79/5/Add.16).

[1] The financial rules are promulgated by the United Nations Joint Staff Pension Board in accordance with article 4 (b) of the Regulations of the Fund with effect from 1 January 2017. Subject to the provisions of the Regulations of the Fund and to resolutions and decisions of the General Assembly pertaining to the financial operations of the Fund, those financial rules shall govern the financial management and administration of the Fund and should be read in conjunction with the Administrative Rules. With regard to any matter not specifically covered by those rules, the appropriate provisions of the Financial Regulations and Rules of the United Nations shall apply, mutatis mutandis.

## Statement of internal control for the year ended 31 December 2023[2]

### Scope of responsibility

The United Nations Joint Staff Pension Fund was established by the General Assembly in 1949 to provide retirement, death, disability and related benefits for staff of the United Nations and the other international organizations admitted to membership in the Fund. The Fund is a multiple-employer defined benefit plan.

The United Nations Joint Staff Pension Board, a subsidiary organ of the General Assembly, has the overall supervisory responsibility for the administration of the Fund and the observance of the Regulations and Rules of the Fund.

The Chief Executive of Pension Administration discharges the Pension Board's responsibility for the administrative supervision of the Pension Administration. Under the authority of the Board, the Chief Executive collects contributions, ensures record-keeping for the Pension Administration, certifies benefit payments and deals with other issues related to the Fund's participants and beneficiaries. The Chief Executive is also responsible for ensuring that actuarial matters are addressed with a view to maintaining the long-term sustainability and financial health of the Fund.

The investment of the assets of the Fund is the responsibility of the Secretary-General. The Secretary-General has delegated his authority and responsibility to act on his behalf in all matters involving his fiduciary duties related to the investment of the assets of the Fund to the Representative of the Secretary-General. The Representative of the Secretary-General has delegated responsibility for the management and accounting of the investments of the Fund and for the management of the Office of Investment Management. The Representative of the Secretary-General exercises this duty and makes investment decisions after consultation with the Investments Committee and in the light of observations made from time to time by the Pension Board on investment policy.

The Chief Executive and the Representative of the Secretary-General are responsible for establishing and maintaining a sound system of internal controls in their respective areas of responsibility to ensure the accomplishment of objectives, the economical use of resources, the reliability and integrity of information, compliance with rules and regulations, and the safeguarding of assets.

### Purpose of the system of internal control

The system of internal control is designed to reduce and manage rather than eliminate the risk of failure to achieve the objectives of the Fund and to improve performance. It can therefore provide only a reasonable but not an absolute assurance of effectiveness. Internal control is an ongoing process, effected by the Fund's governing bodies, senior management and other personnel, designed to provide reasonable assurance regarding the achievement of the following internal control objectives:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable rules and regulations.

[2] The statement of internal control, which accompanies the financial statements, is issued by the Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the United Nations Joint Staff Pension Fund, in accordance with financial rule G.4 of the Fund.

Internal control is a key function of management and an integral part of the overall process of managing operations. The Fund management at all levels therefore has the responsibility to:

- Establish an environment and culture that promotes effective internal control
- Identify and assess risks that may affect the achievement of objectives
- Specify and implement policies, plans, operating standards, procedures, systems and other control activities to manage risks
- Ensure an adequate flow of information and communication so that all Fund staff have the information that they need to fulfil their responsibilities
- Monitor the effectiveness of the internal control system.

**Operating environment of the Fund**

The Fund is exposed through its plan design, investments and operations to the fluctuations of financial markets, demographic changes, internal risks related to its operations and risks affecting its member organizations, service providers or clients located in more than 190 countries. All significant identified risks are captured in formal risk registers, which are subject to regular review by senior managers and internal and external auditors.

**Fund risk management and internal control framework**

The Fund has implemented a governance structure, management processes, and internal and external oversight mechanisms to adequately identify, assess, manage, monitor and report the risks inherent to its operations.

The internal control policy of the Fund defines internal control objectives, components and responsibilities, as well as the roles of management, risk management and compliance functions, internal audit and external audit, in line with the three lines of defence model. The Fund's internal controls over financial reporting provide reasonable assurance that assets are safeguarded, that transactions are properly recorded and authorized and that there are no material misstatements in the financial statements. The internal control system and the review of its effectiveness are consistent with the criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

The internal control framework is integrated with, and complemented by, specific control frameworks to provide reasonable assurance on the use of information, consistent with the Control Objectives for Information and Related Technologies, and its integrity and availability, in accordance with the International Organization for Standardization ISO/IEC 27001 standard.

The enterprise-wide risk management framework adopted by the Fund reflects the nature of its operations and development, as well as its specific requirements. The enterprise-wide risk management framework is aimed at identifying events that may affect the Fund and managing risk within the Fund's risk appetite. The Fund's risk management framework includes the following components:

- Risk management governance: The operation of the risk management framework is supported by the full ownership and accountability of the Pension Board, management and staff for risk management activities. Specialized committees conduct oversight and provide advice to the Pension Board on risk management and internal control, as follows:

(i) Audit Committee: As an advisory committee of the Pension Board, it provides general oversight and offers recommendations for the Fund's internal and external auditing, and the Fund's risk management and internal control framework;

(ii) Fund Solvency and Assets and Liabilities Monitoring Committee: It advises the Pension Board on risk management, funding policy, asset-liability management and investment policy matters.

At the management level, the Enterprise-wide Risk Management Working Group, chaired by the Chief Executive and the Representative of the Secretary-General, includes representatives from all offices and monitors the Fund's risk profile, the implementation of risk management strategies and the effectiveness of the enterprise-wide risk management framework.

- Enterprise-wide risk management policy: The policy provides the basis for the operation of the risk management framework and specifies its applicability throughout the Fund. The enterprise-wide risk management policy methodology complements the policy and defines the steps, roles and responsibilities in the risk management process. The policy complements the United Nations code of conduct and the standards of conduct for the international civil service and related administrative instructions and guidelines in articulating expectations and behaviours for risk-conscious decision-making.
- Risk assessments: The Fund conducts periodic risk assessment exercises and maintains an enterprise risk register, which serves as the basis for defining mitigation strategies or internal controls to address the Fund's key risks. Detailed risk registers and other risk analyses supplement the enterprise risk register in areas such as business continuity risks and cybersecurity risks. Risk management is integrated into project management, with risk registers developed for projects.
- Risk monitoring: The Fund's risk profile is monitored during the quarterly meetings of the Enterprise-wide Risk Management Working Group. Risk management officers promote the implementation of the enterprise-wide risk management framework, facilitate risk assessments, advise in the implementation of risk management strategies and monitor and report on the Fund's risk profile. Frequent risk monitoring is conducted using a risk dashboard and key risk indicators, in order to better understand and assess enterprise risks.
- Fraud risk assessment: The Pension Administration and the Office of Investment Management perform fraud risk assessments to identify specific fraud schemes and risks, assess their likelihood and significance, evaluate existing fraud control activities, and implement actions to mitigate residual fraud risks.

**Review of the effectiveness of internal controls**

The review of the effectiveness of the Fund's internal controls for the year ended 31 December 2023 is supported by:

- Evaluation of internal controls over financial reporting by management, which involved the identification, documentation and evaluation of the design and operational effectiveness testing of internal controls; the preparation and implementation of mitigation plans to address any control deficiencies identified; and an internal control self-assessment and assertion letters submitted by key officers in the Pension Administration and the Office of Investment Management, who recognized their responsibility for maintaining and executing effective internal controls and reported any deficiencies identified. Internal control evaluations and assertion letters were reviewed carefully, and action plans to implement corrective actions were prepared, where applicable.

- The mapping conducted by the Fund during 2023 of its internal controls over sustainability reporting to identify required additional controls and updates to control documentation.
- The assurance provided by the Office of Internal Oversight Services (OIOS), in accordance with its mandate, that internal controls are adequate and functioning effectively. In the execution of a risk-based audit plan endorsed by the Audit Committee, OIOS conducted eight audits in 2023 to provide assurance on the effectiveness of internal controls and identify control deficiencies. OIOS made 53 new audit recommendations during 2023. The Chief Executive and the Representative of the Secretary-General, in their respective areas of responsibility, took appropriate actions to address important audit recommendations resulting from internal audits.
- The independent examination conducted by the Board of Auditors, in accordance with its mandate, of the Fund's management, internal controls and financial statements, performing such tests and other procedures as they considered necessary to express an opinion in their annual audit report. The Board was given full and unrestricted access to all financial records and related data and to the Fund's management and Audit Committee to discuss any findings related to the integrity and reliability of the Fund's financial reporting. The external audit report accompanies the financial statements.
- The review of the results of independent service audits on the controls applied by key service providers, including Northern Trust, the master record keeper for the Fund's investments and the custodian banks for the investments, the Office of Investment Management's infrastructure hosting and cloud service provider, as well as the United Nations International Computing Centre information and communication technology (ICT) services and related controls over financial reporting. Service audits concluded that, in all material respects, the controls were suitably designed and operating effectively to provide reasonable assurance that control objectives would be achieved.
- The successful renewal by the Pension Administration in December 2023 of its ISO 27001:2013 Information Security Management System certification for the Integrated Pension Administration System, and the digital certificate of entitlement, which is valid for three years, until March 2025.
- The successful renewal by the Office of Investment Management in December 2023 and February 2024, of the certifications for ISO 22301:2019 for the Business Continuity Management System and ISO 27001:2013 for the Information Security Management System. Both certifications remain valid until 2027. The certifications confirm that the Office conforms to the requirements of the information security management system and business continuity management system standards.

**Internal control matters during 2023 and planned actions**

The review of the results of the internal control self-assessment and assertion letters signed by key officers in the Fund and the results of internal and external audits, independent service audits, and International Organization for Standardization certification audits provide assurance on the effectiveness of internal controls. No significant internal control matters were identified; however, the Fund will continue to manage and improve key risk and internal controls in the following areas:

1. In its previous report (A/78/5/Add.16), the Board of Auditors did not identify significant errors, omissions or misstatements from the review of the financial records of the Fund for the year ended 31 December 2022. However, the Board identified scope for improvements in the areas of implementation of environmental, social and governance metrics, a gender balance strategy and overpayments write-off criteria. Management has initiated or completed the implementation of the recommendations made by the Board, except for one rejected recommendation relating to screening exchange-traded funds because these financial investments are externally managed for many investors, both individual and institutional, and as such the Office of Investment Management has no direct control over the stock selection.

2. Investments and market risks: In 2023, the stock and bond markets rebounded strongly from a challenging 2022. Despite a regional banking crisis in the first quarter that raised concerns about a credit crunch, the Fund remained resilient. The economy stayed robust, and inflation cooled. The United States of America Federal Reserve raised interest rates four times during the year, but officials indicated at their December 2023 meeting that they did not plan to raise rates further and might even lower them in the coming year. The Fund's commitment to stability and adherence to industry standards was evident, as it conducted a quadrennial asset-liability management study in 2023 and successfully implemented new benchmarks and a new strategic asset allocation in March 2024. In addition, the Fund remained compliant with the Global Investment Performance Standards.

3. Risks derived from inflation and geopolitical crises: Inflation rates remain high globally despite coming down from recent peaks. Experts predict that inflation will continue to decline in the coming year but remain above pre-2020 levels. Geopolitical risks have intensified, with a potential shift in alignment, a new war in the Middle East and increased risks in Asia. The asset-liability management study considered uncertainties when developing a strategic asset allocation. In addition, the Office of Investment Management started performing reverse stress testing to gauge the impact of inflation risks on Fund sustainability, as well as conducting scenario analysis, including of climate scenarios. In addition, the Fund continues to diversify channels to distribute pension benefit payments, including through the United Nations Treasury, and to offer new digital services to lower banking charges for beneficiaries located in countries affected by disruptions in the international transaction system. The Fund will continue to monitor possible financial and operational impacts of the high-inflation environment and take prompt action to mitigate potential risks derived from inflation and geopolitical crises.

4. Business transformation: The Fund has recognized that business transformation is required to prepare for and respond to global and long-term structural challenges, and to generate better outcomes for internal and external clients. In 2023, the Pension Administration continued to implement and extended the CARE[3] strategy and related road map and projects, with a focus on integrating modern technologies and continuous improvement into business processes. In addition, the introduction of new benefit payment channels, automated scanning and signature verification, and new functionalities in the Fund's digital certificate of entitlement, provided enhanced service to clients. For 2024, the introduction of the new customer relationship management system will pave the way for further organizational and process changes and enhanced internal controls to adopt more self-service-based, electronic and paperless processes and upgrade ageing systems to improve the client experience and increase efficiency. In 2023, the Office of Investment Management updated its target operating model to define business and organizational

[3] Client-focused, action-oriented, relations-builder and efficiency-driven.

transformation strategies aimed at achieving effective collaboration and standardized or seamlessly integrated business processes, data, technology and communication. From 2024 onwards, the Office will advance in the implementation of the strategic road map and related projects to ensure strategic investment alignment, promote a risk-taking culture and develop organizational agility.

5. Organizational culture: Strengthening the Fund’s culture has been identified by management as key to the success of the Fund’s overall strategy. A leadership culture assessment in line with the United Nations system leadership framework has been conducted annually since 2021 with the participation of a majority of Fund staff to identify priorities for culture-related work. In 2023, that work focused on communication, collaboration and transformation. Complementarily, the Fund has largely fulfilled the objectives of the human resources strategy for the period 2021-2023, the training strategy and guidelines, and the gender strategy, resulting in processes and principles to promote a more satisfied and skilled workforce and a gender-sensitive work environment. The implementation of culture transformation initiatives will continue, with a focus on promoting organizational values and priorities. For 2024, the Fund aims to strengthen its culture, building on the results of the 2024 leadership culture assessment to track progress and identify new areas of focus.

6. Cybersecurity risk: During 2023, the Fund continued to enhance its information security framework and processes to respond to emerging technologies and increasingly sophisticated threats, including the disruptive capabilities of manipulated information and access to large-scale artificial intelligence models. Both the Pension Administration and the Office of Investment Management continued to maintain the ISO 27001:2013 Information Security Management System certification to ensure that appropriate cyberrisk controls were in place, and to ensure the delivery of mandatory training and awareness training to staff, including with regard to phishing campaigns. Security operations centres managed by third parties provided around-the-clock monitoring and incident management for security events to ensure that data assets remained protected. Complementarily, the Fund continued to enforce information security requirements for key suppliers and applications. Projects to secure member self-service portals and transactions, with the introduction of multi-factor authentication and cyberinsurance for the Office of Investment Management, are well under way.

7. Business continuity management: The Fund continued to maintain a robust business continuity management governance framework, with defined continuity plans and information technology disaster recovery. The Fund has full remote-working capability for all teams, to allow the continuity of critical business functions and the physical isolation of staff. Resilient data-centre hosting arrangements are in place that provide high availability for key ICT systems. During 2023, the Pension Administration gradually moved ICT systems to the cloud to enhance resilience and achieve further efficiencies, while focusing on crisis preparedness and crisis management for unexpected complex scenarios. In March 2023, the Office of Investment Management successfully moved to a new infrastructure as a service provider and focused on ensuring the resilience of critical service providers. Given the likelihood and broad nature of possible crises, in 2024 the Fund will continue to enhance its business continuity arrangements and monitor supplier viability, to strengthen its ability to maintain its critical business services during and following disruptive events.

8. Data governance: Both the Pension Administration and the Office of Investment Management have undertaken projects to develop and implement a data governance framework as a key enabler to realizing the objective of becoming a data-driven organization. Various components of the data governance framework are in place or are under development, including a dedicated data governance council, data inventory and a data quality policy. Additional data work and the data governance

operating model will allow further alignment of the Fund's data strategy with the vision of the Secretary-General and with guidance issued by the United Nations on data protection and privacy.

9. Sustainability risks: The Fund maintains a comprehensive sustainability framework and commits to the targets set out in the United Nations Secretariat climate action plan 2020–2030. During 2023, the Fund expanded the mechanisms for integrating environmental, social and governance factors into investment decision-making and internal processes. The Office of Investment Management strengthened its environmental, social and governance policy and published a sustainable investing manifest, which sets out the Office's beliefs and principles related to sustainability integration in investment and internal processes. The Fund developed a new integration strategy, moving to an enhanced integration process and defining objectives; boosted private-market environmental, social and governance integration techniques; and initiated a review of its fixed-income environmental, social and governance processes. An impact investing policy was issued which defines impact investing and sets out a governance structure and mandate (impact and return), themes, principles and relevant frameworks. The Fund is on track to reach its 40 per cent carbon-reduction target for equities, corporate bonds and non-listed real estate portfolios. The Fund has also made progress in its engagement with and financing of transition efforts. Proxy vote rights were exercised in more than 99 per cent of meetings with votes, and more than 560 companies were engaged globally on 2,730 environmental, social, governance, strategy, risk and communication issues and objectives. A new reduction target for 2030 will be set in 2024, in line with the recommendations of the Net-Zero Asset Owner Alliance. The 2023 status report of the Task Force on Climate-related Financial Disclosures provided an outline of the progress made on the governance, strategy, risk management, metrics and targets adopted by the Fund. From 2024, the Fund will report on climate-related risks and opportunities in line with the International Financial Reporting Standard S2 guidelines.

**Statement**

We acknowledge that management is responsible for establishing and maintaining adequate internal controls over financial reporting.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error or circumvention. Accordingly, even effective internal controls can provide only reasonable but not absolute assurance. Furthermore, because of changes in conditions, the effectiveness of internal controls may vary over time.

As the evaluation of the effectiveness of internal controls was conducted as at 31 December 2023 and, on the basis of that evaluation, we conclude that, to our best knowledge and information, there were no material weaknesses in internal controls, in our respective areas of responsibility, during the year ended 31 December 2023.

Within the scope of our respective areas of responsibility, we are committed to addressing any weaknesses in internal controls identified during the year and ensuring the continuous improvement of internal controls.

(*Signed*) Rosemarie **McClean**
Chief Executive of Pension Administration
United Nations Joint Staff Pension Fund

(*Signed*) Pedro **Guazo**
Representative of the Secretary-General for the investment
of the assets of the Fund

29 April 2024

# Chapter IV
# Financial overview

## A. Message from the Chief Executive of Pension Administration and the Representative of the Secretary-General

1. Despite volatility in the global markets and geopolitical challenges in 2023, the investment portfolio had a very positive performance and, as a result, the Fund remains financially sound and resilient, providing reliable services to its clients, while modernization efforts have continued.

2. The biennial actuarial valuation of the Fund as at 31 December 2021, as reviewed by the United Nations Joint Staff Pension Board in July 2022, reported a surplus. It established that the current contribution rate is sufficient for the Fund to remain sustainable over the long term, for current and future participants and beneficiaries. This meant that the Fund was in a strong position to absorb the market downturn in 2022 given the previous years' results and the very strong results of 2023, with the next actuarial valuation due to be reported to the Board in July 2024.

3. In the 2023 financial year, the Fund delivered a positive performance on the Fund's investments, which grew by $10.2 billion (an increase of 13 per cent) to $87.6 billion.

4. As expected, the Fund has continued to grow through an increase in participants and beneficiaries. Although the balance between participant contributions and benefits paid has been stable in recent years, during 2023 the benefits paid exceeded the contributions received by $119 million.

5. As in previous years, payments were issued on time and the banking crisis in the first few months of 2023 was mitigated and had no impact on the distribution of benefits. The Fund continued to explore and set up new payment channels to ensure the transfer of benefit payments in countries with banking systems affected by geopolitical challenges. The Fund also outperformed its benchmark in pension processing, with more than 90 per cent of initial pension cases processed within 15 business days in 2023.

6. Meanwhile, the Fund has continued to modernize its operations, further simplifying and digitalizing interactions with its clients. We are particularly proud that one of our flagship projects, the digital certificate of entitlement application, won the 2023 Government Blockchain Association's social impact award.

7. We remain confident that the Fund will continue to deliver and improve services to its members, ensuring long-term sustainability through ethical investing.

## B. Administration of the Fund

8. The Fund was established by the General Assembly in 1949 to provide retirement, death, disability and related benefits for staff of the United Nations and the other international organizations admitted to membership in the Fund.

9. The Pension Board, a subsidiary organ of the General Assembly, has the overall supervisory responsibility for the administration of the Fund and the observance of the Regulations and Rules of the Fund. The Secretary-General appoints the independent Secretary of the Pension Board on the recommendation of the Pension Board. The Secretary of the Pension Board is responsible for a full range of secretariat conference management and services.

10. The Chief Executive of Pension Administration is appointed by the Secretary-General on the recommendation of the Pension Board. The Chief Executive acts under the authority of the Pension Board in the discharge of the latter's responsibility for the administrative supervision of the Fund as a whole.

11. The investment of the assets of the Fund is decided upon by the Secretary-General after consultation with an Investments Committee and in the light of observations and suggestions made from time to time by the Pension Board on the investments policy. The Secretary-General has delegated his authority and responsibility to act on his behalf in all matters involving his fiduciary duties related to the investment of the assets of the Fund to the Representative of the Secretary-General.

12. For detailed information about the purpose, administration, structure and management of the Fund, please refer to note 1 of the financial statements.

## C. Key indicators

(Millions of United States dollars, except for the number of participants and the number of periodic benefits)

| | *Year* | | | | |
|---|---|---|---|---|---|
| | *2023* | *2022* | *2021* | *2020* | *2019* |
| Net assets available for benefits | 88 239 | 77 918 | 91 460 | 81 512 | 72 034 |
| Actuarial present value of accumulated plan benefits with pension adjustments[a] | 90 945 | 81 121 | 66 656 | 63 259 | 59 829 |
| (Deficit)/excess of the actuarial present value of accumulated plan benefits with pension adjustments | (2 706) | (3 203) | 24 804 | 18 253 | 12 205 |
| Investment income/(loss) | 10 565 | (13 458) | 10 047 | 9 516 | 11 362 |
| Pension contributions | 3 409 | 3 121 | 2 969 | 2 847 | 2 689 |
| Number of participants | 149 848 | 143 612 | 137 261 | 134 632 | 131 583 |
| Pension benefits | 3 527 | 3 128 | 2 976 | 2 789 | 2 700 |
| Number of periodic benefits | 86 013 | 83 988 | 82 312 | 80 346 | 79 975 |
| Increase/(decrease) in net assets available for benefits | 10 321 | (13 541) | 9 948 | 9 477 | 11 258 |

[a] The 2022 and 2023 actuarial present values of accumulated plan benefits include future increases in pensionable remuneration.

## D. Financial performance

### Net assets available for benefits

13. The statement of net assets available for benefits provides information on the financial position of the Fund and presents the assets of the Fund less liabilities other than the actuarial present value of accumulated plan benefits. Meeting the requirements of International Accounting Standard 26, Accounting and reporting by retirement benefit plans, the Fund has opted to disclose the actuarial present value of accumulated plan benefits in a footnote.

14. Net assets available for benefits as at 31 December 2023 were $88,239.3 million (2022: $77,918.3 million), an increase of $10,321.0 million (13.2 per cent).

15. The fair value of investments as at 31 December 2023 was $87,598.7 million (2022: $77,437.5 million), reflecting an increase of $10,161.2 million (13.1 per cent). Details on the investment classes as at 31 December 2023 and 31 December 2022 are shown in the table below:

(Millions of United States dollars)

| | 31 December 2023 | 31 December 2022 | Change | Percentage |
|---|---|---|---|---|
| Equities | 45 257 | 39 246 | 6 011 | 15.3 |
| Fixed income | 27 543 | 24 132 | 3 411 | 14.1 |
| Real assets | 7 207 | 7 493 | (286) | (3.8) |
| Alternative and other investments | 7 592 | 6 566 | 1 026 | 15.6 |
| **Investments** | **87 599** | **77 437** | **10 162** | **13.1** |
| Cash and cash equivalents | 742 | 750 | (8) | (1.1) |
| **Total** | **88 341** | **78 187** | **10 154** | **13.0** |

16. Total liabilities of the Fund as at 31 December 2023 were $518.6 million (2022: $691.4 million), a decrease of $172.8 million, or 25.0 per cent. The decrease in total liabilities was due primarily to the total decrease in the amount payable from investments traded of $207.5 million.

### Changes in net assets available for benefits

17. The statement of changes in net assets available for benefits provides information about the changes in the net assets of the Fund for a year categorized by investment income/(loss), pension contributions, pension benefits and administrative expenses.

18. There was an increase in the net assets available for benefits for the year ended 31 December 2023 of $10,321.0 million (2022: decrease of $13,541.2 million). The increase was attributable primarily to investment income for the year.

19. Investment income for 2023 was $10,565.2 million (2022: loss of $13,457.8 million). Investment income for 2023 comprised mainly a net increase in the fair value of investments of $9,035.5 million, dividend income of $855.3 million and interest income of $822.8 million.

20. Total contributions ($1,135.6 million from participants, $2,261.6 million from member organizations and other contributions of $11.7 million) for 2023 were $3,408.9 million (2022: $3,121.3 million), reflecting an increase of $287.6 million (9.2 per cent) compared with total contributions in 2022 (see sect. E, Participants and beneficiaries, for more details).

21. Pension benefits for 2023 of $3,527.4 million (2022: $3,128.2 million) reflected an increase of $399.2 million, or 12.8 per cent, compared with the benefits in 2022 (see sect. E, Participants and beneficiaries, for more details).

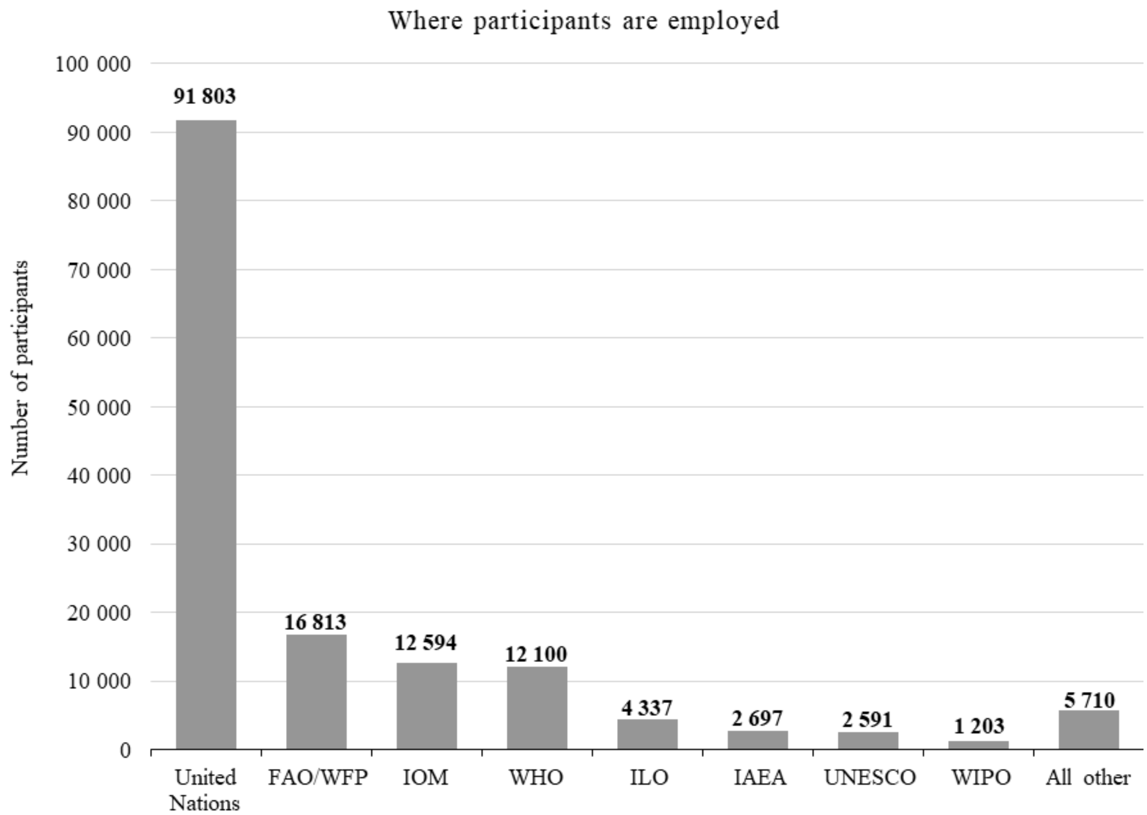
22. Administrative expenses for 2023 of $133.0 million (2022: $83.0 million) reflected an increase of $50.0 million (60.2 per cent), due primarily to the increase in liabilities for post-employment benefits.

## E. Participants and beneficiaries

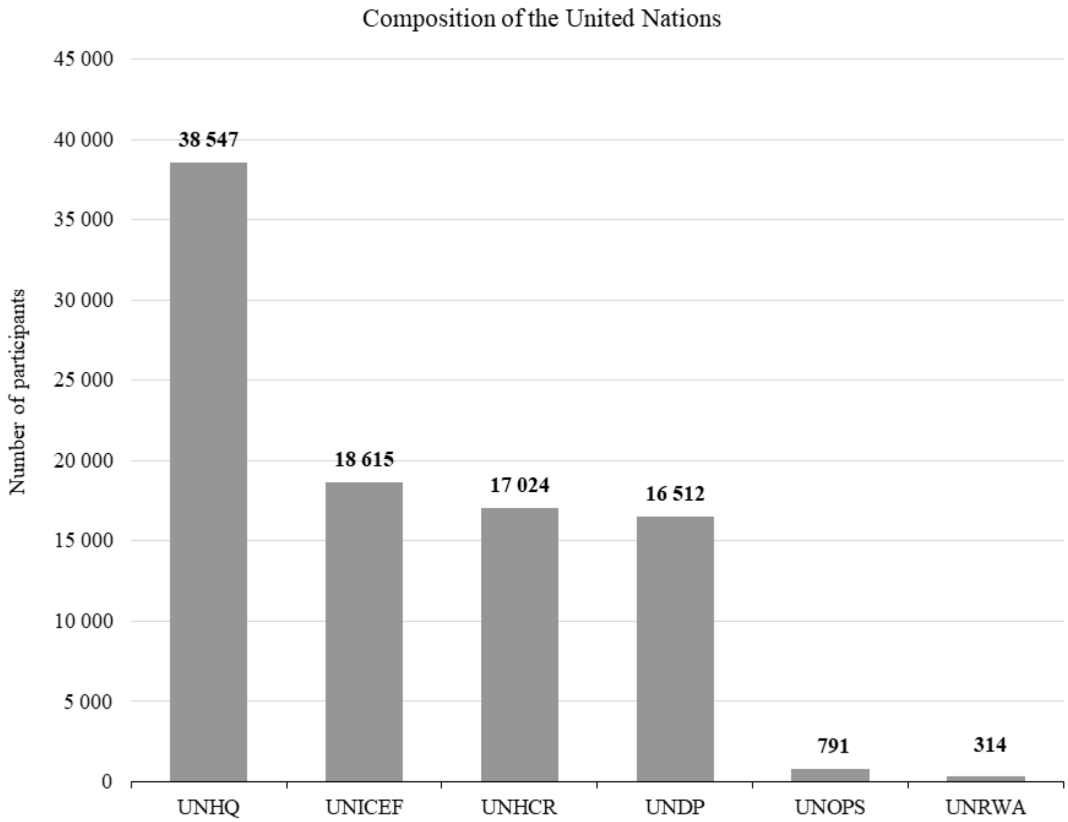
23. The total number of participants as at 31 December 2023 was 149,848, an increase of 4.3 per cent from 31 December 2022. The total participant count went up by 4.6 per cent during 2022. Most of the increases were from the United Nations (2.6 per cent, from 89,446 to 91,803), the International Organization for Migration (26.3 per cent, from 9,968 to 12,594) and the Food and Agriculture Organization of the

United Nations (including the World Food Programme, 5.2 per cent from 15,990 to 16,813) (see annex, table 1, for more details).

24. The figures below illustrate the composition of the Fund's member organizations by participant count and the funds and programmes of the United Nations as at 31 December 2023.

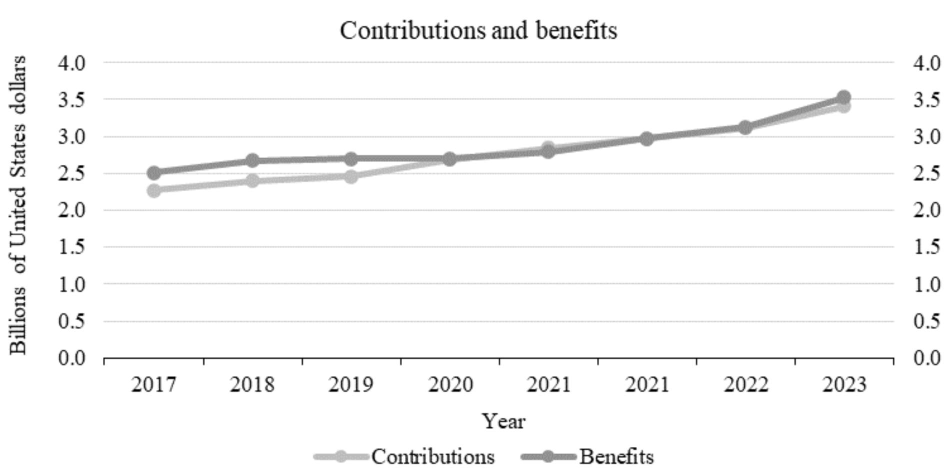



*Abbreviations*: FAO/WFP, Food and Agriculture Organization of the United Nations/World Food Programme; IAEA, International Atomic Energy Agency; ILO, International Labour Organization; IOM, International Organization for Migration; UNESCO, United Nations Educational, Scientific and Cultural Organization; WHO, World Health Organization; and WIPO, World Intellectual Property Organization.



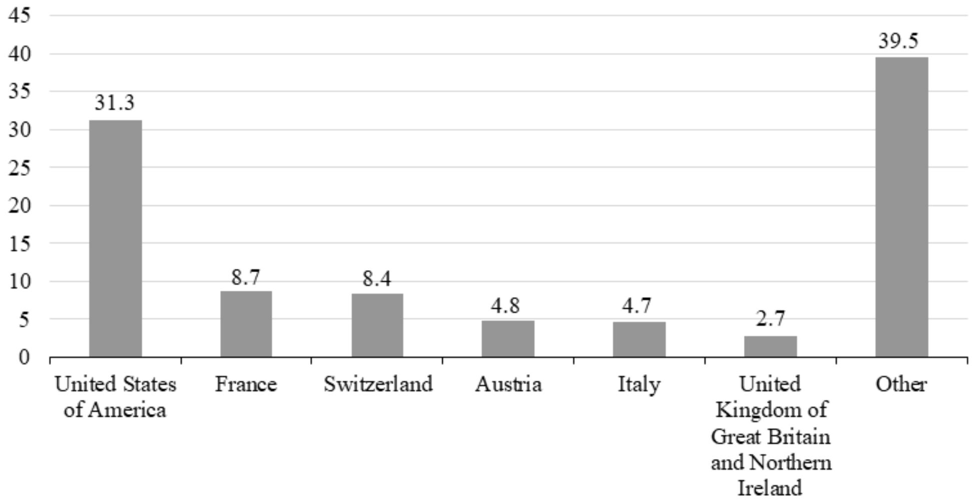

*Abbreviations*: UNDP, United Nations Development Programme; UNHCR, Office of the United Nations High Commissioner for Refugees; UNHQ, United Nations Headquarters; UNICEF, United Nations Children's Fund; UNOPS, United Nations Office for Project Services; and UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East.

25. The increase in the number of Fund participants, along with the increase in pensionable remuneration (6.2 per cent for all grades and steps in the Professional and higher categories from 1 February 2022 to 1 February 2023), contributed to the increase in pension contributions for the year 2023 by 9.2 per cent, from $3,121.3 million for the year ended 31 December 2022 to $3,408.9 million for the year ended 31 December 2023. As in the year 2022, the total contributions were slightly exceeded by the total pension benefits of $3,527.4 million during the year 2023. During the year 2022, the total contributions were $3,121.3 million and the total pension benefits were $3,128.2 million.



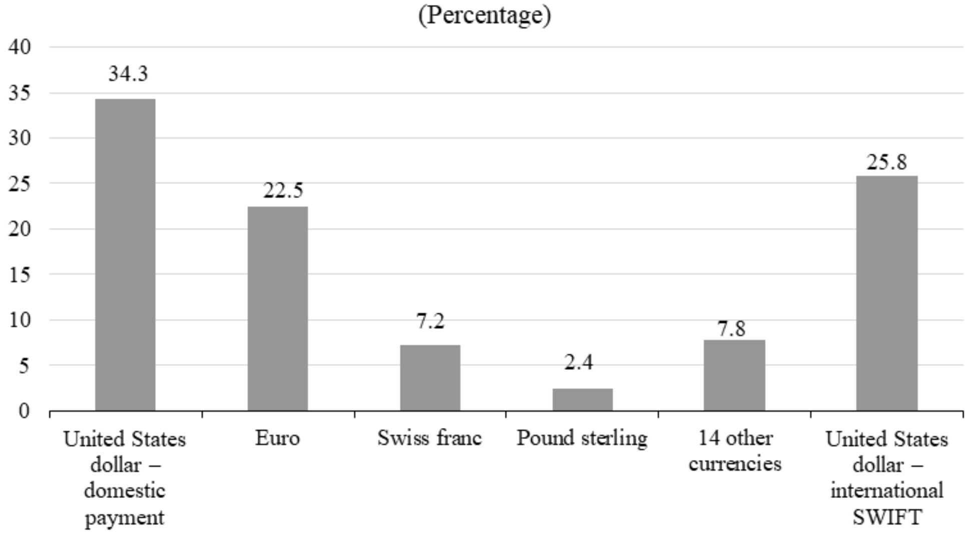
26. The Fund's beneficiaries reside in more than 190 countries. Most recipients of monthly periodic benefits request their benefits to be paid to banks in the country in which the member organization headquarters are located (United States of America, France, Switzerland, Austria, Italy or United Kingdom of Great Britain and Northern Ireland). However, a considerable number of beneficiaries use banks outside those countries. The Fund is fully committed to delivering payments in every jurisdiction of the world. Thus, the distribution of benefit payments is subject to global geopolitical challenges that disrupt banking conditions in affected locations (e.g. Niger, Sudan and Russian Federation).

Location of receiving bank, as of December 2023
(Percentage)




27. The Fund transfers monthly benefit payments in 18 currencies, and more than two thirds of periodic benefits are paid via domestic payment methods, as shown in the figure below. The Fund continues to identify additional jurisdictions for payments in local currencies through the local banking accounts of member organizations. In 2023, more than 60 per cent of beneficiaries requested that their benefits be paid in United States dollars.

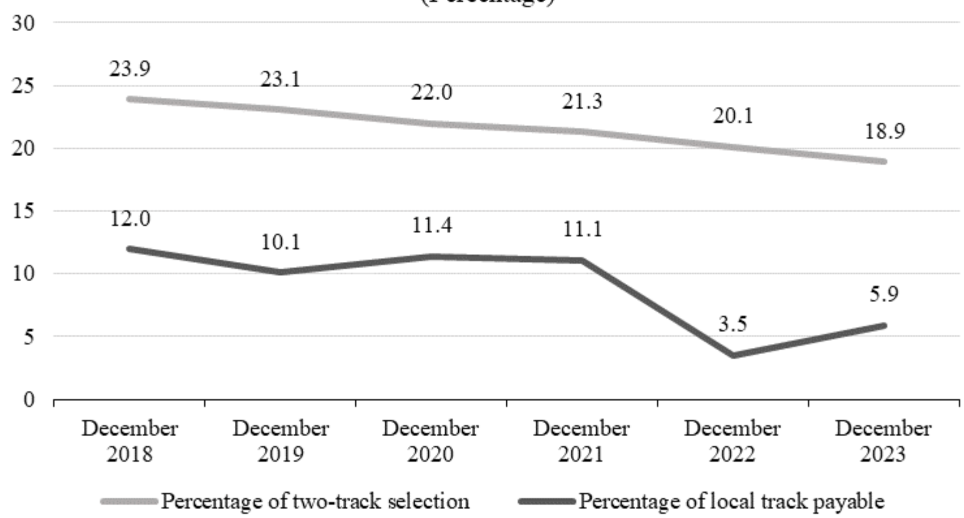
Payroll currencies
(Percentage)



28. The Fund applies cost-of-living adjustments to its periodic benefits annually, or semi-annually in the case of extreme inflation, with the aim of preserving the purchasing power of pension benefits. Inflation remained high in the United States and around the world in December 2022, when the movement of the consumer price index was measured for pension adjustments for 2023. The increase in inflation led to a substantial increase in benefit payments in 2023. Pensions on the United States dollar track were adjusted by 6.4 per cent in April 2023 using the consumer price index published in December 2022.

29. For beneficiaries residing outside the United States, the Fund offers an optional irrevocable two-track feature whereby their periodic benefit is calculated and maintained in both United States dollars (United States dollar track) and the local currency of the country of residence (local track). As of December 2023, 19 per cent of beneficiaries had opted for the two-track feature. The Fund observed that the vast majority of beneficiaries who had retired in recent years had chosen to receive their benefits on the United States dollar track. The payments to beneficiaries who have opted for the two-track feature are calculated and adjusted in their local currency and according to the consumer price index, but they receive a guaranteed minimum according to the United States dollar track. Due to the strong United States dollar and relatively high inflation in the United States, the majority of two-track recipients now receive the guaranteed minimum under the United States dollar track.

Two-track trend
(Percentage)




## F. Investment management

30. The Fund's long-term return objective is to earn the highest possible investment return consistent with the Fund's risk appetite, so as to deliver an investment return that at least meets over the long term (i.e. over 15-year periods and longer) the Fund's assumed real rate of return objective (i.e. the annual percentage return realized on an investment, which is adjusted for changes in prices due to inflation or other external effects), which is currently 3.5 per cent in United States dollars.

31. The investments are carried out within the framework of the Fund's investment policy statement, which is regularly and comprehensively updated subsequent to the completion of an asset-liability management study, conducted once every four years. The investment policy statement was last updated in 2023 (see www.unjspf.org/wp-content/uploads/2023/08/IPS-2023.pdf).

### Strategic asset allocation as at 31 December 2023

(Percentage)

| *Asset class* | *Minimum* | *Target* | *Maximum* | *Benchmark weight* | *Portfolio weight* |
|---|---|---|---|---|---|
| Global equities | 43 | 53 | 68 | 51.01 | 51.5 |
| Private equity | 2 | 7 | 12 | 8.33 | 8.4 |
| Real estate | 2 | 8 | 16 | 9.19 | 8.0 |
| Real assets[a] | 0 | 1 | 5 | 0.47 | 0.4 |
| **Subtotal, growth assets** | **54** | **69** | **84** | **69.00** | **68.3** |
| Global fixed income | 26 | 29 | 32 | 29.0 | 30.0 |
| Cash and cash equivalent | 1 | 2 | 5 | 2.0 | 1.7 |
| **Subtotal, non-growth assets** | **27** | **31** | **37** | **31.0** | **31.7** |
| **Total** | **–** | **100** | **–** | **100** | **100** |

[a] Real assets include infrastructure, timberland and commodities.

32. In 2023, the Fund conducted its regular asset-liability management study using the services of an independent consultancy firm with specialist expertise. The goal of the study was to assess the impact of key investment and solvency-related decisions on the long-term financial condition and performance of the Fund. A key objective of the study was to recommend strategic asset allocations that would improve the long-term financial outlook of the Fund. The study considered multiple capital market assumptions to reflect a range of future scenarios and related sensitivities. The findings of the study were presented to the Pension Board in July 2023. Following approval of the new strategic asset allocation, the Fund completed the transition to the new allocation in March 2024.

### Strategic asset allocation as at 31 March 2024 (preliminary and unaudited)

(Percentage)

| *Asset class* | *Minimum* | *Target* | *Maximum* | *Benchmark weight* | *Portfolio weight* |
|---|---|---|---|---|---|
| Global equities | 35 | 43 | 51 | 43 | 44.2 |
| Private equity | 3 | 7 | 11 | 7 | 8.4 |
| Real estate | 4.5 | 8.5 | 12.5 | 8.5 | 7.6 |
| Real assets[a] | 0 | 1.5 | 3.5 | 1.5 | 0.4 |
| **Subtotal, growth assets** | **52** | **60** | **68** | **60** | **60.6** |
| Global fixed income | 31 | 39 | 47 | 39 | 37.7 |
| Cash and cash equivalent | 0.5 | 1 | 3 | 1 | 1.7 |
| **Subtotal, non-growth assets** | **32** | **40** | **37** | **40** | **39.4** |
| **Total** | **–** | **100** | **–** | **100** | **100** |

[a] Real assets include infrastructure, timberland and commodities.

33. In 2023, the Office of Investment Management pursued the integration of environmental, social and governance factors into its investment process following key milestones that had been reached in 2022. The main focus during the year was climate, environmental, social and governance integration, stewardship and impact

investing. The Office is on track to reach its 40 per cent carbon reduction target by 2025 for its equities, corporate bonds and non-listed real estate portfolios. The Fund has also made progress in its engagement with and financing of the transition efforts. In 2024, the Office will set a new reduction target to be reached by 2030, in line with the recommendations of the Net-Zero Asset Owner Alliance. The Office published the second status report of the Task Force on Climate-related Financial Disclosures in 2023, which contains an outline of the progress made since the first report on the governance, strategy, risk management, metrics and targets related to climate adopted by the Fund. From 2024, the Office will continue to publish information related to its climate-related risks and opportunities by following the International Financial Reporting Standard S2 guidelines, which effectively replace the Task Force reporting framework. In 2023, the asset-liability management study encompassed climate considerations for the asset allocation of the Fund. The Office strengthened its existing environmental, social and governance policy and published its first sustainable investing manifest and policy. That document sets out the Office's beliefs and principles related to sustainability integration in investment and internal processes. In addition, the team developed a new integration strategy, moving to an enhanced integration process and defining objectives; boosted existing private market environmental, social and governance integration techniques; and initiated a review of its fixed-income environmental, social and governance processes. In 2023, together with its external partners, the Office exercised its right to vote in nearly all meetings in which it was allowed to vote (more than 99 per cent) and engaged with more than 560 companies globally on 2,730 environmental, social, governance, strategy, risk and communication issues and objectives. This reflects the Office's commitment to being an active owner and influencing the companies in which it invests.

34. The Fund remains in a strong financial position, with its assets' market value estimated on a preliminary and unaudited basis at $91.8 billion as at 10 June 2024, which is approximately 4 per cent higher than its value on 31 December 2023. Additional information and weekly fund performance updates are available on the Fund's website (www.unjspf.org/the-fund/historical-fund-performance).

## G. Actuarial matters

35. Ensuring the long-term sustainability of the Fund is of primary importance to the Pension Board, the participants, the beneficiaries and wider stakeholders. As with most other defined benefit pension plans, the Fund's solvency is closely monitored through two key studies:

(a) A biennial actuarial valuation, conducted for odd years;

(b) An asset-liability management study, usually carried out every four years.

36. Conducted by the Fund's independent consulting actuary, and documented in the Fund's published funding policy (see www.unjspf.org/the-fund/actuarial-matters), the actuarial valuation considers the Fund from three different perspectives:

(a) Open group valuation. This assumes that the Fund would be run in perpetuity with a continuous influx of new participants. The key metric from this valuation is the required contribution rate, which is the theoretical contribution rate that maintains a balance between liabilities and assets over the long term. As the primary funding target in the Fund's funding policy, this is the principal measure of the overall health of the Fund and its ability to remain open to existing and new participants. In addition to the main regular valuation basis, this valuation is also conducted using three alternative bases for sensitivity testing. Using the regular valuation basis, the actuarial valuation as at 31 December 2023 resulted in a required contribution rate of 23.02 per cent of pensionable remuneration, compared with the current actual contribution rate of 23.7 per cent, equating to an actuarial surplus of 0.68 per cent of pensionable remuneration;

(b) Closed group termination valuation ("article 26 valuation"): This assumes that the Fund is closed immediately. The key metric from this valuation is the funded ratio, which provides a view of the Fund's ability to meet its obligations if it were to be closed to all participants. The main purpose of this valuation is to establish any requirement to invoke article 26 of the Regulations of the Fund and, as a result, this valuation is the secondary funding target in the Fund's funding policy. It is carried out using three different valuation bases, and with and without pension adjustments. Using the regular valuation basis with pension adjustments, the 31 December 2023 valuation resulted in a closed book valuation of $83,151 million in accrued benefit liabilities, compared with an actuarial value of assets of $92,322 million, resulting in a funded ratio of 111 per cent;

(c) Promised benefits: The actuarial present value of accumulated plan benefits does not include future new participants or future contributions from existing participants. This valuation is carried out only for the purpose of providing a measure of liabilities under International Accounting Standard 26. The valuations as at 31 December 2023 and 31 December 2022 include projected future pensionable remuneration. For even years, when no actuarial valuation is undertaken, the consulting actuary provides an estimate by rolling forward the liabilities from the previous valuation.

37. All three valuation approaches utilize demographic assumptions based on the Fund's own experience, which is reviewed biennially. Economic assumptions reflect the future long-term outlook for the Fund's investment returns and other economic metrics, including inflation. Asset values are based on a five-year market averaging method to limit the impact of short-term market fluctuations while still reflecting longer-term trends.

38. In preparation for the adoption of IPSAS 49: Retirement benefit plans, the actuarial present value of accumulated plan benefits in accordance with International Accounting Standard 26 has been calculated to take into account future increases in pensionable remuneration. The actuarial present value of accumulated plan benefits as at 31 December 2023 and 31 December 2022 is as follows:

(Millions of United States dollars)

| | *31 December 2023* | *31 December 2022* | |
|---|---|---|---|
| | *With future increases in pensionable remuneration* | *With future increases in pensionable remuneration* | *Without future increases in pensionable remuneration* |
| Actuarial value of vested benefits | | | |
| Participants currently receiving benefits | 44 205 | 38 368 | 38 368 |
| Vested terminated participants | 2 312 | 1 919 | 1 919 |
| Active participants | 30 182 | 28 938 | 26 938 |
| **Total vested benefits** | **76 699** | **69 225** | **69 225** |
| Non-vested benefits | 14 246 | 11 896 | 1 374 |
| **Total actuarial present value of accumulated plan benefits** | **90 945** | **81 121** | **70 599** |

## H. Operating expenses

39. Operating expenses include administrative expenses, investment transaction costs and management fees. Administrative expenses primarily include staff costs,

contractual services, rent and general operating expenses. The General Assembly approves the annual budget for administrative expenses endorsed by the Pension Board, as well as the report of the Advisory Committee on Administrative and Budgetary Questions thereon. Transaction costs include the explicit costs of trading securities, such as broker commissions and transaction taxes. Management fees include fees of external managers and fees for investment in private equity and real estate funds.

40. The operating expenses of the Fund for the years ended 31 December 2023 and 31 December 2022 are as follows:

(Millions of United States dollars)

| *Operating expenses for the year ended 31 December 2023* | *Secretariat of the Pension Board* | *Pension Administration* | *Office of Investment Management* | *Audit* | *Total* |
|---|---|---|---|---|---|
| **Administrative expenses** | | | | | |
| Staff costs | 0.7 | 44.6 | 31.9 | 0.1 | 77.3 |
| Contractual services and consultants | 0.0 | 17.9 | 20.8 | – | 38.7 |
| General operating expenses | 0.5 | 9.2 | 5.7 | 1.7 | 17.1 |
| **Transaction costs and management fees** | | | | | |
| Management fees for investment in private equity and real estate funds | – | – | 196.4 | – | 196.4 |
| External managers' management fees | – | – | 17.0 | – | 17.0 |
| Investment transaction costs | – | – | 10.2 | – | 10.2 |
| **Total operating expenses** | **1.2** | **71.7** | **282.0** | **1.8** | **356.7** |
| **As a percentage of total investments, and cash and cash equivalents** | **–** | **–** | **0.319** | **–** | **–** |

(Millions of United States dollars)

| *Operating expenses for the year ended 31 December 2022* | *Secretariat of the Pension Board* | *Pension Administration* | *Office of Investment Management* | *Audit* | *Total* |
|---|---|---|---|---|---|
| **Administrative expenses** | | | | | |
| Staff costs | 0.5 | 17.9 | 15.4 | (0.4) | 33.4 |
| Contractual services and consultants | 0.1 | 16.4 | 18.9 | – | 35.4 |
| General operating expenses | 0.3 | 7.1 | 4.7 | 2.1 | 14.2 |
| **Transaction costs and management fees** | | | | | |
| Management fees for investment in private equity and real estate funds | – | – | 170.7 | – | 170.7 |
| External managers' management fees | – | – | 14.8 | – | 14.8 |
| Investment transaction costs | – | – | 14.8 | – | 14.8 |
| **Total operating expenses** | **0.9** | **41.4** | **239.3** | **1.7** | **283.3** |
| **As a percentage of total investments, and cash and cash equivalents** | **–** | **–** | **0.306** | **–** | **–** |

41. Please refer to note 16, Administrative expenses, of the financial statements for additional information on the Fund's administration expenses and note 13, Investment income, for additional information about transaction costs and management fees.

42. The statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses provides an explanation of differences greater than 5 per cent between the budget and actual amounts in relation to the Fund's administrative expenses. Note 22 of the financial statements provides a reconciliation of actual amounts presented on the same basis as the budget and administrative expenses included in the statement of changes in net assets.

43. Internally and externally managed assets by asset class as at 31 December 2023 and 2022 were as follows:

(Millions of United States dollars)

| *As at 31 December 2023* | *Internally managed* | *Externally managed* | *Total* |
|---|---|---|---|
| Equities | 42 166 | 3 091 | 45 257 |
| Fixed income | 22 025 | 5 518 | 27 543 |
| Real assets | – | 7 207 | 7 207 |
| Alternative and other investments | – | 7 592 | 7 592 |
| **Investments** | **64 191** | **23 408** | **87 599** |

(Millions of United States dollars)

| *As at 31 December 2022* | *Internally managed* | *Externally managed* | *Total* |
|---|---|---|---|
| Equities | 36 211 | 3 035 | 39 246 |
| Fixed income | 19 558 | 4 574 | 24 132 |
| Real assets | – | 7 493 | 7 493 |
| Alternative and other investments | – | 6 566 | 6 566 |
| **Investments** | **55 769** | **21 668** | **77 437** |

44. External managers' fees for public market assets as at 31 December 2023 and 31 December 2022 were as follows:

(Millions of United States dollars)

| *Externally managed public market assets* | *As at 31 December 2023* | *Management fees for the year 2023* |
|---|---|---|
| Equity | 3 091 | 16.0 |
| Fixed income | 5 518 | 1.0 |
| **Total** | **8 609** | **17.0** |

| *Externally managed public market assets* | *As at 31 December 2022* | *Management fees for the year 2022* |
|---|---|---|
| Equity | 3 035 | 14.6 |
| Fixed income | 4 574 | 0.2 |
| **Total** | **7 609** | **14.8** |

45. External managers' fees for private market assets as at 31 December 2023 and 31 December 2022 were as follows:

(Millions of United States dollars)

| *Externally managed private market assets* | *As at 31 December 2023* | *Unfunded commitment as at 31 December 2023* | *Management fees for the year 2023* |
|---|---|---|---|
| Real assets | 7 207 | 2 813 | 97 |
| Alternative and other investments | 7 592 | 4 284 | 99 |
| **Total** | **14 799** | **7 097** | **196** |

(Millions of United States dollars)

| *Externally managed private market assets* | *As at 31 December 2022* | *Unfunded commitment as at 31 December 2022* | *Management fees for the year 2022* |
|---|---|---|---|
| Real assets | 7 493 | 2 942 | 87 |
| Alternative and other investments | 6 566 | 4 560 | 83 |
| **Total** | **14 059** | **7 502** | **170** |

## I. Latest developments

46. Annual cost-of-living adjustments have been applied to periodic benefits, effective from the April 2024 payroll. Pensions on the United States dollar track have been adjusted by 3.4 per cent, and pensions on the local track of 86 two-track countries were also adjusted in April 2024.

# Chapter V

## Financial statements for the year ended 31 December 2023

### United Nations Joint Staff Pension Fund

### I. Statement of net assets available for benefits

(Thousands of United States dollars)

| | *Note* | *31 December 2023* | *31 December 2022* |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 4 | 741 778 | 749 749 |
| Investments | 5, 6 | | |
| Equities | | 45 257 022 | 39 246 356 |
| Fixed income | | 27 542 597 | 24 131 952 |
| Real assets | | 7 207 145 | 7 492 991 |
| Alternative and other investments | | 7 591 983 | 6 566 220 |
| | | **87 598 747** | **77 437 519** |
| Contributions receivable | | 75 763 | 70 607 |
| Accrued income from investments | 7 | 253 156 | 195 264 |
| Receivables from investments traded | 5 | 14 328 | 75 854 |
| Withholding tax receivable | 8 | 56 458 | 60 431 |
| Other assets | 9 | 17 692 | 20 303 |
| **Total assets** | | **88 757 922** | **78 609 727** |
| **Liabilities** | | | |
| Benefits payable | 10 | 172 403 | 143 896 |
| Payable from investments traded | 5 | 211 271 | 418 750 |
| After-service health insurance and other employee benefits | 11 | 105 379 | 94 375 |
| Other accruals and liabilities | 12 | 29 560 | 34 360 |
| **Total liabilities** | | **518 613** | **691 381** |
| **Net assets available for benefits** | | **88 239 309** | **77 918 346** |

The accompanying notes are an integral part of these financial statements.

## United Nations Joint Staff Pension Fund

## II. Statement of changes in net assets available for benefits

(Thousands of United States dollars)

| | *Note* | *For the year 2023* | *For the year 2022* |
|---|---|---|---|
| **Investment income/(loss)** | 13 | | |
| Net change in fair value of investments | | 9 035 465 | (14 739 883) |
| Interest income | | 822 829 | 592 014 |
| Dividend income | | 855 260 | 830 219 |
| Income from unitized real estate funds | | 76 571 | 85 982 |
| Transaction costs and management fees | | (223 634) | (200 338) |
| Withholding tax | | 880 | (24 560) |
| Other investment-related expenses, net | | (2 139) | (1 264) |
| | | **10 565 232** | **(13 457 830)** |
| **Pension contributions** | 14 | | |
| From participants | | 1 135 639 | 1 040 470 |
| From member organizations | | 2 261 570 | 2 070 460 |
| Other contributions | | 11 660 | 10 341 |
| | | **3 408 869** | **3 121 271** |
| **Pension benefits** | 15 | | |
| Withdrawal settlements and full commutation benefits | | 212 363 | 173 913 |
| Retirement benefits | | 3 329 924 | 2 959 277 |
| Other benefits/adjustments | | (14 887) | (4 943) |
| | | **3 527 400** | **3 128 247** |
| **Income from services provided to the United Nations** | 2.3 | **8 707** | **8 304** |
| **Administrative expenses** | 16 | **132 963** | **83 040** |
| **Other expenses** | 17 | **1 482** | **1 665** |
| **Increase/(decrease) in net assets available for benefits** | | **10 320 963** | **(13 541 207)** |

The accompanying notes are an integral part of these financial statements.

## United Nations Joint Staff Pension Fund

## III. Cash flow statement

(Thousands of United States dollars)

| | *Note* | *For the year 2023* | *For the year 2022* |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Purchase of investments | | (25 734 237) | (41 841 243) |
| Proceeds from sale/redemption of investments | | 24 455 834 | 39 857 082 |
| Dividends received from equity investments | | 817 897 | 804 019 |
| Interest received from cash and cash equivalents and fixed income investments | | 772 112 | 548 588 |
| Income received from unitized real estate funds | | 78 285 | 84 690 |
| Other investment-related expenses, net | | (2 135) | (3 684) |
| Transaction costs, management fees and other expenses paid | | (223 133) | (200 988) |
| Withholding tax reimbursement | | 37 217 | 12 571 |
| **Net cash provided/(used) by investing activities** | | **201 840** | **(738 965)** |
| **Cash flows from operating activities** | | | |
| Contribution from member organizations and participants | | 3 401 238 | 3 094 327 |
| Benefits payments | | (3 494 757) | (3 133 540) |
| Net transfer to other plans | | (1 062) | (974) |
| Administrative expenses paid | | (119 045) | (105 837) |
| Other expenses paid | | (1 490) | (1 670) |
| Services provided to the United Nations | | 8 707 | 8 304 |
| **Net cash used by operating activities** | | **(206 409)** | **(139 390)** |
| **Net decrease in cash and cash equivalents** | | **(4 569)** | **(878 355)** |
| Cash and cash equivalents at the beginning of year | 4 | 749 749 | 1 625 122 |
| Exchange (losses)/gains on cash and cash equivalents | | (3 402) | 2 982 |
| **Cash and cash equivalents at the end of year** | 4 | **741 778** | **749 749** |

The accompanying notes are an integral part of these financial statements.

## United Nations Joint Staff Pension Fund

## IV. Statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2023

(Thousands of United States dollars)

| | *Appropriation 2023*[a] | *Actuals on a comparable basis 2023* | *Variance* | *Percentage* |
|---|---|---|---|---|
| **A. Secretariat of the Pension Board** | | | | |
| Posts | 631.0 | 623.5 | (7.5) | (1) |
| Other staff costs | 48.1 | 0.7 | (47.4) | (99) |
| Consultants | – | 73.6 | 73.6 | – |
| Travel of representatives | 288.6 | 347.2 | 58.6 | 20 |
| Travel of staff | 27.8 | 29.0 | 1.2 | 4 |
| Contractual services | 85.8 | 8.3 | (77.5) | (90) |
| General operating expenses | 173.5 | 103.7 | (69.8) | (40) |
| **Subtotal** | **1 254.8** | **1 186.0** | **(68.8)** | **(5)** |
| **B. Pension Administration** | | | | |
| Posts | 35 712.2 | 35 807.4 | 95.2 | 0 |
| Other staff costs | 3 046.9 | 1 793.8 | (1 253.1) | (41) |
| Hospitality | 3.4 | – | (3.4) | (100) |
| Consultants | 223.0 | 144.1 | (78.9) | (35) |
| Travel of staff | 365.4 | 395.2 | 29.8 | 8 |
| Contractual services[b] | 15 411.7 | 16 857.7 | 1 446.0 | 9 |
| General operating expenses | 10 726.6 | 9 571.9 | (1 154.7) | (11) |
| Supplies and materials | 50.8 | 26.6 | (24.2) | (48) |
| Furniture and equipment | 639.1 | 613.1 | (26.0) | (4) |
| **Subtotal** | **66 179.1** | **65 209.8** | **(969.3)** | **(1)** |
| **C. Office of Investment Management** | | | | |
| Posts | 24 817.1 | 25 810.0 | 992.9 | 4 |
| Other staff costs | 1 479.4 | 2 260.0 | 780.6 | 53 |
| Hospitality | 3.2 | 1.3 | (1.9) | (59) |
| Consultants | 335.8 | 285.0 | (50.8) | (15) |
| Travel of representatives | 122.4 | 0.2 | (122.2) | (100) |
| Travel of staff | 218.7 | 309.4 | 90.7 | 41 |
| Contractual services | 24 741.5 | 22 059.2 | (2 682.3) | (11) |
| General operating expenses | 4 844.2 | 5 277.0 | 432.8 | 9 |
| Supplies and materials | 10.7 | 15.9 | 5.2 | 49 |
| Furniture and equipment | 76.8 | 345.2 | 268.4 | 349 |
| **Subtotal** | **56 649.8** | **56 363.2** | **(286.6)** | **(1)** |

| | *Appropriation 2023*[a] | *Actuals on a comparable basis 2023* | *Variance* | *Percentage* |
|---|---|---|---|---|
| **D. Audit** | | | | |
| External audit | 393.2 | 393.2 | – | – |
| Internal audit | 1 806.5 | 1 274.2 | (532.3) | (29) |
| **Subtotal** | **2 199.7** | **1 667.4** | **(532.3)** | **(24)** |
| **Total administrative expenses** | **126 283.4** | **124 426.4** | **(1 857.0)** | **(1)** |

The accompanying notes are an integral part of these financial statements. The purpose of this statement is to compare the budget amounts to actual amounts on a comparable basis, i.e. actual amounts on the same basis as the budget. Given that the Fund's budget is prepared on a modified cash basis and the actual costs on a comparable basis are consequently also shown on a modified cash basis, the total for actual costs on a comparable basis does not agree with the administrative expenses shown in the statement of changes in net assets because that statement is prepared on an accrual basis.

[a] The General Assembly approved the appropriation for 2023 in its resolution 77/258.

[b] Actuals include the expenditure for the United Nations International Computing Centre of $8.9 million.

**United Nations Joint Staff Pension Fund**

**IV. Statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2023** (continued)

**Explanation of significant differences (greater than +/-5 per cent) between budget and actual amounts on a comparable basis**

## A. Secretariat of the Pension Board

**Other staff costs**: The underexpenditure stems mainly from the non-utilization of resources for the Ethics Adviser. A consultant was hired instead to fulfil this requirement.

**Consultants**: The expenditure under this budget class was incurred for the hiring of a consultant Ethics Adviser.

**Travel**: The overexpenditure is due primarily to increases in average ticket prices and daily subsistence allowance compared with the budgeted amounts.

**Contractual services**: The underexpenditure is attributable primarily to the non-utilization of resources provisioned for the Pension Board training on board governance matters/fiduciary responsibilities and services for consulting actuary.

**General operating expenses**: The underexpenditure is due to lower-than-anticipated expenditure for interpretation services, catering and conference services for Pension Board meetings, as well as savings related to utilities and to facilities management.

## B. Pension Administration

**Other staff costs**: The underexpenditure results primarily from reduced resource utilization for general temporary assistance, stemming from challenges in filling temporary positions, along with lower resource utilization for overtime and after-service health insurance.

**Hospitality**: The underexpenditure is due to the absence of hospitality events in 2023.

**Consultants**: The underexpenditure relates mainly to the non-utilization of resources for benchmarking studies, as the Pension Administration was deemed not comparable to entities in the CEM benchmarking dataset on a global basis for any meaningful insight.

**Travel**: The overexpenditure is attributable to increases in both average ticket prices and daily subsistence allowance compared with the budgeted amounts, mitigated in part by a lower-than-budgeted number of person trips.

**Contractual services**: The overspending stems primarily from the utilization of resources for the implementation of the client relationship management application. Unforeseen delays in finalizing the contract for the application in 2022 resulted in the incomplete utilization, by 31 December 2023, of commitments earmarked for the implementation. Those commitments had to be cancelled and replaced with new ones using 2023 resources to fulfil outstanding obligations related to the implementation of the system.

**General operating expenses**: The underexpenditure is attributable to lower expenditure for utilities and for facilities management, as well as a lower-than-anticipated number of medical board and United Nations Appeals Tribunal cases.

**Supplies and materials**: The underexpenditure is due to lower-than-projected expenditure on supplies, as the Fund continues its efforts to go paperless.

**Furniture and equipment**: The underexpenditure is related primarily to the replacement of a lower-than-anticipated amount of personal computing equipment.

## C. Office of Investment Management

**Other staff costs**: The overexpenditure is due primarily to higher-than-projected requirements for general temporary assistance.

**Hospitality**: The underexpenditure is due to fewer hospitality events in 2023.

**Consultants**: The underexpenditure relates mainly to the non-utilization of all of the resources allocated for some projects.

**Travel**: The underexpenditure for travel of representatives stems primarily from anticipated travel plans not materializing during the year. The overexpenditure for travel of staff stems from an increase in the number of in-person conferences compared with virtual offerings, as well as increases in average daily subsistence allowance and average ticket prices.

**Contractual services**: The underexpenditure is due to projects that were not finalized owing to procurement delays.

**General operating expenses**: The overexpenditure is due mainly to additional charges related to the administrative services provided by United Nations Headquarters to the Fund.

**Supplies and materials**: The overexpenditure is due to the acquisition of operational information technology equipment supplies to support more virtual meetings.

**Furniture and equipment**: The overexpenditure is due to the acquisition of software licences and the unplanned upgrade of information technology equipment for conference rooms to support more virtual meetings.

## D. Audit

**Internal audit**: The underexpenditure is due to higher-than-budgeted vacancy rates in 2023. During the year, two posts in the Professional and higher categories and one in the General Service and related categories became vacant. One general temporary assistance position also became vacant during the year. As a result, related resources for operational costs were not fully utilized during the year.

**United Nations Joint Staff Pension Fund**
**Notes to the financial statements**

## Note 1
## Description of the plan

1. The following is a brief description of the United Nations Joint Staff Pension Fund. The Regulations and Administrative Rules of the Fund in force are available at the Fund's website (www.unjspf.org).

### 1.1 General

2. The Fund was established by the General Assembly in 1949 to provide retirement, death, disability and related benefits for staff of the United Nations and the other international organizations admitted to membership in the Fund. The Fund is a multiple employer defined benefit plan and there were 25 member organizations participating in the Fund as at 31 December 2023. All participating organizations and employees contribute to the Fund on the basis of pensionable remuneration. The contribution rate is a fixed rate of 7.9 per cent for participants and 15.8 per cent for employers (see note 3.5).

3. The Fund is governed by the United Nations Joint Staff Pension Board made up of: (a) 12 members appointed by the United Nations Staff Pension Committee, 4 of whom are elected by the General Assembly, 4 appointed by the Secretary-General and 4 elected by the participants in service in the United Nations; and (b) 21 members appointed by the staff pension committees of the other member organizations in accordance with the rules of procedure of the Fund, 7 of whom are chosen by the bodies of the member organizations corresponding to the Assembly, 7 appointed by the chief administrative officers of the member organizations and 7 chosen by the participants in service.

### 1.2 Administration of the Fund

4. The United Nations Joint Staff Pension Board, a subsidiary organ of the General Assembly, has the overall supervisory responsibility for the administration of the Fund and for the observance of the Regulations and Rules of the Fund. The Pension Board appoints an independent Secretary who is responsible for a full range of secretariat conference management and services. The role of the Secretary of the Pension Board is distinct from the roles and responsibilities pertaining to all aspects of the management, administration and investments of the Fund. The Secretary of the Pension Board reports directly to the Pension Board.

5. The Chief Executive of Pension Administration is appointed by the Secretary-General on the recommendation of the Pension Board.

6. The Chief Executive acts under the authority of the Pension Board in the discharge of the latter's responsibility for administrative supervision of the Fund as a whole. This includes responsibility for strategic planning and operational direction; the establishment of policy; the administration of the Fund's operations and certification of benefit payments; risk management; regulatory compliance; the overall supervision of staff; and stakeholder communications. Pension Administration staff, under the authority of the Chief Executive, provide technical support services, prepare background documentation and offer guidance and advice to the Pension Board and its subsidiary bodies, including its Standing Committee and the Committee of Actuaries. The Chief Executive serves as Secretary of the United Nations Staff Pension Committee. The Chief Executive participates in the meetings of the Fifth Committee of the General Assembly, the Advisory Committee on Administrative and Budgetary Questions, the International Civil Service Commission (ICSC) and any

other pertinent bodies. In accordance with article 7 (b) of the Fund's Regulations, in the absence of the Chief Executive, the Deputy Chief Executive performs the functions of the Chief Executive.

7. The investment of the assets of the Fund is decided upon by the Secretary-General after consultation with an Investments Committee and in the light of observations and suggestions made from time to time by the Pension Board on the investments policy. The Secretary-General has delegated his authority and responsibility to act on his behalf in all matters involving his fiduciary duties related to the investment of the assets of the Fund to the Representative of the Secretary-General for the investment of the assets of the Fund. The Representative of the Secretary-General arranges for the maintenance of detailed accounts of all investments and other transactions relating to the Fund, which are open to examination by the Pension Board.

8. A range of administrative functions supporting the Pension Board secretariat, the Pension Administration and the Office of Investment Management are provided by the Fund's executive office reporting to the Deputy Chief Executive.

9. The Chief Financial Officer reports to the Chief Executive and to the Representative of the Secretary-General in their respective substantive responsibilities. The Chief Financial Officer is responsible for formulating financial policy for the Fund, for reviewing budgetary, financial and accounting operations of the Fund and for ensuring that an adequate financial control environment of the Fund is in place to protect the Fund's resources and guarantee the quality and reliability of financial reporting. In addition, the Chief Financial Officer is responsible for setting the rules for the collection, from the different information systems and areas of the Fund, of the financial and accounting data necessary for the preparation of the Fund's financial statements and has full access to such systems and data. The Chief Financial Officer ensures that the financial statements are in compliance with the Regulations and Rules of the Fund, the accounting standards adopted by the Fund and the decisions of the Pension Board and the General Assembly. The Chief Financial Officer also certifies the Fund's financial statements.

### 1.3 Participation in the Fund

10. Members of the staff of each of the 25 member organizations of the Fund become participants in the Fund upon commencing employment under an appointment for six months or longer or upon completion of six months of service without an interruption of more than 30 days. As at 31 December 2023, the Fund had contributors (participants) from member organizations and agencies, including the main United Nations Secretariat, the United Nations Children's Fund, the United Nations Development Programme, the Office of the United Nations High Commissioner for Refugees and other funds and programmes, as well as the various specialized agencies such as the Food and Agriculture Organization of the United Nations, the World Health Organization, the International Organization for Migration, the International Labour Organization, the International Atomic Energy Agency and the United Nations Educational, Scientific and Cultural Organization (see annex, table 1, for a complete list of member organizations). Periodic benefits are currently paid to individuals in more than 190 countries.

### 1.4 Operation of the Fund

11. Participant and beneficiary processing and queries are handled by operations of the Pension Administration, in offices located in New York, Geneva, Nairobi and Bangkok. All the accounting for operations is handled in New York by the centralized Financial Services. The Financial Services of the Pension Administration also manage

receipt of monthly contributions from member organizations and the disbursement of the monthly pension payroll.

12. The Representative of the Secretary-General is assisted by the staff of the Office of Investment Management, where investments are traded and processed and investment transactions are reconciled and accounted for.

### 1.5 Actuarial valuation of the Fund

13. Article 12 of the Regulations of the Fund provides that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years. The Fund performs actuarial valuations every two years and intends to continue to do so in the future. Article 12 further provides that the actuarial report shall state the assumptions on which the calculations are based, describe the methods of valuation used, and state the results, as well as the recommendations, if any, for appropriate action. See note 19 for the actuarial situation of the Fund as at 31 December 2023.

### 1.6 Retirement benefit

14. Any participant who has five years of contributory service receives, upon separation at or after normal retirement age, a retirement benefit payable for the remainder of his or her life. “Normal retirement age” means age 60 for a participant whose service commenced prior to 1 January 1990; age 62 for a participant whose service commenced or recommenced on or after 1 January 1990 and before 1 January 2014; and age 65 for a participant whose service commenced or recommenced on or after 1 January 2014.

15. The standard annual rate of retirement benefit for a participant who enters the Fund on or after 1 January 1983 is the sum of:

(a) 1.5 per cent of final average remuneration multiplied by the first five years of contributory service;

(b) 1.75 per cent of final average remuneration multiplied by the next five years of contributory service;

(c) 2 per cent of final average remuneration multiplied by the next 25 years of contributory service;

(d) The years of contributory service in excess of 35 and performed as from 1 July 1995, multiplied by 1 per cent of the final average remuneration, subject to a maximum total accumulation rate of 70 per cent.

16. The standard annual rate of retirement benefit for a participant who entered the Fund prior to 1 January 1983 is 2 per cent of final average remuneration multiplied by contributory service not exceeding 30 years plus 1 per cent of final average remuneration multiplied by such service in excess of 30 years, not exceeding 10 years.

17. The maximum benefit to participants, subject to the terms specified in the Regulations and Rules of the Fund, is the greater of 60 per cent of pensionable remuneration as at the date of separation or the maximum benefit that would be payable, at that date, to a participant at the D-2 level (top step for the preceding five years).

18. The retirement benefit shall, however, be payable at the minimum annual rate that is obtained by multiplying the years of the participant’s contributory service, not exceeding 10, by the smaller of $180 (subject to subsequent adjustments in accordance with the movement of the United States consumer price index under the pension adjustment system) or one thirtieth of the final average remuneration.

19. The annual rate of the retirement benefit shall nevertheless not be less, when no other benefit is payable on account of the participant, than the smaller of $300 (subject to subsequent adjustments in accordance with the movement of the United States consumer price index under the pension adjustment system) or the final average remuneration of the participant.

20. “Final average remuneration” means the average annual pensionable remuneration of a participant during the 36 completed months of highest pensionable remuneration within the last five years of contributory service.

21. A participant may, except in the case where a minimum benefit is payable and he or she does not waive the rights thereto, elect to receive: (a) if the retirement benefit is $300 per annum or more, a lump sum not greater than the larger of one third of the actuarial equivalent of the retirement benefit (not exceeding the maximum amount payable to a participant then retiring at normal retirement age, with final average remuneration equal to the pensionable remuneration for the top step of the P-5 level) or the amount of the participant’s own contributions at retirement, and the participant’s retirement benefit is then reduced accordingly; or (b) if the participant’s retirement benefit is less than $1,000 per annum, the lump sum actuarial equivalent of the full retirement benefit, including the prospective spouse’s benefit, if any, if the participant so elects.

*Early retirement*

22. An early retirement benefit is payable to a participant whose age on separation is at least 55 (58 for a participant whose participation commenced on or after 1 January 2014) but less than the normal retirement age and who has five years or more of contributory service at separation.

23. The early retirement benefit for a participant whose participation commenced prior to 1 January 2014 is payable at the standard annual rate for a retirement benefit reduced by 6 per cent for each year between retirement date and normal retirement age, except that: (a) if the participant has completed 25 but less than 30 years of contributory service as at the date of retirement, the part of the benefit for service before 1 January 1985 is reduced by 2 per cent a year, and the remaining part of the benefit is reduced by 3 per cent a year; or (b) if the participant has completed 30 or more years of contributory service at the date of retirement, the benefit is reduced by 1 per cent a year, provided, however, that the rate in (a) or (b) applies to no more than five years. The methodology of calculation of the early retirement benefits for employees participating on or after 1 January 2014 is detailed in article 29 of the Regulations and Administrative Rules of the Fund.

24. The early retiree may elect to receive a lump sum on the same terms as for a retirement benefit.

*Separation from service prior to eligibility for early retirement*

25. A deferred retirement benefit is payable to a participant whose age on separation is less than normal retirement age and who has five years or more of contributory service at separation. The deferred retirement benefit is payable at the standard rate for a retirement benefit and commences at normal retirement age. The participant may elect to have the benefit commence at any time once the participant becomes eligible to receive an early retirement benefit from the Fund on the same terms as for an early retirement benefit.

26. A withdrawal settlement is payable to a participant separating from service before the normal retirement age or on or after normal retirement age if the participant is not entitled to a future retirement benefit. The participant receives his or her own

contributions increased by 10 per cent for each year of contributory service in excess of five years, to a maximum increase of 100 per cent.

### 1.7 Disability benefit

27. A disability benefit is payable to a participant incapacitated for further service for a period likely to be permanent or of long duration.

28. The disability benefit is payable at the standard or minimum annual rate for a retirement benefit if the participant is at least normal retirement age at the time of disability. If the participant is under normal retirement age, it is payable at the rate of the retirement benefit to which the participant would have been entitled if he or she had remained in service until normal retirement age and his or her final average remuneration had remained unchanged.

29. The annual rate of the benefit shall, notwithstanding the above, not be less, when no other benefit is payable on account of the participant, than the smaller of $500 (subject to subsequent adjustments in accordance with the movement of the United States consumer price index under the pension adjustment system) or the final average remuneration of the participant.

### 1.8 Survivor's benefit

30. A benefit is payable to a surviving spouse of a participant who was entitled to a retirement, early retirement, deferred retirement or disability benefit as at the date of his or her death or who died in service if he or she was married at the time of separation and remained married at the time of death. Certain limitations on eligibility apply in cases of divorced surviving spouses. The surviving spouse's benefit is, in general, payable at half the amount of the participant's retirement or disability benefit and is subject to certain minimum levels.

### 1.9 Child benefit

31. A child benefit is payable to each child under the age of 21 of a participant who is entitled to a retirement, early retirement or disability benefit or who has died in service, while the child remains under 21. The benefit may also be payable in certain circumstances to a child who is over the age of 21, such as when the child is found to have been incapacitated for substantial gainful employment. The child benefit for each child is generally one third of any retirement or disability benefit due to a participant or that would have been due in the case of a participant who died in service, subject to certain minimum amounts and limited in terms of maximum amount. In addition, there are certain total maximum amounts that apply in cases of multiple children of the same participant.

### 1.10 Other benefits

32. Other benefits include the secondary dependant's benefit and the residual settlement benefit. A full description of these benefits is available in the Regulations and Administrative Rules of the Fund.

### 1.11 Pension adjustment system

33. The provisions of the Fund's pension adjustment system provide for periodic cost-of-living adjustments in benefits. In addition, for participants who retire in a country whose currency is not the United States dollar, the current pension adjustment system is intended to ensure that, subject to certain minimum and maximum provisions, a periodic benefit never falls below the "real" value of its dollar amount, as determined under the Regulations, Rules and Pension Adjustment System of the

Fund, and preserves its purchasing power as initially established in the currency of the recipient's country of residence. This is achieved by establishing a dollar base amount and a local currency base amount (the two-track system).

34. The "real" value of a dollar amount is that amount adjusted over time for movements of the United States consumer price index, while the purchasing power of a recipient's benefit, once established in local currency, is preserved by adjusting it to follow movements of the consumer price index in his or her country of residence. An annual cost-of-living adjustment is conducted on 1 April and the adjustment is made if the consumer price index movement is greater than or equal to 2 per cent from the date of the last adjustment to December. If the applicable consumer price index has moved by 10 per cent or more from December to June, a semi-annual adjustment is made on 1 October.

### 1.12 Funding policy

35. As a condition of participation in the Fund, participants are required to contribute 7.9 per cent of their pensionable remuneration to the plan and earn interest at a rate of 3.25 per cent per year in accordance with article 11 (c) of the Regulations of the Fund. The participants' contributions for the years ended 31 December 2023 and 31 December 2022 were $1,135.6 million and $1,040.5 million, respectively. The contribution figures do not include interest on the contributions.

36. The member organizations' funding policy is to make contributions on an estimated monthly basis and then to reconcile these estimated amounts in an annual year-end process. The member organizations' contributions are also expressed as a percentage of the participants' pensionable remuneration as defined in article 51 of the Regulations of the Fund. In accordance with article 25 of the Regulations of the Fund, the member organizations' contribution rate is currently 15.8 per cent; these contributions to the Fund totalled $2,261.6 million and $2,070.5 million during calendar years 2023 and 2022, respectively. When combined with the participants' contributions and expected investment returns, total funding is estimated to be sufficient to provide for all employees' benefits by the time they retire.

37. The assets of the Fund are derived from:

(a) The contributions of the participants;

(b) The contributions of the member organizations;

(c) The yield from the investments of the Fund;

(d) Deficiency payments, if any, under article 26 of the Regulations of the Fund;

(e) Receipts from any other source.

### 1.13 Plan termination terms

38. Membership in the Fund may be terminated by decision of the General Assembly, upon the affirmative recommendation of the Pension Board, following an application for termination by a member organization or continued default by an organization in its obligations under the Regulations of the Fund.

39. In the event of such termination, a proportionate share of the total assets of the Fund as at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund on such date, pursuant to an arrangement mutually agreed between such organization and the Pension Board.

40. The amount of the proportionate share shall be determined by the Pension Board after an actuarial valuation of the assets and liabilities of the Fund.

41. In the event that an actuarial valuation of the Fund shows that its assets may not be sufficient to meet its liabilities under the Regulations, there shall be paid into the Fund by each member organization the sum necessary to make good the deficiency.

42. Each member organization shall contribute to this sum an amount proportionate to the total contributions that each paid under article 25 during the three years preceding the valuation date.

43. The contribution of an organization admitted to membership less than three years prior to the valuation date shall be determined by the Pension Board.

### 1.14 Changes in funding policy and plan termination terms during the reporting period

44. There were no changes in the funding policy or plan termination terms during the reporting period.

## Note 2
## General information

### 2.1 Basis of presentation

45. In accordance with the Regulations of the Fund, adopted by the General Assembly, and the Administrative Rules of the Fund, including the financial rules, established by the Pension Board and reported to the Assembly and the member organizations, the accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26, Accounting and reporting by retirement benefit plans. The financial statements of the Fund consist of the following:

(a) A statement of net assets available for benefits;

(b) A statement of changes in net assets available for benefits;

(c) A statement of cash flows;

(d) A statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses;

(e) A note disclosing the actuarial present value of defined retirement benefits, distinguishing between vested benefits and non-vested benefits;

(f) Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory notes.

46. The Fund adopted IPSAS as from 1 January 2012. This also specifically included the adoption of International Accounting Standard 26, Accounting and reporting by retirement benefit plans, of the International Financial Reporting Standards. While International Accounting Standard 26 provides accounting guidance, it also offers direction on the presentation of financial statements, given that it requires the presentation of a statement of net assets available for benefits and a statement of changes in net assets available for benefits. Given that the Fund has incorporated the guidance in International Accounting Standard 26 into its financial policies, the presentation of its financial statements is based on this guidance. On a voluntary basis, the Fund has presented cash flow statements on a comparative basis in accordance with IPSAS 2: Cash flow statements. Additional information is presented where required by IPSAS. For example, as required by IPSAS 24: Presentation of budget information in financial statements, the Fund has included in its financial statements a comparison of budget and actual amounts on a comparable basis and a reconciliation between the actual amounts on a comparable basis (see note 22). While it is stated in IPSAS 24 that the actual cost on a comparable basis

should be reconciled to the cash flows from operating, investing and financing activities as presented in the cash flow statement, management has decided to reconcile these amounts to the administrative expenses recognized in the statement of changes in net assets. This is due to the fact that the Fund's budget is limited to the administrative expenses incurred in a year.

47. The financial statements are prepared on an annual basis. The financial statements are presented in United States dollars and all values are rounded to the nearest thousand United States dollars, except where otherwise indicated.

### 2.2 Significant standards, interpretations and amendments during the year

48. In August 2018, the IPSAS Board issued IPSAS 41: Financial instruments, which established new requirements for classifying, recognizing and measuring financial instruments and replaced those in IPSAS 29, Financial instruments: recognition and measurement. IPSAS 41 is based on International Financial Reporting Standard 9, Financial instruments, developed by the International Accounting Standards Board. The Fund implemented IPSAS 41 for annual reporting periods beginning as from 1 January 2023 (see note 25 for assets and liabilities measured and presented as financial instruments on transition to IPSAS 41).

49. In January 2022, the IPSAS Board issued IPSAS 43: Leases, which provides guidance on the recognition, measurement, presentation and disclosure of leases by replacing IPSAS 13: Leases. For lessees, IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13. This standard is effective for annual reporting periods beginning on or after 1 January 2025, with early adoption permitted. The Fund expects to finish evaluating the requirements of IPSAS 43 in detail and the impact of the change in measurement and disclosure requirements on the fund's financial statements during the year 2024.

50. In November 2023, the IPSAS Board issued IPSAS 49: Retirement benefit plans. This standard includes requirements for recognition and measurement, and presentation and disclosure, that are unique to retirement benefit plans. Due to the lack of a specific IPSAS standard for retirement benefit plans prior to the issuance of IPSAS 49, the Fund's adoption of IPSAS as at 1 January 2012 specifically included the adoption of International Accounting Standard 26, Accounting and reporting by retirement benefit plans, as issued by the International Accounting Standards Board. While IPSAS 49 draws on the provisions of International Accounting Standard 26, key changes for the Fund upon the adoption of IPSAS 49 include the following requirements: (a) presentation of the actuarial present value of promised retirement benefits in the statement of financial position; (b) use of only projected salaries to the date of separation of service for the actuarial present value of promised retirement benefits, as compared with the option of current or projected salaries under International Accounting Standard 26; and (c) additional disclosure as compared with International Accounting Standard 26 for the actuarial present value of promised retirement benefits, including the presentation of reconciliation from opening to closing. This standard is effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted. In February 2024, the Board approved amendments to the Fund's financial rules to implement IPSAS 49 for the year ending 31 December 2024. In preparation for the adoption of IPSAS 49, the Fund decided to change the assumptions for the actuarial present value of the accumulated plan benefits as at 31 December 2023. The actuarial present value of accumulated plan benefits is now calculated to take into account future increases in pensionable remuneration. Such a basis is optional under paragraph 35 (d) of International Accounting Standard 26, and previously the Fund had reported the actuarial present value of accumulated plan benefits without any future increases in pensionable remuneration.

51. Other accounting standards and amendments to the existing standards that have been issued by the IPSAS Board are expected either to not have any impact or to have an immaterial impact on the Fund's financial statements.

### 2.3 Other general information

52. The Fund compiles its financial statements with data collected from three main areas. For operational activities (pension contributions and pension benefits), the Fund maintains its own records on the Integrated Pension Administration System. For investment activities, the Fund receives a monthly general ledger feed from the independent record keeper collected and reconciled from source data provided by the Office of Investment Management and fund managers. For administrative expenses, the Fund utilizes United Nations systems (Umoja) to record and compile its administrative expense activity. Umoja provides information on a modified cash basis, which is subsequently restated to a full accrual basis by the Fund. Some of the administrative expenses of the Fund, including costs associated with the administrative tasks of the Staff Pension Committee secretariat performed by the Fund on behalf of the United Nations, are reimbursed by the United Nations under the terms of a cost-sharing arrangement.

## Note 3
## Significant accounting policies

### 3.1 Cash and cash equivalents

53. Cash and cash equivalents are held at nominal value and include cash on hand, cash held with external managers and short-term highly liquid time deposits held with financial institutions with maturities of three months or less from the date of acquisition.

### 3.2 Investments

*Classification of investments*

54. All investments of the Fund are measured at fair value through surplus and deficit. Consequently, the Fund's investments are carried and reported at fair value on the statement of net assets available for benefits with changes in fair value recognized in the statement of changes in net assets available for benefits. Purchases and sales of securities are recorded on a trade date basis. The designation and classification of the investments are carried out at initial recognition and reassessed at each reporting date. Derivative instruments are recognized at estimated fair value on the date a contract is entered into (the trade date), and are subsequently carried at estimated fair value.

55. Any transaction costs arising as part of an investment trade measured at fair value through surplus and deficit are expensed and recognized in the statement of changes in net assets.

56. The Fund classifies its investments into the following categories:

- Equities (including exchange-traded funds, common and preferred stocks, stapled securities and publicly traded real estate investment trusts)
- Fixed income (including government and agency securities, corporate and municipal/provincial bonds, mortgage/asset-backed securities and to-be-announced mortgage-backed securities)
- Real assets (including investments in funds where the underlying assets are real assets such as real estate, infrastructure assets and timberland)

- Alternative and other investments (including investments in private equity funds)

*Valuation of financial instruments*

57. The Fund uses the established and documented process of its independent record keeper for determining fair values, which is reviewed and validated by the Fund at the reporting date. Fair value is based on quoted market prices where available. If fair market value is not available, appropriate valuation techniques are used.

58. Investments in certain commingled funds, private equity and private real assets investment funds are not quoted in an active market and therefore do not have a readily determinable fair market value. However, the fund managers generally report investments of the funds on a fair value basis. Therefore, the Fund determines fair value using the net asset value information as reported by the investee fund managers in the latest available capital account statements adjusted by any cash flows not included in the most recent net asset value reported by the investee fund manager. For financial assets and liabilities not designated at fair value through surplus and deficit, the carrying value approximates fair value.

*Interest and dividend income*

59. Interest income is recognized on a time-proportionate basis. It includes interest income from cash and cash equivalents and fixed income investments.

60. Dividend income is recognized on ex-dividend date when the right to receive payment is established.

*Income from real assets and alternative investments*

61. Income distributed from unitized funds is treated as income in the period in which they are earned.

*Receivable/payable from/to investments traded*

62. Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of net assets available for benefits. These amounts are recognized at the amount expected to be paid or received to settle the balance. Distributions from real assets and alternative fund investments declared but not received prior to year-end are also included under receivables from investments to the extent that the most recently available net asset value of the fund that declares a distribution has recognized the distribution to be made.

### 3.3 Tax status and withholding tax receivables

63. The Fund's portfolio comprises direct investments and indirect investments. Indirect investments are typically through an investment vehicle such as real estate investment trusts, exchange-traded funds, limited liability partnerships or depository receipts. The Fund is exempt from national taxation of Member States in accordance with Article 105 of the Charter of the United Nations and with article II, section 7 (a), of the Convention on the Privileges and Immunities of the United Nations.

64. For direct investments, some Member States grant relief at source for the Fund's investment-related transactions and income from investments, whereas other Member States continue to withhold taxes and reimburse the Fund upon the filing of a claim. In these instances, the Fund, with assistance from the Fund's custodians or tax advisers, files claims to the governmental taxing authorities for refunds on behalf of the Fund. Taxes withheld on direct investments are initially recognized as

“withholding tax receivable” in the statement of net assets available for benefits. After initial recognition if there is objective evidence that the taxes are not recoverable, the carrying amount of the asset is reduced through the use of an allowance account. Any amount considered to be unrecoverable is recognized in the statement of changes in net assets available for benefits and is included under “withholding tax”. At the end of the year, the Fund measures its withholding tax receivable at the amount deemed recoverable. The Fund does not currently have a confirmation of tax-exempt status in certain Member States. Accordingly, the taxes withheld on direct investments in these jurisdictions are accrued and deemed not recoverable.

65. For indirect investments, the investment vehicle is typically a taxable entity and the Fund is not directly responsible for any tax. Furthermore, the taxes incurred by an investment vehicle can seldom be attributed to the Fund, other than investments in depository receipts. Taxes attributed to the Fund on indirect investments are recognized in the statement of changes in net assets available for benefits and are included under “withholding tax”. To the extent that the Fund is subsequently virtually certain that the taxes will be recovered, the amount is recognized as “withholding tax receivable” in the statement of net assets available for benefits.

66. The Fund also incurs costs on account of certain taxes that are based on the value of the transaction. Transaction-based taxes include stamp duty, security transaction tax and financial transaction tax. Transaction-based taxes are recognized in the statement of changes in net assets available for benefits and are included under “other transaction costs”. To the extent that the Fund is subsequently virtually certain that the taxes will be recovered, the amount is recognized as “other receivable” in the statement of net assets available for benefits and “other income” in the statement of net assets available for benefits.

### 3.4 Critical accounting estimates

67. Taking into consideration all relevant information that is available at the time, management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

*Fair value of financial instruments*

68. The Fund holds financial instruments that are not quoted in active markets. Fair values of such instruments are determined using appropriate valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed and modified as required. Where available, valuation models are calibrated by back testing to actual transactions to ensure that outputs are reliable. The Fund relies primarily on the assurance provided by the investee company’s independent auditors.

69. When fair value is based on an observable market price, the quoted price at the reporting date is used. The fair value of an asset determined in accordance with IPSAS 41 reflects a hypothetical exit transaction at the reporting date. Changes in market prices after the reporting date are therefore not reflected in asset valuation.

70. The fair value of financial instruments not quoted in an active market may also be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund exercises judgment on the quantity and quality of pricing sources used.

71. Where no market data is available, the Fund may value financial instruments using internal valuation models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are created using observable data to the extent practicable. However, in areas such as credit risk (both the Fund and counterparty), volatilities and correlations may require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

72. The determination of what constitutes "observable" requires significant judgment by the Fund. The Fund considers observable data to be market data that are readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

73. The valuation of investments in real assets and alternative investments through limited liability partnerships requires significant judgment due to the absence of quoted market values, the inherent lack of liquidity and the long-term nature of such investments. The valuation of these investments is based on the valuation provided by the general partners or managers of the underlying investments. The Fund relies primarily on these tests performed by the investee company's independent auditors and the individual investment managers' compliance with generally accepted accounting standards and valuation procedures.

*Receivable/payable from/to investments traded*

74. Impairment of receivables from investments traded is recorded when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization, and default in payments are considered indicators that the receivables from investments traded are impaired.

*Taxes*

75. Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on withholding tax. Given the wide range of international investments, differences arising between the actual income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded during the year and any tax receivable deemed recoverable at the end of the year. Withholding tax receivables are considered to be contractually due to the Fund and therefore are assessed for impairment under IPSAS 41.

*Impairment*

76. The annual review to assess potential impairment of assets that are not measured at fair value is another area where the Fund exercises significant judgment.

*Provision for the Fund's non-investment related receivables*

77. A provision is established to reflect the position of the accounts receivable, for all non-performing overpayments of pension benefits that are two years or older as at the respective year-end date of the financial statements.

*Actuarial assumptions*

78. The Fund uses actuarial methods for the disclosure of employee benefit liabilities. The related assumptions are disclosed in note 11 in respect of after-service health insurance and other employee benefits of the Fund's staff and in note 19, which contains information on assumptions used for the actuarial liability to the beneficiaries of the Fund.

### 3.5 Contributions

79. Contributions are recorded on an accrual basis. Participants and their employing member organizations are required to contribute 7.9 per cent and 15.8 per cent, respectively, of their pensionable remuneration to the Fund. Each month the Fund accrues a receivable amount for contributions expected. When contributions are actually received, the receivable is offset. Contributions are due to be paid by member organizations by the second business day of the month following the month to which the contributions relate. The contributions vary on the basis of changes in the number of participants, changes in the distribution of participants, changes in pensionable remuneration rates as a result of cost-of-living increases determined by ICSC, and the periodic grade step increase to individual pensionable remuneration received by all participants.

### 3.6 Benefits

80. Payments of benefits, including withdrawal settlements, are recorded on an accrual basis. The right to a benefit is generally forfeited if, for two years (withdrawal settlement or residual settlement) or five years (retirement, early retirement, deferred retirement or disability benefit) after payment has been due, the beneficiary has failed to submit payment instructions or has failed or refused to accept payment. An estimated benefit liability is recognized for withdrawal settlements with a participation period of less than five years for which the beneficiary has not submitted the payment instructions for 36 months from the time of the obligating event. The estimate is based on the average of the last five-year expense for such cases.

### 3.7 Accounting for non-United States dollar-denominated currency translations and balances

81. Non-United States dollar-denominated currency transactions are translated using the spot exchange rate between the functional currency and the non-United States dollar-denominated currency at the date of the transaction.

82. At each reporting date, non-United States dollar-denominated monetary items are translated using the closing spot rate. The Fund applies WM/Reuters Company rates (primary source) and Bloomberg and Refinitiv rates (secondary source) as the spot rate for the investment activities and the United Nations operational rate of exchange for non-investment activities. Exchange differences arising on the settlement of these monetary items or on the translation of these monetary items at rates different from those at which they were previously translated are recognized in the change in net assets available for benefits in the period in which they arise.

### 3.8. Leases

83. All of the Fund's leases are categorized as operating leases. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.

### 3.9 Property, plant and equipment

84. Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. All assets acquired for a cost of $20,000 and above are capitalized. The Fund reviews this threshold annually for reasonableness. The Fund does not own land or buildings.

85. Depreciation is provided for property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives for property, plant and equipment classes are as follows:

| *Class* | *Estimated useful life in years* |
|---|---|
| Computer equipment | 4 |
| Office equipment | 4 |
| Office furniture | 10 |
| Office fixtures and fittings | 7 |
| Audiovisual equipment | 7 |

86. Leasehold improvements are recognized as assets and valued at cost and are depreciated over the lesser of seven years or the lease term. Impairment reviews are undertaken if indicators of impairment exist.

### 3.10 Intangible assets

87. Intangible assets are capitalized if their cost exceeds the threshold of $20,000, except for internally developed software, for which the threshold is $50,000. The capitalized cost of internally developed software excludes those costs related to research and maintenance. Intangible assets are stated at historical cost less accumulated amortization and any impairment losses. Amortization is recognized over the estimated useful life using the straight-line method. The estimated useful lives for intangible asset classes are as follows:

| *Class* | *Estimated useful life in years* |
|---|---|
| Software acquired externally | 3 |
| Internally developed software | 6 |
| Licences and rights, copyrights and other intangible assets | Shorter of 3 years or the life of the asset |

### 3.11 Emergency fund

88. The appropriation is made when the authorization is approved by the General Assembly. Participants wishing to avail themselves of this benefit submit an application to the Fund. After review and authorization, approved amounts are paid to the participant. Payments are charged directly against the appropriation account up to the amount authorized by the Pension Board. Current expense for the year is reported in the statement of changes in net assets available for benefits.

### 3.12 Provisions and contingent liabilities

89. A provision is recognized for future liabilities and charges if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

90. Contingent liabilities are disclosed for any possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund. Contingent liabilities are also disclosed where present obligations that arise from past events cannot be recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or the amount of the obligations cannot be reliably measured.

### 3.13 Employee benefits

91. Among certain short-term and other long-term benefits, the Fund provides its employees with certain post-employment benefits.

92. After-service health insurance and repatriation grants are classified as defined benefit schemes and accounted for as such.

93. The employees of the Fund are themselves participating in the Fund. While the Fund is a defined benefit scheme, it has been classified as a multi-employer fund. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. The Fund, in line with the other participating organizations in the Fund, is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes, and hence has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39: Employee benefits. The Fund's contributions to the plan during the financial period are recognized as expenses in the statement of changes in net assets available for benefits.

### 3.14 Reconciliation of budget information

94. The Fund's budget is prepared on a modified cash basis, whereas the financial statements are prepared on an accrual basis.

95. The General Assembly approves the annual budget for the Fund's administrative expenses. Budgets may be subsequently amended by the Assembly or through the exercise of delegated authority.

96. As required by IPSAS 24, the statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2023 provides a comparison of budget and actual amounts on a comparable basis. The comparison includes: the original budget amounts, the actual amounts on the same basis as the corresponding budgetary amounts and an explanation of material differences (> +/-5 per cent) between the actual and budget amounts.

97. Note 22 provides a reconciliation of actual amounts presented on the same basis as the budget and administrative expense included in the statement of changes in net assets.

### 3.15 Related party transactions

98. Parties are considered to be related when one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

99. The following parties are considered related parties for the Fund in 2023:

(a) Key management personnel: the Chief Executive of Pension Administration, the Representative of the Secretary-General, the Deputy Chief Executive of Pension Administration, the Chief Investment Officer and the Chief Financial Officer (see note 1.2);

(b) The General Assembly;

(c) The 25 member organizations participating in the Fund;

(d) The United Nations International Computing Centre.

100. A summary of the relationship and transactions with the above parties is given in note 24.

### 3.16 Subsequent events

101. Any information about conditions that existed as at the date of the statement of net assets available for benefits that is received after the reporting period but before

the financial statements are signed and that is material to the Fund is incorporated in the financial statements.

102. In addition, any event that occurs after the date of the statement of net assets available for benefits but before the financial statements are signed that is material to the Fund is disclosed in the notes to the financial statements. As at the date of certification of the financial statements and related notes for the year ended 31 December 2023, no other material events, favourable or unfavourable, had occurred.

103. Only the Fund's management has the authority to amend these financial statements.

### Note 4
### Cash and cash equivalents

104. Cash and cash equivalents include:

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---|---|
| Cash at bank – Office of Investment Management | 404 345 | 458 049 |
| Cash at bank – Pension Administration | 235 054 | 202 464 |
| Cash held by external managers – Office of Investment Management | 102 379 | 89 236 |
| **Total cash and cash equivalents** | **741 778** | **749 749** |

### Note 5
### Financial instruments by category

105. The tables below provide an overview of all financial instruments held, by category, in accordance with IPSAS 41 as at 31 December 2023 and 31 December 2022:

(Thousands of United States dollars)

| | *As at 31 December 2023* | | |
|---|---|---|---|
| | *Financial instruments at fair value through surplus or deficit* | *Financial instruments at amortized cost* | *Financial liabilities* |
| **Financial assets as indicated in the statement of net assets available for benefits** | | | |
| Cash and cash equivalents | 741 778 | – | – |
| Investments | | | |
| Equities | 45 257 022 | – | – |
| Fixed income | 27 542 597 | – | – |
| Real assets | 7 207 145 | – | – |
| Alternative and other investments | 7 591 983 | – | – |
| Accrued income from investments | – | 253 156 | – |
| Receivables from investments traded | – | 14 328 | – |
| Withholding tax receivables | – | 56 458 | – |
| **Total financial assets** | **88 340 525** | **323 942** | – |

| | As at 31 December 2023 | | |
|---|---|---|---|
| | *Financial instruments at fair value through surplus or deficit* | *Financial instruments at amortized cost* | *Financial liabilities* |
| **Financial liabilities as indicated in the statement of net assets available for benefits** | | | |
| Payable from investments traded | – | – | 211 271 |
| Other accruals and liabilities | – | – | 29 560 |
| **Total financial liabilities** | – | – | **240 831** |

*Investments exceeding 5 per cent of net assets*

106. There were no investments exceeding 5 per cent of net assets available for benefits as at 31 December 2023.

107. There were no investments exceeding 5 per cent of equities, fixed income or alternative and other investments as at 31 December 2023. The Fund held a total of $764.7 million in two real estate funds as at 31 December 2023, which represented more than 5 per cent of investments in real assets category.

(Thousands of United States dollars)

| | As at 31 December 2022 (reclassified) | | |
|---|---|---|---|
| | *Financial instruments at fair value through surplus or deficit* | *Financial instruments at amortized cost* | *Financial liabilities* |
| **Financial assets as per statement of net assets available for benefits** | | | |
| Cash and cash equivalents | 749 749 | – | – |
| Investments | | | |
| Equities | 39 246 356 | – | - |
| Fixed income | 24 131 952 | – | – |
| Real assets | 7 492 991 | – | – |
| Alternative and other investments | 6 566 220 | – | – |
| Accrued income from investments | – | 195 264 | – |
| Receivables from investments traded | – | 75 854 | – |
| Withholding tax receivables | – | 60 431 | – |
| **Total financial assets** | **78 187 268** | **331 549** | – |
| **Financial liabilities as indicated in the statement of net assets available for benefits** | | | |
| Payable from investments traded | – | – | 418 750 |
| Other accruals and liabilities | – | – | 34 360 |
| **Total financial liabilities** | – | – | **453 110** |

*Investments exceeding 5 per cent of net assets*

108. There were no investments exceeding 5 per cent of net assets available for benefits as at 31 December 2022.

109. There were no investments exceeding 5 per cent of equities, fixed income or alternative and other investments as at 31 December 2022. The Fund held a total of $867.4 million in two real estate funds as at 31 December 2022, which represented more than 5 per cent of investments in the real assets category.

**Note 6**
**Fair value measurement**

110. IPSAS establishes a three-level fair value hierarchy under which financial instruments are categorized on the basis of the significance of inputs to the valuation technique. Level 1 includes those securities where unadjusted quoted prices are available in active markets for identical assets or liabilities. Level 2 includes those securities where inputs other than quoted prices included within level 1 are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 includes those securities where inputs for the asset or liability are not based on observable market data (that is, unobservable inputs). The level in the fair value hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level of information that is significant to the fair value measurement. If a fair value measurement of an investment uses observable inputs that require significant adjustment on the basis of unobservable inputs, then that investment is classified as level 3.

111. Assessing the significance of a specific input to the fair value measurement of an investment in its entirety requires judgment, considering factors specific to the investment.

112. The tables below present the fair value hierarchy of the Fund's investments (by asset class) measured at fair value through surplus or deficit as at 31 December 2023 and 31 December 2022:

(Thousands of United States dollars)

| *Fair value hierarchy as at 31 December 2023* | *Level 1* | *Level 2* | *Level 3* | *Total* |
|---|---|---|---|---|
| **Equities** | | | | |
| Common and preferred stock | 44 392 178 | – | – | 44 392 178 |
| Funds – exchange-traded funds | 816 728 | – | – | 816 728 |
| Funds – common stock | – | – | 62 | 62 |
| Stapled securities | 48 054 | – | – | 48 054 |
| **Total equities** | **45 256 960** | – | **62** | **45 257 022** |
| **Fixed income** | | | | |
| Government and agency securities | – | 21 076 475 | – | 21 076 475 |
| Asset-backed securities | – | 114 432 | – | 114 432 |
| Corporate bonds/commercial paper | – | 5 733 102 | 23 999 | 5 757 101 |
| Municipal/provincial bonds | – | 203 514 | – | 203 514 |
| Commercial mortgage-backed | – | 391 025 | – | 391 025 |
| To-be-announced mortgage-backed securities | – | 50 | – | 50 |
| Funds – corporate bonds | – | – | – | – |
| **Total fixed income** | – | **27 518 598** | **23 999** | **27 542 597** |

| Fair value hierarchy as at 31 December 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Real assets** | | | | |
| Real estate funds | – | 121 709 | 6 699 231 | 6 820 940 |
| Infrastructure assets | – | – | 386 124 | 386 124 |
| Timberland | – | – | 81 | 81 |
| **Total real assets** | – | **121 709** | **7 085 436** | **7 207 145** |
| **Alternative and other investments** | | | | |
| Private equity | – | – | 7 591 983 | 7 591 983 |
| **Total alternative and other investments** | – | – | **7 591 983** | **7 591 983** |
| **Total** | **45 256 960** | **27 640 307** | **14 701 480** | **87 598 747** |

(Thousands of United States dollars)

| Fair value hierarchy as at 31 December 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Equities** | | | | |
| Common and preferred stock | 38 512 162 | – | 1 647 | 38 513 809 |
| Funds – exchange-traded funds | 672 026 | – | – | 672 026 |
| Funds – common stock | 8 322 | – | 157 | 8 479 |
| Stapled securities | 52 042 | – | – | 52 042 |
| **Total equities** | **39 244 552** | **–** | **1 804** | **39 246 356** |
| **Fixed income** | | | | |
| Government and agency securities | – | 18 767 582 | – | 18 767 582 |
| Asset-backed securities | – | 151 173 | – | 151 173 |
| Corporate bonds/commercial paper | – | 4 561 916 | 22 789 | 4 584 705 |
| Municipal/provincial bonds | – | 170 485 | – | 170 485 |
| Commercial mortgage-backed | – | 405 252 | – | 405 252 |
| Funds – corporate bonds | – | – | 52 755 | 52 755 |
| **Total fixed income** | – | **24 056 408** | **75 544** | **24 131 952** |
| **Real assets** | | | | |
| Real estate funds | – | 224 594 | 6 905 604 | 7 130 198 |
| Infrastructure assets | – | – | 362 330 | 362 330 |
| Timberland | – | – | 463 | 463 |
| **Total real assets** | – | **224 594** | **7 268 397** | **7 492 991** |
| **Alternative and other investments** | | | | |
| Private equity | – | – | 6 566 220 | 6 566 220 |
| **Total alternative and other investments** | – | – | **6 566 220** | **6 566 220** |
| **Total** | **39 244 552** | **24 281 002** | **13 911 965** | **77 437 519** |

*Equities*

113. Common and preferred stocks, exchange-traded funds and stapled securities were classified under level 1 if bid prices were available from institutional vendors.

114. Common stock funds amounting to $0.1 million as at 31 December 2023 (31 December 2022: $0.2 million) were valued using a net asset value approach and hence classified under level 3. No common or preferred stocks as at 31 December 2023 (31 December 2022: $1.6 million) were classified under level 3.

*Fixed income*

115. The vast majority of the fixed income securities prices were not obtained from an active market directly, which would have led to a level 1 classification. Instead, prices were obtained through brokers' bids, which were indicative quotes and therefore classified as level 2.

116. No corporate bond funds as at 31 December 2023 (31 December 2022: $52.8 million) were considered to be level 3. Corporate bonds/commercial paper amounting to $24.0 million as at 31 December 2023 (31 December 2022: $22.8 million) were considered to be level 3. Inputs for the value of those investments, while available from third-party sources, were not well defined, readily observable market data. Consequently, the Fund decided to classify such investments as level 3.

117. The Fund held one to-be-announced mortgage-backed security, accounted for as a derivative instrument with a notional value of $14,398,125 as at 31 December 2023. The prices applied to to-be-announced mortgage-backed securities are determined by the underlying assets. The prices were obtained through brokers' bids, which were indicative quotes and therefore classified as level 2.

*Real assets and alternative and other investments*

118. Real assets amounting to $7,085.4 million as at 31 December 2023 (31 December 2022: $7,268.4 million), net of carried interest of $207.8 million (31 December 2022: $242.4 million), as well as alternative and other investments amounting to $7,592.0 million as at 31 December 2023 (31 December 2022: $6,566.2 million), net of carried interest of $544.2 million (31 December 2022: $482.0 million), were classified under level 3 because they were priced using the net asset value methodology, for which the Fund was unable to corroborate or verify using observable market data. In addition, limited options were available to the investors to redeem units, hence making the investments in such funds relatively illiquid.

119. One real estate fund amounting to $121.7 million as at 31 December 2023 (31 December 2022: $224.6 million) which was readily redeemable at net asset value without penalties was classified as a level 2 asset representing the net asset value as reported by the fund manager.

120. For the year ended 31 December 2023, there was a transfer of one equity security amounting to $1.6 million out of level 3 and into level 1. The security was classified as level 3 as at 31 December 2022 due to a temporary restriction on trading consequent to a corporate action.

121. For the year ended 31 December 2022, there was a transfer of one equity security amounting to $2.4 million out of level 3 and into level 1. The security was classified as level 3 as at 31 December 2021 due to a restriction on trading consequent to a corporate action.

122. The table below presents the movements in level 3 instruments for the year ended 31 December 2023 by class of financial instrument.

(Thousands of United States dollars)

| | *Equities* | *Fixed income* | *Real assets* | *Alternative and other investments* | *Total* |
|---|---|---|---|---|---|
| **Opening balance** | **1 804** | **75 544** | **7 268 397** | **6 566 220** | **13 911 965** |
| Purchases | – | – | 812 510 | 1 313 595 | 2 126 105 |
| Sales/return of capital | (445) | (52 629) | (416 682) | (758 547) | (1 228 303) |
| Transfers (out of)/into level 3 | (1 603) | – | – | – | (1 603) |
| Net gains and losses recognized in the statement of changes in net assets available for benefits | 306 | 1 084 | (578 789) | 470 715 | (106 684) |
| **Closing balance** | **62** | **23 999** | **7 085 436** | **7 591 983** | **14 701 480** |
| Change in unrealized gains and losses for level 3 assets held at the period end and included in statements of changes in net assets available for benefits | 2 280 | (8 858) | (658 304) | 305 642 | (359 240) |

123. The table below presents the movements in level 3 instruments for the year ended 31 December 2022 by class of financial instrument.

(Thousands of United States dollars)

| | *Equities* | *Fixed Income* | *Real assets* | *Alternative and other investments* | *Total* |
|---|---|---|---|---|---|
| **Opening balance** | **3 049** | **78 755** | **6 389 081** | **6 477 746** | **12 948 631** |
| Purchases | 3 847 | 2 811 | 1 473 732 | 1 398 864 | 2 879 254 |
| Sales/return of capital | (387) | – | (674 595) | (996 876) | (1 671 858) |
| Transfers (out of)/into level 3 | (2 448) | – | – | – | (2 448) |
| Net gains and losses recognized in the statement of changes in net assets available for benefits | (2 257) | (6 022) | 80 179 | (313 514) | (241 614) |
| **Closing balance** | **1 804** | **75 544** | **7 268 397** | **6 566 220** | **13 911 965** |
| Change in unrealized gains and losses for level 3 assets held at the period-end and included in statements of changes in net assets available for benefits | (1 384) | (6 022) | (88 179) | (474 620) | (570 205) |

## Note 7
## Accrued income from investments

124. Accrued income from investments is income earned during the year that has yet to be received as at the date of the statement of net assets available for benefits.

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---|---|
| Fixed income securities, cash and cash equivalents | 186 241 | 137 238 |
| Dividends receivable on equities | 45 615 | 39 461 |
| Real assets and alternative investments | 21 300 | 18 565 |
| **Total accrued income from investments** | **253 156** | **195 264** |

### Note 8
### Withholding tax receivables

125. Withholding tax receivable as at 31 December 2023 and 31 December 2022 and withholding tax for the years ended 31 December 2023 and 31 December 2022 by country are as follows:

(Thousands of United States dollars)

| | For the year 2023 | | | As at 31 December 2023 | | | For the year 2022 | | | As at 31 December 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Country* | *Tax withheld* | *Tax received* | *Withholding tax* | *Tax recoverable* | *Deemed not recoverable* | *Tax receivable* | *Tax withheld* | *Tax received* | *Withholding tax* | *Tax recoverable* | *Deemed not recoverable* | *Tax receivable* |
| Australia | – | – | (47) | 872 | – | 872 | 25 | – | 103 | 867 | (42) | 825 |
| Austria | 126 | – | (11) | 376 | – | 376 | 105 | – | 8 | 239 | – | 239 |
| Belgium | 524 | 237 | 53 | 1 842 | (705) | 1 137 | 705 | 93 | 651 | 1 502 | (599) | 903 |
| Brazil | 279 | – | 279 | 332 | (332) | – | 287 | – | 287 | 307 | (307) | – |
| Canada | – | – | – | 12 | (12) | – | – | – | 13 | 12 | (12) | – |
| Chile | 148 | 780 | (627) | 102 | (34) | 68 | 311 | 184 | 109 | 81 | (8) | 73 |
| China | 3 528 | 829 | 1 250 | 23 890 | (20 755) | 3 135 | 3 496 | – | 1 810 | 22 015 | (20 329) | 1 686 |
| Colombia | 25 | 270 | (57) | 35 | – | 35 | 8 | – | 48 | 228 | (5) | 223 |
| Czechia | 287 | – | (1) | 695 | – | 695 | 236 | – | (9) | 407 | – | 407 |
| Denmark | 1 715 | – | 5 | 4 075 | (111) | 3 964 | 1 111 | – | 81 | 2 254 | – | 2 254 |
| Egypt | – | 1 916 | 942 | 1 870 | – | 1 870 | 3 236 | – | 2 277 | 4 728 | – | 4 728 |
| Finland | – | – | 431 | 1 850 | (494) | 1 356 | – | – | 117 | 1 787 | – | 1 787 |
| Germany | 8 061 | 85 | 4 451 | 34 221 | (13 205) | 21 016 | 7 038 | – | 8 909 | 25 239 | (7 748) | 17 491 |
| Greece | – | – | – | 109 | (109) | – | – | – | – | 105 | (105) | – |
| India | 457 | 433 | 7 | 758 | – | 758 | 175 | – | 78 | 741 | – | 741 |
| Indonesia | 1 074 | – | 1 074 | 6 236 | (6 236) | – | 1 889 | – | 1 889 | 5 125 | (5 125) | – |
| Ireland | – | – | (5) | 159 | – | 159 | 6 | – | 9 | 154 | – | 154 |
| Italy | 1 | – | 1 | – | – | – | – | – | – | – | – | – |
| Japan | – | – | – | 3 | (3) | – | – | – | – | 3 | (3) | – |
| Luxembourg | 39 | 24 | (3) | 104 | (18) | 86 | 59 | 1 | 1 | 86 | (18) | 68 |
| Mexico | – | – | – | 66 | (66) | – | – | – | – | 58 | (58) | – |
| Netherlands (Kingdom of the) | 1 708 | 53 | (99) | 4 513 | – | 4 513 | 1 742 | 1 114 | 151 | 2 759 | – | 2 759 |
| Norway | – | – | 179 | 174 | (174) | – | – | – | 21 | 179 | – | 179 |
| Papua New Guinea | – | – | – | 18 | (18) | – | – | – | – | 17 | (17) | – |
| Philippines | 297 | 19 | 780 | 2 105 | (848) | 1 257 | 394 | – | 205 | 1 819 | (60) | 1 759 |
| Poland | 74 | – | (1) | 75 | – | 75 | – | – | – | – | – | – |
| Russian Federation | 1 137 | – | 1 137 | 1 523 | (1 523) | – | – | 3 760 | (3 345) | 355 | (355) | – |
| Singapore | 57 | – | (4) | 137 | – | 137 | 65 | 41 | (1) | 76 | – | 76 |

| Country | For the year 2023 | | | As at 31 December 2023 | | | For the year 2022 | | | As at 31 December 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Tax withheld* | *Tax received* | *Withholding tax* | *Tax recoverable* | *Deemed not recoverable* | *Tax receivable* | *Tax withheld* | *Tax received* | *Withholding tax* | *Tax recoverable* | *Deemed not recoverable* | *Tax receivable* |
| Spain | 1 848 | 1 624 | (51) | 1 412 | – | 1 412 | 1 529 | 800 | (9) | 1 137 | – | 1 137 |
| Sweden | 712 | 1 | (52) | 2 181 | (38) | 2 143 | 558 | – | 68 | 1 409 | (29) | 1 380 |
| Switzerland | 9 973 | 30 946 | (10 815) | 10 741 | – | 10 741 | 9 595 | 6 507 | 10 902 | 31 066 | (10 167) | 20 899 |
| Thailand | 131 | – | 131 | 463 | (463) | – | 123 | – | 123 | 323 | (323) | – |
| Türkiye | – | – | – | 67 | (67) | – | – | – | – | 106 | (106) | – |
| United Kingdom of Great Britain and Northern Ireland | 163 | – | 173 | 876 | (223) | 653 | 168 | 71 | 64 | 676 | (13) | 663 |
| **Total** | **32 364** | **37 217** | **(880)** | **101 892** | **(45 434)** | **56 458** | **32 861** | **12 571** | **24 560** | **105 860** | **(45 429)** | **60 431** |

126. In Brazil; in some provinces in China; for certain periods in Canada, Greece, Mexico, Papua New Guinea, the Russian Federation and Türkiye; and for fixed-income securities in the Philippines, there are no formally established reclamation mechanisms in place, and in these cases the Fund, with assistance from the Fund's custodians or the tax advisers, have to date been unable to file and/or reclaim the taxes withheld. While these Member States have confirmed the Fund's tax-exempt status, the taxes withheld from direct investments in these countries are accrued and continue to be deemed not recoverable in 2023, unless there is certainty of reclaim in subsequent years. The Fund does not currently have a confirmation of tax-exempt status for Indonesia and Thailand. Accordingly, the taxes withheld on direct investments in Indonesia and Thailand are accrued and deemed not recoverable in 2023. For Belgium, Chile, Denmark, Finland, Germany, Luxembourg, Norway, Sweden and the United Kingdom, while, in accordance with accounting policy, withholding tax recoverable over three years is deemed not recoverable, the Fund's custodian has filed requests for reclaim. Consistent with the Fund's prior experience, refunds are anticipated despite delays due to the ongoing processing delays consequent to the coronavirus disease (COVID-19) pandemic.

127. An ageing analysis of withholding tax receivable as at 31 December 2023 and 31 December 2022 is as follows:

(Thousands of United States dollars)

| | *As at 31 December 2023* | | | *As at 31 December 2022* | | |
|---|---|---|---|---|---|---|
| *Country* | *3 years or more* | *Less than 3 years* | *Tax receivable* | *3 years or more* | *Less than 3 years* | *Tax receivable* |
| Australia | 503 | 369 | 872 | – | 825 | 825 |
| Austria | – | 376 | 376 | – | 239 | 239 |
| Belgium | – | 1 137 | 1137 | – | 903 | 903 |
| Chile | – | 68 | 68 | – | 73 | 73 |
| China | 821 | 2 314 | 3 135 | 301 | 1 385 | 1 686 |
| Colombia | – | 35 | 35 | – | 223 | 223 |
| Czechia | – | 695 | 695 | – | 407 | 407 |
| Denmark | – | 3 964 | 3 964 | – | 2 254 | 2 254 |
| Egypt | – | 1 870 | 1 870 | – | 4 728 | 4 728 |
| Finland | – | 1 356 | 1 356 | – | 1 787 | 1 787 |
| Germany | – | 21 016 | 21 016 | – | 17 491 | 17 491 |
| India | 198 | 560 | 758 | – | 741 | 741 |
| Ireland | – | 159 | 159 | – | 154 | 154 |
| Luxembourg | – | 86 | 86 | – | 87 | 87 |
| Netherlands (Kingdom of the) | – | 4 513 | 4 513 | 21 | 2 719 | 2 740 |
| Norway | – | – | – | – | 179 | 179 |
| Philippines | – | 1 257 | 1 257 | – | 1 759 | 1 759 |
| Poland | – | 75 | 75 | – | – | – |
| Singapore | – | 137 | 137 | – | 76 | 76 |
| Spain | – | 1 412 | 1 412 | – | 1 137 | 1 137 |
| Sweden | – | 2 143 | 2 143 | – | 1 380 | 1 380 |
| Switzerland | – | 10 741 | 10 741 | – | 20 899 | 20 899 |
| United Kingdom of Great Britain and Northern Ireland | – | 653 | 653 | – | 663 | 663 |
| **Total** | **1 522** | **54 936** | **56 458** | **322** | **60 109** | **60 431** |

## Note 9
## Other assets

128. The other assets included in the statement of net assets available for benefits are broken down as follows:

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---|---|
| Prepayments and benefits receivable | 15 903 | 18 349 |
| Property, plant and equipment | 1 229 | 1 322 |
| Intangible assets in use | 367 | 459 |
| Other receivables | 193 | 173 |
| **Total** | **17 692** | **20 303** |

### 9.1 Prepayments and benefits receivables

129. An overview of the prepayments and other accounts receivable held by the Fund is presented as follows:

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---|---|
| Prepayments | 6 912 | 9 215 |
| Advance benefit payments due to payroll conversion | 3 558 | 4 006 |
| Benefits receivable | 11 557 | 10 598 |
| Benefits receivable – provision | (6 124) | (5 470) |
| **Total** | **15 903** | **18 349** |

### 9.2 Property, plant and equipment

130. An overview of the fixed assets held by the Fund is presented as follows:

(Thousands of United States dollars)

| | *Information technology equipment* | *Leasehold improvements* | | |
|---|---|---|---|---|
| | *In use* | *In use* | *Under construction* | *Total* |
| **Cost** | | | | |
| 1 January 2023 | 707 | 17 447 | – | 18 154 |
| Additions | 21 | – | 115 | 136 |
| Disposals/transfers | (149) | – | – | (149) |
| 31 December 2023 | 579 | 17 447 | 115 | 18 141 |
| **Accumulated depreciation** | | | | |
| 1 January 2023 | 673 | 16 159 | – | 16 832 |
| Depreciation | 14 | 215 | – | 229 |
| Disposals/transfers | (149) | – | – | (149) |
| 31 December 2023 | 538 | 16 374 | – | 16 912 |
| **Net book value, 31 December 2023** | **41** | **1 073** | **115** | **1 229** |

(Thousands of United States dollars)

| | Information technology equipment | Leasehold improvements | | |
|---|---|---|---|---|
| | In use | In use | Under construction | Total |
| **Cost** | | | | |
| 1 January 2022 | 770 | 15 944 | 106 | 16 820 |
| Additions | 45 | 1 503 | (106) | 1 442 |
| Disposals/transfers | (108) | – | – | (108) |
| 31 December 2022 | 707 | 17 447 | – | 18 154 |
| **Accumulated depreciation** | | | | |
| 1 January 2022 | 770 | 15 944 | – | 16 714 |
| Depreciation | 11 | 215 | – | 226 |
| Disposals/transfers | (108) | – | – | (108) |
| 31 December 2022 | 673 | 16 159 | – | 16 832 |
| **Net book value, 31 December 2022** | **34** | **1 288** | – | **1 322** |

131. The leasehold improvements in use and under construction included above relate to the Fund’s improvements to its offices in New York.

## 9.3. Intangible assets

132. An overview of the intangible assets held by the Fund is presented as follows:

(Thousands of United States dollars)

| | Intangible assets in use | Under construction | Total |
|---|---|---|---|
| **Cost** | | | |
| 1 January 2023 | 20 887 | – | 20 887 |
| Additions | – | – | – |
| Transfers | – | – | – |
| Disposals | – | – | – |
| 31 December 2023 | 20 887 | – | 20 887 |
| **Accumulated amortization** | | | |
| 1 January 2023 | 20 428 | – | 20 428 |
| Amortization | 92 | – | 92 |
| Disposals | – | – | – |
| 31 December 2023 | 20 520 | – | 20 520 |
| **Net book value, 31 December 2023** | **367** | – | **367** |

(Thousands of United States dollars)

| | *Intangible assets in use* | *Under construction* | *Total* |
|---|---|---|---|
| **Cost** | | | |
| 1 January 2022 | 20 336 | 272 | 20 608 |
| Additions | 551 | (272) | 279 |
| Transfers | – | – | – |
| Disposals | – | – | – |
| 31 December 2022 | 20 887 | – | 20 887 |
| **Accumulated amortization** | | | |
| 1 January 2022 | 20 336 | – | 20 336 |
| Amortization | 92 | – | 92 |
| Disposals | – | – | – |
| 31 December 2022 | 20 428 | – | 20 428 |
| **Net book value, 31 December 2022** | **459** | – | **459** |

## Note 10
## Benefits payable

133. The amount shown in the statement of net assets is broken down as follows:

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---|---|
| Withdrawal settlements | 97 063 | 75 347 |
| Lump sum payments | 32 896 | 27 492 |
| Periodic benefits payable | 41 988 | 40 293 |
| Other benefits payable/adjustments | 456 | 764 |
| **Total** | **172 403** | **143 896** |

## Note 11
## After-service health insurance and other employee benefits

134. A breakdown of the after-service health insurance and other employee benefits payable amount shown in the statement of net assets is as follows:

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---|---|
| After-service health insurance liability | 92 386 | 83 598 |
| Annual leave | 6 346 | 5 478 |
| Repatriation grant and related costs | 5 634 | 4 395 |
| Education grant and related costs | 540 | 482 |
| Home leave | 473 | 422 |
| **Total** | **105 379** | **94 375** |

135. The Fund does not set aside or ring-fence funding for after-service health insurance and other employee benefit liabilities. These liabilities are recognized in

the financial statements at their full amount and deducted in the computation of net assets available for benefits.

*After-service health insurance, annual leave and repatriation grants liability*

136. The Fund provides its employees who have met certain eligibility requirements with the following after-service and end-of-service benefits:

- Health-care benefits after they retire. This benefit is referred to as after-service health insurance
- Repatriation benefits to facilitate the relocation of expatriate staff members
- Annual leave benefits to provide staff members with periods of time off from work at full pay for personal reasons and for purposes of health, rest and recreation. Upon separation from service, staff members who have accrued unused annual leave will be paid for each day of unused leave up to a maximum of 60 days.

137. The liabilities as at 31 December 2023 were calculated on the basis of census data as at 31 October 2023 provided to the actuary by the United Nations; the liabilities as at 31 December 2022 were the result of the roll-forward to 31 December 2022 of the end-of-service benefit obligations as at 31 December 2021 for the Fund by the consulting actuary and:

- Health insurance premium and contribution data provided by the United Nations
- Actual retiree claims experience under health insurance plans
- Estimated travel and shipment costs and annual leave balances reported by the United Nations in the census data
- Various economic, demographic and other actuarial assumptions
- Generally accepted actuarial methods and procedures.

138. The key assumptions in the calculation of after-service liabilities are the discount rate and health-care trend rates. The discount rate is based on the “spot” rate that reflects the market expectations at the time of the calculations to meet future expected benefit payments, based on high quality bonds. The discount rate is then the equivalent single rate that would produce the same liability as the full spot curve using the multiple bonds necessary to meet the future cash flow expectations.

139. The yield curves used in the calculation of the discount rates in respect of the United States dollar, the euro and the Swiss franc are those developed by Aon Hewitt, consistent with the decision of the Task Force on Accounting Standards to harmonize actuarial assumptions across the United Nations system.

140. For 31 December 2023, the single equivalent discount rates were selected and determined by the Fund, as follows:

- 4.64 per cent for the after-service health insurance scheme
- 4.95 per cent for repatriation benefits
- 4.93 per cent for annual leave

141. For 31 December 2022, the single equivalent discount rates were selected and determined by the Fund, as follows:

- 4.80 per cent for the after-service health insurance scheme
- 5.09 per cent for repatriation benefits
- 5.12 per cent for annual leave

142. The changes in discount rates are driven by the discount curve, which is calculated on the basis of corporate bonds. The bond markets varied over the reporting period, and volatility has an impact on the discount rate assumption. Should the assumption vary by 0.5 per cent, its impact on the obligations would be as follows:

| *Discount rate* | *After-service health insurance* | *Repatriation benefit* | *Annual leave* |
|---|---|---|---|
| Increase of 0.5 per cent | 10 per cent decrease | 3 per cent decrease | 3 per cent decrease |
| Decrease of 0.5 per cent | 11 per cent increase | 3 per cent increase | 4 per cent increase |

143. The comparison of health-care cost trend rates is as follows:

| | *31 December 2023* | *31 December 2022* |
|---|---|---|
| United States non-Medicare | 8.00 per cent trending down to 3.65 per cent after 7 years | 6.50 per cent trending down to 3.85 per cent after 9 years |
| United States Medicare | 7.40 per cent trending down to 3.65 per cent after 7 years | 6.50 per cent trending down to 3.85 per cent after 9 years |
| United States dental | 3.65 per cent and remaining unchanged | 6.50 per cent trending down to 3.85 per cent after 9 years |
| Non-United States – Switzerland | 8.00 per cent trending down to 2.35 per cent after 4 years | 4.25 per cent trending down to 2.55 per cent after 6 years |
| Non-United States – eurozone | 7.70 per cent trending down to 3.95 per cent after 12 years | 5.20 per cent trending down to 4.15 per cent after 11 years |

144. For comparison purposes, the table below shows the changes in the obligations resulting from a 0.5 per cent change in the assumed medical cost trend rate:

(Thousands of United States dollars)

| *2023* | *Increase* | *Decrease* |
|---|---|---|
| Effect on the defined-benefit obligation | 10 194 | (8 892) |
| Effect on the aggregate of the current service cost and the interest rate | 1 113 | (935) |

| *2022* | *Increase* | *Decrease* |
|---|---|---|
| Effect on the defined-benefit obligation | 9 320 | (8 070) |
| Effect on the aggregate of the current service cost and the interest rate | 1 019 | (866) |

145. The increase in the total after-service health insurance liabilities reported from 31 December 2022 to 31 December 2023 is due primarily to the impact of changing the financial assumptions, in particular the decrease in the discount rates for benefits denominated in United States dollars.

146. The table below illustrates the movements in post-employment net defined-benefits liabilities:

(Thousands of United States dollars)

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | *After-service health insurance* | *Repatriation grant* | *Annual leave* | *After-service health insurance* | *Repatriation grant* | *Annual leave* |
| **Net defined-benefit liability as at 1 January** | **83 598** | **4 395** | **5 478** | **106 946** | **5 324** | **6 630** |
| Current service cost | 2 493 | 223 | 475 | 6 575 | 313 | 483 |
| Interest cost | 3 985 | 212 | 266 | 2 938 | 136 | 175 |
| Benefits paid | (1 069) | (479) | (559) | (1 307) | (480) | (611) |
| Actuarial (gains)/losses | 3 379 | 1 283 | 686 | (31 554) | (898) | (1 199) |
| **Net defined-benefit liability as at 31 December** | **92 386** | **5 634** | **6 346** | **83 598** | **4 395** | **5 478** |

147. The table below illustrates the estimated benefit payments net of participant contributions for the next 10 years.

(Thousands of United States dollars)

| | *2024* | *2025* | *2026* | *2027* | *2028* | *2029–2033* |
|---|---|---|---|---|---|---|
| After-service health insurance | 1 392 | 1 627 | 1 852 | 2 085 | 2 359 | 15 464 |
| Repatriation grant | 731 | 637 | 516 | 544 | 491 | 2 184 |
| Annual leave | 711 | 667 | 575 | 535 | 501 | 2 126 |

148. The estimated durations of after-service health insurance, repatriation grant and annual leave liabilities were 21 years, 8 years and 8 years, respectively, as at 31 December 2023.

149. Other specific data and key assumptions used in the calculations on the basis of census data as at 31 October 2023 are outlined below.

*After-service health insurance*

150. A total of 340 active staff were included in the calculation: 294 United States-based and 46 non-United States-based. A total of 108 retired staff or their surviving spouses were included in the calculation: 86 United States-based and 22 non-United States-based. In addition, four active staff and three retirees or their surviving spouses who participated in dental-only plans were included. For active staff, the average age was 48 years with 10 years of service. The average age of retirees was 71 years.

*Repatriation benefits*

151. Staff members who are appointed as international staff are eligible for the payment of a repatriation grant after one year of active service outside their country of nationality as long as the reason for separation is not summary dismissal or abandonment of post.

152. The amount ranges from 2 to 28 weeks of salary depending on the category of employment and years of service of the eligible staff member. Travel and shipment of personal effects may also be authorized to the recognized country of home leave.

153. A total of 146 eligible staff with an average annual salary of $86,724 were considered.

*Annual leave*

154. Staff are entitled to accrue annual leave from the date of their appointment. Staff members who, upon separation from service, have accrued leave will be paid up to a maximum of 60 days if on a fixed-term appointment or up to 18 days if on a temporary appointment. The payment amount is calculated at 1/261 of applicable salary amounts for each day of unused annual leave.

155. A total of 394 active staff with an average annual salary of $118,284 were considered.

**Note 12**
**Other accruals and liabilities**

156. The amount shown as other accruals and liabilities in the financial statements is broken down as follows:

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---|---|
| Accruals for management fees and expenses | 13 727 | 20 261 |
| Accrual for contractual services | 321 | 159 |
| Restoration payable | 3 733 | 3 266 |
| Operating leases accrual | 4 414 | 6 094 |
| United Nations payable | 7 039 | 4 249 |
| Audit fee accrual | 206 | 197 |
| Other | 120 | 134 |
| **Total** | **29 560** | **34 360** |

157. The category of accruals for management fees and expenses includes payable to external managers, private equity and real estate funds.

**Note 13**
**Investment income**

158. The table below presents a summary of the Fund’s income from investments net of transaction costs recognized during the period. Any transaction cost that can be allocated to a single transaction or trade is netted off against investment income. Examples are broker commissions, other transaction costs and management fees. Any management expense charged to the income statement of a real asset or alternative fund was recorded separately as management expenses in the Fund’s statement of changes in net assets and included under transaction costs.

159. In some jurisdictions, the Fund receives dividend income, interest income and real estate income without any withholding tax. This is primarily a result of the fact that pension funds are exempt from withholding taxes in many jurisdictions. However, a number of jurisdictions do not provide this benefit to all pension funds but recognize that the Fund is part of the United Nations and hence exempt from national taxation of Member States on its direct investments in accordance with Article 105 of the Charter of the United Nations and with article II, section 7 (a), of the Convention on the Privileges and Immunities of the United Nations (see also note 3.3). The Fund is not able to reliably measure the value of the additional tax exemption obtained by being part of the United

Nations and therefore does not disclose the value of this additional benefit on the face of the statement of changes in net assets available for benefits as non-exchange income in accordance with IPSAS 23: Revenue from non-exchange transactions.

(Thousands of United States dollars)

| | *2023* | *2022* |
|---|---|---|
| **Total change in fair value for financial assets designated at fair value** | **9 035 465** | **(14 739 883)** |
| **Interest income** | | |
| Interest income on cash and cash equivalents | 23 820 | 8 447 |
| Interest income on fixed-income instruments | 799 009 | 583 567 |
| **Total interest income** | **822 829** | **592 014** |
| **Total dividend income** | **855 260** | **830 219** |
| **Total income from unitized real estate funds** | **76 571** | **85 982** |
| **Transaction costs** | | |
| Real assets and alternative investment management fees | (196 385) | (170 752) |
| External managers' management fees | (17 017) | (14 803) |
| Brokerage commissions | (8 340) | (11 285) |
| Other transaction costs | (1 892) | (3 498) |
| **Total transaction costs** | **(223 634)** | **(200 338)** |
| **Withholding tax** | **880** | **(24 560)** |
| **Other investment-related expenses, net** | **(2 139)** | **(1 264)** |
| **Net investment income/(loss)** | **10 565 232** | **(13 457 830)** |

160. The tables below present the change in the fair value of investments by asset class as a result of changes in market price and currency exchange rates for the years ended 31 December 2023 and 31 December 2022.

(Thousands of United States dollars)

| | *2023* | | | *2022* | | |
|---|---|---|---|---|---|---|
| | *Market price* | *Currency*[a] | *Total change* | *Market price* | *Currency*[a] | *Total change* |
| Equities | 8 236 615 | 125 383 | 8 361 998 | (10 697 469) | (860 099) | (11 557 568) |
| Fixed income[b] | 610 565 | 2 756 | 613 321 | (2 986 009) | (111 672) | (3 097 681) |
| Real assets investments | (531 473) | 25 659 | (505 814) | 230 378 | (67 868) | 162 510 |
| Alternative investments | 551 331 | 20 716 | 572 047 | (204 432) | (30 093) | (234 525) |
| Cash, cash equivalents and receivable and payable from investments traded | – | (6 087) | (6 087) | – | (12 619) | (12 619) |
| **Total change in fair value for financial assets designated at fair value** | **8 867 038** | **168 427** | **9 035 465** | **(13 657 532)** | **(1 082 351)** | **(14 739 883)** |

[a] Change in currency exchange (loss)/gain includes a realized currency exchange loss of $218.9 million (2022: loss of $482.0 million) and an unrealized currency exchange gain of $387.3 million (2022: loss of $600.3 million).

[b] Change in market price for fixed-income includes a gain of $0.026 million on to-be-announced mortgage-backed securities accounted for as derivative instruments.

**Note 14**
**Pension contributions**

161. Pension contributions received in the period are broken down as follows:

(Thousands of United States dollars)

| | *2023* | *2022* |
|---|---|---|
| **Contribution from participants** | | |
| Regular contributions | 1 129 928 | 1 034 508 |
| Contributions for validation | 853 | 722 |
| Contributions for restoration | 4 858 | 5 240 |
| | **1 135 639** | **1 040 470** |
| **Contributions from member organizations** | | |
| Regular contributions | 2 259 856 | 2 069 016 |
| Contributions for validation | 1 714 | 1 444 |
| | **2 261 570** | **2 070 460** |
| **Other contributions** | | |
| Contributions for participants transferred in under agreements | 2 475 | 3 137 |
| Receipts of excess actuarial value over regular contributions | 198 | 596 |
| Other contributions/adjustments | 8 987 | 6 608 |
| | **11 660** | **10 341** |
| **Total contributions for the period** | **3 408 869** | **3 121 271** |

162. The contributions received vary on the basis of changes in the number of participants, changes in the distribution of participants, changes in pensionable remuneration rates as a result of cost-of-living increases determined by ICSC, and the periodic step-increase to individual pensionable remuneration received by all participants.

**Note 15**
**Pension benefits**

163. Pension benefits during the period are broken down as follows:

(Thousands of United States dollars)

| | *2023* | *2022* |
|---|---|---|
| **Withdrawal settlements and full commutation of benefits** | | |
| For contributory service of 5 years or less | 53 826 | 50 188 |
| For contributory service of more than 5 years | 158 537 | 123 725 |
| | **212 363** | **173 913** |
| **Retirement benefits** | | |
| Full retirement benefits | 1 800 358 | 1 574 112 |
| Early retirement benefits | 885 257 | 806 338 |
| Deferred retirement benefits | 143 064 | 127 773 |
| Disability benefits | 120 771 | 107 139 |

| | 2023 | 2022 |
|---|---|---|
| Survivor benefits | 338 587 | 304 932 |
| Child benefits | 41 887 | 38 983 |
| | **3 329 924** | **2 959 277** |
| **Other benefits/adjustments** | | |
| Payments for participants transferred out under agreements | 3 537 | 4 110 |
| Forfeitures | (12 699) | (5 975) |
| Other benefits/adjustments | (5 725) | (3 078) |
| | **(14 887)** | **(4 943)** |
| **Total pension benefits for the period** | **3 527 400** | **3 128 247** |

## Note 16
## Administrative expenses

164. Administrative expenses in 2023 and 2022 are as follows:

(Thousands of United States dollars)

| | *2023* | | | | |
|---|---|---|---|---|---|
| | *Secretariat of the Pension Board* | *Pension Administration* | *Office of Investment Management* | *Audit* | *Total* |
| Established posts (excluding change in the value of the after-service health insurance liability) | 631 | 37 186 | 26 592 | – | 64 409 |
| Changes in the value of the after-service health insurance liability | 53 | 5 633 | 3 014 | 88 | 8 788 |
| Other staff costs | 1 | 1 793 | 2 256 | – | 4 050 |
| Hospitality | – | – | 1 | – | 1 |
| Consultants | 13 | 111 | 435 | – | 559 |
| Travel | 345 | 361 | 280 | – | 986 |
| Contractual services | 6 | 17 791 | 20 365 | – | 38 162 |
| General operating expenses | 102 | 8 212 | 4 962 | – | 13 276 |
| Supplies and materials | – | 35 | 14 | – | 49 |
| Furniture and equipment | 3 | 597 | 402 | – | 1 002 |
| Audit costs (excluding change in the value of the after-service health insurance liability) | – | – | – | 1 681 | 1 681 |
| **Total administrative expenses** | **1 154** | **71 719** | **58 321** | **1 769** | **132 963** |

(Thousands of United States dollars)

| | *2022* | | | | |
|---|---|---|---|---|---|
| | *Secretariat of the Pension Board* | *Pension Administration* | *Office of Investment Management* | *Audit* | *Total* |
| Established posts (excluding change in the value of the after-service health insurance liability) | 640 | 30 521 | 20 334 | – | 51 495 |
| Changes in the value of the after-service health insurance liability | (164) | (15 923) | (6 841) | (420) | (23 348) |

| | 2022 | | | | |
|---|---|---|---|---|---|
| | *Secretariat of the Pension Board* | *Pension Administration* | *Office of Investment Management* | *Audit* | *Total* |
| Other staff costs | 11 | 3 295 | 1 978 | – | 5 284 |
| Hospitality | – | – | 1 | – | 1 |
| Consultants | 2 | 68 | – | – | 70 |
| Travel | 231 | 243 | 223 | – | 697 |
| Contractual services | 56 | 16 372 | 18 935 | – | 35 363 |
| General operating expenses | 102 | 6 579 | 3 979 | – | 10 660 |
| Supplies and materials | – | 19 | 18 | – | 37 |
| Furniture and equipment | – | 214 | 485 | – | 699 |
| Audit costs (excluding change in the value of the after-service health insurance liability) | – | – | – | 2 082 | 2 082 |
| **Total administrative expenses** | **878** | **41 388** | **39 112** | **1 662** | **83 040** |

### Note 17
### Other expenses

165. Other expenses during the period are as follows:

(Thousands of United States dollars)

| | *2023* | *2022* |
|---|---|---|
| Emergency fund expense | 43 | 29 |
| Provision for unrecoverable overpayments of benefits | 1 439 | 1 636 |
| **Total other expenses** | **1 482** | **1 665** |

### Note 18
### Write-offs, ex-gratia payments and losses

166. During the year 2023, the write-offs, in accordance with the Regulations and Administrative Rules of the Fund and with the procedures on recovery and write-off of pension benefit overpayments, including overpayments in two-track cases due to a change in country of residence as approved by the Chief Executive, amounted to $785,620 (2022: $1,479,987).

167. There were no ex-gratia payments or losses from fraud during the years 2023 or 2022.

### Note 19
### Actuarial situation of the Fund

(see also note 1.5)

168. The Fund provides retirement, death, disability and related benefits for staff of the United Nations and other organizations admitted to membership in the Fund. Accumulated (promised) plan benefits represent the total actuarial present value of those estimated future benefits that are attributable under the Fund's provisions to the service staff have rendered as at the valuation date. Accumulated plan benefits include benefits to be paid to: (a) retired or terminated staff or their beneficiaries; (b) beneficiaries of staff who have died; and (c) present staff or their beneficiaries.

169. Benefits payable under all circumstances – retirement, death, disability and termination of employment – are included to the extent that they are deemed attributable to service that staff have rendered as at the valuation date.

170. The actuarial present value of accumulated (promised) plan benefits is determined by independent actuaries and the amount is derived by applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

171. In preparation for the adoption of IPSAS 49, the actuarial present value of accumulated plan benefits as at 31 December 2023 has been calculated to take into account future increases in pensionable remuneration. Such a basis is optional under paragraph 35 (d) of International Accounting Standard 26 and, previously, the Fund had reported the actuarial present value of accumulated plan benefits without any future increases in pensionable remuneration. As part of the transition to IPSAS 49 and change in the calculation of actuarial present value of accumulated benefits under International Accounting Standard 26, for this reporting year only, the actuarial present value of accumulated benefits as at 31 December 2022 is reported both with and without future increases in pensionable remuneration.

172. In previous years, the actuarial present value of accumulated benefits was reported with and without pension adjustments (see note 1.11 for the description of the pension adjustment system). Since reasonable expectations have been set with beneficiaries with regard to the future continuation of pension adjustments, the actuarial present value of accumulated plan benefits is now reported only with pension adjustments.

173. The Fund is applying the guidance included in paragraph 28 (b) of International Accounting Standard 26 and discloses the actuarial present value of promised retirement benefits in the notes to its financial statements.

*Key assumptions*

174. The significant actuarial assumptions used in the valuation as at 31 December 2023 include:

- Life expectancy of participants (2017 United Nations mortality tables adjusted for forecast improvements in mortality)
- Age-specific retirement and turnover assumptions
- Additional assumptions regarding percentage of benefit commuted and percentage of participants who are married, among others
- Annual investment return of 6.0 per cent, which serves as the discount rate for liabilities
- Annual rate of 2.6 per cent for cost-of-living increases in pensions.

175. These key assumptions were recommended by the Committee of Actuaries and adopted by the Pension Board at its seventy-fifth session, in July 2023. The foregoing actuarial assumptions are based on the presumption that the Fund will continue. Were the Fund to be terminated, different actuarial assumptions and other factors may be applicable in determining the actuarial present value of accumulated plan benefits.

*Statement of accumulated benefits*

176. The actuarial present value of accumulated plan benefits as at 31 December 2023 and 31 December 2022 is as follows:

(Thousands of United States dollars)

| | 31 December 2023 | 31 December 2022 | |
|---|---|---|---|
| | *With future increases in pensionable remuneration* | *With future increases in pensionable remuneration* | *Without future increases in pensionable remuneration* |
| Actuarial value of vested benefits | | | |
| Participants currently receiving benefits | 44 204 448 | 38 368 048 | 38 368 048 |
| Vested terminated participants | 2 311 989 | 1 918 372 | 1 918 372 |
| Active participants | 30 182 287 | 28 938 291 | 28 938 291 |
| **Total vested benefits** | **76 698 724** | **69 224 711** | **69 224 711** |
| Non-vested benefits | 14 246 465 | 11 896 077 | 1 374 073 |
| **Total actuarial present value of accumulated plan benefits** | **90 945 189** | **81 120 788** | **70 598 784** |

*Information on participation in the Fund*

177. The last valuation was provided by the consulting actuaries as at 31 December 2023 on the basis of the participation shown below.

| | *As at 31 December 2023* |
|---|---|
| Active participants accruing benefits | |
| Number | 138 102 |
| Annual remuneration (thousands of United States dollars) | 14 675 326 |
| **Average remuneration (United States dollars)** | **106 264** |
| Inactive participants no longer accruing benefits | |
| Number | 11 746 |
| Annual benefits payable at normal retirement age (thousands of United States dollars) | 113 900 |
| **Average benefit payable at normal retirement age (United States dollars)** | **9 697** |
| Retired participants and beneficiaries | |
| Number | 86 013 |
| Annual benefits (thousands of United States dollars) | 3 197 540 |
| **Average benefit (United States dollars)** | **37 175** |

## Note 20
## Commitments and contingencies

### 20.1 Investment commitments

178. As at 31 December 2023 and 31 December 2022, the Fund was committed to the following investment commitments:

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---:|---:|
| Real estate funds | 2 744 466 | 2 850 580 |
| Private equity | 4 284 639 | 4 560 267 |
| Infrastructure funds | 64 556 | 87 812 |
| Timberland funds | 3 770 | 3 770 |
| **Total commitments** | **7 097 431** | **7 502 429** |

179. In the private equity, real estate, infrastructure and timberland investments, funds are drawn down in accordance with the terms and conditions of the fund agreements. The fund agreements are unique to each individual investment. Funds are drawn down to: (a) fund investments in assets that have been purchased or are being contracted for purchase; and (b) pay fees earned by the general partner or manager under the terms and conditions of the fund agreement.

### 20.2 Lease commitments

180. As at 31 December 2023 and 31 December 2022, the Fund was committed to the following lease commitments:

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---:|---:|
| **Obligations for property leases** | | |
| Less than 1 year | 4 137 | 8 274 |
| 1-5 years | 24 895 | 20 080 |
| Greater than 5 years | 25 892 | 34 523 |
| **Total property lease obligations** | **54 924** | **62 877** |

### 20.3 Legal or contingent liabilities and contingent assets

181. The contingent liabilities arising from legal actions and claims on pension benefit entitlements amounted to approximately $415,000 as at 31 December 2023.

182. Contingent assets are excluded from the statement of net assets available for benefits on the basis that the inflow of economic benefits is not virtually certain but reliant on the incurrence of an event outside of the control of the Fund. There were no contingent assets as at 31 December 2023 or 31 December 2022.

## Note 21
## Risk assessment

183. The Fund's activities expose it to a variety of financial risks, including but not limited to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk).

184. The Fund's investment risk management programme is intended to measure and monitor the risk to which the Fund is exposed and to minimize potential adverse effects on the Fund's financial performance, consistent with the Fund's strategic asset allocation policy. The Investments Committee provides advice to the Representative of the Secretary-General on investment strategy and reviews the investments of the

Fund at its quarterly meetings. The Committee advises on long-term policy, asset allocation and strategy, diversification by type of investment, currency and economic sector and any other matters.

185. The Fund commenced its engagement with derivative instruments to manage risk and improve the overall efficiency of its investments.

186. The Fund uses appropriate methods to measure, monitor and manage the various types of financial risks to which it is exposed. These methods are explained below.

### 21.1 Credit risk

187. Credit risk is defined as the potential risk that a counterparty will fail to meet its obligations in accordance with agreed terms, resulting in a loss. The risk of a counterparty not fulfilling its obligations to another in a timely manner is a risk that all obligors face. Ensuring adequate control over credit risk and effective risk management is critical to the long-term sustainability of the Fund. The Fund manages risk by addressing the following important areas:

- Approving and maintaining appropriate credit exposure measurement and monitoring standards
- Establishing limits for amounts and concentrations of credit risk, and monitoring and implementing a review process for credit exposure
- Ensuring adequate controls over credit risk.

188. The Fund is primarily exposed to credit risk in its fixed-income asset class. The Fund manages credit risk in line with the authorized investment policy statement and the relevant fixed-income investment benchmarks. The benchmark requires at least one well-known credit rating agency (S&P, Moody's or Fitch) to have rated the issue/issuer.

189. The tables below provide a summary of the credit ratings obtained from rating agencies (Moody's, S&P or Fitch) for the Fund's fixed-income portfolio as at 31 December 2023 and 31 December 2022. The Fund uses Moody's issue ratings as the primary source for the information shown in the tables. If the issue is not rated, then the Moody's issuer rating is used. If the issue/issuer is not evaluated by Moody's, then issue/issuer ratings are obtained from S&P or Fitch.

(Thousands of United States dollars)

| | *As at 31 December 2023* | | | | | |
|---|---|---|---|---|---|---|
| *Fixed income* | *Aaa/AA to Aa3/AA-* | *A1/A+ to A3/A-* | *Baa1/BBB+ to Baa3/BBB-* | *Ba1/BB+ to B3/B-* | *Not rated[a]* | *Total* |
| Government and agency securities | 19 992 875 | 303 134 | 588 073 | 163 389 | 29 004 | 21 076 475 |
| Asset-backed securities | 114 432 | – | – | – | – | 114 432 |
| Corporate bonds/commercial paper | 470 078 | 2 784 371 | 2 391 601 | 111 051 | – | 5 757 101 |
| Municipal/provincial bonds | 162 039 | 41 225 | 250 | – | – | 203 514 |
| Commercial mortgage-backed | 384 458 | 6 567 | – | – | – | 391 025 |
| Funds – corporate bonds | – | – | – | – | – | – |
| To-be-announced mortgage-backed securities | 50 | – | – | – | – | 50 |
| **Total** | **21 123 932** | **3 135 297** | **2 979 924** | **274 440** | **29 004** | **27 542 597** |
| **Percentage** | **76.69** | **11.38** | **10.82** | **1.00** | **0.11** | **100.00** |

[a] Six Russian Federation bonds amounting to $29.0 million were not evaluated by any credit rating agency.

(Thousands of United States dollars)

| Fixed income | As at 31 December 2022<br>Aaa/AA to Aa3/AA- | A1/A+ to A3/A- | Baa1/BBB+ to Baa3/BBB- | Ba1/BB+ to B3/B- | Not rated a | Total |
|---|---|---|---|---|---|---|
| Government and agency securities | 17 945 251 | 216 104 | 447 261 | 132 423 | 26 543 | 18 767 582 |
| Asset-backed securities | 151 173 | – | – | – | – | 151 173 |
| Corporate bonds/commercial paper | 373 672 | 2 180 308 | 1 972 912 | 57 814 | – | 4 584 706 |
| Municipal/provincial bonds | 141 374 | 26 711 | 2 399 | – | – | 170 484 |
| Commercial mortgage-backed | 405 252 | – | – | – | – | 405 252 |
| Funds – corporate bonds | – | – | – | – | 52 755 | 52 755 |
| **Total** | **19 016 722** | **2 423 123** | **2 422 572** | **190 237** | **79 298** | **24 131 952** |
| **Percentage** | **78.80** | **10.04** | **10.04** | **0.79** | **0.33** | **100.0** |

[a] Six Russian Federation bonds amounting to $26.5 million and one bond fund amounting to $52.7 million were not evaluated by any credit rating agency.

190. A maturity analysis of fixed-income securities as at 31 December 2023 and 31 December 2022 is presented as follows:

(Thousands of United States dollars)

| Maturity | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Less than 1 year | 2 346 078 | 2 990 716 |
| 1-5 years | 8 042 664 | 7 286 058 |
| 5-15 years | 6 501 583 | 4 988 825 |
| Greater than 15 years | 10 652 272 | 8 866 353 |
| **Total** | **27 542 597** | **24 131 952** |

191. To effectively minimize credit risk for derivatives, the Fund allows transactions only with counterparties holding an investment grade rating from well-known credit rating agencies such as S&P, Moody’s or Fitch. As at 31 December 2023, one to-be-announced mortgage-backed security with contractual settlement in January 2024 was held with an investment grade-rated counterparty.

### 21.2 Liquidity risk

192. Liquidity risk is the risk of not being able to meet the cash requirements for the Fund’s obligations. Cash requirements can arise from settlement needs for various investment trades, capital calls from uncalled or unfunded commitments, and benefit payment disbursements in various currencies. The Fund manages its liquidity risk by investing the vast majority of its investments in liquid securities.

### 21.3 Market risk

193. As per IPSAS 41, the definition of market risk is the risk that the future cash flows or fair value of an asset will vary due to changes in market prices. Market risk contains three types of risk: interest rate risk, currency risk and price risk. The Fund has adopted value at risk (VaR) as a parameter to measure the market risk, in addition to standard deviation and tracking risk. VaR is a universally accepted parameter to communicate market risk for financial and asset management institutions. The Fund

also has risk tolerance for investment risks in the investment policy approved by the Representative of the Secretary-General. On the basis of this risk tolerance, a risk budget has been assigned to each portfolio manager. The risk budget is modified once a year.

194. VaR, as a single number, summarizes the portfolio's exposure to market risk and the probability of an adverse move or, in other words, level of risk. The main purpose of VaR is to assess market risks that result from changes in market prices. There are three key characteristics of VaR: (a) the amount (in percentage or dollar terms); (b) the time horizon (in this case, one year); and (c) the confidence level (in this case, 95 per cent). When reported as 95 per cent confidence, the VaR 95 number (in percentage or in dollar terms) indicates that there is a 95 per cent chance that portfolio losses will not exceed the given VaR 95 number (in percentage or dollar terms) over a year. In addition, the Fund reports tail risk or expected shortfall, which measures the average expected loss for the 5 per cent of the time when the losses exceed VaR 95. The Fund also reports contribution to risk. Considering the risk of the whole Fund as 100 per cent, contribution to risk indicates how much of the risk is contributed by that asset class. Contribution to risk is additive (all contributions will add up to 100 per cent). VaR 95 is not additive, due to the diversification effect.

195. The table below depicts four important aspects of risk. It shows volatility or standard deviation in percentage, followed by VaR(95) for the given portfolio in percentage terms. Contribution to risk indicates how much each asset class contributes to the total Fund risk. Clearly, total Fund risk is 100 per cent and each of the asset classes below indicates the contribution to the risk. Expected shortfall at 5 per cent (because the Fund is indicating VaR at 95 per cent) indicates the average value or expected value of losses for the 5 per cent of the times when losses exceed VaR 95.

196. All numbers in the tables below are reported for a one-year term horizon. For 2023, the estimated volatility on an absolute basis (benchmark not included) of the total Fund was 10.97 per cent, the estimated VaR (95 per cent) was 16.67 per cent and the estimated expected shortfall (5 per cent) was 24.57 per cent. VaR of 16.67 per cent indicates that there is a 95 per cent chance that portfolio losses will not exceed 16.67 per cent over a year. The asset class with the lowest VaR (lowest risk) is cash and short term, followed by fixed income. The asset class with the highest VaR (highest risk) is real assets, followed by equity and private equity. The contribution to risk statistics is driven by the asset class: (a) risk; (b) weights in portfolio; and (c) correlation with other assets in the portfolio. Accordingly, for 2023, the equity portfolio contributed 71.18 per cent to total fund risk, while fixed income contributed 5.32 per cent, real assets 12.43 per cent and private equity 11.07 per cent. As at 31 December 2023, equities represented 51.29 per cent of the net assets available for benefits.

197. All numbers in the tables below are annualized using historical simulation.

(Percentage)

| | *2023* | | | |
|---|---|---|---|---|
| *Asset class* | *Volatility (standard deviation)* | *VaR (95 per cent)* | *Contribution to risk* | *Expected shortfall (5 per cent)* |
| Total fund | 10.97 | 16.67 | 100.00 | 24.57 |
| Equity | 15.52 | 24.15 | 71.18 | 34.70 |
| Fixed income | 5.50 | 9.51 | 5.32 | 11.91 |
| Cash and short term | 0.09 | 0.14 | 0.00 | 0.26 |

| Asset class | 2023 Volatility (standard deviation) | VaR (95 per cent) | Contribution to risk | Expected shortfall (5 per cent) |
|---|---|---|---|---|
| Real assets | 19.77 | 33.81 | 12.43 | 44.67 |
| Private equity | 14.76 | 23.44 | 11.07 | 33.34 |

*Note*: Figures are reported from MSCI RiskMetrics as at 29 December 2023. Percentages are rounded to the nearest two decimal places; 0.00 indicates a value smaller than 0.01 but not zero.

(Percentage)

| Asset class | 2022 Volatility (standard deviation) | VaR (95 per cent) | Contribution to risk | Expected shortfall (5 per cent) |
|---|---|---|---|---|
| Total fund | 14.81 | 20.65 | 100.00 | 36.86 |
| Equity | 20.90 | 28.36 | 70.46 | 52.11 |
| Fixed income | 4.91 | 8.65 | 1.01 | 12.45 |
| Cash and short term | 0.07 | 0.11 | 0.00 | 0.19 |
| Real assets | 28.55 | 39.18 | 17.21 | 72.10 |
| Private equity | 20.60 | 29.82 | 11.32 | 51.98 |

*Note*: Figures are reported from MSCI RiskMetrics as at 31 December 2022. Percentages are rounded to the nearest two decimal places; 0.00 indicates a value smaller than 0.01 but not zero.

198. The decreased volatility (standard deviation), VaR (95 per cent) and expected shortfall (5 per cent) in 2023 compared with 2022 may be attributed to multiple factors, with the most notable one being the exclusion of the COVID-19 pandemic in 2023 as compared with 2022, which had been a significant driver of volatility in the equity market since March 2020.

199. Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations. Key assumptions include a one-day holding period to hedge or dispose of positions, which may not be the case for illiquid assets or may be due to adverse market conditions; a 95 per cent confidence level, which indicates that there is a 5 per cent probability of losses exceeding the VaR at 95 per cent; VaR calculated on an end-of-day basis, which does not reflect changes during the trading day; and the use of historical data and the Monte Carlo simulation, which may not cover all possible scenarios, especially those of an exceptional nature.

*Price risk*

200. The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the United States dollar, the price is initially expressed in non-United States dollar-denominated currency and is then converted into United States dollars, which will also fluctuate because of changes in currency exchange rates.

201. As at 31 December 2023 and 31 December 2022, the fair value of equities exposed to price risk was as follows:

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---:|---:|
| Common and preferred stock | 44 392 178 | 38 513 809 |
| Funds – exchange-traded funds | 816 728 | 672 026 |
| Funds – common stock | 62 | 8 479 |
| Stapled securities | 48 054 | 52 042 |
| **Total equity instruments** | **45 257 022** | **39 246 356** |

202. Considering the total Fund risk as 100 per cent, the contribution to risk due to equities was 71.18 per cent as at 31 December 2023 (2022: 70.46 per cent) of the total Fund risk and the rest was contributed by all other asset classes.

203. The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weights.

204. The Fund's equity investment portfolio by industrial sector based on the General Industry Classification Standard as at 31 December 2023 and 31 December 2022 was as follows:

(Percentage)

| | *31 December 2023* | | *31 December 2022* | |
|---|---:|---:|---:|---:|
| *General Industry Classification Standard* | *Fund's equity portfolio* | *Benchmark*[a] | *Fund's equity portfolio* | *Benchmark*[a] |
| Financials | 17.43 | 17.22 | 16.70 | 16.70 |
| Information technology | 23.30 | 23.70 | 21.16 | 21.04 |
| Communication services | 7.68 | 7.50 | 7.24 | 7.01 |
| Consumer discretionary | 12.00 | 12.22 | 11.56 | 11.71 |
| Consumer staples | 6.28 | 6.59 | 7.34 | 7.51 |
| Energy | 0.06 | 0.08 | 0.11 | 0.12 |
| Health care | 12.11 | 12.12 | 14.89 | 14.47 |
| Industrials | 10.72 | 10.53 | 9.70 | 10.14 |
| Materials | 4.31 | 4.90 | 4.77 | 5.43 |
| Utilities | 1.61 | 1.84 | 1.84 | 2.20 |
| Real estate | 2.69 | 3.30 | 2.94 | 3.67 |
| Other | 1.81 | Not applicable | 1.75 | Not applicable |
| **Total** | **100.00** | **100.00** | **100.00** | **100.00** |

[a] Benchmark source: MSCI All-Country World Index, customized to exclude investments in armaments, tobacco and fossil fuels, according to sustainability policies.

205. The following table presents an analysis of the Fund's concentration of equity price risk in the Fund's equity portfolio by geographical distribution, based on the counterparty's place of primary listing or, if not listed, place of domicile.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| North America | 66.2 | 64.4 |
| Europe | 14.3 | 14.8 |
| Asia Pacific | 8.6 | 9.3 |
| Emerging markets | 10.9 | 11.5 |
| **Total** | **100.0** | **100.0** |

*Currency risk*

206. The Fund is one of the most globally diversified pension funds in the world and therefore holds both monetary and non-monetary assets denominated in currencies other than the United States dollar, the Fund's base currency. Currency exchange risk arises as the value of financial instruments denominated in other currencies fluctuates due to changes in currency exchange rates. Management monitors the exposure to all currencies. The unrealized foreign exchange gain/loss is attributable primarily to the fluctuation in currency exchange rates during the period.

207. The Fund does not use hedging to manage its non-United States dollar-denominated currency risk exposure, because the Fund expects currency impact to net out to zero over a full market cycle, as has been the case historically. Currency risk refers to risk due to foreign exchange rate changes.

208. The tables below illustrate the foreign exchange risk exposure of the Fund by class of investments. These summarize the Fund's cash and investments at fair value as at 31 December 2023 and 31 December 2022, respectively. Net financial assets amounting to $83.1 million in 2023 (2022: net financial liabilities of $121.6 million) not held at fair value (see note 5) are excluded from this table. Assets held in exchange-traded funds are included as United States dollar assets.

| | As at 31 December 2023 | | | | | |
|---|---|---|---|---|---|---|
| *Currency* | *Equity* | *Fixed income* | *Real assets* | *Alternative and other* | *Cash* | *Total* |
| United States dollar | 33.97 | 30.11 | 6.72 | 7.25 | 0.80 | 78.85 |
| Euro | 3.81 | – | 0.67 | 1.22 | 0.01 | 5.71 |
| Japanese yen | 3.20 | – | 0.18 | – | 0.00 | 3.38 |
| British pound sterling | 1.52 | – | 0.14 | 0.12 | 0.00 | 1.78 |
| Canadian dollar | 1.19 | – | 0.30 | – | 0.00 | 1.49 |
| Hong Kong dollar | 1.37 | – | – | – | 0.00 | 1.37 |
| Swiss franc | 1.20 | – | – | – | 0.01 | 1.21 |
| Australian dollar | 0.90 | – | 0.15 | – | 0.00 | 1.05 |
| Republic of Korea won | 0.74 | 0.11 | – | – | 0.00 | 0.85 |
| Indian rupee | 0.78 | – | – | – | 0.00 | 0.78 |
| Danish krone | 0.41 | – | – | – | 0.00 | 0.41 |
| Swedish krona | 0.36 | – | – | – | 0.00 | 0.36 |
| Brazilian real | 0.24 | 0.11 | – | – | 0.00 | 0.35 |
| Mexican peso | 0.19 | 0.12 | – | – | 0.00 | 0.31 |
| Chinese yuan (renminbi) | 0.26 | 0.02 | – | – | 0.00 | 0.28 |
| South African rand | 0.18 | 0.07 | – | – | 0.00 | 0.25 |
| Indonesian rupiah | 0.11 | 0.10 | – | – | 0.00 | 0.21 |

| | As at 31 December 2023 | | | | | |
|---|---|---|---|---|---|---|
| *Currency* | *Equity* | *Fixed income* | *Real assets* | *Alternative and other* | *Cash* | *Total* |
| Russian ruble | 0.16 | 0.03 | – | – | 0.01 | 0.20 |
| Thai baht | 0.08 | 0.10 | – | – | 0.00 | 0.18 |
| Singapore dollar | 0.17 | – | – | – | – | 0.17 |
| Malaysian ringgit | 0.07 | 0.10 | – | – | 0.00 | 0.17 |
| Polish zloty | 0.05 | 0.06 | – | – | 0.00 | 0.11 |
| Philippine peso | 0.05 | 0.04 | – | – | 0.00 | 0.09 |
| United Arab Emirates dirham | 0.08 | – | – | – | 0.00 | 0.08 |
| New Israeli shekel | 0.03 | 0.04 | – | – | 0.00 | 0.07 |
| Hungarian forint | 0.02 | 0.03 | – | – | 0.00 | 0.05 |
| Czech koruna | – | 0.05 | – | – | 0.00 | 0.05 |
| Colombian peso | 0.00 | 0.03 | – | – | 0.00 | 0.03 |
| Norwegian krone | 0.03 | – | – | – | 0.00 | 0.03 |
| New Zealand dollar | 0.03 | 0.00 | – | – | 0.00 | 0.03 |
| Chilean peso | 0.01 | 0.02 | – | – | 0.00 | 0.03 |
| Turkish lira | 0.02 | 0.01 | – | – | 0.00 | 0.03 |
| Peruvian sol | – | 0.02 | – | – | 0.00 | 0.02 |
| Romanian leu | – | 0.02 | – | – | 0.00 | 0.02 |
| Egyptian pound | – | – | – | – | 0.00 | 0.00 |
| African franc | – | – | – | – | 0.00 | 0.00 |
| Pakistani rupee | – | – | – | – | 0.00 | 0.00 |
| **Total** | **51.23** | **31.19** | **8.16** | **8.59** | **0.83** | **100.00** |

*Note*: Percentages are rounded to the nearest two decimal places; 0.00 indicates a value smaller than 0.01 but not zero.

| | As at 31 December 2022 | | | | | |
|---|---|---|---|---|---|---|
| *Currency* | *Equity* | *Fixed income* | *Real assets* | *Alternative and other* | *Cash* | *Total* |
| United States dollar | 32.00 | 29.98 | 7.93 | 7.13 | 0.93 | 77.97 |
| Euro | 3.59 | – | 0.71 | 1.15 | 0.01 | 5.46 |
| Japanese yen | 3.22 | – | 0.20 | – | 0.00 | 3.42 |
| British pound sterling | 1.66 | – | 0.16 | 0.11 | 0.00 | 1.93 |
| Hong Kong dollar | 1.89 | – | – | – | 0.00 | 1.89 |
| Canadian dollar | 1.50 | – | 0.35 | – | 0.00 | 1.85 |
| Swiss franc | 1.26 | – | – | – | 0.01 | 1.27 |
| Australian dollar | 0.97 | – | 0.24 | – | 0.00 | 1.21 |
| Republic of Korea won | 0.66 | 0.09 | – | – | 0.00 | 0.75 |
| Indian rupee | 0.68 | – | – | – | 0.00 | 0.68 |
| Swedish krona | 0.45 | – | – | – | 0.00 | 0.45 |
| Danish krone | 0.40 | – | – | – | 0.00 | 0.40 |
| Chinese yuan (renminbi) | 0.37 | – | – | – | 0.00 | 0.37 |
| Brazilian real | 0.23 | 0.09 | – | – | 0.00 | 0.32 |
| Mexican peso | 0.21 | 0.08 | – | – | 0.00 | 0.29 |
| South African rand | 0.20 | 0.07 | – | – | 0.00 | 0.27 |

| | As at 31 December 2022 | | | | | |
|---|---|---|---|---|---|---|
| Currency | Equity | Fixed income | Real assets | Alternative and other | Cash | Total |
| Singapore dollar | 0.20 | – | – | – | 0.00 | 0.20 |
| Thai baht | 0.11 | 0.08 | – | – | 0.00 | 0.19 |
| Indonesian rupiah | 0.11 | 0.09 | – | – | 0.00 | 0.20 |
| Malaysian ringgit | 0.08 | 0.09 | – | – | 0.00 | 0.17 |
| Russian ruble | 0.13 | 0.03 | – | – | 0.00 | 0.16 |
| Philippine peso | 0.05 | 0.04 | – | – | 0.00 | 0.09 |
| United Arab Emirates dirham | 0.08 | – | – | – | 0.00 | 0.08 |
| Polish zloty | 0.03 | 0.05 | – | – | 0.00 | 0.08 |
| New Israeli shekel | 0.03 | 0.04 | – | – | 0.00 | 0.07 |
| Hungarian forint | 0.02 | 0.02 | – | – | 0.00 | 0.04 |
| Czech koruna | – | 0.04 | – | – | 0.00 | 0.04 |
| Chilean peso | 0.01 | 0.02 | – | – | – | 0.03 |
| Norwegian krone | 0.03 | – | – | – | 0.00 | 0.03 |
| Colombian peso | 0.00 | 0.02 | – | – | 0.00 | 0.02 |
| New Zealand dollar | 0.02 | – | – | – | 0.00 | 0.02 |
| Romanian leu | – | 0.02 | – | – | 0.00 | 0.02 |
| Peruvian sol | – | 0.02 | – | – | 0.00 | 0.02 |
| Turkish lira | – | 0.01 | – | – | – | 0.01 |
| African franc | – | – | – | – | 0.00 | 0.00 |
| Pakistani rupee | – | – | – | – | 0.00 | 0.00 |
| **Total** | **50.19** | **30.88** | **9.59** | **8.39** | **0.95** | **100.00** |

*Note*: Percentages are rounded to the nearest two decimal places; 0.00 indicates a value smaller than 0.01 but not zero.

*Interest rate risk*

209. Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Fund holds fixed-interest rate securities, floating-rate debt instruments, cash and cash equivalents that expose the Fund to interest rate risk.

210. The table below presents a summary of the Fund's relative sensitivity to interest rate changes versus its reference fixed-income benchmark. This measure of duration for the portfolio indicates the approximate percentage change in the value of the portfolio if interest rates change by 100 basis points.

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Fund | Benchmark | Fund | Benchmark |
| Effective duration | 6.25 | 6.31 | 6.58 | 6.28 |

211. Effective duration is the sensitivity to interest rates. This means if the interest rate changes by 1 per cent, the Fund can lose or gain approximately 6.25 per cent (2022: 6.58 per cent) compared with the benchmark, which can lose or gain approximately 6.31 per cent (2022: 6.28 per cent). This arises primarily from the increase/decrease in the fair value of fixed-interest securities. Floating rate debt

instruments comprise less than 3 per cent (2022: 2 per cent) of the total fixed-income investments as at 31 December 2023.

### Note 22
### Budget information: reconciliation between the actual amounts on a comparable basis and the statement of changes in net assets available for benefits

212. Differences between the actual amounts on a comparable basis with the budget and the actual amounts recognized in the financial statements can be classified into the following:

(a) Basis differences, which occur when the approved budget is prepared on a basis other than the accounting basis, as stated in note 3.14;

(b) Timing differences, which occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for the Fund for the purpose of comparison of budget and actual amounts;

(c) Entity differences, which occur when the budget omits programmes or entities that are part of the entity for which the financial statements are prepared. There are no entity differences for the Fund.

(Thousands of United States dollars)

| | *2023* | *2022*[a] |
|---|---|---|
| **Actual amount on a comparable basis** | **124 426** | **112 922** |
| **Basis differences** | | |
| Asset additions/disposals | (136) | (1 721) |
| Depreciation, amortization and impairment | 321 | 318 |
| Unliquidated obligations | (2 592) | (4 392) |
| Prepayments | 1 463 | 1 381 |
| Employee benefits | 11 004 | (25 345) |
| Other accruals | (1 523) | (123) |
| **Actual amount for administrative expenses in the statement of changes in net assets available for benefits** | **132 963** | **83 040** |

[a] Reclassified based on 2023 classifications.

213. The above reconciliation illustrates key differences between total administrative expenditure on a budget basis (modified cash basis) and total expenditure on an IPSAS basis. The main differences can be categorized as follows:

- Depreciation/amortization expense: Fixed assets and intangible assets meeting the threshold for capitalization are capitalized and depreciated/amortized over their useful lives on an IPSAS basis. Only depreciation/amortization expense is recognized over the useful lives of the asset, whereas the total expense is recognized on a budget basis at the time of acquisition
- Expense recognition: On a budget basis, expenditure is recognized at the time of disbursement or commitment as unliquidated obligations. Under IPSAS, expenses are recognized at the time goods or services are received. Unliquidated obligations for goods or services not received or prepayments are not recognized as expense. Economic services received but not yet paid for are recognized as expense under IPSAS

- Employee benefits: On a budget basis, employee benefit expenses are recognized when the benefit is paid. Under IPSAS, an expense for an employee benefit should be recognized in the period in which the benefit is earned, regardless of time of payment. IPSAS therefore recognizes expenses for post-employment benefits such as after-service health insurance, annual leave or repatriation benefits.

### Note 23
### Funds under management

214. Funds under management are defined as other United Nations funds for which the Fund has engaged the services of external fund managers, independent of the Fund.

215. Pursuant to General Assembly resolutions 2951 (XXVII), by which the Assembly established the United Nations University (UNU), and 3081 (XXVIII) and article IX of the UNU Charter (A/9149/Add.2), the Office of Investment Management is providing oversight services for the investments of the United Nations University Endowment Fund that are outsourced to BlackRock financial managers with a separate custodian bank. Formal arrangements between the Office and the Endowment Fund regarding these services have been agreed upon. Resulting funds are reflected in the accounts of UNU. There is no commingling of investment funds with those of the Fund, which are maintained separately. Costs of the Office's management advisory fees, amounting to $50,000 per year, are reimbursed by the Endowment Fund to the Office and recorded as other investment-related income.

### Note 24
### Related party transactions

*Key management personnel*

216. Key management personnel remunerated by the Fund for the years ended 31 December 2023 and 31 December 2022 are as follows:

| | *Number of individuals* | *Compensation and post adjustment* | *Entitlements* | *Pension and health plans* | *Total remuneration* | *Outstanding advances against entitlements* | *Outstanding loans* |
|---|---|---|---|---|---|---|---|
| | | *(Thousands of United States dollars)* | | | | | |
| 2023 | 5 | 1 219 | 310 | 287 | 1 816 | – | – |
| 2022 | 5 | 1 141 | 295 | 272 | 1 708 | – | – |

217. Key management personnel are the Chief Executive of Pension Administration, the Representative of the Secretary-General, the Deputy Chief Executive of Pension Administration, the Chief Investment Officer and the Chief Financial Officer, given that they have the authority and responsibility for planning, directing and controlling the activities of the Fund (see note 1.2).

218. The aggregate remuneration paid to key management personnel includes net salaries, post adjustment and entitlements such as representation allowance and other allowances, assignment and other grants, rental subsidy, personal effect shipment costs, and employer pension and current health insurance contributions.

219. There were no outstanding advances against entitlements of key management personnel as at 31 December 2023 and 2022.

220. Key management personnel are also qualified for post-employment benefits (see note 11) on the same basis as other employees. The actuarial valuation of the benefits for the key management personnel are as follows:

(Thousands of United States dollars)

| | *31 December 2023* | *31 December 2022* |
|---|---|---|
| After-service health insurance | 1 425 | 1 252 |
| Repatriation grant | 403 | 300 |
| Annual leave | 250 | 179 |
| **Total** | **2 078** | **1 731** |

*Other related parties*

221. The following are considered related parties, and a summary of the Fund's relationship with these parties is provided below.

*General Assembly*

222. The General Assembly is the highest legislative body for the Fund. It reviews reports submitted by the Pension Board, approves the budgets for the Fund, decides on the admittance of new member organizations to the Fund and amends the Regulations of the Fund.

*Member organizations participating in the Fund*

223. Member organizations of the Fund (international, intergovernmental organizations) join the Fund by decision of the General Assembly upon the recommendation of the Pension Board and at the time of admission agree to adhere to the Regulations of the Fund. Each Fund member organization has a staff pension committee and a secretary to the committee; the committees and their secretariat are an integral part of the Fund's administration.

224. The United Nations is the largest member organization of the Fund, and the United Nations Secretariat serves as its host organization and provides administrative support services. The Fund provides services to the United Nations Staff Pension Committee secretariat. The exchange of services between the Fund and the United Nations is governed by and remunerated according to the agreed annual service-level agreements between both entities.

*International Computing Centre*

225. The International Computing Centre was established in January 1971 pursuant to General Assembly resolution 2741 (XXV) and provides information and communications technology services to partners and users in the United Nations system. As a partner bound by the mandate of the Centre, the Fund would be proportionately responsible for any third-party claim or liability arising from or related to service activities of the Centre as specified in the Centre's mandate. As at 31 December 2023, there were no known claims that affected the Fund. Ownership of assets is with the Centre until dissolution. Upon dissolution, the division of all assets and liabilities among partner organizations shall be agreed by the Management Committee by a formula defined at that time.

226. The role of the Centre is to:

- Provide information technology services on a full cost-recovery basis

• Assist in exploiting networking and computing technology

• Provide information management services

• Advise on questions related to information management

• Provide specialized training.

## Note 25
## Transition to IPSAS 41

227. The Fund implemented IPSAS 41: Financial instruments, for the first time in the financial statements for the year ending 31 December 2023. As the Fund's investments were already measured at fair value, the impact of the implementation of IPSAS 41 only related to the classification of the financial instruments and did not introduce any changes of measurement of financial instruments. The following table provides assets and liabilities measured and presented as financial instruments in accordance with IPSAS 41.

(Thousands of United States dollars)

| | *As at 31 December 2022* | | |
|---|---|---|---|
| | *Before IPSAS 41* | *Change* | *After IPSAS 41* |
| **Financial assets as per statement of net assets available for benefits** | | | |
| Cash and cash equivalents | 749 749 | – | 749 749 |
| Investments | | | |
| Equities | 39 246 356 | – | 39 246 356 |
| Fixed income | 24 131 952 | – | 24 131 952 |
| Real assets | 7 492 991 | – | 7 492 991 |
| Alternative and other investments | 6 566 220 | – | 6 566 220 |
| Contributions receivable | 70 607 | (70 607) | – |
| Accrued income from investments | 195 264 | – | 195 264 |
| Receivables from investments traded | 75 854 | – | 75 854 |
| Withholding tax receivables | 60 431 | – | 60 431 |
| Other assets | 18 522 | (18 522) | – |
| **Total financial assets** | **78 607 946** | **(89 129)** | **78 518 817** |
| **Financial liabilities as per statement of net assets available for benefits** | | | |
| Benefits payable | 143 896 | (143 896) | – |
| Payable from investments traded | 418 750 | – | 418 750 |
| After-service health insurance and other employee benefit liabilities | 94 375 | (94 375) | – |
| Other accruals and liabilities | 34 360 | – | 34 360 |
| **Total financial liabilities** | **691 381** | **(238 271)** | **453 110** |

# Annex to the notes to the financial statements

# Statistics on the operations of the United Nations Joint Staff Pension Fund

Table 1
**Number of participants**[a]

| *Member organization* | *Participants as at 31 December 2022* | *New entrants* | *Transfer In* | *Transfer Out* | *Separations* | *Adjustments*[b] | *Participants as at 31 December 2023* | *Percentage increase/(decrease)* |
|---|---|---|---|---|---|---|---|---|
| United Nations[c] | 89 446 | 8 563 | 319 | (330) | (5 893) | (302) | 91 803 | 2.6 |
| Food and Agriculture Organization of the United Nations[d] | 15 990 | 1 687 | 114 | (102) | (839) | (37) | 16 813 | 5.2 |
| International Organization for Migration | 9 968 | 3 202 | 63 | (72) | (555) | (12) | 12 594 | 26.3 |
| World Health Organization | 11 551 | 1 247 | 105 | (65) | (735) | (3) | 12 100 | 4.8 |
| International Labour Organization | 4 406 | 405 | 43 | (55) | (449) | (13) | 4 337 | (1.6) |
| International Atomic Energy Agency | 2 687 | 206 | 23 | (32) | (187) | – | 2 697 | 0.4 |
| United Nations Educational, Scientific and Cultural Organization | 2 601 | 204 | 28 | (39) | (200) | (3) | 2 591 | (0.4) |
| World Intellectual Property Organization | 1 200 | 76 | 13 | (7) | (78) | (1) | 1 203 | 0.3 |
| International Criminal Court | 1 107 | 68 | 24 | (20) | (47) | 1 | 1 133 | 2.4 |
| International Telecommunication Union | 781 | 38 | 4 | (3) | (61) | (4) | 755 | (3.3) |
| International Fund for Agricultural Development | 665 | 73 | 20 | (14) | (28) | (3) | 713 | 7.2 |
| International Civil Aviation Organization | 725 | 37 | 2 | (5) | (54) | (2) | 703 | (3.0) |
| United Nations Industrial Development Organization | 703 | 48 | 1 | (5) | (51) | 1 | 697 | (0.9) |
| World Meteorological Organization | 407 | 41 | 6 | (2) | (37) | – | 415 | 2.0 |
| International Maritime Organization | 353 | 24 | 2 | – | (32) | – | 347 | (1.7) |
| Comprehensive Nuclear-Test-Ban Treaty Organization | 343 | 25 | 11 | (12) | (26) | (1) | 340 | (0.9) |
| International Centre for Genetic Engineering and Biotechnology | 174 | 8 | 1 | (1) | (6) | – | 176 | 1.2 |
| Special Tribunal for Lebanon | 186 | – | – | (12) | (58) | (1) | 115 | (38.2) |
| World Tourism Organization | 97 | 2 | – | – | (7) | – | 92 | (5.2) |
| International Seabed Authority | 54 | 6 | 1 | – | (4) | – | 57 | 5.6 |
| International Centre for the Study of the Preservation and Restoration of Cultural Property | 50 | 5 | – | (4) | (5) | – | 46 | (8.0) |
| Inter-Parliamentary Union | 44 | 3 | – | – | (1) | – | 46 | 4.6 |
| International Tribunal for the Law of the Sea | 39 | 2 | – | – | (2) | – | 39 | 0.0 |

| Member organization | Participants as at 31 December 2022 | New entrants | Transfer | | Separations | Adjustments[b] | Participants as at 31 December 2023 | Percentage increase/(decrease) |
|---|---|---|---|---|---|---|---|---|
| | | | In | Out | | | | |
| European and Mediterranean Plant Protection Organization | 21 | 3 | – | – | (1) | (1) | 22 | 4.8 |
| Wassenaar Arrangement | 14 | 1 | – | – | (1) | – | 14 | 0.0 |
| **Total** | **143 612** | **15 974** | **780** | **(780)** | **(9 357)** | **(381)** | **149 848** | **4.3** |

[a] The counts in the table are based on the number of participant accounts. A participant may have more than one participant account.
[b] Corrections of erroneous entries from prior years.
[c] United Nations Headquarters, regional offices and all funds and programmes.
[d] Including the World Food Programme.

Table 2
**Benefits awarded to participants or their beneficiaries during the year ended 31 December 2023**

| *Member organization* | *Number of benefits awarded* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Retirement benefit* | *Early retirement benefit* | *Deferred retirement benefit* | *Withdrawal settlement* | | *Child benefit* | *Widow and widower benefit* | *Other death benefit* | *Disability benefit* | *Secondary dependency benefit* | *Transfer under agreement* | *Total* |
| | | | | *< 5 years* | *> 5 years* | | | | | | | |
| United Nations[a] | 1 168 | 436 | 341 | 2 631 | 1 085 | 1 038 | 101 | – | 92 | 1 | 13 | 6 906 |
| Food and Agriculture Organization of the United Nations[b] | 171 | 73 | 36 | 410 | 119 | 157 | 17 | – | 8 | 1 | 4 | 996 |
| International Organization for Migration | 41 | 4 | 9 | 395 | 91 | 23 | 8 | – | 2 | – | 1 | 574 |
| World Health Organization | 233 | 72 | 41 | 263 | 103 | 151 | 11 | – | 10 | – | 2 | 886 |
| International Labour Organization | 65 | 37 | 14 | 253 | 70 | 31 | 4 | – | 5 | – | 1 | 480 |
| International Atomic Energy Agency | 76 | 18 | 20 | 57 | 6 | 23 | 1 | – | 8 | 1 | 1 | 211 |
| United Nations Educational, Scientific and Cultural Organization | 63 | 13 | 8 | 93 | 15 | 24 | – | – | 5 | – | 2 | 223 |
| World Intellectual Property Organization | 34 | 13 | 5 | 21 | 3 | 12 | 1 | – | 1 | – | – | 90 |
| International Criminal Court | 10 | 3 | 5 | 17 | 11 | 1 | – | – | – | – | 1 | 48 |
| International Telecommunication Union | 20 | 11 | 5 | 18 | 1 | 6 | – | – | 6 | – | – | 67 |
| International Fund for Agricultural Development | 8 | 1 | 5 | 11 | – | 1 | – | – | – | – | 3 | 29 |
| International Civil Aviation Organization | 26 | 5 | 5 | 11 | 5 | 8 | 1 | – | 1 | – | – | 62 |
| United Nations Industrial Development Organization | 28 | 9 | 2 | 10 | – | 5 | – | – | 2 | – | – | 56 |
| World Meteorological Organization | 4 | 3 | 5 | 22 | 2 | 2 | – | – | – | – | 1 | 39 |
| International Maritime Organization | 10 | 5 | 2 | 10 | 4 | – | – | – | 1 | – | – | 32 |
| Comprehensive Nuclear-Test-Ban Treaty Organization | 2 | 2 | 7 | 12 | 1 | – | – | – | 2 | – | – | 26 |
| International Centre for Genetic Engineering and Biotechnology | 2 | 1 | – | 1 | 2 | 2 | – | – | – | – | – | 8 |
| Special Tribunal for Lebanon | 1 | 3 | 14 | 22 | 18 | 2 | – | – | – | – | – | 60 |
| World Tourism Organization | 3 | 1 | 3 | – | – | – | – | – | – | – | – | 7 |
| International Seabed Authority | 1 | – | – | 3 | – | 3 | – | – | – | – | – | 7 |
| International Centre for the Study of the Preservation and Restoration of Cultural Property | 1 | 1 | 1 | 2 | – | – | – | – | – | – | – | 5 |
| Inter-Parliamentary Union | – | 1 | – | – | – | – | – | – | – | – | – | 1 |
| International Tribunal for the Law of the Sea | 1 | 1 | – | – | – | – | – | – | – | – | – | 2 |

| Member organization | Number of benefits awarded: Retirement benefit | Early retirement benefit | Deferred retirement benefit | Withdrawal settlement: < 5 years | Withdrawal settlement: > 5 years | Child benefit | Widow and widower benefit | Other death benefit | Disability benefit | Secondary dependency benefit | Transfer under agreement | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| European and Mediterranean Plant Protection Organization | – | – | – | 1 | 1 | – | – | – | – | – | – | 2 |
| Wassenaar Arrangement | 1 | – | – | – | – | – | – | – | – | – | – | 1 |
| **Total** | **1 969** | **713** | **528** | **4 263** | **1 537** | **1 489** | **144** | **–** | **143** | **3** | **29** | **10 818** |
| Table 1 separations | 1 969 | 713 | 528 | 4 263 | 1 537 | 28 | 144 | – | 143 | 3 | 29 | 9 357 |
| One-time benefits | – | – | – | 4 263 | 1 537 | – | – | – | – | – | 29 | 5 829 |
| Table 4 new | 1 969 | 713 | 528 | – | – | 1 489 | 144 | – | 143 | 3 | – | 4 989 |

[a] United Nations Headquarters, regional offices and all funds and programmes.
[b] Including the World Food Programme.

Table 3
**Benefits awarded to participants or their beneficiaries during the year ended 31 December 2022**

| | *Number of benefits awarded* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | *Withdrawal settlement* | | | | | | | | |
| *Member organization* | *Retirement benefit* | *Early retirement benefit* | *Deferred retirement benefit* | *< 5 years* | *> 5 years* | *Child benefit* | *Widow and widower benefit* | *Other death benefit* | *Disability benefit* | *Secondary dependency benefit* | *Transfer under agreement* | *Total* |
| United Nations[a] | 949 | 409 | 476 | 2 491 | 950 | 1 009 | 103 | – | 59 | – | 14 | 6 460 |
| Food and Agriculture Organization of the United Nations[b] | 143 | 64 | 64 | 259 | 108 | 108 | 22 | – | 1 | – | 6 | 775 |
| World Health Organization | 212 | 58 | 60 | 324 | 107 | 140 | 10 | – | 5 | – | 5 | 921 |
| International Organization for Migration | 24 | 2 | 15 | 307 | 85 | 17 | 4 | – | 4 | – | – | 458 |
| International Labour Organization | 52 | 24 | 7 | 166 | 56 | 20 | 2 | – | 1 | – | 1 | 329 |
| International Atomic Energy Agency | 59 | 22 | 38 | 68 | 15 | 19 | 1 | – | 4 | – | 1 | 227 |
| United Nations Educational, Scientific and Cultural Organization | 41 | 22 | 16 | 65 | 16 | 19 | – | – | 5 | – | 2 | 186 |
| World Intellectual Property Organization | 17 | 11 | 6 | 23 | 3 | 2 | 1 | – | – | – | 1 | 64 |
| International Criminal Court | 8 | 6 | 9 | 29 | 34 | 6 | – | – | 2 | – | 1 | 95 |
| International Telecommunication Union | 16 | 6 | 2 | 15 | 4 | 4 | – | – | 2 | – | – | 49 |
| International Civil Aviation Organization | 15 | 6 | 5 | 11 | 5 | 8 | – | – | – | – | – | 50 |
| United Nations Industrial Development Organization | 21 | 10 | 2 | 12 | 1 | 17 | 1 | – | 2 | – | – | 66 |
| International Fund for Agricultural Development | 9 | 7 | 4 | 18 | – | 3 | – | – | 2 | – | 3 | 46 |
| World Meteorological Organization | 13 | 6 | 5 | 13 | – | 8 | – | – | 1 | – | – | 46 |
| International Maritime Organization | 6 | 4 | 1 | 4 | 1 | 1 | – | – | – | – | – | 17 |
| Comprehensive Nuclear-Test-Ban Treaty Organization | 2 | – | 1 | 15 | – | – | – | – | – | – | – | 18 |
| Special Tribunal for Lebanon | 3 | 1 | 8 | 18 | 23 | 3 | – | – | – | – | – | 56 |
| International Centre for Genetic Engineering and Biotechnology | 4 | 3 | – | 2 | 1 | – | – | – | – | – | – | 10 |
| World Tourism Organization | – | 1 | – | 1 | – | – | – | – | – | – | – | 2 |
| International Seabed Authority | 1 | – | 1 | 2 | 1 | – | – | – | – | – | – | 5 |
| International Centre for the Study of the Preservation and Restoration of Cultural Property | 1 | – | – | – | – | 1 | – | – | – | – | – | 2 |
| Inter-Parliamentary Union | 1 | – | 1 | – | – | 1 | – | – | – | – | 1 | 4 |
| International Tribunal for the Law of the Sea | – | 1 | – | 2 | – | 1 | – | – | – | – | – | 4 |

| Member organization | Number of benefits awarded | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Retirement benefit* | *Early retirement benefit* | *Deferred retirement benefit* | *Withdrawal settlement* | | *Child benefit* | *Widow and widower benefit* | *Other death benefit* | *Disability benefit* | *Secondary dependency benefit* | *Transfer under agreement* | *Total* |
| | | | | *< 5 years* | *> 5 years* | | | | | | | |
| European and Mediterranean Plant Protection Organization | 1 | – | – | 1 | – | – | – | – | – | – | – | 2 |
| Wassenaar Arrangement | 2 | – | – | – | – | 2 | – | – | – | – | – | 4 |
| **Total** | **1 600** | **663** | **721** | **3 846** | **1 410** | **1 389** | **144** | **–** | **88** | **–** | **35** | **9 896** |

[a] United Nations Headquarters, regional offices and all funds and programmes.
[b] Including the World Food Programme.

Table 4
**Analysis of periodic benefits for the year ended 31 December 2023**

| *Type of benefit* | *Total as at 31 December 2022* | *New* | *Benefits discontinued, resulting in award of survivor benefit*[a] | *All other benefits discontinued* | *Adjustments*[b] | *Total as at 31 December 2023* | *Per cent increase/ (decrease)* |
|---|---|---|---|---|---|---|---|
| Full retirement | 30 204 | 1 969 | (391) | (477) | 3 | 31 308 | 3.7 |
| Early retirement | 17 510 | 713 | (178) | (325) | 1 | 17 721 | 1.2 |
| Deferred retirement | 9 498 | 528 | (44) | (195) | (53) | 9 734 | 2.5 |
| Widow | 12 606 | 115 | 669 | (631) | 3 | 12 762 | 1.2 |
| Widower | 1 273 | 29 | 104 | (59) | 2 | 1 349 | 6.0 |
| Disability | 1 949 | 143 | (30) | (33) | (1) | 2 028 | 4.1 |
| Child | 10 041 | 1 446 | – | (1 346) | 12 | 10 153 | 1.1 |
| Child with disability | 876 | 43 | – | (24) | 31 | 926 | 5.7 |
| Secondary dependant | 31 | 3 | – | (2) | – | 32 | 3.2 |
| **Total** | **83 988** | **4 989** | **130** | **(3 092)** | **(2)** | **86 013** | **2.4** |

[a] Benefits discontinued resulting in the award of a survivor benefit can result in a greater number of survivor benefits than those discontinued. This occurs because multiple survivor benefits can be awarded as a result of the discontinuation of one main participant’s terminated benefit. In addition, survivor benefits may be awarded in the year or years subsequent to the year in which a primary participant’s benefit was discontinued, leading to timing differences.

[b] Exceptions that affect the opening or closing balances, including benefit reinstatements, reversals back to active participation status or conversions to withdrawal settlements.

# Annex XII

## Budget estimates for 2025

The budget estimates for 2025 provided in the document below are to be considered in conjunction with the supplementary information.

# Contents

*Summary*

The present report contains budget estimates for 2025, which amount to $151,735,500 (before recosting).

**Resource requirements for 2025**

(Thousands of United States dollars)

| | *Resources* | | *Posts* | | *General temporary assistance* | |
|---|---|---|---|---|---|---|
| | *2024 approved* | *2025 estimate (before recosting)* | *2024 approved* | *2025 estimate* | *2024 approved* | *2025 estimate* |
| Secretariat of the Pension Board | 1 387.2 | 1 770.8 | 3 | 4 | 1 | – |
| Pension Administration | 70 549.9 | 72 246.1 | 262 | 272 | 20 | 18 |
| Office of Investment Management | 65 598.5 | 75 465.8 | 158 | 183 | 7 | – |
| Audit | 2 254.1 | 2 262.6 | 6 | 7 | 2 | 1 |
| **Total** | **139 789.7** | **151 745.3** | **429** | **466** | **30** | **19** |

# I. Overview

1. The United Nations Joint Staff Pension Fund was established by the General Assembly in 1949. The Fund is responsible for providing retirement, death, disability and related benefits for the staff of the United Nations and other organizations admitted to membership in the Fund.

2. The Chief Executive of Pension Administration administers the Fund under the authority of the United Nations Joint Staff Pension Board and is responsible for the management of the Pension Administration. The Secretary of the Board reports directly to the Chair of the Board. The Office of Investment Management reports to the Secretary-General through his Representative for the investment of the assets of the Fund.

### Funding source

3. The Fund is funded through contributions from its participating member organizations and staff members, as well as investment income, whereby the contributions of member organizations are resourced from the Member States and other resources. The Fund is not funded directly through the assessed contributions of Member States.

4. Reflecting the nature of the Fund, its budget includes only estimated administrative expenditure; the budget represents a ceiling of reasonable expenditure to administer the Fund, and any underexpenditure should be considered savings, which remain in the Fund.

5. In addition to the administration of the Fund, the Pension Administration serves as the secretariat of the United Nations Staff Pension Committee on behalf of the United Nations (including its funds and programmes), whereas all other member organizations are responsible for their expenses under the Regulations of the Fund. The United Nations reimburses the Fund for the expenses incurred in providing these services. As the Fund's host organization, the United Nations also provides a number of administrative services to the Fund and charges the Fund accordingly. Therefore, the budget for 2025 reflects the estimates for the remuneration for the services provided to the United Nations in line with the methodology of the valuation of the services exchanged between the Fund and the United Nations as endorsed by the General Assembly in its resolution 74/263.

## A. Proposed programme plan for 2025

6. The present budget proposal continues to follow the results-based framework used by the United Nations Secretariat in its proposed programme budget for 2025. The Fund is comprised of the secretariat of the Pension Board, the Pension Administration and the Office of Investment Management.

7. The secretariat of the Pension Board provides conference management and technical support to the Board and its subsidiary bodies.

8. The objective of the Pension Administration's programme of work is to administer the provision of retirement, death, disability and related benefits for the staff members of the United Nations and the other organizations admitted to membership in the Fund.

9. The Office of Investment Management invests the assets to ensure that the Fund can discharge its obligations in full by ensuring that the assets of the Fund are managed prudently and optimally and that it can achieve its long-term investment return objective so as to ensure the financial sustainability of the Fund.

*Note*: The following abbreviations are used in the tables and figures: ASG, Assistant Secretary-General; GS (OL), General Service (Other level); GS (PL), General Service (Principal level); LL, Local level; N/A, not applicable.

## B. Proposed post and non-post resource requirements for 2025

10. The total resource requirements for 2025 amount to $151.7 million before recosting, representing an increase of $12.0 million, or 8.6 per cent, compared with the approved budget for 2024, as shown in table 1. The proposed resource level provides for the full, efficient and effective implementation of mandates.

11. For comparability, the resource requirements for 2025 are presented at the same price levels, exchange rates and vacancy rates as the approved budget for 2024, as follows:

(a) Delayed recruitment factors (vacancy rates) have been applied for posts as follows:

(i) Secretariat of the Pension Board: Professional posts (3.3 per cent) and continuing General Service posts (7.9 per cent);

(ii) Pension Administration: Professional posts (6.1 per cent) and continuing General Service posts (10.1 per cent);

(iii) Office of Investment Management: Professional posts (14.7 per cent) and continuing General Service posts (7.9 per cent);

(iv) Audit: Professional posts (3.3 per cent) and continuing General Service posts (7.9 per cent);

(v) A vacancy rate of 50 per cent is applied to all new posts regardless of the office, in line with the established practice;

(b) Exchange rate of one United States dollar to 0.896 Swiss francs, 135.7 Kenya shillings and 34.58 Thai baht.

12. A report reflecting the impact of recosting of the proposed resource requirements, which involves adjusting the budget to preserve its purchasing power by accounting for projected changes in vacancy rates, exchange rates and inflation, will be submitted to the General Assembly in the third quarter of 2024 prior to the start of the main part of the Assembly's session, in accordance with Assembly resolution 78/252.

Table 1
**Evolution of financial resources by office**

(Thousands of United States dollars)

| | | | *Changes* | | | | | *2025 estimate (before recosting)* |
|---|---|---|---|---|---|---|---|---|
| | *2023 expenditure* | *2024 appropriation* | *Technical adjustments* | *New initiatives* | *Other* | *Total* | *Percentage* | |
| Secretariat of the Pension Board | 1 186.0 | 1 387.2 | – | – | 383.6 | 383.6 | 27.7 | 1 770.8 |
| Pension Administration | 65 209.8 | 70 549.9 | (3 002.2) | 5 356.4 | (658.0) | 1 696.2 | 2.4 | 72 246.1 |
| Secretariat of the Pension Fund | 56 502.7 | 62 126.8 | (3 002.2) | 5 356.4 | 2 609.8 | 4 964.0 | 8.0 | 67 090.8 |
| United Nations Staff Pension Committee services, payment from the United Nations Secretariat[a] | 8 707.1 | 8 423.1 | – | – | (3 267.8) | (3 267.8) | (38.8) | 5 155.3 |
| Office of Investment Management | 56 363.2 | 65 598.5 | 528.0 | – | 9 339.3 | 9 867.3 | 15.0 | 75 465.8 |
| Audit | 1 667.4 | 2 254.1 | – | – | 8.5 | 8.5 | 0.4 | 2 262.6 |
| **Total** | **124 426.4** | **139 789.7** | **(2 474.2)** | **5 356.4** | **9 073.4** | **11 955.6** | **8.6** | **151 745.3** |

[a] Payment from the United Nations relates to the United Nations Staff Pension Committee services provided by the Pension Fund.

## C. Emergency Fund

13. The General Assembly, in paragraph 11 of section VII of its resolution 78/253, authorized the United Nations Joint Staff Pension Board to supplement the voluntary contributions to the Emergency Fund for 2024 by an amount not to exceed $112,500. The Fund is requesting the same level of funding for 2025.

## D. Action to be taken by the General Assembly

14. The Pension Board recommends that the General Assembly approve the estimates for 2025 amounting to $151,745,300, comprising:

(a) Secretariat of the Pension Board ($1,770,800);

(b) Pension Administration ($72,246,100);

(c) Office of Investment Management ($75,465,800);

(d) Audit ($2,262,600).

15. Of this amount, $5,155,300 would be chargeable directly to the United Nations for the services related to the secretariat of the United Nations Staff Pension Committee.

16. The Pension Board also recommends that the General Assembly allow the Fund to carry over from one budget period to the next any unexpended funds allocated to multi-year projects, under new initiatives, until project completion, as detailed in paragraphs 71–78 below.

# II. Secretariat of the Pension Board

## A. Proposed programme plan for 2025 and programme performance in 2023

### Overall orientation

### Mandates and background

17. The Pension Board is a subsidiary organ of the General Assembly and reports annually to the Assembly. The Board is the main oversight and decision-making body of the Pension Fund. The Board has the ultimate responsibility for the administration of the Fund and protects the best interests of Fund participants and beneficiaries by setting strategic goals and policies and by providing general oversight and monitoring. The Board reports to the Assembly on strategic questions and policy matters regarding the management of the Fund, the Fund's budget, plan design and its long-term financial situation.

18. In its resolutions 73/274 and 74/263, the General Assembly decided to create the function of the Secretary of the Board to lead an independent secretariat of the Board. In its resolution 74/263, the Assembly stressed that the Secretary of the Board was to be fully independent of the Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the Fund, and decided that the Secretary should report directly to the Board, while being provided with administrative support by the Pension Administration and the Office of Investment Management, as necessary.

19. Following recent decisions by the General Assembly (including the external review of the governance of the Board requested in resolution 74/263) and the governance reform package agreed at the sixty-ninth session of the Board, in July 2021, which was endorsed by the Assembly in its resolution 76/246, the secretariat of the Board has seen an increase in its workload for activities related to the implementation of the adopted governance reform of the Board, including on issues related to its size and composition, frequency of meetings, working methods, decision-making and effectiveness of the Board, as well as the further development and implementation of an ethics framework and self-evaluation of the Board. Overall, the secretariat of the Board has received a broad mandate to contribute to the professionalization of the working of the Board, its committees and working groups.

20. At its seventy-sixth session, in February 2024, the Board decided to engage an external expert, on a one-off, temporary basis, to support the Fund Solvency and Assets and Liabilities Monitoring Committee.

#### Objective

21. The main objective of the Secretary of the Board is to provide technical support services to the Board and assist and advise the Chair of the Board in all aspects related to the work of the Board, its committees and working groups, as well as the relationship of the Board with the General Assembly as a subsidiary organ. The Secretary of the Board is supported by a small secretariat that is responsible for the daily management of the Board and its different subcommittees, providing substantive and procedural input and advice, as well as logistical support and the full range of conference management services.

22. Another main objective for 2025 is the continued implementation of the governance reform agenda mandated by the Board and the General Assembly, including for the Board to conduct a full review of all adopted reform proposals at its

session in July 2025. The objective of the secretariat of the Board is to support a more effective Board by ensuring high-quality services and support for the governance review that will include proposals on the size and composition of the Board, frequency of meetings and overall efficiencies.

### Strategy and external factors for 2025

23. In 2025, the secretariat of the Board will continue to focus on improving the professionalization of the Board and implementing a strengthened annual workplan for the Board, based on the mandates given by the Board and the General Assembly with regard to improving governance and overall effectiveness of the Board, thereby maintaining the highest standards of efficiency in terms of substantive and technical support to the Chair, the Board and all its committees and working groups.

### Programme performance in 2023

24. The Board and its committees and working groups successfully conducted their meetings as planned, incorporating virtual or hybrid meetings as and when required through the utilization of technology and the lessons learned from organizing virtual sessions in 2020 and 2021. A survey conducted among Board members found that the sessions of the Board were satisfactory and that the meetings were held and organized professionally.

### Planned results for 2025

*Improved support services provided to the Board and the Chair*

25. The secretariat of the Board will continue to apply more effective planning, development, management and coordination and improved delivery of a full range of conference management, substantive and technical support services to the Board and its subsidiary bodies and committees. The secretariat will focus on ensuring quality, timeliness, cost-effectiveness, sustainability and accessibility in the services provided through client orientation, innovation and partnerships.

26. The secretariat of the Board will direct the preparation of the reports of the Board and its subcommittees and working groups under the general guidance of the Chair, the Rapporteur of the Board and the Chairs of the committees and working groups. The secretariat will assist the Chair in the presentation of the report of the Board to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee.

Table 2
**Performance measure**

| | *2023 (planned)* | *2023 (actual)* | *2024 (planned)* | *2025 (planned)* |
|---|---|---|---|---|
| Improved positive survey results on secretariat support services, organization of meetings and technical support provided | 70 per cent positive survey results planned | 73.5 per cent positive survey results | 75 per cent positive survey results planned | 75 per cent positive survey results planned |

*Improved functioning of the Board through mandated governance reform*

27. The secretariat of the Board will effectively implement the governance reforms mandated by the Board and the General Assembly aimed at professionalizing the Board.

28. The secretariat of the Board will continue to work closely together with Board members, staff pension committee secretaries and the staff of the Fund to ensure effective communication, optimize working methods and capacity utilization and improve the experience of participants in the meetings serviced by the secretariat of the Board, as evidenced by the responses to the survey of Board/committee members.

Table 3
**Performance measure**

| | *2023 (planned)* | *2023 (actual)* | *2024 (planned)* | *2025 (planned)* |
|---|---|---|---|---|
| Improved positive survey results on overall improved effectiveness, quality of communication, improved experience of participants and optimized working methods | 70 per cent positive survey results planned | 81.0 per cent positive survey results | 70 per cent positive survey results planned | 75 per cent positive survey results planned |

29. Information on compliance regarding the timely submission of documentation and advance booking for air travel is reflected in table 4. In 2023, 3 out of 52 trips undertaken did not meet the compliance requirements, owing primarily to logistical issues stemming from delayed traveller confirmations, delays in obtaining travel documents and late event planning. The secretariat of the Board will continue its efforts to remind travellers of the compliance requirements and reinforce mandatory justification for non-compliance.

Table 4
**Compliance rate**
(Percentage)

| | *2021 actual* | *2022 actual* | *2023 actual* | *2024 planned* | *2025 planned* |
|---|---|---|---|---|---|
| Air tickets purchased at least two weeks before the commencement of travel | N/A[a] | 69 | 94 | 100 | 100 |

[a] No travel was undertaken in 2021 owing to coronavirus disease (COVID-19)-related travel restrictions.

## B. Proposed post and non-post resource requirements for 2025

### Overview

30. The proposed resources provide for the continuation of the mandate of the secretariat of the Board, as well as for the implementation of the mandates from the General Assembly relating to the governance reforms and professionalization of the Board.

31. As reflected in table 5, the proposed resources for 2025 amount to $1,770,800 before recosting, reflecting a net increase of $373,800, or 26.9 per cent, compared with the appropriation for 2024, and would provide for the administrative expenses of the secretariat of the Board and the Board, including a one-off provision for an external expert to support the Fund Solvency and Assets and Liabilities Monitoring Committee, the travel of the Chair of the Board to attend the meetings of the Fifth Committee and the travel of representatives of the Board’s advisory committees and of FAFICS to Board meetings.

Table 5
**Secretariat of the Pension Board: evolution of financial resources by object of expenditure**
(Thousands of United States dollars)

| *Object of expenditure* | *2023 expenditure* | *2024 appropriation* | *Changes: Technical adjustments* | *Changes: New initiatives* | *Changes: Other* | *Changes: Total* | *Changes: Percentage* | *2025 estimate (before recosting)* |
|---|---|---|---|---|---|---|---|---|
| Posts | 623.5 | 671.4 | – | – | 115.9 | 115.9 | 17.3 | 787.3 |
| Other staff costs | 0.7 | 52.0 | – | – | 46.4 | 46.4 | 89.2 | 98.4 |
| Consultants | 73.6 | – | – | – | 51.6 | 51.6 | – | 51.6 |
| Travel of representatives | 347.2 | 385.3 | – | – | 27.6 | 27.6 | 7.2 | 412.7 |
| Travel of staff | 29.0 | 29.6 | – | – | 26.5 | 26.5 | 89.5 | 56.1 |
| Contractual services | 8.3 | 80.5 | – | – | 103.5 | 103.5 | 128.6 | 184.0 |
| General operating expenses | 103.7 | 168.4 | – | – | 12.1 | 12.1 | 7.2 | 180.5 |
| **Total** | **1 186.0** | **1 387.2** | **–** | **–** | **383.6** | **383.6** | **26.9** | **1 770.8** |

Table 6
**Overall: proposed posts and post changes for 2025 (secretariat of the Pension Board)**
(Number of posts)

| | *Number* | *Details* |
|---|---|---|
| Approved for 2024 | 3 | 1 D-1, 1 P-5 and 1 GS (OL) |
| Establishment | 1 | 1 P-4 |
| **Proposed for 2025** | **4** | **1 D-1, 1 P-5, 1 P-4 and 1 GS (OL)** |

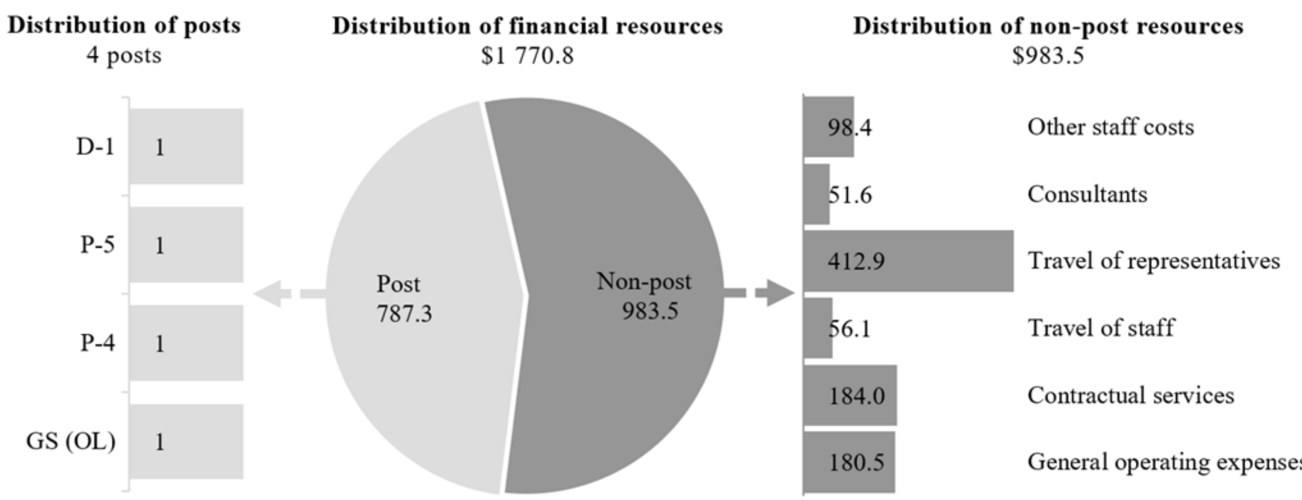
Table 7
**Overall: proposed posts by category and grade (secretariat of the Pension Board)**
(Number of posts)

| | *2024 approved* | *Changes* | *2025 proposed* |
|---|---|---|---|
| **Professional and higher** | | | |
| D-1 | 1 | – | 1 |
| P-5 | 1 | – | 1 |
| P-4 | – | 1 | 1 |
| **Subtotal** | **2** | **1** | **3** |
| **General Service and related** | | | |
| GS (OL) | 1 | – | 1 |
| **Subtotal** | **1** | **–** | **1** |
| **Total** | **3** | **1** | **4** |

Table 8
**Evolution of financial and post resources (secretariat of the Pension Board)**
(Thousands of United States dollars/number of posts)

| | | | *Changes* | | | | | *2025 estimate (before recosting)* |
|---|---|---|---|---|---|---|---|---|
| | *2023 expenditure* | *2024 appropriation* | *Technical adjustments* | *New initiatives* | *Other* | *Total* | *Percentage* | |
| **Financial resources by main category of expenditure** | | | | | | | | |
| Post | 623.5 | 671.4 | – | – | 115.9 | 115.9 | 17.3 | 787.3 |
| Non-post | 562.5 | 715.8 | – | – | 267.7 | 267.7 | 37.4 | 983.5 |
| **Total** | **1 186.0** | **1 387.2** | **–** | **–** | **383.6** | **383.6** | **27.7** | **1 770.8** |
| **Post resources by category** | | | | | | | | |
| Professional and higher | | 2 | – | – | 1 | 1 | 50 | 3 |
| General Service and related | | 1 | – | – | – | – | – | 1 |
| **Total** | | **3** | **–** | **–** | **1** | **1** | **33.3** | **4** |

Figure I
**Distribution of proposed resources for 2025 (before recosting)**
(Number of posts/thousands of United States dollars)




## Explanation of variances by factor

### Other changes

32. Resource changes reflect a net increase of $383,600, as follows:

(a) The amount of $115,900 under post resources is to provide for the proposed establishment of one Programme Management Officer (P-4) post, subject to a 50 per cent vacancy rate applicable to new posts. Detailed information supporting the proposed establishment of this post is provided in annex III;

(b) The net increase of $267,700 under non-post resources reflects:

(i) The net increase of $46,400 under other staff costs, resulting from the provision of resources for general temporary assistance replacement and surge capacity during peak workload periods ($97,000) and an increase in the provision for overtime ($100), partly offset by the removal of resources for an Ethics Adviser, which is now provided for under consultants ($50,700);

(ii) Resources amounting to $51,600 to provide for a consultant, in lieu of a temporary position, for ethics advisory services, owing to difficulty in identifying suitably qualified staff on a temporary basis;

(iii) The net increase of $27,600 under travel of representatives, attributed to increases in standard airfare and daily subsistence allowance owing to changes in the assumptions regarding the composition of the committees and/or meeting locations related to the travel of the Committee of Actuaries, including the travel of its Chair to the annual in-person Pension Board meeting ($22,300), the travel of the Plan Review Group, subject to a decision by the Board to extend the mandate of the Group for 2025 ($13,700), the travel to the annual in-person Pension Board meeting in respect of the Chair of the Investments Committee ($3,700) and the representatives of FAFICS ($400); partly offset by decreases related to the travels of the Governance Review Working Group ($4,000), the Succession Planning and Evaluation Committee ($2,000), the Audit Committee ($3,900), the Fund Solvency and Assets and Liabilities Monitoring Committee ($2,100) and the Chair of the Pension Board to the meetings of the Fifth Committee at the main part of the eightieth session of the General Assembly, in 2025 ($500), owing primarily to changes in standard airfare and daily subsistence allowance resulting from changes in the assumptions on the composition of the committees and/or meeting locations;

(iv) The net increase of $26,500 under travel of staff, primarily for the provision of in-person support during working group meetings held outside of New York;

(v) The net increases under contractual services amounting to $103,500, attributed to the cost of one-time temporary external support to the Fund Solvency and Assets and Liabilities Monitoring Committee in 2025, as approved by the Pension Board at its seventy-sixth session ($150,000), and the provision for translation for standing committees ($3,500), partly offset by the removal of resources for the training of the Board on governance matters ($50,000);

(vi) The net increase of $12,100 under general operating expenses, owing to increases in the estimates for conference services for the annual in-person Pension Board meeting ($11,000) and utilities and facilities management ($1,100).

# III. Pension Administration

## Foreword

In 2023, the Pension Administration continued to deliver the objectives of the 2021–2023 CARE strategy, effectively addressing the challenges of a volatile geopolitical environment and meeting the needs of a growing, ageing and more geographically dispersed client population.

As outlined in the report on the implementation of the 2021–2023 CARE strategy to the Pension Board in July 2023, the Pension Administration successfully met and exceeded performance targets and implemented a broad range of activities to improve the client experience, modernize services and strengthen partnerships.

The CARE strategy for 2024 and beyond, which was approved by the Pension Board in July 2023, provides a clear and consistent direction for the Pension Administration by refining the key themes and pillars of the 2021–2023 strategy and incorporating actionable objectives and key performance indicators.

For 2025, the budget proposal for the Pension Administration strikes a delicate balance between fiscal discipline and strategic investment. The budget proposal amounts to $72.2 million, a modest overall increase of $1.7 million (or 2.4 per cent) from the 2024 budget. Despite the continued growth in the number of participants and beneficiaries, the proposal contains a reduction of $0.7 million in resources for the core or ongoing activities of the Pension Administration. The proposal also includes resources for critical investments in systems to modernize the Fund.

The 2025 budget is aligned with the CARE strategy for 2024 and beyond, with the aim of enabling the Pension Administration to adapt its systems and services to efficiently meet the needs of its growing and diverse client base. These efforts will be carried out in close partnership with a broad range of stakeholders.

To this end, in 2025 the Pension Administration will finalize the implementation of the new customer relationship management system to improve client services through case tracking, visibility and performance indicators. It will also initiate the deployment of a new financial system, ensuring better use of capacity across the whole Fund. Additionally, it will continue to streamline processes and systems, implementing the second phase of the Kofax project and carrying out data cleansing and reconciliation.

The successful implementation of these strategic initiatives requires additional support and resources in the short term, as requested in the budget, and the ability to identify and mitigate risks before they crystallize. Therefore, it is essential that resources identified for these initiatives remain available throughout the implementation of the projects.

As requested by the General Assembly, a higher level of budget accuracy is provided through a clear distinction between resources required to maintain the Pension Administration's core mandate and project-related temporary resources.

*Core activities*

In 2023, the number of participants in the Fund increased by 4.3 per cent from the previous year, as compared to an average annual increase of approximately 2.5 per cent over the past five years. Meanwhile, the number of benefits in payment grew by 2.4 per cent in 2023, in line with previous years. Overall, as at 31 December 2023, the Fund served 149,848 participants and had 86,013 benefits in payment. This growth is projected to continue.

Despite the increase in work volumes attributed to the growing number of participants and beneficiaries, resources for ongoing activities have been adjusted downward by $0.7 million (or 1.0 per cent). This projected decrease is possible largely due to efforts to accelerate the migration of the Pension Administration's application servers to the cloud, which is expected to yield significant savings.

*Project resources*

The 2025 budget proposal includes temporary resources of $5.4 million to provide for a series of technological upgrade initiatives directly related to the Fund's modernization efforts, including: (a) the deployment of the customer relationship management system and its integration with IPAS; (b) the deployment of the Fund's financial system; (c) the implementation of the second phase of the Kofax project, which would entail the implementation of an optical character recognition extraction functionality and benefit election on forms; and (d) a significant data cleansing undertaking in preparation for the future upgrade of the current pension administration system.

*Performance*

The Pension Administration has successfully improved systems and processes while building stronger partnerships and a better internal culture. In fact, in the fourth round of the leadership culture assessment conducted by the United Nations System Staff College in April 2024, the Pension Administration improved in every category assessed, reflecting its commitment to making the Fund an environment conducive to our staff thriving and continuing to enhance their skills.

In 2023, the Pension Administration processed 92.7 per cent of all benchmarked pension cases within 15 days, despite the significant and unanticipated increase in volume. Pension payrolls have continued to be issued on time, and alternative avenues have been explored to mitigate the impact of disruptions in traditional banking channels due to geopolitical issues and challenges.

The proposed 2025 budget will allow the Fund to continue its critical modernization efforts, further enhance services to clients and partners, and advance its strategic vision.

(*Signed*) Rosemarie **McClean**
Chief Executive of Pension Administration
United Nations Joint Staff Pension Fund

## A. Proposed programme plan for 2025 and programme performance in 2023

### Overall orientation

### Mandates and background

33. The legislative mandate of the Pension Fund is derived from the General Assembly resolution 248 (III), in which the Assembly approved the Regulations of the Fund, as well as subsequent Assembly resolutions and Pension Board decisions.

34. As reflected in figure II, the Pension Administration, in conjunction with the staff pension committee and its secretariat in each member organization, is responsible for the day-to-day operations of the Fund. This includes:

(a) Contribution management (collecting and updating participant information and contributions necessary for retirement);

(b) Entitlement processing (defining eligibility for various benefits and communicating with staff/participants about their options);

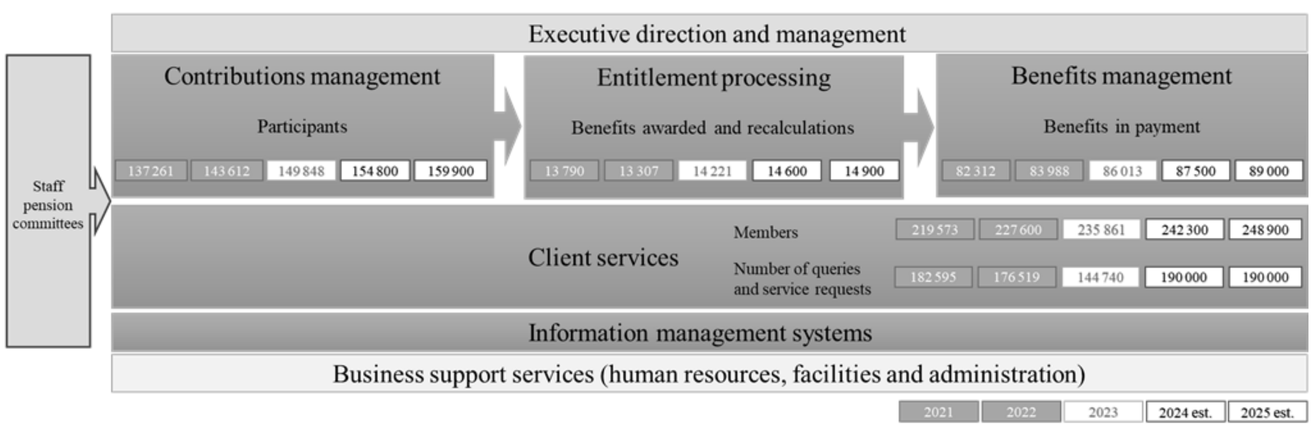
(c) Benefits management (paying retirement and disability benefits, processing cost-of-living adjustments and processing child and survivor benefits);

(d) Providing client services to all participants, retirees and other beneficiaries.

35. The Pension Administration provides secretariat services to the United Nations Staff Pension Committee. The cost of these services is shared between the regular budget of the United Nations and the budgets of the funds and programmes.

36. In addition, the Pension Administration develops the strategy and policies for the administration of the Fund, assesses the risks to which the Fund is exposed by virtue of its plan design and operations and ensures that the Fund complies with its Regulations, Rules and Pension Adjustment System. It is also responsible for human resources and facilities management.

Figure II
**Functions and workload drivers of the Pension Administration**

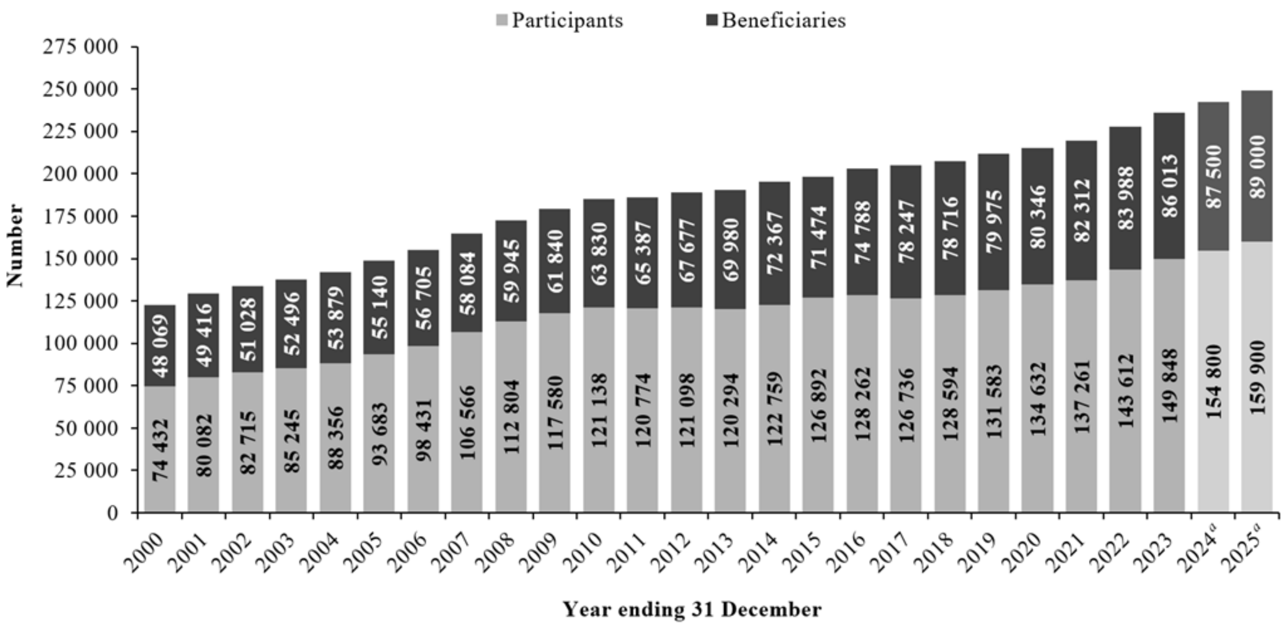


### Workload drivers

*Number of participants and beneficiaries*

37. The Fund continues to experience a high rate of growth in the number of participants, retirees and other beneficiaries. Over the past five years, the number of participants has grown at an average annual rate of approximately 3.1 per cent, while the number of benefits in payment has grown at an average annual rate of approximately 1.8 per cent. During 2023, the number of participants grew by 4.3 per cent and the number of benefits in payment by 2.4 per cent. Figure III reflects the overall growth of the population the Fund serves at the end of each year since 2000. Given that retirees and other beneficiaries require more administrative resources than participants, and are also living longer now, the overall workload of the Pension Administration continues to increase and become more complex in that regard.

Figure III
**Growth in the number of Fund participants, retirees and beneficiaries at the end of each year**




[a] Projected.

38. Figures IV and V show the changes in participants and beneficiaries, respectively, over the past five years. Since 2019, the number of new participants joining the Fund has exceeded the number of participants becoming beneficiaries or leaving the Fund altogether, as shown in figure IV. Over the same period, the number of new beneficiaries exceeded the number of beneficiaries discontinuing, as shown in figure V.

Figure IV
**Changes in participants of the Fund, 2019–2023**

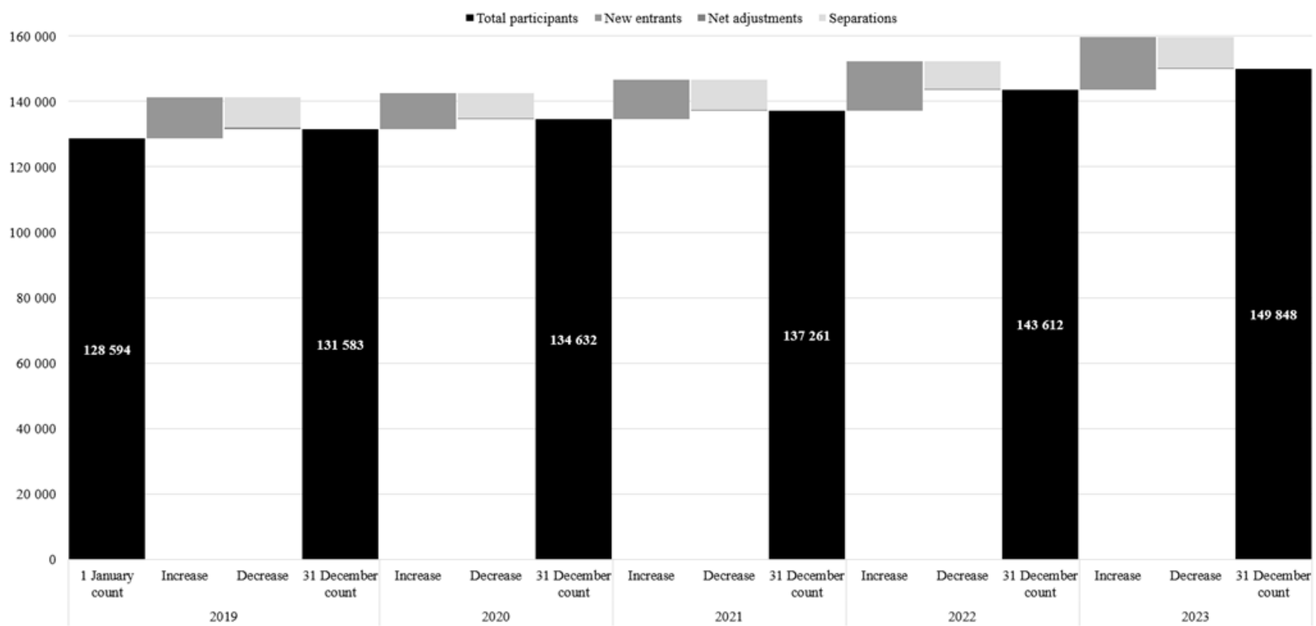
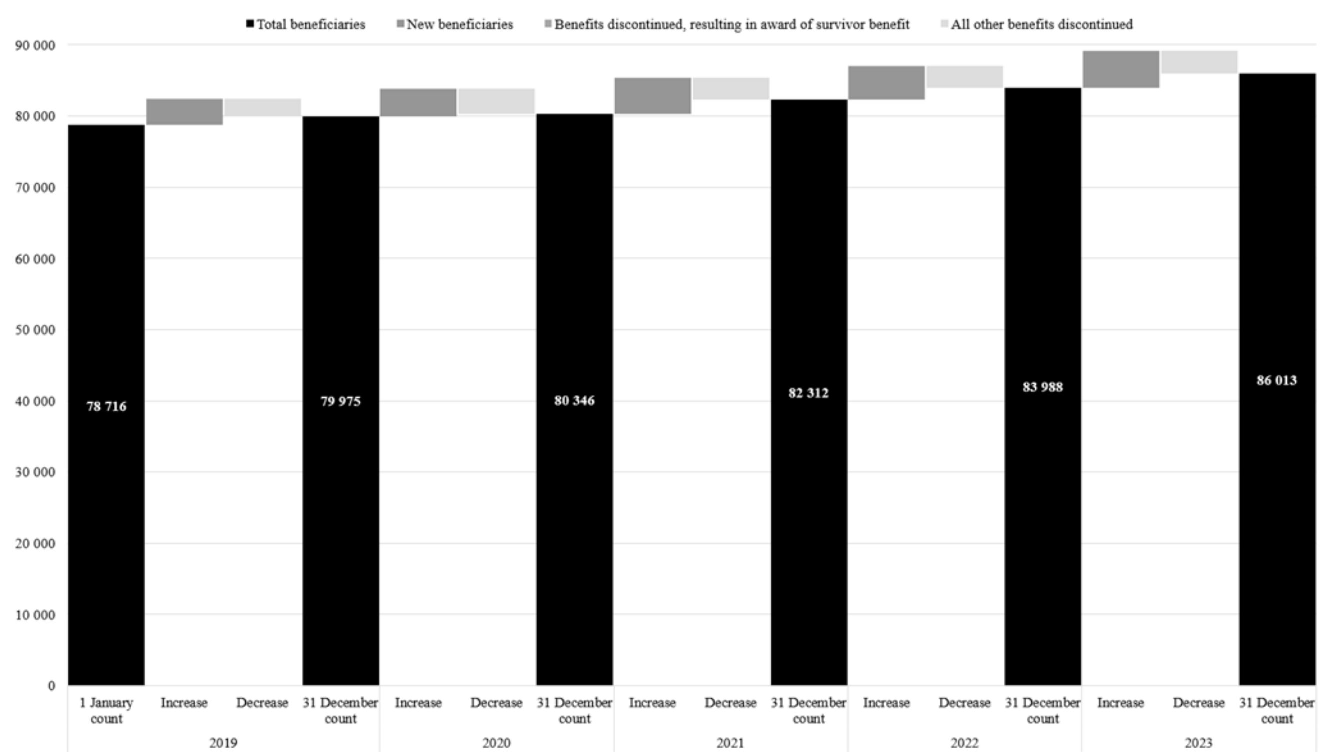



Figure V
**Changes in beneficiaries of the Fund, 2019–2023**



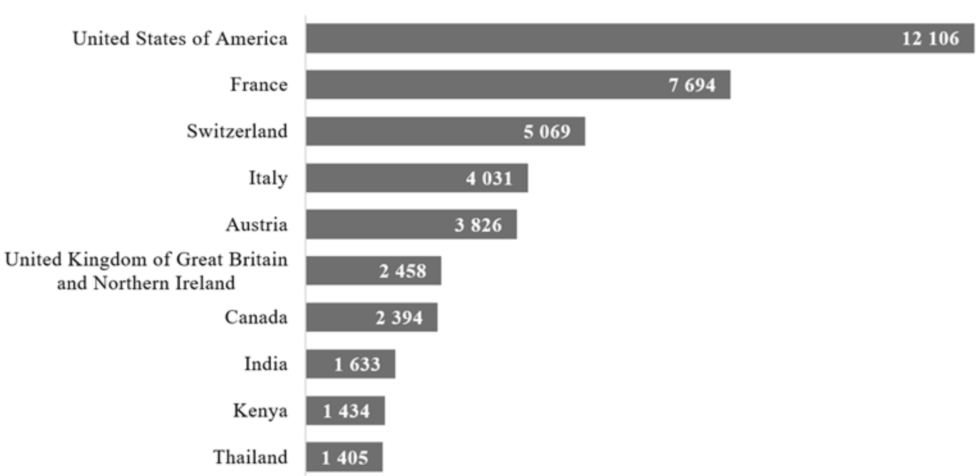

39. The Fund's distribution of retirees and other beneficiaries across the world is unique among defined benefit plans. The geographical dispersion of participants adds to the complexity of the Fund's operations, requiring greater global reach. Periodic

benefits are paid in 18 currencies worldwide in more than 190 countries and territories, including countries with limited banking infrastructure. Figure VI shows the Fund's global service coverage for retirees.

Figure VI
**Geographical dispersion of periodic benefits as at 31 December 2023**


40. Figure VII shows that at the end of 2023, approximately half of all beneficiaries had mailing addresses concentrated in 10 countries, with the remaining participants having mailing addresses dispersed across more than 180 countries and territories. This not only contributes to increased administration costs but also diminishes the potential for economies of scale in transaction costs.

Figure VII
**Concentration of beneficiaries by mailing address as at 31 December 2023**




*Number of separations and post-separation recalculation benefits*

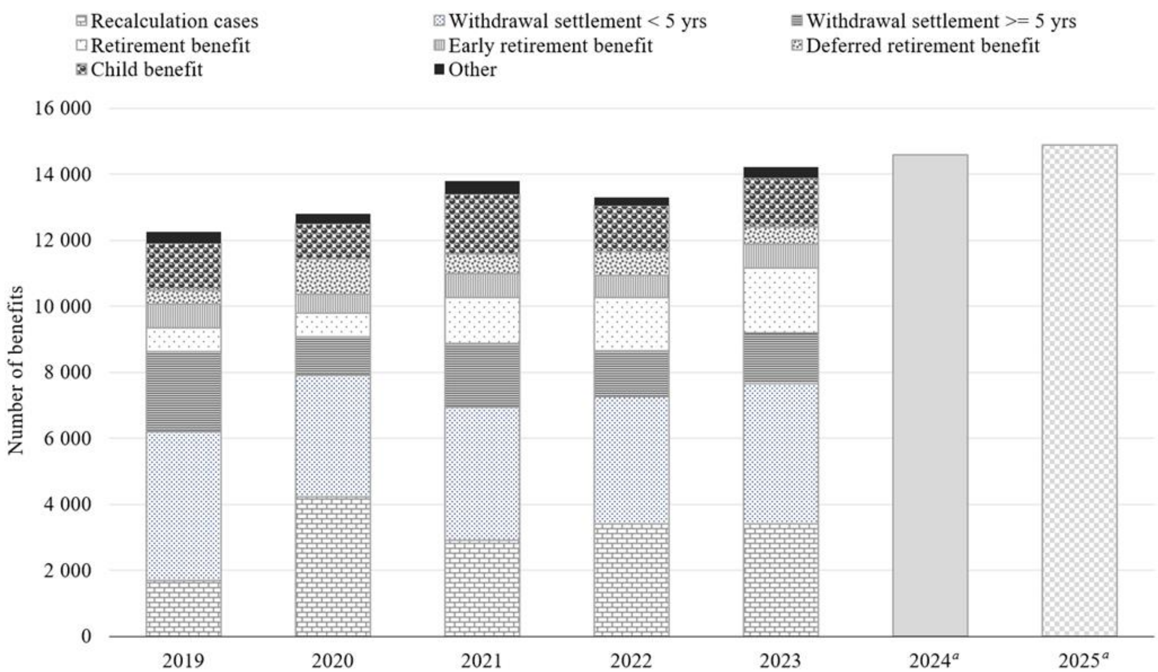
41. Whereas the number of participants and beneficiaries follows a relatively stable and predictable pattern year over year, the number of separations of participants is much more volatile. Although the separation of long-term staff largely correlates with the mandatory

age of separation in the Fund's member organizations, the separation of short-term staff is influenced primarily by member organizations' human resources strategies, business requirements and budget availability. Furthermore, decisions of member organizations, such as the closing of peacekeeping missions or the downsizing of staff, affect the number of separations and initial entitlement claims for any given year. These factors are considered in estimating workload drivers. The Pension Administration strives to award initial entitlement benefits as soon as all required documentation is received.

42. The Fund's responsibility towards its participants does not end at separation from service. There are several types of recalculations, post-separation from service, that the Fund undertakes, for example, survivor benefits following the death of the retiree, two-track calculations, deferred retirement benefits coming into payment and child benefits coming into payment. Since the beginning of 2023, the Fund has expanded the coverage of the 15-day benchmark to also include these key recalculation cases.

43. Figure VIII shows the number of new benefits awarded and recalculation cases processed in a given year.

Figure VIII
**Number of benefits awarded**




[a] Projected.

44. As shown in Figure VIII, withdrawal settlements constitute the largest portion of all benefits awarded.

*Number of client service requests*

45. Serving clients involves many activities, including informing participants, retirees and beneficiaries of their rights and options, responding to queries and processing cases (workflows) relating to participation, separation, retirement, payment of and continued entitlement to benefits, the pension adjustment system, emergency fund requests and other pension-related processes. The number of client service requests submitted to the Fund is influenced primarily by the number of beneficiaries and participants, changes in the client base (e.g., admissions of new

member organizations), procedural changes in the administration of benefits (e.g., the introduction of the digital certificate of entitlement), the number of separations or retirements, and the outreach activities offered to participants and beneficiaries.

**Strategy for 2025**

46. For 2025, the Fund will continue to deliver its core functions and implement the CARE strategy for 2024 and beyond. The strategy has three pillars:

(a) Improve client experience: this pillar seeks to ensure client satisfaction through improved services, simplified interactions and clear communication with participants and beneficiaries;

(b) Modernize pension services: this pillar focuses on operational excellence and transformation as part of the Fund's work culture through people, processes and technology;

(c) Strengthen relationships with all stakeholders: this pillar seeks to promote trust, collaboration and transparency between the Fund and member organizations, and with all stakeholders to maintain confidence in the Fund.

47. In 2025, the Pension Administration will leverage the successful deployment of "UNJSPF Connect", the new customer relationship management system, to enrich the client experience. Through process streamlining and enhanced business intelligence capabilities, "UNJSPF Connect" will be fully integrated with the multi-factor authentication project to enable secure and seamless access to the Fund's portals, including the digital capture of pension forms in the member self-service portal. This is expected to result in client service improvements through case tracking, visibility and performance indicators.

48. Furthermore, the Fund will start the implementation of a new financial system, providing increased benefits such as improved financial reporting and analytics capabilities, enhanced bookkeeping capabilities for multiple functions, including investments, enabling better decision-making and resource allocation and streamlined financial processes, and reducing manual efforts and minimizing the risk of errors while offering greater transparency, auditability and industry best practices.

49. Building on the migration of systems to the cloud, which has improved data security and access speed while reducing storage costs, the Pension Administration will finalize the architecture of the new core pension administration systems. This critical step will pave the way for the forthcoming system upgrades and migrations, ensuring that the Fund's infrastructure remains robust and scalable.

50. To support these initiatives, the Pension Administration will continue its comprehensive data cleansing efforts, leveraging the data governance framework developed in previous years. This exercise will ensure the accuracy and integrity of data, facilitating smooth transitions and enhancing the overall efficiency of the Fund's operations.

51. The integration and sharing of financial, support and risk management functions by the whole Fund will ensure harmonization and better use of capacity. The work with the staff pension committees and member organizations to streamline processes and seamlessly integrate systems will further enhance service delivery to participants.

**External factors**

52. The overall plan for 2025 is based on the following assumptions:

(a) The client population served by the Fund continues to grow and live longer and is increasingly geographically dispersed. This trend is beyond the control of the Fund;

(b) Transactional volumes are not significantly above expectations;

(c) Participants and member organizations provide timely information and documents/data to the Fund;

(d) There are no significant changes in the Fund’s operating environment (e.g., changes to available human and financial resources, significant modifications to plan design provisions or serious political conflicts, natural disasters or pandemics).

### Evaluation activities

53. The following evaluations, completed in 2023, have guided the programme plan for 2025:

(a) OIOS audit of the IPAS member self-service and employer self-service modules in the United Nations Joint Staff Pension Fund;

(b) OIOS audit of survivor benefits in the Pension Administration of the United Nations Joint Staff Pension Fund;

(c) OIOS audit of business intelligence and data warehouses at the Pension Administration of the United Nations Joint Staff Pension Fund;

(d) OIOS audit of budget formulation and monitoring in the Pension Administration of the United Nations Joint Staff Pension Fund;

(e) Report of the Board of Auditors on the financial statements of the Fund for the year ended 31 December 2022 (A/78/5/Add.16).

## Programme of work

### Objectives

54. The objectives of the Pension Administration are to:

(a) Collect and update participant information and contributions to the Fund;

(b) Process entitlements, including the definition of eligibility to the benefits provided by the Fund;

(c) Manage benefits (including payment of retirement and disability benefits), adjust pensions on the basis of the regulatory cost of living, and verify entitlements;

(d) Provide client services to all participants, retirees and other beneficiaries, including communication with staff/participants about their options and responding to their queries.

## Programme performance in 2023 and planned results for 2025

55. The programme performance in 2023 and the planned results for 2025 are measured for each of the core objectives of the Pension Administration.

### Contribution management (collecting and updating participant information and contributions paid)

*Reconciling of contributions received*

56. Managing the contributions of participants and member organizations allows the Fund to accurately calculate entitlements and process pensions. This is a core financial function that is fulfilled through the regular exchange of data with member

organizations throughout the year and an annual reconciliation exercise between December and March. The work volume involved in reconciling contributions and participant accounts grows with the number of participants.

Table 9
**Performance measures**

| | *2021 (actual)* | *2022 (actual)* | *2023 (actual)* | *2024 (estimated)* | *2025 (estimated)* |
|---|---|---|---|---|---|
| Number of participants as at 31 December | 137 261 | 143 612 | 149 848 | 154 800 | 159 900 |
| Value of contributions (billions of United States dollars) | 3.0 | 3.1 | 3.4 | 3.5 | 3.5 |
| **Percentage of contributions reconciled** | **100** | **100** | **100** | **100** | **100** |

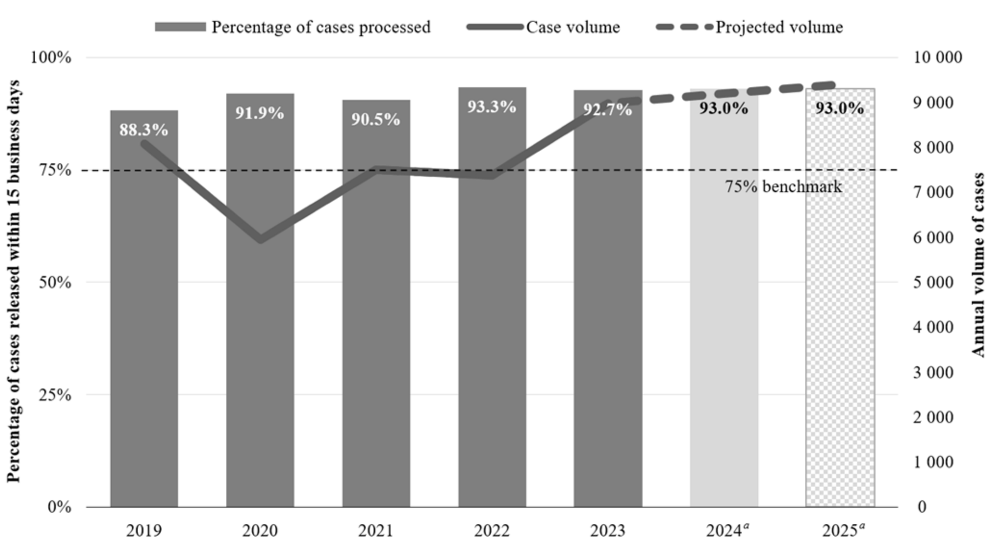
**Number of entitlements processed within 15 days**

*Meeting the benefits processing benchmark*

57. The Fund's strategic planning documents for the previous years specified the target for benefits processing. The target was set at 75 per cent of benchmarked benefits being processed within 15 business days of receipt of all the required separation documents. Not all benefits awarded and recalculations processed are benchmarked. The benchmark is applied only to initial separation benefits due for immediate payment and, in 2023, it was extended to include certain post-retirement benefits. Excluded from the benchmark, for example, are the deferred/deemed deferred retirement benefits and transfer-out cases. The benchmark methodology was changed in July 2020 following a recommendation of the Board of Auditors. The Board of Auditors recommended a pause and resumption instead of a pause and reset of the benchmark count for those cases requiring additional documentation.

58. The Fund has continued to meet and exceed the benefits processing benchmark, processing over 90 per cent of the benchmarked cases within 15 business days, as indicated in figure IX.

Figure IX
**Performance benefits benchmark**




[a] Year to date/projected.

59. The Fund is committed to adhering to its prescribed benchmark for benefits processing. However, the relationship between the processing rates and the volume of incoming cases cannot be overlooked. In 2020, the Fund experienced faster processing rates, as the volume of cases was exceptionally low owing to member organizations experiencing fewer separations during the pandemic. The reverse was experienced in 2021, with a return to normal volumes. In 2022, there was a combination of a lower number of separations and the absence of liquidation of peacekeeping missions. While the upcoming retirement cases are largely predictable, the Fund must be ready to react to any shifts in the workforces of member organizations, such as the liquidation or expansion of missions.

60. Indeed, in 2023, the volume of separations increased again. The Fund closed with a total of 10,818 benefits awarded, 922 cases more than in 2022. Of those, 8,971 were benchmarked, 1,596 cases more than in 2022. The increase mainly came from the Office of the United Nations High Commissioner for Human Rights and the liquidation of the peacekeeping mission in Mali. Despite the increase in volume, the Fund managed to maintain its high processing rates. However, this could not always be expected as other Fund-specific factors, such as project workload, high staff turnover and challenges in recruitment, could also affect performance.

### Benefits management (paying pension benefits and processing cost-of-living adjustments)

*Timely payment of benefits*

61. The payment of pension benefits is the core deliverable of the Fund, whether it be in a lump sum or as a periodic benefit. Payment is made mainly through monthly payrolls. The primary indicator is the accurate issuance of payments on time to retirees and beneficiaries.

Table 10
**Performance measures**

| | *2021 (actual)* | *2022 (actual)* | *2023 (actual)* | *2024 (estimated)* | *2025 (estimated)* |
|---|---|---|---|---|---|
| Number of benefits in payment | 82 312 | 83 988 | 86 013 | 87 500 | 89 000 |
| Value of benefits paid (billions of United States dollars) | 3.0 | 3.1 | 3.5 | 3.7 | 3.8 |
| Percentage of benefit payments issued on time | 100 | 100 | 100 | 100 | 100 |

### Providing client services to all participants, retirees and other beneficiaries

*Resolving client queries quickly*

62. The leading workload indicator for the activities of client services is the number of queries and cases handled. Clients submit their queries through various modes of communication such as email, telephone, online contact form, mail and walk-in visits.

63. The Pension Administration has made improvements to its indicator for resolving client queries, as shown in table 11. This enhanced indicator reflects not only the volume of queries received but also the effectiveness in resolving them, which provides insight into the response to queries within a reasonable time frame.

64. As shown in table 11, in 2023, clients' queries were resolved within 4.2 business days on average, which is a significant improvement compared with 6.5 days in 2021.

Table 11
**Performance measures**

| | 2021 (actual) | 2022 (actual) | 2023 (actual) | 2024 (estimated) | 2025 (estimated) |
|---|---|---|---|---|---|
| Total participants and beneficiaries | 219 573 | 227 600 | 235 861 | 242 300 | 248 900 |
| Total client queries received | 182 595 | 192 012 | 144 740 | 190 000 | 190 000 |
| Average resolution time (business days) | 6.5 | 4.0 | 4.2 | 4.0 | 4.0 |

## B. Proposed post and non-post resource requirements for 2025

### Overview

65. The overall resources proposed for 2025 amount to $72,246,100 before recosting, reflecting a net increase of $1,696,200 (or 2.4 per cent) compared with the appropriation for 2024. Resource changes result from technical adjustments, new initiatives, and other changes, as explained in paragraphs 70–79 below.

66. Technical adjustments include the increased provisions for posts approved for 2024, pursuant to General Assembly resolution 78/253, which were subject to a 50 per cent vacancy rate in 2024 and are now budgeted at continuing vacancy rates, and the removal of the annual provisions for new initiatives approved for 2024. The annual provisions for new initiatives for 2025 are presented under new initiatives.

67. New initiatives are strategic system upgrade projects or special activities beyond the normal scope and course of operations undertaken by the Pension Administration to address specific issues or deliver improved services, in accordance with the CARE strategy. The removal of resources for new initiatives approved for the prior budget period is reflected under technical adjustments.

68. Other changes are resource changes that do not fall under the above factors and are related to the core activities of the Pension Administration.

69. The proposed resources for 2025, including the breakdown of resource changes, as applicable, are reflected in tables 12–17 and figures X and XI.

Table 12
**Overall: evolution of financial and post resources by object of expenditure (Pension Administration)**
(Thousands of United States dollars)

| | | | Changes | | | | | |
|---|---|---|---|---|---|---|---|---|
| Object of expenditure | 2023 expenditure | 2024 appropriation | Technical adjustments | New initiatives | Other | Total | Percentage | 2025 estimate (before recosting) |
| Posts | 35 807.4 | 37 230.0 | 284.3 | – | 1 094.6 | 1 378.9 | 3.7 | 38 608.9 |
| Other staff costs | 1 793.8 | 3 779.8 | (975.0) | 1 272.1 | (636.0) | (338.9) | (9.0) | 3 440.9 |
| Hospitality | – | 5.0 | – | – | (2.0) | (2.0) | (40.0) | 3.0 |
| Consultants | 144.1 | 313.3 | (74.3) | 117.6 | (115.0) | (71.7) | (22.9) | 241.6 |
| Travel of staff | 395.2 | 508.4 | (44.4) | 40.5 | 96.4 | 92.5 | 18.2 | 600.9 |
| Contractual services | 16 857.7 | 17 148.6 | (2 192.8) | 3 926.2 | (1 315.1) | 418.3 | 2.4 | 17 566.9 |
| General operating expenses | 9 571.9 | 10 813.5 | – | – | (29.8) | (29.8) | (0.3) | 10 783.7 |
| Supplies and materials | 26.6 | 70.2 | – | – | (12.5) | (12.5) | (17.8) | 57.7 |
| Furniture and equipment | 613.1 | 681.1 | – | – | 261.4 | 261.4 | 38.4 | 942.5 |
| **Total** | **65 209.8** | **70 549.9** | **(3 002.2)** | **5 356.4** | **(658.0)** | **1 696.2** | **2.4** | **72 246.1** |

Table 13
**Overall: proposed posts and post changes for 2025 (Pension Administration)**[a]
(Number of posts)

| | Number | Details |
|---|---|---|
| Approved for 2024 | 262 | 1 ASG, 1 D-2, 4 D-1, 15 P-5, 28 P-4, 43 P-3, 1 P-2/1, 14 GS (PL), 153 GS (OL) and 2 LL |
| Redeployment | – | Redeployment of 1 P-3 and 1 GS (OL) post from the Communications Team in the Client Services Service to the Office of the Chief Executive of Pension Administration |
| Conversion | 5 | 2 P-3 and 3 GS (OL) |
| Reassignment | – | 1 GS (OL) from Team Assistant to Communications Assistant |
| Establishment | 5 | 1 P-5, 1 P-4, 1 GS (PL) and 2 GS (OL) |
| **Proposed for 2025** | **272** | **1 ASG, 1 D-2, 4 D-1, 16 P-5, 29 P-4, 45 P-3, 1 P-2/1, 15 GS (PL), 158 GS (OL) and 2 LL** |

[a] More information on post changes is provided in annex III.

Table 14
**Overall: proposed posts by category and grade (Pension Administration)**
(Number of posts)

| | 2024 approved | Changes | 2025 proposed |
|---|---|---|---|
| **Professional and higher** | | | |
| ASG | 1 | – | 1 |
| D-2 | 1 | – | 1 |
| D-1 | 4 | – | 4 |
| P-5 | 15 | 1 | 16 |
| P-4 | 28 | 1 | 29 |
| P-3 | 43 | 2 | 45 |
| P-2/1 | 1 | – | 1 |
| **Subtotal** | **93** | **4** | **97** |
| **General Service and related** | | | |
| GS (PL) | 14 | 1 | 15 |
| GS (OL) | 153 | 5 | 158 |
| LL | 2 | – | 2 |
| **Subtotal** | **169** | **6** | **175** |
| **Total** | **262** | **10** | **272** |

Table 15
**Overall: evolution of financial resources by component (Pension Administration)**
(Thousands of United States dollars)

| | | | Changes | | | | | 2025 estimate (before recosting) |
|---|---|---|---|---|---|---|---|---|
| Component | 2023 expenditure | 2024 appropriation | Technical adjustments | New initiatives | Other | Total | Percentage | |
| A. Executive direction and management | 2 052.7 | 1 958.2 | – | – | 425.4 | 425.4 | 21.7 | 2 383.6 |
| B. Programme of work | 52 282.7 | 57 529.2 | (3 042.7) | 5 356.4 | (1 244.2) | 1 069.5 | 1.9 | 58 598.7 |
| C. Programme support | 10 874.4 | 11 062.5 | 40.5 | – | 160.8 | 201.3 | 1.8 | 11 263.8 |
| **Total** | **65 209.8** | **70 549.9** | **(3 002.2)** | **5 356.4** | **(698.5)** | **1 696.2** | **2.4** | **72 246.1** |

Table 16
**Overall: proposed posts for 2025 by component (Pension Administration)**
(Number of posts)

| | 2024 approved | Changes | 2025 proposed |
|---|---|---|---|
| A. Executive direction and management | 4 | 2 | 6 |
| B. Programme of work | 246 | 5 | 251 |
| C. Programme support | 12 | 3 | 15 |
| **Total** | **262** | **10** | **272** |

*Note*: Of the changes in posts, the increase of five posts is offset by and attributed to the conversion of general temporary assistance positions to posts.

Table 17
**Overall: evolution of financial and post resources (Pension Administration)**
(Thousands of United States dollars/number of posts)

| | | | Changes | | | | | 2025 estimate (before recosting) |
|---|---|---|---|---|---|---|---|---|
| | 2023 expenditure | 2024 appropriation | Technical adjustments | New initiatives | Other | Total | Percentage | |
| **Financial resources by main category of expenditure** | | | | | | | | |
| Posts | 35 807.4 | 37 230.0 | 284.3 | – | 1 094.6 | 1 378.9 | 3.7 | 38 608.9 |
| Non-post | 29 402.4 | 33 319.9 | (3 286.5) | 5 356.4 | (1 752.6) | 317.3 | 1.0 | 33 637.2 |
| **Total** | **65 209.8** | **70 549.9** | **(3 002.2)** | **5 356.4** | **(658.0)** | **1 696.2** | **2.4** | **72 246.1** |
| **Post resources by category** | | | | | | | | |
| Professional and higher | | 93 | – | – | 4 | 4 | 4.3 | 97 |
| General Service and related | | 169 | – | – | 6 | 6 | 3.6 | 175 |
| **Total** | | **262** | **–** | **–** | **10** | **10** | **3.8** | **272** |

Figure X
**Distribution of proposed resources for 2025 (before recosting)**
(Number of posts/thousands of United States dollars)

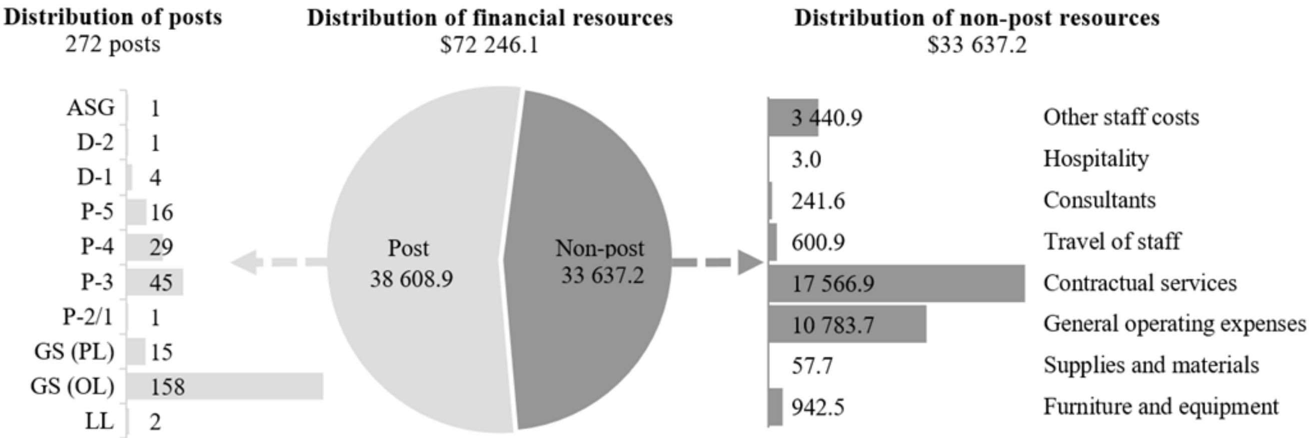
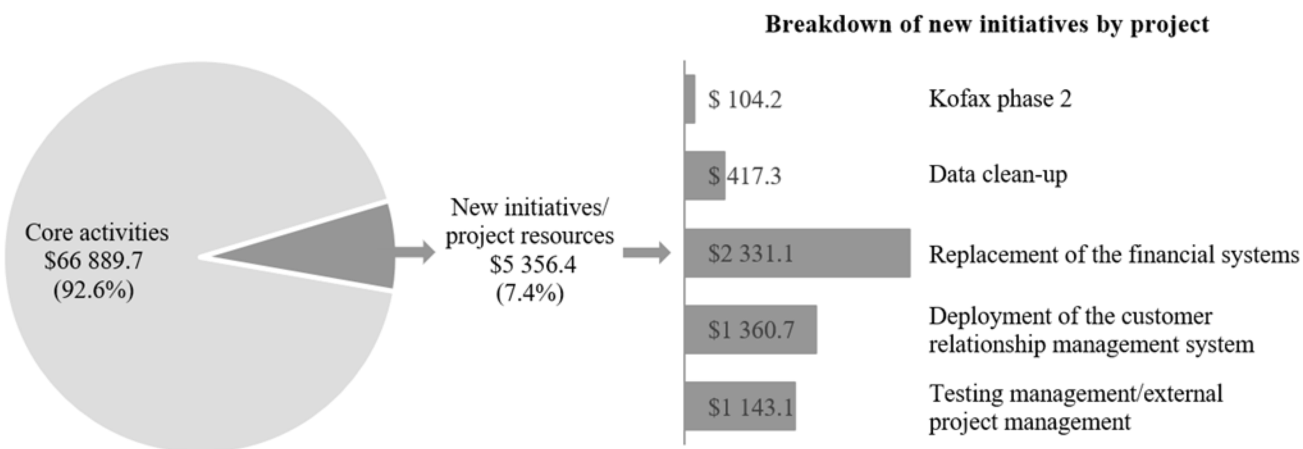



Figure XI
**Distribution of proposed resources for 2025 (before recosting), by composition**
(Thousands of United States dollars)




## Explanation of variances by factor

## Overall resource changes

### Technical adjustments

70. As reflected in table 12, resource changes under technical adjustments show a net decrease of $3,002,200 (or 4.3 per cent) compared with the appropriation for 2024, as follows:

(a) **Programme of work**. A net decrease of $3,042,700, reflecting the combination of: (i) increased requirements relating to the full provision for three posts (1 P-4, 1 P-3 and 1 General Service (Other level)) that were established subject to a 50 per cent vacancy rate in 2024 and are now budgeted at continuing vacancy rates ($243,800); and (ii) the removal of resources approved for 2024 for strategic system upgrade projects ($3,286,500);

(b) **Programme support**. An increase of $40,500, reflecting the full provision for one General Service (Other level) post that was established in 2024, which was subject to a 50 per cent vacancy rate in 2024 and is now budgeted at the continuing vacancy rate.

**New initiatives**

71. The new initiatives for 2025 include: (a) the deployment of the customer relationship management system; (b) the replacement of the Fund's financial systems; (c) the implementation of Kofax phase 2 projects; and (d) the data cleansing and data reconciliation project. The resources for testing and technical project management activities to support the implementation of the initiatives described above are also identified separately. A breakdown of the resource requirements by initiative is provided in table 18.

72. Resource changes related to new initiatives, as reflected in table 12, amount to $5,356,400 (or 7.6 per cent) compared with the appropriation for 2024, as follows:

**Programme of work**. The resource requirements of $5,356,400 under non-post resources reflect:

(a) Resources amounting to $1,272,100, under other staff costs, to provide for: (i) three general temporary assistance positions (1 P-3 and 2 General Service (Other level)) to continue technical and administrative project management support and to backfill the respective teams that are heavily involved in the deployment of the customer relationship management system and IPAS upgrade projects ($370,900); (ii) four general temporary assistance positions (General Service (Other level)) ($365,200) and overtime ($52,100) to continue the clean-up and reconciliation of participants' data for approximately 300,000 dependants, 3,000 staff records and 20,000 employment data records in preparation for a major upgrade of the core pension administration system; (iii) three general temporary assistance positions (General Service (Other level)) to backfill the core staff who would be involved in the replacement of the Fund's ageing financial systems, which will no longer be supported by the vendor and have limited compatibility with the technical upgrades of other systems in the Fund ($295,600); and (iv) one general temporary assistance position (P-3) to provide application testing and test management relating to the deployment of the various planned system upgrades ($188,300). Detailed information on the functions and the expected duration of these positions is provided in annex IV;

(b) The amount of $117,600, under consultants, to provide business analysis capability for process mapping and developing business requirements for system enhancements and continuous improvements related to the replacement of the financial and pension systems;

(c) Resources amounting to $40,500, under travel of staff, to provide for essential travel related to the implementation of the financial system ($31,700) and the knowledge conference and peer training on the customer relationship management system ($8,800);

(d) The amount of $3,926,200, under contractual services, to provide for: (i) the implementation of the customer relationship management system, including systems configuration, project management and technical knowledge and application developer training ($981,000); (ii) the replacement of the financial systems, including system configuration and customization, software licences, production support and enhancement, business process re-engineering, integration middleware, training and change management, and project management support ($1,945,000); (iii) the second phase of implementation of the Kofax project, which entails the implementation of the optical character recognition extraction functionality and benefit election on forms ($104,200); and (iv) external project management support and the implementation of a project management software tool ($896,000).

73. A summary of the resources approved for 2024 and proposed for 2025 is shown in table 18. A detailed medium-term plan is provided in annex V.

Table 18
**Summary of resources for new initiatives for 2024 and 2025**
(Thousands of United States dollars)

| | *2024 approved*[a] | *2025 estimates* |
|---|---|---|
| Deployment of the customer relationship management system | 1 147.4 | 1 419.5 |
| Data clean-up | 415.8 | 417.3 |
| Replacement of the financial systems | 500.0 | 2 481.1 |
| Kofax (phase 2) | 239.7 | 104.2 |
| Testing management/external project management | 983.6 | 934.3 |
| **Total** | **3 286.5** | **5 356.4** |

[a] Removed as technical adjustments.

74. The financial application of the Pension Administration, which is part of IPAS, is approaching its end of life. Accordingly, the Fund has initiated a study to update its requirements in line with market-leading solutions. The outcome of this study will significantly influence the overall functional scope and design of the planned upgrade of IPAS, and it is expected to improve seamless data flow, enhance reporting capabilities and streamline processes. This approach will mitigate risks of redundancy, ensure data consistency and support strategic decision-making.

*Challenges with finalizing major contracts within the budget period*

75. The Fund is facing substantial delays in finalizing procurement for certain services stemming from complex administrative and legal issues associated with signing major service contracts. For example, resources for the initial work in implementing the customer relationship management system were approved in the 2022 budget. However, the agreement with the selected vendor was not signed until the fourth quarter of 2023, creating significant budgetary and administrative challenges for the project. Even though the funds were committed in time, the vendor could not deliver any substantial portion of the project before the commitment had to be automatically cancelled in accordance with the Financial Regulations and Rules of the United Nations.

76. As a number of planned strategic initiatives are under way, the Fund requests permission to carry forward unspent funds allocated to the multi-year projects, under new initiatives, from one budget period to the next until project completion, instead of being subject to the typical annual budgetary restrictions requiring surrender of any unspent budget. Ring-fencing funds exclusively for these projects would ensure continuity and prevent disruptions caused by stop-and-start funding cycles with the potential for further significant delays in obtaining the necessary funding and implementing the approved initiatives.

77. For 2025, the Fund requests permission to carry over from one budget period to the next any unspent balances of the estimated $5,356,400 allocated for new initiatives, as shown in table 12 above, until completion of the relevant projects.

78. To ensure that accountability is not diminished as a result, the Fund's plan of action includes:

(a) Providing an annual progress report, in the context of the budget proposal for prospective years, on the implementation of the projects endorsed under new initiatives. The report would detail the use and balance of the funds;

(b) Subjecting the projects and the related resources to periodic audits.

**Other changes**

79. As reflected in table 15, other resource changes reflect a decrease of $698,500 (or 1.0 per cent) compared with the appropriation for 2024, as follows:

(a) **Executive direction and management**. The net increase of $425,400 reflects:

(i) The net increase of $279,600, under post resources, relating to the inward redeployment of the Communications Team (one P-3 post and one General Service (Other level) post) from the programme of work in order to provide a strategic alignment of the communications functions with the overall strategy of the Pension Administration. Detailed information on posts is provided in annex III;

(ii) The net increase of $145,800 under non-post resources, relating to increases under: a. other staff costs, owing to the increased provision for overtime ($100); b. consultants, to facilitate the senior management retreat ($800); c. travel of staff, reflecting the expenditure experience and the anticipated number of trips to be undertaken by the Chief Executive of Pension Administration and the Deputy Chief Executive of Pension Administration ($16,600); d. contractual services, owing primarily to the inward redeployment of communications-related costs, including an annual letter in two languages, video productions, newsletter subscription services and printing, from the programme of work ($161,500); and e. furniture and equipment, for the acquisition of public information equipment ($800); partly offset by a decrease in the provision for hospitality ($2,000) and general operating expenses, owing to decreased requirements for conference services ($32,000);

(b) **Programme of work**. The net decrease of $1,244,200 reflects:

(i) An increase of $437,900 under post resources, which would provide for the proposed establishment of three posts (1 P-5, 1 General Service (Principal level) and 1 General Service (Other level)) ($255,300), and the proposed conversion of four general temporary assistance positions to posts (1 P-3 and 3 General Service (Other level)) ($462,200); partly offset by the outward redeployment of two posts (1 P-3 and 1 General Service (Other level)) to executive direction and management ($279,600). Detailed information on posts is provided in annex III;

(ii) A net decrease of $1,682,100 under non-post resources, relating to:

a. A net decrease of $449,100 under other staff costs, stemming from the proposed conversion of the four general temporary assistance positions described in subparagraph (b)(i) above ($462,200), partly offset by an increased provision for overtime ($13,100). The proposal includes the continuation of seven general temporary assistance positions, as detailed in annex IV;

b. A decrease of $116,800 under consultants, owing to decreased provisions for various consultancy services;

c. A net decrease of $1,471,700 under contractual services, primarily reflecting: i. decreased requirements stemming from the insourcing of server administration services, as the Fund accelerates the migration to cloud services for the hosting of its application servers ($2,052,100); ii. reduced requirements for application support owing to the planned scaling down of the IPAS application support and upgrade in anticipation of a replacement of the pension systems ($621,100); iii. reduced requirements for various contractual services, including consulting actuary services and e-learning support ($166,600); and iv. the redeployment of public information resources to executive direction and management ($65,000); offset in part by increased requirements for various contractual services, taking into consideration actual expenditure experience and existing contractual arrangements related to the pension interface, the digital certificate of entitlement, digital signature maintenance and support, robotic process automation, connectivity and general ICT services ($1,331,500); cybersecurity ($46,600); and training ($55,000);

d. An increase of $64,400 under travel of staff, taking into account expenditure experience and travel plans for 2025 for essential travel, including travel related to the Pension Board meeting, management and administrative visits, outreach missions, visits to retiree associations and staff pension committees of member organizations, working groups, technical conferences and workshops, and training;

e. An increase of $46,300 under general operating expenses, primarily attributable to an increased provision for bank charges, taking into consideration expenditure experience ($27,100), and the inward redeployment of records storage costs to align with business use ($48,900); partly offset by decreases in the estimates for ICT services provided by the Office of Information and Communications Technology of the Secretariat ($29,700);

f. An increase of $300 under supplies and materials for the acquisition of the ISO professional standards for risk management;

g. An increase of $244,500 under furniture and equipment, relating to the increased resource requirements for the acquisition of various software licences ($257,500), partly offset by a decreased provision for the replacement of office equipment ($13,000);

(c) **Programme support**. The net increase of $160,800 reflects:

(i) An increase of $377,100 under post resources to provide for the proposed establishment of two posts (1 P-4 and 1 General Service (Other level)) ($188,800) and the conversion of one general temporary assistance position (P-3) to a post ($188,300). Detailed information on posts is provided in annex III;

(ii) A net decrease of $216,300 under non-post resources, relating to:

a. Decreases amounting to $248,800, attributable to decreased resource requirements under: i. other staff costs, resulting from the proposed conversion of one general temporary assistance position (P-3) to a post and an increased provision for overtime ($187,000); ii. contractual services, owing to a decrease in training-related costs ($4,900); iii. general operating expenses, owing mainly to the outward redeployment of records storage costs to the programme of work to align with business use and an increase in the provision for utility costs ($44,100); and iv. supplies and materials, taking into account the past expenditure pattern ($12,800);

b. Increases amounting to $32,500, resulting from increased provisions under: i. consultants, for team-building facilitation ($1,000); ii. travel of staff, for essential business travel, taking into consideration expenditure experience and travel plans for 2025 ($15,400); and iii. furniture and equipment, for the replacement of ergonomic furniture and the acquisition of software licences for space planning and contract management and sourcing systems ($16,100).

## Executive direction and management

80. The Chief Executive of Pension Administration is responsible for administering the Fund, under the authority of the Pension Board. In addition, the Chief Executive of Pension Administration has a leading role with regard to outreach, communication and relations with stakeholders/decision makers, in accordance with the execution of pillar 3 of Pension Administration's CARE strategy (strengthen relationships with all stakeholders).

*Realignment of the Communications Team and its reporting structure in line with pillar 3 of the CARE strategy*

81. Effective communication and dissemination of public information are pivotal in fostering transparency, shaping perceptions and maintaining trust within the Fund and with stakeholders. To ensure clear and timely communication, provide more cohesive messaging, mitigate misunderstandings, proactively address concerns and foster alignment within the Fund and with its stakeholders towards the strategic goals of the Fund, the Communications Team will be redeployed from the Client Services Service to the Office of the Chief Executive of Pension Administration. The team will report to the Chief Executive of Pension Administration through the Special Assistant to the Chief Executive of Pension Administration. This shift in reporting structure would better align with pillar 3 of the CARE strategy (strengthen relationships with all stakeholders).

82. Information on compliance with the timely submission of documentation and advance booking for air travel is provided in table 19. In 2023, two out of seven trips undertaken did not meet the compliance requirements due to delayed medical clearance and operational exigencies. Efforts have been made to further enhance the rate of travel compliance through an internal circular reminding staff of the compliance requirements and reinforcing mandatory justification for non-compliance.

Table 19
**Compliance rate**
(Percentage)

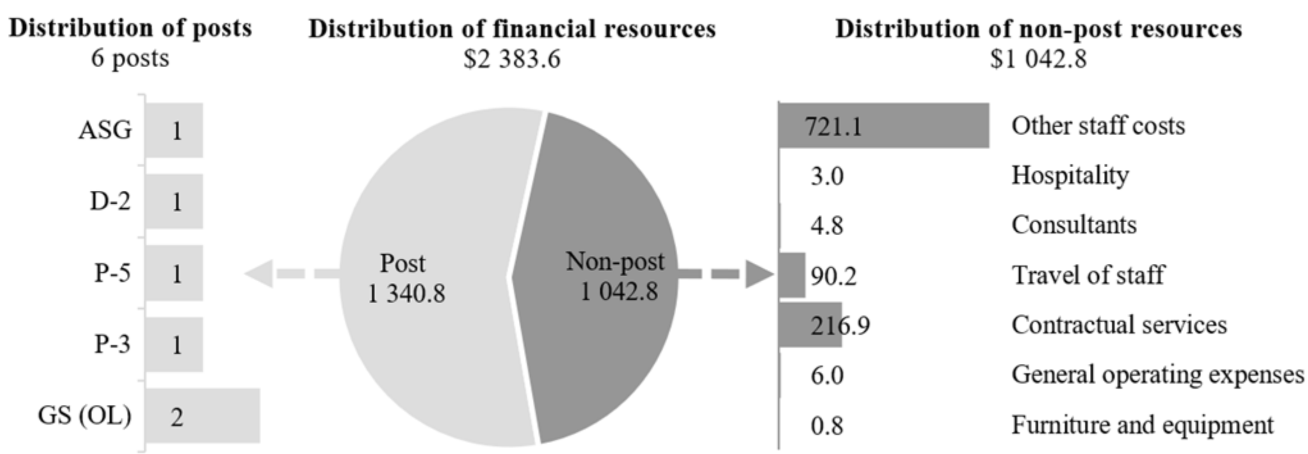
| | *2021 actual* | *2022 actual* | *2023 actual* | *2024 planned* | *2025 planned* |
|---|---|---|---|---|---|
| Air tickets purchased at least two weeks before the commencement of travel | 100 | 100 | 71 | 100 | 100 |

83. The proposed resources for 2025 amount to $2,383,600 and reflect an increase of $425,400 (or 21.7 per cent) compared with the appropriation for 2024. Additional details are reflected in table 20 and figure XII. The proposed increase is explained in paragraph 79 (a) above.

Table 20
**Executive direction and management: evolution of financial and post resources (Pension Administration)**
(Thousands of United States dollars/number of posts)

| | 2023 expenditure | 2024 appropriation | Changes: Technical adjustments | New initiatives | Other | Total | Percentage | 2025 estimate (before recosting) |
|---|---|---|---|---|---|---|---|---|
| **Financial resources by main category of expenditure** | | | | | | | | |
| Posts | 1 168.8 | 1 061.2 | – | – | 279.6 | 279.6 | 26.3 | 1 300.3 |
| Non-post | 883.9 | 897.0 | – | – | 145.8 | 145.8 | 16.3 | 1 042.8 |
| **Total** | **2 052.7** | **1 958.2** | **–** | **–** | **425.4** | **425.4** | **21.7** | **2 383.6** |
| **Post resources by category** | | | | | | | | |
| Professional and higher | | 3 | – | – | 1 | 1 | 33.3 | 4 |
| General Service and related | | 1 | – | – | 1 | 1 | 100.0 | 2 |
| **Total** | | **4** | **–** | **–** | **2** | **–** | **50.0** | **6** |

Figure XII
**Executive direction and management: distribution of proposed resources for 2025 (before recosting)**
(Number of posts/thousands of United States dollars)




## Programme of work

84. The programme of work includes the Operations Service, the Client Services Service, the Financial Service and the Information Management Systems Service, all of which report directly to the Chief Executive of Pension Administration. It also includes the Data Analysis Unit, the Legal Office and the Business Transformation Unit, which report to the Deputy Chief Executive of Pension Administration. In addition, it includes the Risk Management Unit, which reports to the Chief Risk and Compliance Officer in the Office of Investment Management, who has a dual reporting line to the Representative of the Secretary-General on risk matters related to the Office of Investment Management and to the Chief Executive of Pension Administration on risk matters related to the Pension Administration.

85. The proposed resources are in line with the Fund's strategy for 2025, as detailed in the strategy and programme plan for 2025 of the present document.

### Operations Service

86. The Operations Service is entrusted with administering and managing the participation and separation process and post-retirement matters, which necessitate strong collaboration with the 24 member organizations at the operational level. Its main activities include maintenance of participants' demographic information; review, cleansing and reconciliation of human resources data; and processing of pension benefits. The Service is also in charge of documents management, which involves the handling of all incoming and outgoing correspondence, ensuring that those documents are recorded in the IPAS system and appropriate workflows are opened for action by the various sections in the Fund. It also manages the certificate of entitlement (paper-based and digital) process. The total population of participants, retirees and beneficiaries was approximately 235,900 as at 31 December 2023.

87. The Operations Service plays an active role in the implementation of the Fund's strategy for 2025. It has various projects/initiatives under each pillar. For example, under pillar 1 (improve client experience), the Service heads the ePension project as well as the simplification of forms project. Under pillar 2 (modernize pension services), it implemented the Kofax Total Agility automated signature verification project. Under pillar 3 (strengthen relationships with all stakeholders), in order to foster closer and stronger relations with the member organizations, the Service has created a dedicated unit that serves as focal point for member organizations at the operational level. This enhanced collaboration has had a positive impact, particularly in the separation process, as turnaround times in the submission of separation documents have continued to improve.

### Client Services Service

88. The Client Services Service is responsible for providing client-focused support to the approximately 235,900 participants, retirees and beneficiaries of the Fund. The services provided include pension guidance and advice, serving walk-in clients, handling client enquiries and conducting outreach activities. The Service has a presence for face-to-face engagement in New York, Geneva, Nairobi and Bangkok and manages the Client Support Centres in New York and Valencia, Spain.

89. The Service is a critical component of the Fund's CARE strategy, mainly under pillar 1 (improve client experience), undertaking activities to enhance the client experience and making pensions clearer to the Fund's clients and member organizations.

### Financial Service

90. The Financial Service handles all financial reporting activities, collection and reconciliation of contributions, and the payment of benefits. The Payments Section and the Cashiers Unit facilitate the disbursement of some $3.5 billion in benefits annually, including quarterly adjustments to the benefit entitlement for all retirees and other beneficiaries. The payments also include cost-of-living adjustments in accordance with the Fund's pension adjustment system. The Accounts Section administers and reconciles the receipt of approximately $3.4 billion in contributions annually and generates participants' statements. It is also responsible for producing accurate and timely annual financial statements for the Fund as a whole, including all investment activity reported by the Office of Investment Management. Lastly, the Service includes the Budget Unit, which prepares and consolidates the annual budget for the entire Fund and facilitates and monitors the disbursement of administrative expenses through the United Nations Secretariat.

91. The Service contributes to the Fund's strategy under pillar 1 (improve client experience) by modernizing the processes and workflows and introducing new local

payment channels through the United Nations Secretariat. Under pillar 2 (modernize pension services) on new systems and the future of work at the Fund, the Service works closely with member organizations to improve financial interfaces and the monthly reconciliation projects for contributions.

92. The Fund is fully committed to ensuring that retirees and beneficiaries receive their pension benefits on time. Sanctions and regulatory compliance have become one of the biggest challenges that the banking industry faces owing to the dramatic increase in regulations. Since 2021, there have been critical banking disruptions in many countries where beneficiaries of the Fund reside. With the utmost urgency, the Fund has been able to promptly react and secure alternative payment channels to minimize the financial hardship to retirees and beneficiaries. The Fund works with the United Nations Treasury to quickly introduce alternative payment channels, utilizing the Treasury's local banking network in the relevant countries. In addressing the challenge of the replacement of the Fund's financial system, the Service will take the lead in defining business requirements and functional specifications, while continuing the cleansing of participant and financial data in preparation for the transition to a cloud-based financial platform. The improvement of legacy data will mitigate the risks related to the introduction of the new system. The Service will play a leading role in the deployment of the new financial system.

### Information Management Systems Service

93. The Information Management Systems Service is responsible for the Fund's information and communications technologies and provides ICT support to clients, staff pension committees, the Board and its various committees. The scope of ICT services comprises the provision of computing and office automation support; acquisition and maintenance of software/hardware; design of systems; development and implementation of technology-driven solutions; cybersecurity; project management; and support for telecommunications infrastructure and conference services.

94. The Service is an important driver of the strategy of the Fund for the implementation of the initiatives identified under the three strategic pillars. Accordingly, a short-, medium-, and long-term road map was developed to chart the execution of various initiatives during the period 2023–2030. The key initiatives planned for 2025 include the integration of the new customer relationship management system with IPAS, business process re-engineering, robotic process automation, cloud migration and data cleansing. Furthermore, initial steps will be taken for the upgrade of the Fund's financial system. The Service will continue to support internal/external stakeholders; conduct and expand periodic data interfaces with member organizations; provide project management support to ensure the consistent adoption of standard methodologies and best practices, monitor milestones and report on deliverables; and operate cybersecurity controls to safeguard the activities of the Fund.

95. In 2022, the Service implemented a series of initiatives aligned with the strategy of the Fund, as approved by the Board and the General Assembly. These initiatives included the deployment of the electronic signature verification system; new business intelligence reports and dashboards; an additional monthly financial interface; the implementation of a project management software tool; the successful confirmation of compliance with the international industry standard for information security management (ISO 27001); and the full integration of the digital certificate of entitlement with IPAS. In addition, the Service ensured the timely and reliable provision of ICT services in support of the operations of the Pension Administration, the Board, staff pension committee secretaries and member organizations.

### Business Transformation Unit

96. The Business Transformation Unit works across functions to develop the CARE strategy and road map for 2024 and beyond. It identifies and implements business transformation and change management activities that support the Fund in delivering its vision of providing outstanding services globally. The Unit actively supports the implementation of the three strategic pillars and the effective co-creation, coordination and management of change as an important business transformation, innovation and change management agent. The Unit enables the implementation of strategic initiatives, optimizes and streamlines organizational processes, integrates culture in a model of organizational change that balances strategy, innovation, accountability, culture and operating model, and plays a facilitative and supportive role in internal change management processes and initiatives. It aims to align transformation and change initiatives and organizational performance with the Pension Administration's strategy by identifying and implementing purpose-driven innovative approaches and solutions, such as artificial intelligence, robotic process automation and intelligent document processing, to deliver modern and efficient services to clients and stakeholders.

97. To promote a greater understanding and implementation of continuous improvement methods among the Pension Administration staff, the Unit provides change management and process improvement training to enable the implementation of continuous improvement projects. The Unit led the business process re-engineering for the customer relationship management project, developed the separation-to-pay improvement programme and conducted various process streamlining activities. The Unit successfully developed and operationalized a comprehensive list of key performance indicators for each pillar of the CARE strategy and a dashboard to track these indicators, and facilitates monthly monitoring with the business units. The Unit is an essential change enabler and partner across the Pension Administration, such as with the Client Services Service in the programme delivery of the client service delivery model and the client services performance dashboard in iNeed. The Unit manages the Pension Administration's suggestion box, which is used to collect improvement ideas from staff.

### Data Analysis Unit

98. The Data Analysis Unit is responsible for the Pension Administration's centralized data analysis and reporting structure, ensuring data accuracy and consistency. It acts as the Fund's centre of excellence on data-related matters, including reviewing, understanding, interpreting and communicating the actuarial valuation and asset and liability management study results. The Unit also manages the relationship with the Fund's consulting actuary and the Committee of Actuaries. The Unit ensures that the Fund identifies important trends, makes data-driven decisions and provides vital analytics. The Unit has an important role in transforming the Fund into a data-driven organization, in line with pillar 2 (modernize pension services).

99. In 2023, the Unit managed the delivery of the 2023 asset and liability management study and, under the sponsorship of the Committee of Actuaries, a risk quantification study. It also supported the delivery of the Fund's funding policy and the programme of work of the Committee of Actuaries. The Unit also managed the Pension Administration's two-track working group, which included the development of a data-driven, statistical approach to managing the availability of the two-track system in individual countries. Another key focus over the course of 2023 and into 2024 has been the development of the Pension Administration's data governance framework, which resulted in the establishment of a data governance council that is managed by the Data Analysis Unit.

### Legal Office

100. The Legal Office provides unified legal services to all sections and offices of the Pension Administration. It is responsible for providing legal advice on the consistent and uniform interpretation and application of the Regulations and Rules of the Fund and the provisions of the Pension Adjustment System. The Office also provides legal and procedural support to the Pension Board, the Standing Committee and the United Nations Staff Pension Committee, and handles appeals before the Standing Committee and before the United Nations Appeals Tribunal. The Office provides internal and external outreach briefings on matters including the administration of disability benefits, non-traditional unions and regulation changes.

101. During 2023, in addition to providing ongoing operational legal advice to the Pension Administration, member organizations and retirees, as well as support to the Pension Board and its working groups, the Legal Office assisted in the development and drafting of possible simplifications to the Regulations and Rules of the Fund and the revised guidelines to determine eligibility for spousal benefits under articles 34 and 35 of the Regulations of the Fund following a request from the General Assembly to the Board in that regard. The Legal Office also provided several outreach briefings internally and externally to address issues of administration of disability benefits, non-traditional unions and regulation changes.

### Risk Management Unit

102. The Pension Administration Risk Management Unit advises on the implementation and effective operation of the risk management and internal framework. The Unit assesses, monitors and reports on enterprise risks and oversees the design and operation of the Fund’s internal control framework. The Unit also liaises with internal and external oversight bodies and analyses and supports the implementation of the recommendations of oversight bodies.

103. During 2023, the Unit worked closely with the Office of Investment Management to enhance and further evolve the enterprise risk management and internal control framework. The Unit introduced new methods to facilitate the analysis and escalation of enterprise risks and developed guidelines to enable the timely identification and management of project risks. In relation to internal controls, a Fund-wide assessment was conducted to identify gaps in internal controls over sustainability reporting. The Unit continued to maintain and enhance the Fund’s multi-hazard business continuity management system, emphasizing crisis management and business continuity awareness. In 2024, as outlined in the report of the Board on the work of its seventy-fifth session and administrative expenses of the Fund (A/78/329), the Unit was integrated into the risk management team of the Office of Investment Management and reports directly to the Chief Risk and Compliance Officer, who has a dual reporting role to the Chief Executive of Pension Administration and the Representative of the Secretary-General on risk matters related to the Pension Administration.

### Proposed structural changes

*Creation of the business intelligence team*

104. In 2020, the Fund developed a strategy that aimed to transform the Fund into a data-driven organization. This strategy included the establishment of two business units: the Data Analysis Unit and the Business Transformation Unit.

105. Since the implementation of the new strategy, the Fund has experienced a significant increase in the demand for technical support for business intelligence

reporting. Many new dashboards have been generated, each with multiple pages, and many more are under way or awaiting development.

106. It has become evident that it is necessary to establish a dedicated team to handle the business intelligence needs of the Fund. This team will be responsible for:

(a) Developing, coding, implementing, maintaining, enhancing, documenting and overseeing business intelligence reporting for all business units across the Fund, as well as for internal and external stakeholders, including oversight bodies;

(b) Managing external business intelligence developers/analysts;

(c) Ensuring stable and up-to-date dashboard operations;

(d) Managing projects and system changes to ensure that the business intelligence solutions meet evolving client expectations and needs;

(e) Working with relevant stakeholders to resolve existing related audit recommendations;

(f) Assisting in data cleansing exercises to improve data quality.

107. There are a number of benefits to establishing a dedicated business intelligence team, including:

(a) Increased efficiency and productivity, by automating and streamlining business processes;

(b) Improved decision-making, by providing the data necessary to make informed decisions;

(c) Enhanced customer service, by providing customer-facing employees with the data needed to answer questions and resolve issues;

(d) Reduced risk, by helping managers in the identification and mitigation of risks, leading to a more secure and stable organization.

108. The team would report to the Chief Information Officer and would be resourced by the establishment of a new post of Senior Information Systems Officer (P-5) and an existing Information Systems Officer (P-3) post.

109. The establishment of this team is essential to the continued success of the data-driven strategy and to ensuring that the Fund has the ability to collect, analyse and use data to make informed decisions in a timely manner.

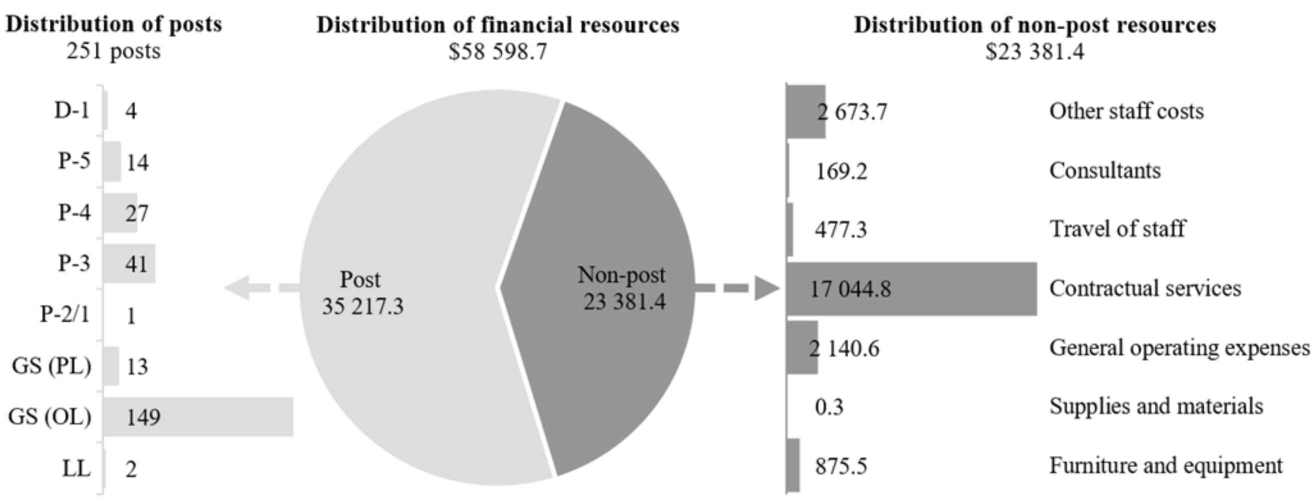
**Resources**

110. The proposed resources for 2025 amount to $58,598,700 and reflect an increase of $1,069,500 (or 1.9 per cent) compared with the appropriation for 2024. Additional details are reflected in table 21 and figure XIII. The proposed increase is explained in paragraphs 70 (a), 72 and 79 (b) above.

Table 21
**Programme of work: evolution of financial and post resources (Pension Administration)**
(Thousands of United States dollars/number of posts)

| | 2023 expenditure | 2024 appropriation | Changes: Technical adjustments | Changes: New initiatives | Changes: Other | Changes: Total | Changes: Percentage | 2025 estimate (before recosting) |
|---|---|---|---|---|---|---|---|---|
| **Financial resources by main category of expenditure** | | | | | | | | |
| Posts | 33 220.7 | 34 535.6 | 243.8 | – | 437.9 | 681.7 | 2.0 | 35 217.3 |
| Non-post | 19 062.0 | 22 993.6 | (3 286.5) | 5 356.4 | (1 682.1) | 387.8 | 1.7 | 23 381.4 |
| **Total** | **52 282.7** | **57 529.2** | **(3 042.7)** | **5 356.4** | **(1 244.2)** | **1 069.5** | **1.9** | **58 598.7** |
| **Post resources by category** | | | | | | | | |
| Professional and higher | | 86 | – | – | 1 | 1 | 1.2 | 87 |
| General Service and related | | 160 | – | – | 4 | 4 | 2.5 | 164 |
| **Total** | | **246** | **–** | **–** | **5** | **5** | **2.0** | **251** |

Figure XIII
**Programme of work: distribution of proposed resources for 2025 (before recosting)**
(Number of posts/thousands of United States dollars)




## Programme support

111. The Business Support Section provides support services to the Pension Administration, the Office of Investment Management and the secretariat to the Pension Board, with dual reporting lines to the Deputy Chief Executive of Pension Administration and the Chief Operating Officer in the Office of Investment Management. The Section integrates human resources, learning and development and facilities management activities. It also oversees sourcing coordination for the Pension Administration.

### Resources

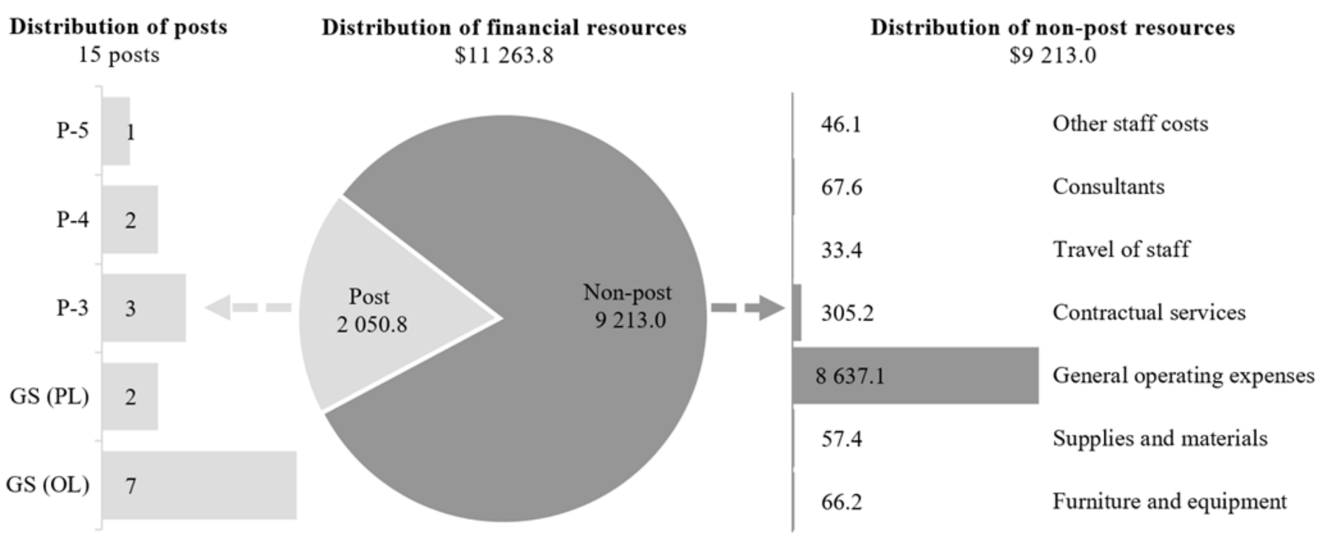
112. The proposed resources for 2025 amount to $11,263,800 and reflect an increase of $160,800 (or 1.8 per cent) compared with the appropriation for 2024. Additional

details are reflected in table 22 and figure XIV. The proposed increase is explained in paragraphs 70 (b) and 79 (c).

Table 22
**Programme support: evolution of financial and post resources (Pension Administration)**
(Thousands of United States dollars/number of posts)

| | 2023 expenditure | 2024 appropriation | Changes: Technical adjustments | Changes: New initiatives | Changes: Other | Changes: Total | Changes: Percentage | 2025 estimate (before recosting) |
|---|---|---|---|---|---|---|---|---|
| **Financial resources by main category of expenditure** | | | | | | | | |
| Posts | 1 417.9 | 1 633.2 | 40.5 | – | 377.1 | 417.6 | 25.6 | 2 050.8 |
| Non-post | 9 456.5 | 9 429.3 | – | – | (216.3) | (216.3) | (2.3) | 9 213.0 |
| **Total** | **10 874.4** | **11 062.5** | **40.5** | **–** | **160.8** | **201.3** | **1.8** | **11 263.8** |
| **Post resources by category** | | | | | | | | |
| Professional and higher | | 4 | – | – | 2 | 2 | 50.0 | 6 |
| General Service and related | | 8 | – | – | 1 | 1 | 12.5 | 9 |
| **Total** | | **12** | **–** | **–** | **3** | **3** | **25.0** | **15** |

Figure XIV
**Programme support: distribution of proposed resources for 2025 (before recosting)**
(Number of posts/thousands of United States dollars)




## Expenses of the United Nations Staff Pension Committee

### Cost-sharing methodology and the cost of services provided to the United Nations Staff Pension Committee by the Fund

113. In accordance with its Regulations, as adopted by the General Assembly, the Pension Fund is administered by the United Nations Joint Staff Pension Board, a staff pension committee for each member organization and a secretariat to the Pension Board and each such committee.

114. The expenses incurred by the staff pension committee in the administration of the regulations of a member organization are met by the general budget of that organization. However, given that the central secretariat of the Pension Fund grew out of the secretariat of the United Nations Staff Pension Committee, it continued to handle pension administration for the United Nations by special arrangement with the Pension Board. The United Nations reimburses the Pension Fund for acting as the secretariat of the United Nations Staff Pension Committee under a cost-sharing arrangement.

115. The charge to the regular budget and to other agencies, funds and programmes related to the cost of services provided by the Pension Fund to the United Nations Staff Pension Committee is measured on the basis of a cost-sharing methodology approved by the General Assembly in its resolution 74/263, which takes into consideration direct operating costs, direct support costs and indirect support costs. The methodology, approved by the Assembly in 2019, requires the Fund to undertake a review and analysis of the underlying costs at least once every five years.

*Update of the underlying assumptions of the cost-sharing methodology*

116. The cost-sharing assumptions and the associated costs were updated, resulting in a total estimate of $5,155,300, reflecting:

(a) Direct operating costs, which amount to $4,260,600, for costs of specific inputs that have a direct impact on the delivery of services, such as the cost under the programme of work, as follows:

(i) Staff costs: in keeping with the approved methodology, an exercise to review and analyse operational activities related to services provided to the United Nations Staff Pension Committee for all posts and positions under the programme of work as identified in paragraphs 84–103 above, excluding the Information Management Systems Service, was undertaken to determine the direct operating costs. Accordingly, the Fund estimated that 29.7 full-time equivalents, comprising 0.4 D-1, 1.2 P-5, 2.6 P-4, 3.0 P-3, 1.2 General Service (Principal level), 20.5 General Service (Other level) and 0.8 Local level, contribute to providing services to the United Nations Staff Pension Committee. This estimate represents a reduction of 21.9 full-time equivalents compared with the most recent exercise, conducted in 2019, as shown in table 23. Applying the standard salary costs at continuing rates, the estimated staff costs for 2025 amount to $3,938,300, before recosting;

(ii) Non-staff costs related to United Nations Staff Pension Committee services, such as call centre support, are estimated at $322,200 for 2025;

(b) Direct support costs, which are costs of services that can be attributed to supporting the provision of inputs, such as information technology. The Fund could not identify any specific ICT resources directly attributable to supporting the provision of services related to the United Nations Staff Pension Committee;

(c) Indirect support costs related to the United Nations Staff Pension Committee, which are estimated as the proportional allocation of overhead costs that are not attributable directly to the provision of United Nations Staff Pension Committee-related services, such as human resources and administrative services, leadership and oversight, as well as indirect operational costs such as rent, facilities management and utilities, supplies and materials and furniture and equipment. Overhead costs include the costs of the Office of the Chief Executive of Pension Administration, the Business Support Section and 50 per cent of the cost of the audit of the Fund secretariat. Indirect support costs are estimated at 21 per cent of the total direct costs. The indirect support costs estimate for 2025 amounts to $894,700.

117. Table 23 summarizes the estimated cost of services provided to the United Nations Staff Pension Committee for 2025, before recosting.

Table 23
**Full-time equivalents and costs of services for the United Nations Staff Pension Committee, 2024 and 2025**

(Thousands of United States dollars/number of full-time equivalents)

| | *2024 estimates* | *2025 estimates (before recosting)* |
|---|---|---|
| **Costs of services** | | |
| Direct operating costs | 6 616.5 | 3 938.4 |
| Direct support costs | 324.5 | 322.2 |
| Indirect support costs | 1 482.1 | 894.7 |
| **Total** | **8 423.1** | **5 155.3** |
| **Full-time equivalents** | | |
| D-1 | 0.6 | 0.4 |
| P-5 | 1.8 | 1.2 |
| P-4 | 3.4 | 2.6 |
| P-3 | 4.0 | 3.0 |
| General Service (Principal level) | 2.9 | 1.2 |
| General Service (Other level) | 38.9 | 20.5 |
| Local level | – | 0.8 |
| **Total** | **51.6** | **29.7** |

118. The decrease in costs is primarily attributable to the decreased estimate of the number of full-time equivalents required for providing United Nations Staff Pension Committee services, as presented in paragraph 116 (a)(i) above, owing to the following:

(a) The establishment of the Operations Coordination and Liaison Unit as the dedicated unit for member organizations enabled the centralization of service management and service delivery to the United Nations family, with notable quality improvements;

(b) Certain services, such as document quality control procedures, data clean-up and validation, and business intelligence dashboards for member organizations, which were provided initially to the United Nations Staff Pension Committee, were extended to all member organizations and, therefore, were no longer cross-charged to the United Nations Staff Pension Committee;

(c) Enhanced interfaces and automated data validation reduced manual work owing to improved data quality;

(d) Continuous cross-training and procedural enhancements improved collaboration with the United Nations Staff Pension Committee, reduced turnaround times and increased the quality of document submissions.

# IV. Office of Investment Management

## Foreword

The mandate of the Office of Investment Management of the United Nations Joint Staff Pension Fund is to contribute to the United Nations global mission by ensuring the long-term financial sustainability of the Fund so that it can fully discharge its obligations to current and future beneficiaries. The Fund’s long-term investment objective is to meet or exceed a real rate of return (net of inflation, as measured by the United States consumer price index for all urban consumers not seasonally adjusted) in United States dollars over the long term (15 years and longer), without undue risk of loss, that factors in the liabilities of the Fund and the required contribution rate as defined in the funding policy. In the short term (three years), the Fund aims to meet or exceed the policy benchmark returns while keeping key risk indicators in line with Office’s risk management framework.

According to article 19 (a) of the Regulations, Rules and Pension Adjustment System of the Pension Fund, “the investment of the assets of the Fund shall be decided upon by the Secretary-General after consultation with an Investments Committee and in the light of observations and suggestions made from time to time by the Board on the investments policy”. The investments must meet the criteria of safety, profitability, liquidity and convertibility. The management of the investment of the assets of the Fund is the fiduciary responsibility of the Secretary-General. The Representative of the Secretary-General has been delegated the responsibility and authority to act on behalf of the Secretary-General in all matters involving his fiduciary duties relating to the investment of the assets of the Fund.

Investments are made in accordance with the investment policy statement, which is comprehensively updated after the asset-liability management study is conducted, once every four years. The Office is aligned with the Sustainable Development Goals, including on climate action, and is on track to decarbonize its portfolio.

With proper support, the Office has enhanced the implementation of its mission to strive for the Fund’s sustainability while leading in responsible investing. Through its cultural transformation, it cultivates values such as integrity, accountability, innovative mindset and critical thinking. The Office employs strategic communication to back organizational objectives, continually increases the use of data to inform decision-making, and ensures that strategic and operational areas effectively support the delivery of results. The Office is committed to creating an environment free from racism, discrimination, indignity, harassment and fear. The Office also aims to achieve a 50/50 gender balance at all levels and ensure fair geographical representation.

Since March 2020, the Fund has experienced significant growth, with the value of the Fund increasing from $63 billion to approximately $91 billion. This improvement is due to the support and resources the Office has received from the governing bodies, with an increase of 36 staff members, equivalent to 28 per cent, since 2020, as shown in the table below, boosting morale and productivity.

| Year | Posts | General temporary assistance positions | Total staff | Annual change |
|---|---|---|---|---|
| 2020 | 110 | 19 | 129 | |
| 2021 | 108 | 17 | 125 | (4) |
| 2022 | 137 | 15 | 152 | 27 |
| 2023 | 150 | 7 | 157 | 5 |
| 2024 | 158 | 7 | 165 | 8 |
| **Total change, 2020–2024** | | | | **36** |
| **Change since 2020 (percentage)** | | | | **28** |

This support has translated into success in achieving both short-term and long-term return performance. The organization continues to invest in improving its culture. Transparency has become a priority, resulting in operational improvements. Despite this growth and improvement, the Fund has managed to keep its base cost low, remaining 30 per cent below its peers. Additionally, it has a responsible investing policy in place, with net-zero targets met ahead of schedule.

For 2025, the Office will request to increase its staff from 165 (158 posts and 7 general temporary assistance positions) to 187 (186 posts and 1 general temporary assistance position). This is still 6 per cent below the peer benchmark of 198 as at 31 December 2023. If the assets under management were to increase by an additional 5 per cent during 2024, they would reach $92.8 billion at the end of 2024. This would translate into a benchmark of 199 staff, and the Office's request for 2025 of 187 staff would still be 6 per cent below that benchmark.

Assuming that the Fund continues to grow between 5.0 and 6.5 per cent annually, the Fund's assets under management could be valued at approximately $113 billion by 2029. This growth translates to a peer benchmark of 211 staff. It is important to note that the total number of staff and the total investment cost based on peer comparison serve only as indicators to evaluate the Office's effectiveness and efficiency, not as targets. As the assets under management grow and financial markets become more complex, the Office should continually update its workforce. The Office will continue to determine its budget requests on the basis of the workforce planning exercise and will always strive to achieve efficiencies of scale and scope against its peers.

(*Signed*) Pedro **Guazo**
Representative of the Secretary-General
for the investment of the assets of the
United Nations Joint Staff Pension Fund

## A. Proposed programme plan for 2025 and programme performance in 2023

### Overall orientation

119. The Office of Investment Management is responsible for the day-to-day management of the Fund's investments under the oversight and guidance of the Representative of the Secretary-General and various internal committees of the Office. The Office implements the approved investment policy and ensures that the portfolio conforms to the approved asset allocation, investment guidelines and risk parameters. The staff of the Office assess global economic, geopolitical and financial market developments and monitor their impact on various asset classes and regions in which the Fund is invested.

120. The Office of Investment Management ensures that performance and portfolio risk analysis reports are accurate and up-to-date. According to article 19 (b) of the Regulations, Rules and Pension Adjustment System of the United Nations Joint Staff Pension Fund, "the Secretary-General shall arrange for the maintenance of detailed accounts of all investments and other transactions relating to the Fund, which shall be open to examination by the Board". The main sections of the Office consist of the Office of the Representative of the Secretary-General, the Investment Section, the Risk and Compliance Section, the legal team, the operations team, the information systems team, the data analytics and business applications team and the programme administration team.

### Strategy for 2025

121. The strategy of the Office of Investment Management underpinning the 2025 budget proposal is driven by the continuation of its mandate to generate an annualized long-term real rate of return of 3.5 per cent in United States dollars through the implementation of:

(a) Investment initiatives:

(i) Strengthening the asset allocation decision-making process in seeking enhancement of the investment return of the Fund;

(ii) Diversifying the assets and strategies by adding relatively low correlated investment in seeking improved risk-adjusted return;

(iii) Enhancing risk-adjusted returns and diversification by adding private credit;

(iv) Increasing the capability of the securitized portfolio of fixed income and further utilization of derivatives instruments;

(v) Exploring impact investing for part of the portfolio, as requested by the General Assembly in its resolution 76/246;

(vi) Enhancing the capability of the active management of public equity;

(b) The risk and compliance strategy:

(i) The integration of the Pension Administration and the Office of Investment Management Risk Units, together with the size, complexity, scrutiny and expected headwinds of the Fund, poses significant challenges and opportunities to the risk management and compliance function, which needs to significantly and swiftly evolve in all dimensions of risk management across the entire ecosystem and all stakeholders;

(ii) With high geopolitical and economic instability continuing to mark unpredictable investment landscapes, the Fund is re-evaluating enterprise risk management frameworks, processes and supporting application technology to be prepared to monitor, control and report on emerging and advancing risks, including cyber and operational risks, third-party risks and sustainability risks that should be monitored more closely and more independently;

(iii) In that regard, the risk management and compliance function is embarking on a complete implementation of a new enterprise risk management framework across the Pension Administration and the Office of Investment Management that includes the development of a detailed risk appetite statement, including operational risk limits and tolerance levels, enhancing the risk culture across the Fund, strengthening the three lines of defence at an adequate maturity based on the Committee of Sponsoring Organizations of the Treadway Commission framework, the implementation of adequate processes and technologies to monitor and report risk and perform control execution, the completion of horizon scanning for emerging risks to build out risk taxonomy and a risk universe to reflect a comprehensive enterprise-wide view of risks, the development of detailed key risk indicators, and the development of an incident reporting mechanism for all functions;

(iv) The Office of Investment Management will adopt an approach to manage investment risks called the "total portfolio approach", which will complement the strategic asset allocation approach. This approach considers risks and returns across the entire portfolio, allows for more dynamic asset allocation decisions, shifts the focus from asset allocation targets to desired portfolio outcomes and provides a framework for integrating environment, social and governance considerations into investment decision-making across the entire portfolio;

(v) The combination of these factors requires the addition of key positions to tackle the numerous challenges ahead, and the Office aims to start building the capabilities needed to fully implement the risk management frameworks;

(c) The information technology strategy, which involves strengthening infrastructure deployment, enhancing cybersecurity measures, expanding the usage of ServiceNow as the Office's information technology services platform, recruiting additional staff and supporting the implementation of a data warehouse in accordance with the Data Strategy of the Secretary-General for Action by Everyone, Everywhere. The Data Strategy details how data should be used, managed and shared to improve decision-making, transparency and accountability;

(d) The operations strategy, which involves increasing organizational maturity and developing the Office's operating model to reach its future state at an "institutionalized" level. The Office is realigning some of its functions that have an impact on the operations team. The realignment includes the separation of the accounting functions from the operations team, where they currently reside, into their own group (the investment accounting team) reporting directly to the Chief Financial Officer;

(e) The scope of the culture transformation, which has grown significantly since 2020, underlining the importance of institutionalizing current operations. Centralizing and standardizing various workstreams are key to facilitating an effective workflow. Doing so ensures compliance with established procedures, leading to consistent performance, improved efficiency and predictability. In addition, it will enable the Office to maintain quality consistently.

## External factors

122. The Office's overall plan for 2025 is based on the following planning assumptions:

(a) All stakeholders will be supportive of the Office's efforts and will extend their full cooperation;

(b) There will be no significant shortfalls in funding for the implementation of the mandate established by the General Assembly;

(c) The financial markets, such as public equities, private markets, global fixed income and, foreign exchange, will align with the long-term assumptions;

(d) The recruitment, procurement and legal processes with respect to requested staff, services and products are completed within the expected time frame.

123. The Office is also exposed to other external related factors, such as:

(a) More volatile global currencies and markets and fluctuations in interest rates;

(b) More credit risk from sovereign countries and the risk of default on loans;

(c) Cyberattacks;

(d) Operating in inflationary environments globally;

(e) Ongoing conflicts in various parts in the world.

## Evaluation activities

124. The following evaluation activities were completed in 2023:

(a) Audit of network access management;

(b) Audit of real assets;

(c) Audit of budget formulation and monitoring;

(d) Audit of selection and use of brokers and counterparties.

125. The following evaluation activities initiated in 2024 continue to guide the plan for 2025:

(a) Audit of sustainable investing;

(b) Audit of the implementation of the asset allocation strategy;

(c) Audit of the control environment;

(d) Audit of cybersecurity preparedness;

(e) Audit of business continuity and disaster recovery;

(f) Audit of business intelligence and data warehouse systems.

## Programme of work

### Objective

126. The Office of Investment Management manages the Fund's assets in a prudent and optimal manner, while achieving its long-term investment return objective in order to ensure the Fund's financial sustainability. The Office's investments are spread across 72 countries and regions, with 73.1 per cent of assets managed

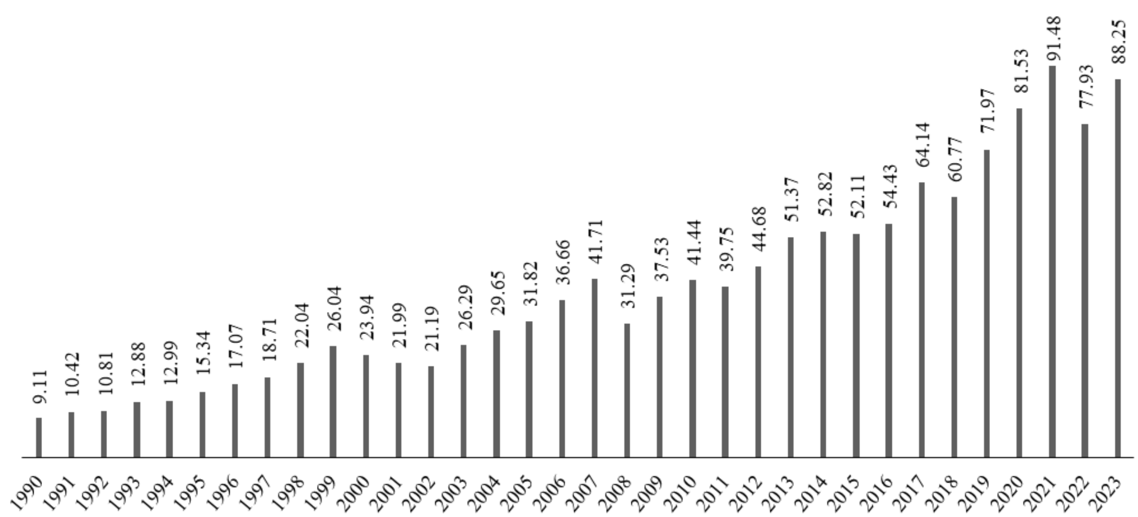
internally, 16.8 per cent invested in private markets and only 9.9 per cent through external managers. Investments must, at the time of initial review, meet the criteria of safety, profitability, liquidity and convertibility.

**Performance in 2023**

127. As at 31 December 2023, the Fund's market value was $88.25 billion, an increase from $77.92 billion as at 31 December 2022, which was materialized by an annual nominal performance of 13.61 per cent for the year 2023. The 15-year real rate of return increased from 2.18 per cent at the end of 2022 to 7.49 per cent at the end of 2023, above the target rate of 3.50 per cent. As at 31 December 2023, the Fund had successfully met or exceeded its long-term investment real rate of return objective of 3.5 per cent in United States dollars over the past 15, 20, 25, 30 and 50 years.

128. The Fund met its second performance measure by outperforming the total policy benchmark return over the short run, which is defined as three years. As of December 2023, the Fund had returned a three-year annualized nominal return of 2.90 per cent, outperforming the benchmark return of 2.63 per cent.

Figure XV
**Market value of assets as at 31 December 2023**
(Billions of United States dollars)




*Source*: www.unjspf.org/the-fund/historical-fund-performance/.

129. In 2023, the Office focused its efforts on improving the process of integration of environmental, social and governance factors across asset classes, pursued its net zero climate approach and developed its impact investing strategy.

130. With regard to the pilot operations to use derivatives instruments, progress was made and a request will be submitted to the General Assembly to move from the pilot to regular operations, based on the following achievements:

(a) In 2024, the Office began trading "to be announced" contracts to increase the investment options available in the mortgage-backed security portfolio. The market for "to be announced" contracts is the second largest and most liquid debt market after the United States Treasury market. As at 30 April 2024, the Fund had outstanding "to be announced" mortgage-backed securities with a notional value of $805 million with four broker-dealers. Continued growth in the Fund's utilization of "to be announced" contracts and the number of counterparties throughout 2024 is anticipated. The utilization of "to be announced" contracts greatly improves the liquidity of the Fund's mortgage-backed security portfolio and significantly minimizes transaction costs of trading mortgage-backed security exposure. Additionally, it gives the Fund the ability to instantaneously hedge existing exposures and/or take additional long positions in large or liquid amounts that were previously unavailable to the Fund. On the basis of current "to be announced" holdings and current market levels, the Fund expects to generate $5–6 million in additional income on an annualized basis. This represents roughly 7 basis points of additional alpha on the securitized portfolio;

(b) For foreign exchange forwards and swaps, the Office has agreed to key operational protocols, such as a single collateral framework, and is close to finalizing the relevant International Swaps and Derivatives Association master agreement to allow trading to start;

(c) In respect of securities lending, the agreement with the agent has been finalized and operations will start soon.

131. All updated policies and procedures relating to ISO 22301:2019 and ISO 27001:2013 are updated and reviewed annually to ensure alignment with the two standards and to ensure that changes in the Office's environment are incorporated. The Office continues to retain its ISO 22301:2019 and ISO 27001:2013 certifications.

132. The Office continues to improve the transparency and communication of investment reports and has updated information on the Fund's website. In 2023, the Fund achieved compliance with the Global Investment Performance Standards of the Chartered Financial Analyst Institute. These standards are universal and voluntary and are based on the principles of full disclosure and fair representation of investment performance.

133. The Representative of the Secretary-General and the Chief Executive of Pension Administration continued to collaborate on the "one Fund" initiative.

134. From 2023 until May 2024, a total of 23 OIOS and 13 Board of Auditors recommendations were closed, and actions are being taken to close the remaining 26 OIOS and 11 Board of Auditors recommendations that are open.

135. The Office made 17 recruitments in 2023, with an average recruitment timeline of 130 days. Forty-seven per cent of the Office's processes were completed within 120 days and a further 18 per cent within 120–130 days. Overall, the Office has filled its vacant positions swiftly.

136. During 2023, the Office continued its culture transformation efforts, working in partnership with the United Nations System Staff College and in alignment with the United Nations system leadership framework. Results were assessed in May 2023 with the third annual leadership culture survey. Results were positive, showing an increase in the participation rate from 85 per cent to 92 per cent and in the agreement rate from 67 per cent to 76 per cent.

137. The Pension Fund remains one of the most advanced members in the United Nations-convened Net-Zero Asset Owner Alliance, with a targeted decrease of 40 per cent by 2040 of the carbon emissions of the portfolio in 2019.

### Planned results for 2025

138. The Office remains committed to being an institution whose mandate is to contribute to the global mission of the United Nations by ensuring the long-term financial sustainability of the Fund.

139. The Office will continue to address the gaps in resources and capabilities, work on improving its culture and implement its investment policy statement to be able to function successfully in a more challenging investment landscape.

140. The Office will continue to explore impact investing opportunities.

Table 24
**Performance measures**

| | *2021 (actual)* | *2022 (actual)* | *2023 (actual)* | *2024 (estimated)* | *2025 (estimated)* |
|---|---|---|---|---|---|
| Meets or exceeds the target real rate of return annualized in United States dollar terms (3.5 per cent) over the long term (15 years or longer) | Yes, with 4.32 per cent | No, with 2.18 per cent | Yes, with 4.8 per cent | 3.5 per cent | 3.5 per cent |
| Meets or exceeds the policy benchmark return over the short term (3 years annualized nominal performance) | Yes (14.76 per cent for the total Fund vs. 14.74 per cent for the benchmark) | Yes (2.83 per cent for the total Fund vs. 2.21 per cent for the benchmark) | Yes (2.90 per cent for the total Fund vs. 2.63 per cent for the benchmark) | Yes | Yes |
| Total investment cost as a percentage of assets under management is below the peer median (with a two-year lag)[a] | 26.8 basis points | 32.7 basis points | 33.2 basis points | 41.1 basis points | 45.8 basis points |

*Note*: As at 31 December 2023, the Fund market value was $88.25 billion, an increase from $77.92 billion as at 31 December 2022, which is materialized by an annual nominal performance of 13.61 per cent for the year 2023. The 15-years real rate of return increased from 2.18 per cent at the end of 2022 to 4.8 per cent at the end of 2023, above the target rate of 3.5 per cent. The links between staff performance and individual portfolio returns and the organizational goals are cascaded down to the performance evaluation of investment staff.

[a] Key performance indicator introduced in the 2024 budget to address the recommendation of the Board of Auditors contained in its report on the financial statements of the Fund for the year ended 31 December 2021 (A/77/5/Add.16, chap. II, para. 32).

**Peer comparison**

141. The inclusion of this information and analysis is based on the request contained in paragraph 12 of the report of the Advisory Committee on Administrative and Budgetary Questions on the Fund (A/78/7/Add.7).

142. The structure and cost of a pension fund's investment management office is primarily determined by the concept of assets under management, which represents the consolidated market value of all the fund's portfolios. It is used to establish two essential indicators, making the cost and team structures of pension fund investments comparable.

143. The total cost of investment is the first indicator determined using assets under management. It is calculated by dividing the administrative, operational and transactional expenses incurred in managing the portfolios by the average assets under management for the period. The Fund's total cost of investment for 2021 was 27.9 basis points (or 0.279 per cent of the assets under management), and 32.7 basis points (0.327 per cent) for 2022. An independent analysis by an expert firm that collects information from about 300 pension funds worldwide shows that the total cost of investment of the pension peers' median was 41.1 basis points (0.411 per cent)

for 2021 and 45.8 (0.458 per cent) for 2022. This indicates that the Fund's total cost of investment is approximately 30 per cent lower than the peer median.

144. The figures for all the pension funds are obtained and disclosed by October of the subsequent year, given the fact that the funds' financial statements are issued between four to seven months after the year closure. For instance, the financial statements of the United Nations Joint Staff Pension Fund are approved by the Board of Auditors by the last week of July every year.

145. In 2024, the Office of Investment Management added a third performance measure based on a recommendation from the Board of Auditors contained in its report on the Fund for the year ended 31 December 2021 (A/77/5/Add.16, chap. II, para. 32). This measure was the total cost of investment, in addition to the two traditional measures: the relative short-term rate of return against the policy benchmark and the absolute long-term real rate of return of the portfolio. The goal for 2024 was to keep the actual cost for Office below the 2021 peer median of 41.1 basis points. The 2021 figure was used because, as mentioned above, it was the available figure during the 2024 budget formulation in June 2023, which was based on the benchmark study issued in October 2022 using information as at 31 December 2021. Preliminary data indicate that the total investment cost for 2023 was 33.2 basis points, almost 20 per cent lower than the 2024 maximum limit.

146. The second indicator, where assets under management are used, is to determine the full-time equivalents (or number of employees) that an investment office should have, based on the size of the assets, the asset allocation and the style of investment. The style of investment is relevant because internal management requires more staff but is less costly, while active management needs more staff but generates better returns. The independent expert provides a benchmark for how many staff the Office of Investment Management should theoretically have at given levels of assets under management based on the comparison with the peer median for each activity. For example, as at 31 December 2023, for $88.3 billion of assets under management, the Office would require 198 staff, based on peer median statistics. Compared with the approved staffing resources for 2024 of 165 (158 posts and 7 general temporary assistance positions), this would indicate 17 per cent fewer staff than the peer benchmark.

147. In parallel, the Office of Investment Management conducts an annual workforce planning exercise, also known as a bottom-up budget exercise. This exercise is based on recommendations from the Board of Auditors and OIOS. During this process, various teams propose their resource needs by understanding the development of new projects or expected changes to existing processes. The results of this exercise are then compared to the full-time equivalents benchmark of their peers.

148. For example, the General Assembly approved a staff of 165 (158 posts and 7 general temporary assistance positions) for the 2024 budget. However, the peer comparison suggests a need for 198 staff. This indicates that the Office of Investment Management is operating with 17 per cent fewer staff than the peer benchmark.

149. For 2025, the Office of Investment Management, based on its workforce planning analysis, will request to increase its staff from 165 (158 posts and 7 general temporary assistance positions) to 187 (186 posts and 1 general temporary assistance position). This is still 6 per cent below the peer benchmark of 198 as at 31 December 2023. If the assets under management were to increase by an additional 5 per cent during 2024, they would reach $92.8 billion at the end of 2024. This would translate into a benchmark of 199 staff, and the Office's request for 2025 of 187 staff would still be 6 per cent below that benchmark.

150. Assuming the Fund continues to grow between 5 and 6.5 per cent annually, the Fund's assets under management could be valued at approximately $113 billion by 2029. This growth translates to a peer benchmark of 211 staff. It is important to note that the total number of staff and the total investment cost based on peer comparison serve only as indicators to evaluate the Office's effectiveness and efficiency, not as targets. As the assets under management grow and financial markets become more complex, the Office should continually update its workforce. The Office will continue to determine its budget requests on the basis of the workforce planning exercise and will always strive to achieve efficiencies of scale and scope against its peers.

## B. Proposed post and non-post resource requirements for 2025

### Overview

151. The overall resources proposed for 2025 amount to $75,465,800 before recosting, reflecting a net increase of $9,867,300 (or 15.0 per cent) compared with the appropriation for 2024. Resource changes result from two factors: (a) technical adjustments ($528,000); and (b) other changes ($9,339,300).

152. The proposed resources for 2025, including the breakdown of resource changes, as applicable, are reflected in tables 25 to 30 and figure XVI.

Table 25
**Overall: evolution of financial and post resources by object of expenditure (Office of Investment Management)**
(Thousands of United States dollars)

| | | | *Changes* | | | | | |
|---|---|---|---|---|---|---|---|---|
| *Object of expenditure* | *2023 expenditure* | *2024 appropriation* | *Technical adjustments* | *New initiatives* | *Other* | *Total* | *Percentage* | *2025 estimate (before recosting)* |
| Posts | 25 810.0 | 26 724.6 | 528.0 | – | 3 358.2 | 3 886.2 | 14.5 | 30 610.8 |
| Other staff costs | 2 260.0 | 1 892.2 | – | – | (1 411.6) | (1 411.6) | (74.6) | 480.6 |
| Hospitality | 1.3 | 1.0 | – | – | – | – | – | 1.0 |
| Consultants | 285.0 | 370.5 | – | – | 622.4 | 622.4 | 168.0 | 992.9 |
| Travel of representatives | 0.2 | 118.5 | – | – | (43.7) | (43.7) | (36.9) | 74.8 |
| Travel of staff | 309.4 | 621.1 | – | – | 313.8 | 313.8 | 50.5 | 934.9 |
| Contractual services | 22 059.2 | 30 107.3 | – | – | 6 096.0 | 6 096.0 | 20.2 | 36 203.3 |
| General operating expenses | 5 277.0 | 5 530.5 | – | – | 458.1 | 458.1 | 8.3 | 5 988.6 |
| Supplies and materials | 15.9 | 17.0 | – | – | 3.0 | 3.0 | 17.6 | 20.0 |
| Furniture and equipment | 345.2 | 215.8 | – | – | (56.9) | (56.9) | (26.4) | 158.9 |
| **Total** | **56 363.2** | **65 598.5** | **528.0** | **–** | **9 339.3** | **9 867.3** | **15.0** | **75 465.8** |

Table 26
**Overall: proposed posts and post changes for 2025 (Office of Investment Management)**
(Number of posts)

| | *Number* | *Details* |
|---|---|---|
| Approved for 2024 | 158 | 1 ASG, 1 D-2, 5 D-1, 14 P-5, 37 P-4, 48 P-3, 15 P-2/1, 23 GS (PL) and 14 GS (OL) |
| Reclassification | – | Upward reclassification of 2 P-3 to P-4 |
| Conversion | 7 | 1 P-4, 3 P-3, 2 P-2/1 and 1 GS (PL) |

| | Number | Details |
|---|---|---|
| Establishment | 18 | 1 D-1, 6 P-5, 4 P-4, 5 P-3 and 2 P-2/1 |
| Proposed for 2025 | 183 | 1 ASG, 1 D-2, 6 D-1, 20 P-5, 44 P-4, 54 P-3, 19 P-2/1, 24 GS (PL) and 14 GS (OL) |

*Note*: More information on post changes is provided in annex III.

Table 27
**Overall: proposed posts by category and grade (Office of Investment Management)**
(Number of posts)

| | *2024 approved* | *Changes* | *2025 proposed* |
|---|---|---|---|
| **Professional and higher** | | | |
| ASG | 1 | – | 1 |
| D-2 | 1 | – | 1 |
| D-1 | 5 | 1 | 6 |
| P-5 | 14 | 6 | 20 |
| P-4 | 37 | 7 | 44 |
| P-3 | 48 | 6 | 54 |
| P-2/1 | 15 | 4 | 19 |
| **Subtotal** | **121** | **24** | **145** |
| **General Service and related** | | | |
| GS (PL) | 23 | 1 | 24 |
| GS (OL) | 14 | – | 14 |
| **Subtotal** | **37** | **1** | **38** |
| **Total** | **158** | **25** | **183** |

Table 28
**Overall: evolution of financial resources by component (Office of Investment Management)**
(Thousands of United States dollars)

| | | | *Changes* | | | | | |
|---|---|---|---|---|---|---|---|---|
| *Component* | *2023 expenditure* | *2024 appropriation* | *Technical adjustments* | *New initiatives* | *Other* | *Total* | *Percentage* | *2025 estimate (before recosting)* |
| A. Executive direction and management | 3 880.4 | 1 111.5 | – | – | (79.2) | (79.2) | (7.1) | 1 032.3 |
| B. Programme of work | 47 314.1 | 59 005.7 | 528.0 | – | 8 995.8 | 9 523.8 | 16.1 | 68 529.5 |
| C. Programme support | 5 168.7 | 5 481.3 | – | – | 422.7 | 422.7 | 7.7 | 5 904.0 |
| **Total** | **56 363.2** | **65 598.5** | **528.0** | **–** | **9 339.3** | **9 867.3** | **15.0** | **75 465.8** |

Table 29
**Overall: proposed posts for 2024 by component (Office of Investment Management)**
(Number of posts)

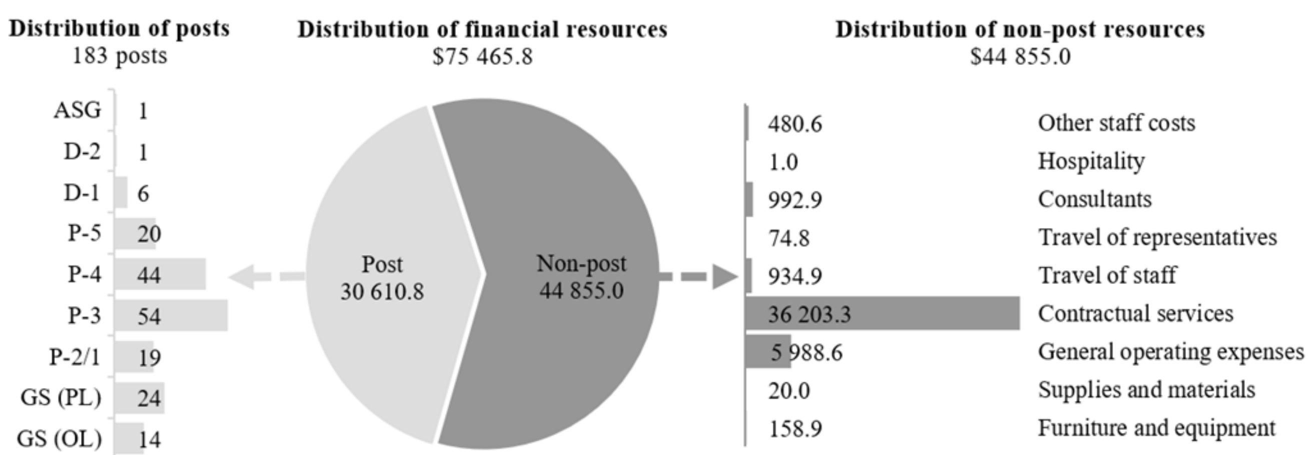
| | *2024 approved* | *Changes* | *2025 estimate* |
|---|---|---|---|
| A. Executive direction and management | 2 | – | 2 |
| B. Programme of work | 156 | 25 | 181 |
| **Total** | **158** | **25** | **183** |

*Note*: Of the changes in posts, the increase of seven posts is offset by and attributed to the conversion of general temporary assistance positions to posts.

Table 30
**Overall: evolution of financial and post resources (Office of Investment Management)**
(Thousands of United States dollars/number of posts)

| | | | *Changes* | | | | | *2025 estimate (before recosting)* |
|---|---|---|---|---|---|---|---|---|
| | *2023 expenditure* | *2024 appropriation* | *Technical adjustments* | *New initiatives* | *Other* | *Total* | *Percentage* | |
| **Financial resources by main category of expenditure** | | | | | | | | |
| Posts | 25 810.0 | 26 724.6 | 528.0 | – | 3 358.2 | 3 886.2 | 14.5 | 30 610.8 |
| Non-post | 30 553.2 | 38 873.9 | – | – | 5 981.1 | 5 981.1 | 15.4 | 44 855.0 |
| **Total** | **56 363.2** | **65 598.5** | **528.0** | **–** | **9 339.3** | **9 867.3** | **15.0** | **75 465.8** |
| **Post resources by category** | | | | | | | | |
| Professional and higher | | 121 | – | – | 24 | 24 | 19.8 | 145 |
| General Service and related | | 37 | – | – | 1 | 1 | 2.7 | 38 |
| **Total** | | **158** | **–** | **–** | **25** | **25** | **15.8** | **183** |

Figure XVI
**Distribution of proposed resources for 2025 (before recosting)**
(Number of posts/thousands of United States dollars)



## Explanation of variances by factor

## Overall resource changes

### Technical adjustments

153. As reflected in table 25, resource changes under technical adjustments show an increase of $528,000 under the programme of work, resulting from eight posts approved, pursuant to General Assembly resolution 78/253, that were subject to a 50 per cent vacancy rate in 2024 and are now budgeted at continuing vacancy rates, as follows:

**Programme of work**. An increase of $528,000, reflecting the full provision for eight new posts (2 P-4, 1 P-3, 3 P-2/1, 1 General Service (Principal level) and 1 General Service (Other level)) approved in 2024.

### Other changes

154. Resource changes reflect a net increase of $9,339,300, as follows:

(a) **Executive direction and management**. The net decrease of $79,200 under non-post resources relates to:

(i) Increases amounting to $26,400 under: a. other staff costs, owing to the increased provision for after-service health insurance ($1,200) and overtime ($100); and b. travel of staff, reflecting the expenditure experience and the anticipated number of trips to be undertaken by the Representative of the Secretary-General ($25,100);

(ii) Decreases amounting to $105,600 under: a. travel of representatives, reflecting the anticipated number of trips to be undertaken by the Investments Committee ($43,700); and (b) contractual services, stemming from the outward redeployment of the cost of benchmarking to the programme of work ($79,900), partly offset by the provisions for training ($8,000) and senior management team building ($10,000);

(b) **Programme of work**. The net increase of $8,995,800 reflects:

(i) A net increase of $3,358,200 under post resources, related to: a. the proposed establishment of 18 posts (1 D-1, 6 P-5, 4 P-4, 5 P-3 and 2 P-2/1) ($2,159,100); b. the proposed conversion of seven general temporary assistance positions to posts (1 P-4, 3 P-3, 2 P-2/1 and 1 General Service (Principal level)) ($1,145,700); and (c) the reclassification of two posts from P-3 to P-4, reflecting the higher level of responsibilities and increased complexity of the functions ($53,400). Detailed information on posts is provided in annex III;

(ii) A net increase of $5,637,600 under non-post resources, related to:

a. The increased requirements of $622,400 under consultants for the provision of various consultancy services, including: i. expertise related to business analytics and applications, such as data automation, data governance and artificial intelligence ($525,200); and ii. consultancy support for antiracism, communications and organizational development ($97,200);

b. The increase in requirements of $288,700 under travel of staff, taking into account expenditure experience and travel plans for 2025, for essential business travel related to investment due diligence, corporate and business operations, technical and professional conferences, and the Pension Board meeting;

c. The net increased requirements of $6,177,300 under contractual services, relating to: i. various operational, legal and information technology-related services, with increases attributable to new service requirements ($6,152,700), changes in contractual rates ($1,529,000) and the inward redeployment of requirements from executive direction and management and programme support to align with business use ($110,700), partly offset by decreases due to changes in scope and volume of existing services ($1,830,500); and ii. the increased provision for substantive and technical skills training ($215,400);

d. The increase of $37,000 under general operating expenses, owing primarily to increased requirements for communication charges ($44,000), partly offset by the decreased provision for trade messaging bank identifier code fees ($7,000);

e. The increased requirement for supplies and materials ($1,000);

f. The decrease of $1,412,900 under other staff costs, stemming from the proposed conversion of seven general temporary assistance positions to posts ($1,145,700) and the decreased provision for overtime, taking into consideration past expenditure patterns ($267,200);

g. The decrease of $76,900 under furniture and equipment, owing to lower requirements for the replacement of office automation and communication equipment ($80,200), partly offset by the increased requirement for software licences ($3,300);

(c) **Programme support**. The net increase of $422,700 under non-post resources, attributable to: (i) general operating expenses, owing mainly to an increased provision for the costs of administrative services provided by the United Nations under the shared costs arrangement ($755,300), partly offset by decreased resource requirements for facilities maintenance and utilities ($334,200); (ii) furniture and equipment, to provide for the replacement of office furniture ($20,000); and (iii) office supplies, taking into consideration past expenditure ($1,000). The increases are partly offset by a decreased provision under contractual services, stemming from the redeployment of resources to the programme of work to align with business use ($19,400).

## Executive direction and management

155. The Representative of the Secretary-General for the investment of the assets of the Fund leads the investment operations in terms of strategy and policy analysis, asset allocation, portfolio management and investment decision-making; risk management and compliance and monitoring; and operations, information technology requirements and programme administration. The Representative of the Secretary-General is responsible for investment policy, strategic and tactical asset allocation and the appropriate investment strategy, in consultation with the Investments Committee and the Pension Board on investment policy. He oversees the implementation of investment decisions and ensures that the approved investment policy and asset allocation are followed. He is responsible for carrying out the responsibilities of the Secretary-General under article 19 (b) of the Regulations of the Fund, including to ensure that detailed accounts of all investments and other transactions relating to the Fund are maintained and to report to the Pension Board, the Advisory Committee on Administrative and Budgetary Questions and the General Assembly on the Fund’s investments. The Representative of the Secretary-General also works closely with the Chief Executive of Pension Administration of the Fund.

156. The Chief Investment Officer assists the Representative of the Secretary-General by ensuring that all the investment functions in the Office of Investment Management are properly coordinated, coherent and aligned to safeguard fiduciary responsibilities, support the Office's goals and enhance the long-term sustainability of the Fund. The Representative of the Secretary-General is further assisted by the Chief Operating Officer and the Chief Risk and Compliance Officer by ensuring that operations and information systems, data management and business applications, programme administration, and risk, compliance and monitoring functions are also adequately coordinated.

157. Information on compliance regarding the timely submission of documentation and advance booking for air travel is reflected in table 31. The Office of Investment Management continues to make an effort to further enhance the travel compliance rate, taking into consideration the patterns and nature of official travel.

Table 31
**Compliance rate**
(Percentage)

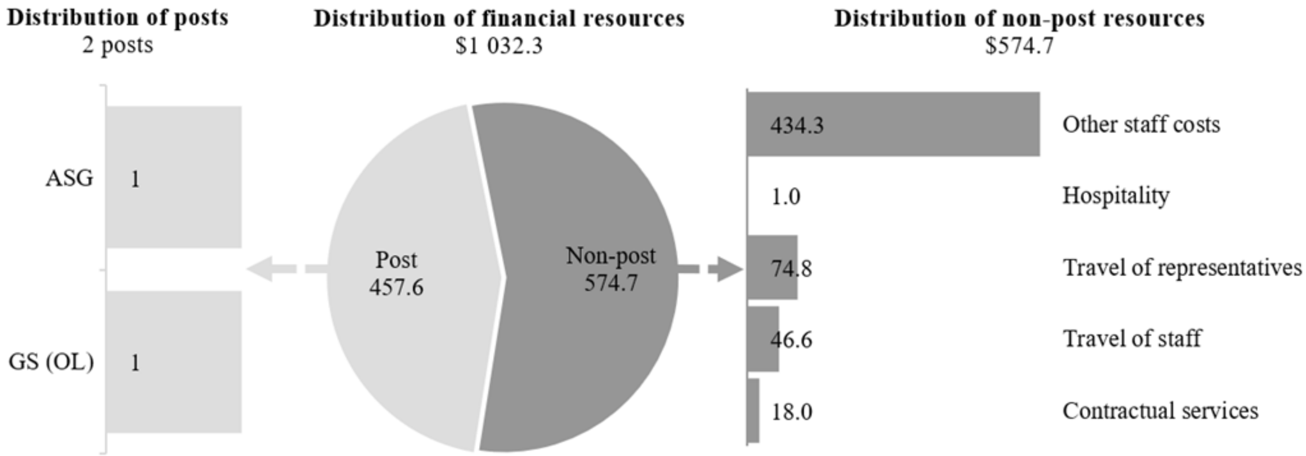
| | *2021 actual* | *2022 actual* | *2023 actual* | *2024 planned* | *2025 planned* |
|---|---|---|---|---|---|
| Air tickets purchased at least two weeks before the commencement of travel | 50 | 67 | 73 | 100 | 100 |

158. The proposed resources for 2025 amount to $1,032,300 and reflect a decrease of $79,200 (or 7.1 per cent) compared with the appropriation for 2024. Additional details are reflected in table 32 and figure XVII. The proposed decrease is explained in paragraph 154 (a).

Table 32
**Executive direction and management: evolution of financial and post resources**
(Thousands of United States dollars/number of posts)

| | | | *Changes* | | | | | |
|---|---|---|---|---|---|---|---|---|
| | *2023 expenditure* | *2024 appropriation* | *Technical adjustments* | *New initiatives* | *Other* | *Total* | *Percentage* | *2025 estimate (before recosting)* |
| **Financial resources by main category of expenditure** | | | | | | | | |
| Posts | 1 576.6 | 457.6 | – | – | – | – | – | 457.6 |
| Non-post | 2 303.8 | 653.9 | – | – | (79.2) | (79.2) | (12.1) | 574.7 |
| **Total** | **3 880.4** | **1 111.5** | **–** | **–** | **(79.2)** | **(79.2)** | **(7.1)** | **1 032.3** |
| **Post resources by category** | | | | | | | | |
| Professional and higher | | 1 | – | – | – | – | – | 1 |
| General Service and related | | 1 | – | – | – | – | – | 1 |
| **Total** | | **2** | **–** | **–** | **–** | **–** | **–** | **2** |

Figure XVII
**Executive direction and management: distribution of proposed resources for 2025 (before recosting)**
(Number of posts/thousands of United States dollars)




## Programme of work

159. The Investment Section, the Risk and Compliance Section, the legal team, the operations team, the information systems team, the data analytics and business applications team and the programme administration team are tasked with implementing the programme of work of the Office of Investment Management. The Office has a single objective of managing the investment of the Fund's assets, and all of the sections contribute to achieving that goal.

### Investment Section

160. The Investment Section is tasked with implementing the asset and regional exposure strategies approved by the Representative of the Secretary-General to achieve optimal investment returns for the Fund while avoiding undue risks. The Chief Investment Officer, together with the directors for the equities, private markets and fixed-income teams, supervises the public and private markets, which consist of the following 17 teams: sustainable investment, asset allocation, public equities for North America, Europe, Asia-Pacific equity, global emerging markets, management of external specialty funds, trade execution, United States Treasury, United States securitized, credit, emerging market debt, Government-related securities, investment cash/currency management, private markets, real estate and real assets. The number of teams is expected to continue to grow as the size and complexity of the Fund's investment portfolio grows and as new asset classes and investment instruments are added to the toolkit of the Office of Investment Management. The primary function of the teams involves investment management by monitoring current portfolios, tracking developments and keeping abreast of financial markets, and making and implementing investment decisions.

161. The Office of Investment Management strives to avoid risks that may compromise the long-term objective of the Fund. Accordingly, the Office has expanded its efforts with respect to understanding and evaluating the impact that externalities related to environment, social and governance factors may have on its investment return and risk, and is evolving its approach to sustainable investing. The objective of the Office's sustainable investing approach is to integrate environmental,

social and governance considerations into its investment decision-making process across all asset classes.

### Risk and Compliance Section

162. The Risk and Compliance Section reports to the Representative of the Secretary-General and comprises the following teams: risk, compliance and performance. The teams are responsible for independently identifying, measuring and monitoring all aspects of market and operational risks to which the Fund is exposed. In addition, it is mandated to implement adequate monitoring and control processes covering the Fund's investments to ensure compliance with all policies and guidelines of the Office of Investment Management. The performance team is responsible for performance measurement and reporting (as calculated by the independent record keeper and custodian) of the Fund.

163. The integration of the Pension Administration and the Office of Investment Management risk units, together with the size, complexity, scrutiny and expected headwinds of the Fund, poses significant challenges to the risk management and compliance function, which needs to significantly and swiftly evolve in all dimensions of risk management across the entire ecosystem and all stakeholders.

164. With high geopolitical and economic instability continuing to mark unpredictable investment landscapes, the Pension Fund is re-evaluating enterprise risk management frameworks, processes and supporting application technology to be prepared to monitor, control and report on emerging and advancing risks, including cyber and operational risks, third-party risks and sustainability risks that are currently not sufficiently monitored.

165. In that regard, the risk management and compliance function is embarking on a complete implementation of a new enterprise risk management framework across the Pension Administration and the Office of Investment Management that includes the development of a detailed risk appetite statement, including operational risk limits and tolerance levels, enhancing the risk culture across the Fund, strengthening the three lines of defence at an adequate maturity based on the Committee of Sponsoring Organizations of the Treadway Commission framework, the implementation of adequate processes and technologies to monitor and report risk and perform control execution, the completion of horizon scanning for emerging risks to build out risk taxonomy and a risk universe to reflect a comprehensive enterprise-wide view of risks, the development of detailed key risk indicators, and the development of an incident reporting mechanism for all functions.

166. The Office of Investment Management is also adopting a new approach to manage investment risks called the "total portfolio approach", which differs from the traditional strategic asset allocation approach. This approach considers risks and returns across the entire portfolio, allows for more dynamic asset allocation decisions, shifts the focus from asset allocation targets to desired portfolio outcomes and provides a framework for integrating environmental, social and governance considerations into investment decision-making across the entire portfolio.

### Legal team

167. The legal team is responsible for managing and advising on all legal aspects of the Fund's investments, functioning and related operations, and the negotiation of a wide range of agreements and documents relating to the investment of multiple classes of assets in global public and private markets.

**Operations, information systems, data analytics and business applications, and programme administration teams**

168. The Chief Operating Officer reports to the Representative of the Secretary-General and supervises the operations team, the information systems team, the data analytics and business applications team and the programme administration team.

169. The operations team is responsible for public and private markets investment operations that encompass post-trade processing, accounting, reconciliation, corporate actions monitoring and the financial reporting of all investment transactions and related activities of the Fund. It is also responsible for the cash desk, including payroll funding requirements in and out of the custody cash account of the Office of Investment Management and the production of daily cash projections, thus enabling the Investment Section to manage cash for all currencies utilized by the Office for investment purposes. Furthermore, the Operations Team is responsible for managing all aspects related to the custody of the assets of the Office and all the Office's tax-related matters, including managing the relationship with the Office's global tax and accounting advisers.

170. To increase organizational maturity and develop the Office's operating model to reach its future state and strategic objective at an "institutionalized" level, the Office is realigning some of its functions that have an impact on the operations team. The realignment includes the separation of the accounting functions from the operations team (where they currently reside) to be developed into its own group (the investment accounting team) reporting directly to the Chief Financial Officer, de facto splitting the current version of the operations team into two subgroups: investment operations and accounting. The new investment accounting team will own the following functions: financial reporting, the Office's tax-related matters, the incorporation of a new asset and liability management subfunction, and the formalization of a financial audit support subfunction.

171. The vision of the information systems team is to deliver the highest level of service across all facets of ICT for the Office of Investment Management of the Pension Fund. The team bears responsibility for several key functions, including information security/business continuity planning, infrastructure, service desk, and platform management and systems integration. It is imperative for the team to provide these services in a cost-effective way, leveraging secure, scalable and reliable infrastructure to maximize the productivity of the Office's staff.

172. The data analytics and business applications team is responsible for managing the Office's business applications strategy development and execution of all the processes and digital components supporting the investment life cycle, as well as managing its implementation, from the business case to its digital deployment, and provides technical support and policy advice. In addition, the team is responsible for directing the Office's data and analytics programme and coordinating its execution by performing a central role in: (a) fostering value creation from the use of the organization's data assets; (b) working with business stewards to foster data and analytics governance as a strategic discipline; (c) leading the data and analytics strategy; (d) defining, prioritizing and executing the data and analytics programme; (e) building a data-driven culture; (f) fostering data literacy; and (g) creating the intelligence essential for a digital enterprise.

173. The programme administration team coordinates actions for the effective administration of the Office's increasing number of staff and resource requirements. This team supports budget preparation, monitors the Office's administrative expenses, certifies payments and travel requests, and conducts workforce planning. The team has increased its focus on culture transformation. The team coordinates the

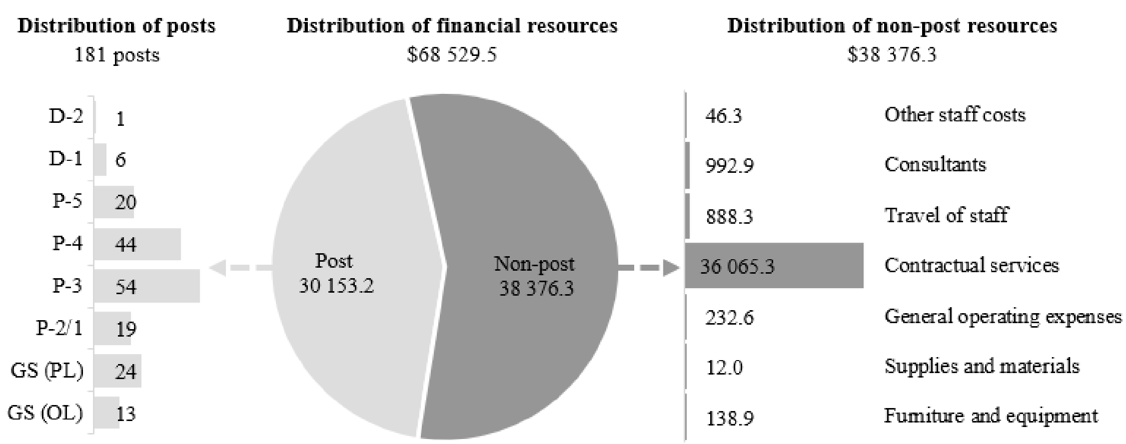
management of procurement services for the Office and coordinates the work of the Investments Committee and governing bodies. To ensure compliance with United Nations regulations and rules, the programme administration team provides support and guidance to the Office's staff.

174. The proposed resources for 2025 amount to $68,529,500, reflecting an increase of $9,523,800 (or 16.1 per cent) compared with the appropriation for 2024. Additional details are reflected in table 33 and figure XVIII. The proposed increase is explained in paragraphs 153 and 154 (b) above.

Table 33
**Programme of work: evolution of financial and post resources (Office of Investment Management)**
(Thousands of United States dollars/number of posts)

| | *2023 expenditure* | *2024 appropriation* | *Changes* | | | | *2025 estimate (before recosting)* |
|---|---|---|---|---|---|---|---|
| | | | *Technical adjustments* | *Other* | *Total* | *Percentage* | |
| **Financial resources by main category of expenditure** | | | | | | | |
| Posts | 24 233.4 | 26 267.0 | 528.0 | 3 358.2 | 3 886.2 | 14.8 | 30 153.2 |
| Non-post | 23 080.7 | 32 738.7 | – | 5 637.6 | 5 637.6 | 17.2 | 38 376.3 |
| **Total** | **47 314.1** | **59 005.7** | **528.0** | **8 995.8** | **9 523.8** | **16.1** | **68 529.5** |
| **Post resources by category** | | | | | | | |
| Professional and higher | | 120 | – | 24 | 24 | 20.0 | 144 |
| General Service and related | | 36 | – | 1 | 1 | 2.8 | 37 |
| **Total** | | **156** | **–** | **25** | **25** | **16.1** | **181** |

Figure XVIII
**Programme of work: distribution of proposed resources for 2025 (before recosting)**
(Number of posts/thousands of United States dollars)



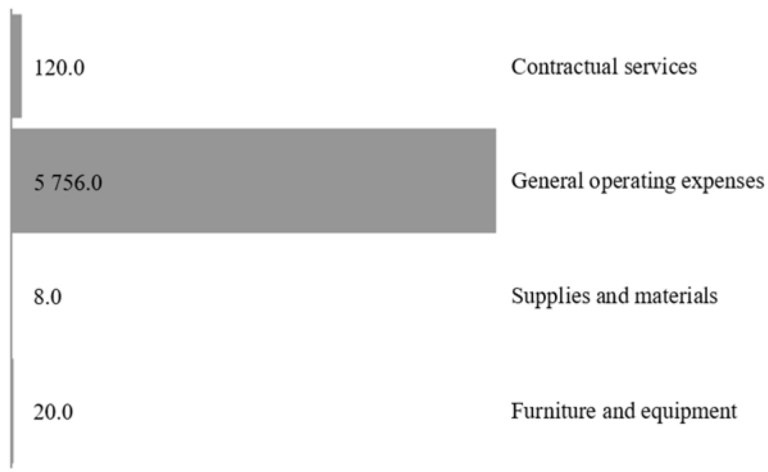

## Programme support

175. The proposed resources for 2025 amount to $5,904,000, reflecting an increase of $422,700 (or 7.7 per cent) compared with the appropriation for 2024, as reflected in table 34. The proposed increase is explained in paragraph 154 (c) above.

Table 34
**Programme support: evolution of financial resources (Office of Investment Management)**
(Thousands of United States dollars)

| | | | Changes | | | | | |
|---|---|---|---|---|---|---|---|---|
| | *2023 expenditure* | *2024 appropriation* | *Technical adjustments* | *New initiatives* | *Other* | *Total* | *Percentage* | *2025 estimate (before recosting)* |
| **Financial resources by main category of expenditure** | | | | | | | | |
| Non-post | 5 168.7 | 5 481.3 | – | – | 422.7 | 422.7 | 7.7 | 5 904.0 |
| **Total** | **5 168.7** | **5 481.3** | **–** | **–** | **422.7** | **422.7** | **7.7** | **5 904.0** |

Figure XIX
**Programme support: distribution of proposed resources for 2025 (before recosting)**
(Thousands of United States dollars)




# V. Audit

## Proposed post and non-post resource requirements for 2025

176. The proposed resources for 2025 amount to $2,378,500 before recosting, reflecting a net increase of $124,400 (or 5.5 per cent) compared with the appropriation for 2024, as reflected in table 35, and would provide for the internal and external audit expenses related to the United Nations Joint Staff Pension Fund, as presented in table 38.

Table 35
**Overall: evolution of financial and post resources by object of expenditure (Audit)**
(Thousands of United States dollars)

| Object of expenditure | 2023 expenditure | 2024 appropriation | Changes: Technical adjustments | Changes: New initiatives | Changes: Other | Changes: Total | Changes: Percentage | 2025 estimate (before recosting) |
|---|---|---|---|---|---|---|---|---|
| Posts | 855.0 | 1 233.9 | – | – | 273.8 | 273.8 | 22.2 | 1 507.7 |
| Other staff costs | 363.8 | 519.6 | – | – | (278.9) | (278.9) | (53.7) | 240.7 |
| Travel of staff | 20.7 | 36.1 | – | – | 10.0 | 10.0 | 27.7 | 46.1 |
| Contractual services | 422.4 | 454.5 | – | – | 3.6 | 3.6 | 0.8 | 458.1 |
| General operating expenses | 2.2 | 4.2 | – | – | – | – | – | 4.2 |
| Supplies and materials | – | 2.3 | – | – | – | – | – | 2.3 |
| Furniture and equipment | 3.3 | 3.5 | – | – | – | – | – | 3.5 |
| **Total** | **1 667.4** | **2 254.1** | **–** | **–** | **8.5** | **8.5** | **0.4** | **2 262.6** |

Table 36
**Overall: proposed posts and post changes for 2025 (Audit)**
(Number of posts)

| | Number | Details |
|---|---|---|
| Approved for 2024 | 6 | 1 P-5, 3 P-4, 1 P-3 and 1 GS (OL) |
| Conversion | 1 | 1 P-5 |
| Proposed for 2025 | 7 | 2 P-5, 3 P-4, 1 P-3 and 1 GS (OL) |

Table 37
**Overall: proposed posts by category and grade (Audit)**
(Number of posts)

| | 2024 approved | Changes | 2025 proposed |
|---|---|---|---|
| **Professional and higher** | | | |
| P-5 | 1 | 1 | 2 |
| P-4 | 3 | – | 3 |
| P-3 | 1 | – | 1 |
| **Subtotal** | **5** | **1** | **6** |
| **General Service and related** | | | |
| GS (OL) | 1 | – | 1 |
| **Subtotal** | **1** | **–** | **1** |
| **Total** | **6** | **1** | **7** |

Table 38
**Overall: evolution of financial resources by component (Audit)**
(Thousands of United States dollars)

| | 2023 expenditure | 2024 appropriation | Changes: Technical adjustments | New initiatives | Other | Total | Percentage | 2025 estimate (before recosting) |
|---|---|---|---|---|---|---|---|---|
| A. Internal audit | 1 274.2 | 1 841.2 | – | – | 8.5 | 8.5 | 0.5 | 1 849.7 |
| B. External audit | 393.2 | 412.9 | – | – | – | – | – | 412.9 |
| **Total** | **1 667.4** | **2 254.1** | **–** | **–** | **8.5** | **8.5** | **0.4** | **2 262.6** |

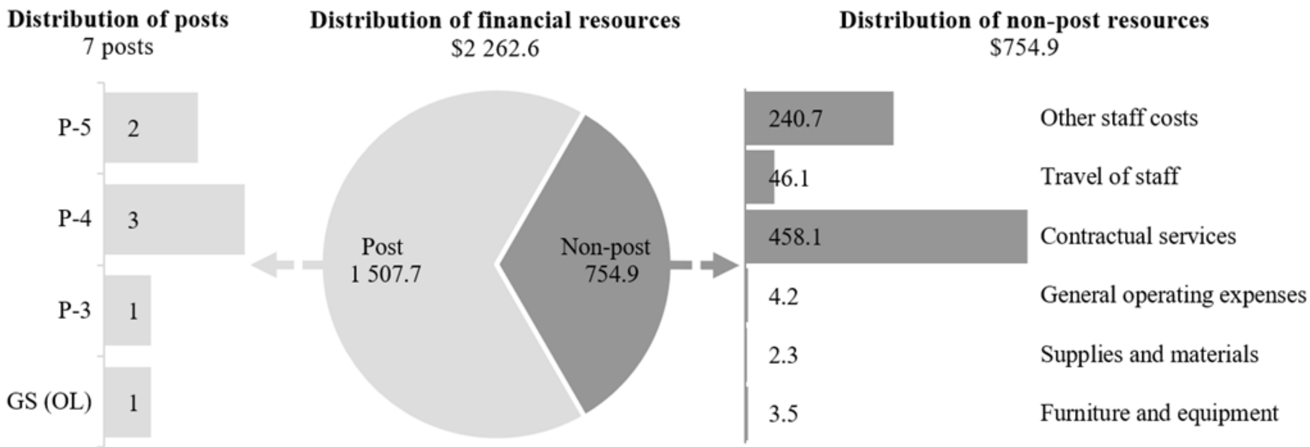
Table 39
**Overall: proposed posts for 2025 by component (Audit)**
(Number of posts)

| | 2024 approved | Changes | 2025 estimate |
|---|---|---|---|
| A. Internal audit | 6 | 1 | 7 |
| B. External audit | – | – | – |
| **Total** | **6** | **1** | **7** |

Table 40
**Overall: evolution of financial and post resources (Audit)**
(Thousands of United States dollars/number of posts)

| | 2023 expenditure | 2024 appropriation | Changes: Technical adjustments | New initiatives | Other | Total | Percentage | 2025 estimate (before recosting) |
|---|---|---|---|---|---|---|---|---|
| **Financial resources by main category of expenditure** | | | | | | | | |
| Posts | 855.0 | 1 233.9 | – | – | 273.8 | 273.8 | 22.2 | 1 507.7 |
| Non-post | 812.4 | 1 020.2 | – | – | (265.3) | (265.3) | (26.0) | 754.9 |
| **Total** | **1 667.4** | **2 254.1** | **–** | **–** | **8.5** | **8.5** | **0.4** | **2 262.6** |
| **Post resources by category** | | | | | | | | |
| Professional and higher | | 5 | – | – | 1 | 1 | 20.0 | 6 |
| General Service and related | | 1 | – | – | – | – | – | 1 |
| **Total** | | **6** | **–** | **–** | **1** | **1** | **16.7** | **7** |

Figure XX
**Distribution of proposed resources for 2025 (before recosting)**
(Number of posts/thousands of United States dollars)




## Explanation of variances by factor

### Other changes

177. Resource changes reflect a net increase of $8,500 under internal audit, as follows:

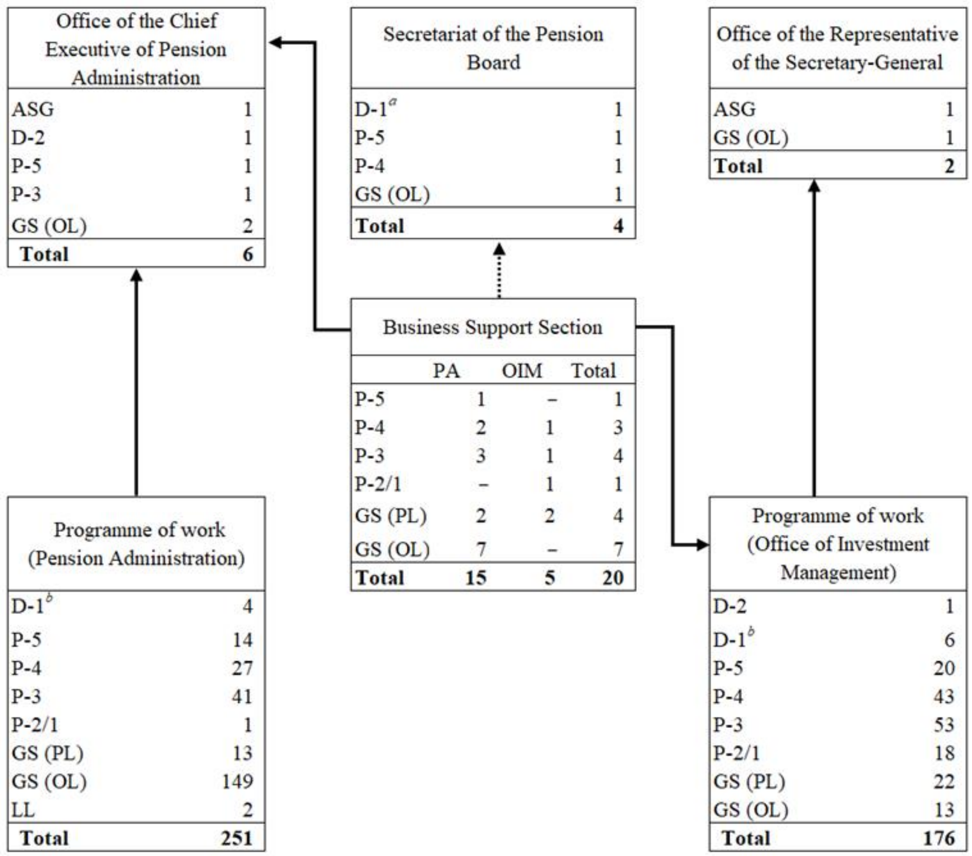
(a) An increase of $273,800 under post resources, resulting from the proposed conversion of one general temporary assistance position of Senior Auditor (P-5) to a post ($273,800). Detailed information supporting the proposed changes in post resources is provided in annex III;

(b) A net decrease of $265,300 under non-post resources, resulting from a net decrease of $278,900 under other staff costs, stemming from the proposed conversion to a post of one general temporary assistance position of Senior Auditor (P-5) ($273,800) and a decrease in the estimates for after-service health insurance ($5,100); partly offset by increases under travel of staff, mainly related to the travel costs for the audit of ICT operations in the Geneva office ($10,000), and under contractual services, for staff training ($3,600).

178. The proposed resources for 2025 include a provision for one general temporary assistance position of Auditor (P-4) for 12 months (see annex IV.C).

# Annex I

## Proposed organization chart for the United Nations Joint Staff Pension Fund for 2025




*Abbreviations*: ASG, Assistant Secretary-General; GS (PL), General Service (Principal level); GS (OL), General Service (Other level); LL, Local level; OIM, Office of Investment Management; PA, Pension Administration.

*Note*: The organizational chart represents the combined Business Support Section structure. The Pension Administration and the Office of Investment Management posts shown in the organizational chart are budgeted separately under the separate Pension Administration and Office of Investment Management staffing tables. The Section has dual reporting lines to the Deputy Chief Executive of Pension Administration and the Chief Operating Officer, Office of Investment Management. The Section also provides administrative services to the secretariat of the Board.

[a] The Secretary of the Board reports to the Chair of the Board.

[b] The Chief Financial Officer (D-1) in the programme of work (Pension Administration) reports to the Chief Executive of Pension Administration and Representative of the Secretary-General. The Chief Financial Officer also supervises the Office of Investment Management accounting team.

# Annex II

## Summary of follow-up action taken to implement relevant recommendations of the advisory and oversight bodies

### A. Advisory Committee on Administrative and Budgetary Questions

| *Brief description of the recommendation* | *Action taken to implement the recommendation* |
|---|---|
| (A/78/7/Add.7) | |
| The Advisory Committee reiterates its trust that updated information on the market value of the Fund will be presented to the General Assembly at the time of its consideration of the present report, as well on the measures being adopted to mitigate the risks of current market volatility (see A/77/7/Add.10, para. 9) (para. 11). | Every time the Office of Investment Management attends sessions of the different committees, the updated value of the portfolio is shared. |
| The Advisory Committee recommends that the General Assembly request the Secretary-General to include information on the Fund's performance in comparison with peers, both in general and by asset category, in future budget reports (see also A/77/7/Add.10, para. 8, A/76/7/Add.14, para. 9, A/75/7/Add.18 and A/75/7/Add.18/Corr.1, para. 8, A/74/7/Add.14, para. 14, and A/73/489, para. 18) (para. 12). | The Office of Investment Management will start including this information from the 2025 budget submission. |
| The Advisory Committee trusts that information on overpayments write-offs, including on efforts to reduce overpayments and to improve the recovery of funds, will be provided in the next report (para. 19). | The Fund expanded existing disclosures on overpayments write-offs in the financial statements for the year ended 31 December 2023. During the year 2023, the write-offs, in accordance with the procedures on recovery and write-off of pension benefit overpayments receivable, including overpayments in two-track cases due to a change in country of residence as approved by the Chief Executive, amounted to $785,620 (2022: $1,479,986.73). The Fund has in place processes and internal controls to monitor and take action to recover overpayments. |
| The Advisory Committee concurs with the recommendations of the Board of Auditors and stresses again the importance of the expeditious implementation of the recommendations (see A/77/7/Add.10, para. 23, A/76/7/Add.14, para. 17, A/74/7/Add.14, para. 40, A/73/489, para. 31, A/72/7/Add.23, para. 52, and A/71/621, para. 44) (para. 24). | The Fund prioritizes the implementation of the recommendations made by the Board of Auditors. Additional details on the implementation of previous recommendations are provided in the reports of the Board of Auditors for the year ended 31 December 2022 and the year ended 31 December 2023 (A/78/5/Add.16, chap. II, and A/79/5/Add.16, chap. II), and in section B of the present annex. |
| [On strategic system upgrade projects] With regard to the new initiatives, the Budget Committee of the Pension Board recommended that future budget submissions provide, as supplementary information to the budget proposal, a high-level project document for each multi-year project, including a medium-term cost plan. This will provide increased transparency and | Following the establishment of the Project Management Unit, the Pension Administration has implemented a series of procedures that provide the expected supplementary information, which includes "high-level business cases" for each multi-year project, with associated cost plans to track their progress. |

| *Brief description of the recommendation* | *Action taken to implement the recommendation* |
|---|---|
| foster better monitoring and reporting (A/78/329, annex V, para. 40). (A cost overview for the new initiatives is contained in annex II to the present report.) The Advisory Committee concurs with the recommendation of the Budget Committee and trusts that the requested information will include, in addition to the medium-term cost plan, detailed information on main objectives and indicators to track progress made in the implementation of the initiatives, both in terms of improving services to clients and in generating efficiencies in the operations of the Pension Administration (para. 48). | |
| The Advisory Committee trusts that more detailed information on the determination of the costs of the United Nations Staff Pension Committee, cost-sharing methodology and actual expenses regarding the work of the Committee will be provided in the next report (para. 62). | Detailed information on the determination of the costs of the United Nations Staff Pension Committee and the cost-sharing methodology is provided in the present report. The services are not organizationally separated and vary in effort and extent; thus, the costs are measured on the basis of the approved methodology. |
| The Advisory Committee notes again that potential financial efficiencies to be gained from the use of the digital certificate of entitlement, in particular the prevention of write-offs relating to overpayments due to delays or errors in processing reports of death of beneficiaries, could be offset by the high costs incurred to develop and maintain the application. Therefore, the Committee trusts again that efforts will be made to minimize the recurring costs, including with regard to the duration of the proposed general temporary assistance position, make the digital certificate of entitlement user-friendly and increase its functionalities in a cost-effective manner. The Committee reiterates its trust that further justifications will be provided to the General Assembly at the time of its consideration of the present report, as well as updated information included in the next report (see also A/77/7/Add.10, para. 55) (para. 69). | (a) Financial efficiencies:<br><br>At the time of reporting, more than 40,000 retirees and beneficiaries had enrolled and used the digital certificate of entitlement. The extensive adoption of the solution provided tangible financial efficiencies in terms of significant savings represented by the reduced:<br><br>(i) Number of paper forms printed;<br><br>- (ii) Hours associated with the manual tasks required for printing forms, inserting them in an envelope and mailing them;<br><br>(iii) Costs of postal services;<br><br>(iv) Hours associated with the scanning of received paper forms;<br><br>(v) Hours associated with the verification of signatures;<br><br>(vi) Costs associated with the physical storage of paper forms;<br><br>(vii) Costs associated with the digital storage of scanned forms;<br><br>(viii) Hours spent by the call centre in responding to queries from users trying to confirm whether a signed paper form was received by the Fund;<br><br>(b) Costs for the development and maintenance of the digital certificate of entitlement, which: |

| *Brief description of the recommendation* | *Action taken to implement the recommendation* |
|---|---|
| | (i) Is based on open-source software, providing significant cost savings when compared to commercial proprietary software;<br><br>(ii) Is developed and maintained by staff of the United Nations International Computing Centre, who are paid in accordance with the salary scales of ICSC, as applied to the United Nations organizations. |
| The Advisory Committee reiterates its trust that the Pension Fund will continue its efforts to ensure equitable geographical representation and gender balance in appointments and nominations at all levels. The Committee also trusts that the Fund will use the opportunity provided by vacant posts to address the imbalance and that updated information will be included in the next report (see also A/77/7/Add.10, para. 60, and A/75/7/Add.18 and A/75/7/Add.18/Corr.1, para. 66) (para. 74). | The diversification of staff by gender and geographical representation in the Fund is healthy, and processes are in place to attract candidates from all countries and regions, with emphasis on increasing the participation of unrepresented and underrepresented Member States. As a result of these actions, over the past few years, there has been an improvement in the geographical distribution of staff as well as in promoting a gender-sensitized work environment. |
| The Advisory Committee notes the key performance indicators and workload statistics presented by the Pension Fund and encourages the Fund to further refine them and enhance the link between budget requirements, performance of the Pension Administration and investments and efficiencies to be achieved through the new initiatives and use of technology as important steps towards greater transparency and accountability of its budget in a period of lower expected investment returns (see para. 81 below) (para. 79). | A performance measure was included from the 2024 budget submission establishing a maximum total cost of investment for the Office of Investment Management, which is measured as a percentage of the total assets under management. |
| [On derivatives] The Advisory Committee is of the view that, given the significant delays in the implementation of the pilot, it is still early for an assessment on possible support for derivative instruments to be used on a regular basis and trusts that further information on the viability of using derivative instruments and the result of actual derivative trading to date will be provided to the General Assembly at the time of its consideration of the present report and that related information will also be included in the next report of the Pension Board (see also A/77/7/Add.10, para. 66, and A/76/7/Add.14, para. 54) (para. 87). | The Office of Investment Management started to trade "to be announced" mortgage-backed securities in 2023 and entered into master securities forward transaction agreements subject to margin calls and collateral management as part of the new initiatives to use financial derivatives instruments to manage risk and improve efficiency. The Office is also finalizing International Swaps and Derivatives Association master agreements with different counterparties, which will allow the Fund to transact all the other derivatives instruments. As such, the Office considers that the pilot phase is over and that these operations should be performed on a regular basis, and that the seven general temporary assistance positions related to these projects should be converted into posts. |

| Brief description of the recommendation | Action taken to implement the recommendation |
|---|---|
| The Advisory Committee trusts that updated information on the investments of the Fund by country and geographical region and by currencies and assets will be provided to the General Assembly at the time of its consideration of the present report and in the context of the next budget report (see A/77/7/Add.10, para. 66) (para. 90). | Information on the investments of the Fund by country and geographical region and by currencies and assets will be provided to the General Assembly every session. |

## B. Board of Auditors

| Request/recommendation | Action taken to implement request/recommendation |
|---|---|
| (A/78/5/Add.16, chap. II) | |
| The Board recommends that the Office of Investment Management strengthen the role of the Internal Investment Committee to oversee the Office's approach to sustainable investment (para. 29). | Implemented. In December 2023, the Board reviewed the revised terms of reference of the Internal Investment Committee during the interim audit and advised the Office of Investment Management at the exit conference held in December 2023 that this recommendation was considered implemented. |
| The Board recommends that the Office of Investment Management sustainable investing team complement the current workplan, including activities, staff responsible, goals, benchmarks and deadlines, to comply with the broad topics established in its strategic plan for 2022–2023 and the recommendations and targets committed to by the Task Force on Climate-related Financial Disclosures (para. 30). | The Office of Investment Management will be complying with International Financial Reporting Standards (IFRS) S1 and S2. The International Sustainability Standards Board standards became effective for reporting periods on 1 January 2024. These new standards are a significant step forward in the evolution of sustainability reporting. The Board was provided with additional supporting documentation in May 2024, which is currently under review. |
| The Board recommends that the Office of Investment Management develop and implement a workplan to address and close the 70 engagements committed to, and to include the metrics and targets to meet the objective of reduced financed emissions in other asset classes by 2025, with the purpose of complying with the Net-Zero Asset Owner Alliance timetable committed to (para. 31). | The Board was provided with supporting documentation in May 2024, which is currently under review, namely the document entitled "Engagement – 2025 and beyond", as well as the Internal Investment Committee minutes where this strategy was presented. |
| The Board recommends that the Office of Investment Management revise and adjust the current sustainable investing implementation guidelines to ensure that the activities are aligned with the nature of the investment and the current operation for each asset class (para. 42). | The Board received in May 2024 the newest version of the guidelines, which are also published on the Pension Fund's website (https://www.unjspf.org/wp-content/uploads/2023/08/OIM-Manifest-Sustainable-Investment-Policy-Final-signed_2023-08-30.pdf). |
| The Board recommends that the Office of Investment Management strengthen and evaluate its current monitoring mechanism to ensure that the environmental, social and governance metrics are effectively integrated into the investment decision-making process, in order to comply with the investment policy statement and | The Board is reviewing supporting documentation provided by the Office of Investment Management during the May 2024 visit for closure. |

| *Request/recommendation* | *Action taken to implement request/recommendation* |
|---|---|
| environmental, social and governance guidelines (para. 43). | |
| The Board recommends that the Office of Investment Management revise the current investment policy statement to ensure that all instruments by each asset class are not exempt from the analysis of environmental, social and governance and rating restrictions, including exchange-traded funds and any other index products (para. 52). | The recommendation has been implemented.<br>In December 2023, the Board received the revised investment policy statement and assessed that this recommendation was considered implemented. |
| The Board recommends that the Office of Investment Management establish and implement a procedure to integrate the analysis of the environmental, social and governance metrics, rating restrictions and reputational risk issues through the exchange-traded funds investment process, in order to be aligned with the sustainable strategy for all asset classes (para. 53). | During the May 2024 visit, the Board was provided with additional supporting documentation, which is under review. |
| The Board recommends that the Pension Administration revise and adjust the write-off policy, taking into consideration the nature and different factors that would contribute to further categorizing the overpayments made, and then proceed with the write-off, if applicable (para. 64). | The recommendation has been implemented.<br>The Pension Administration has issued the procedures on recovery and write-off of pension benefit overpayments. The revised procedure clarifies the review of overpayments and the judgment applied to determine when the claim to a repayment of an overpayment should be surrendered by the Fund (also referred to as “write-off”). The procedure provides guidance to determine when the Pension Administration authorizes a claim to a repayment to be given up. |
| The Board recommends that the Fund, on the basis of analysis, include in its gender strategy a specific target and margin of gender parity that it aims to accomplish (para. 72). | The recommendation has been implemented.<br>The Fund’s gender strategy was updated in March 2023 and target margins were incorporated, in line with the system-wide strategy on gender parity. The updated strategy of the Fund shows performance against the target margins. Progress on the implementation of the strategy is regularly reported to senior management and annually to the Pension Board. The updated strategy was disseminated to all staff. The Fund has achieved substantial progress in the implementation of the action plan contained in the gender strategy. |

# Annex III

## Proposed post changes, by component

### A. Secretariat of the Pension Board

| *Component* | *Posts* | *Level* | *Description* | *Reason for change* |
|---|---|---|---|---|
| Secretariat of the Pension Board | 1 | P-4 | **Establishment** of 1 Programme Management Officer | The Secretary of the Board (D-1) is supported by a small secretariat, comprising one Senior Programme Officer (P-5) and one Meetings Services Assistant (General Service (Other level)), who are responsible for the daily management of the Board and its different committees and working groups in terms of providing substantive and procedural input and advice as well as logistical support and the full range of conference management services. The secretariat of the Pension Board requests the establishment of one Programme Management Officer at the P-4 level to address the gap between the current workload and the workload estimated at the time the secretariat was established, in 2021, under the governance reform package of the United Nations Joint Staff Pension Board. Now that two years have passed, the staffing needs of the secretariat can be better defined. Compared with the initial expectations related to the work of the secretariat, there are increased levels of activities and mandates with respect to supporting the Board and its numerous committees and working groups.<br><br>In addition to the typical responsibilities in facilitating the work of an oversight governing body, the work of the secretariat also includes conducting research on legislative background and precedents and, in consultation with the Legal Office of the Fund, providing advice on adaptations to working practices and formal procedures of the Board and its committees and working groups, to be able to advise the Board, its Bureau, the spokespersons and Chairpersons on how to ensure compliance with the Regulations, Rules and Pension Adjustment System of the Fund.<br><br>The skill sets needed to manage the Board and its multiple committees and working groups, as well as to interact with and support each meeting professionally, includes familiarity with servicing governing bodies as well as experience with the practices of intergovernmental or tripartite bodies; full knowledge of Board operations and the Fund's Regulations, with some financial, accounting and actuarial expertise; and meeting planning and support experience. Hence, multiple highly experienced and higher-level staff members are considered necessary to support the diverse needs of the Board and its committees and working groups. This includes being able to independently manage meetings so that scheduling is not impaired by having only one senior staff member available to support all meetings.<br><br>The addition of one Programme Management Officer at the P-4 level would help the secretariat meet its current work obligations and strengthen it to effectively respond to the expectations of the Board and the General Assembly. This includes supporting the workload, which is much larger than initially thought owing to the higher number of committees and working groups, increased complexity of the work, including technical research, and the increased number of internal Fund and Board/committee/working group meetings. The additional post is to be established at the P-4 level to ensure that the incumbent would possess the necessary background, knowledge and experience to complement the existing small team in delivering the services of secretariat. |

## B. Pension Administration

| *Component* | *Posts* | *Level* | *Description* | *Reason for change* |
| --- | --- | --- | --- | --- |
| Executive direction and management | 1<br>1 | P-3<br>GS(OL) | **Redeployment** of 1 post of Communications Officer and 1 post of Team Assistant | The redeployment from the Client Services Service under the programme of work to the Office of the Chief Executive of Pension Administration under executive direction and management is to better support pillar 3 of the CARE strategy by aligning reporting structures to enhance relationships with stakeholders. |
| | 1 | GS(OL) | **Reassignment** of 1 post of Team Assistant as Communications Assistant | The reassignment is to align the functional title with tasks performed by the Team Assistant in the communications team. |
| Programme of work | (1)<br>(1) | P-3<br>GS (OL) | **Redeployment** of 1 post of Communications Officer and 1 post of Team Assistant | The redeployment from the Client Services Service under the programme of work to the Office of the Chief Executive of Pension Administration under executive direction and management is to better support pillar 3 of the CARE strategy by aligning reporting structures to enhance relationships with stakeholders. |
| | 1 | P-5 | **Establishment** of 1 post of Senior Information Systems Officer | There has been a significant increase in demand for business intelligence solutions since 2020. Over 30 new dashboards, each of which has multiple pages, have been produced and many more are under development or awaiting development. The Senior Information Systems Officer would be responsible for: (a) implementing, maintaining, enhancing, documenting and overseeing the business intelligence solutions for all business units across the Fund, for both internal and external stakeholders, including oversight bodies; (b) supervising at least one internal developer/analyst and managing external developers/analysts; (c) ensuring stable and up-to-date dashboard operations; (d) managing projects and system changes to ensure that business intelligence solutions meet evolving client expectations and needs; (e) working with relevant stakeholders to resolve existing and related audit recommendations; and (f) assisting in data cleansing exercises to improve data quality. |
| | 1 | GS (PL) | **Establishment** of 1 post of Senior Finance and Budget Assistant | The Fund is proposing the establishment of a Senior Finance and Budget Assistant post, within the Budget Unit, to serve as a crucial resource for complex administrative issues related to budget management, assist managers in finalizing cost estimates and resource justifications, and ensure that proposals are adequately justified in line with relevant regulations and rules.<br><br>In its resolution 77/258, the General Assembly requested the Pension Board to strengthen its efforts to improve budgeting accuracy, in response to recommendations from the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions.<br><br>While the Fund continues its efforts to improve budget accuracy, the Budget Unit, which is pivotal to this process, lacks adequate capacity to support managers in budget monitoring, including by providing managers with updated expenditure information, tracking open commitments and conducting in-depth data analysis. With only two Professional and one General Service staff members, the Unit faces challenges in effectively monitoring budget implementation, reallocating funds as necessary, reviewing past expenditures and preparing data to respond to queries from legislative bodies, governing bodies and auditors. |

| Component | Posts | Level | Description | Reason for change |
|---|---|---|---|---|
| | | | | The establishment of a Senior Finance and Budget Assistant post would provide the necessary expertise and capacity to address the identified challenges. The incumbent would be the first point of escalation for complex Umoja budget management issues and would assist managers in analysing current and past expenditure data and finalizing cost estimates to improve budget accuracy. |
| | 1 | GS (OL) | **Establishment** of 1 post of Accounting Assistant | The proposal is to establish a dedicated team within the Accounts Section to effectively manage the increasing number of projects related to the financial interface for contributions reporting by the Fund's member organizations.<br><br>The financial interface with the Fund's reporting entities was initiated in 2019 with one entity. As of 2023, the Section had completed projects with five entities, representing only 4 per cent of the total number of participants of the financial interface for contributions reporting. The project is expected to continue for the next 10 years, with the goal of having 99 per cent of participants' contributions reported through the financial interface. Until 2024, the project has been managed with existing resources, but this has proven challenging, and it is envisaged that a dedicated team is required to effectively manage the increasing number of projects. The establishment of a dedicated team as the project ramps up in the coming years would provide the necessary resources and expertise to effectively manage the growing number of projects related to the financial interface with the Fund's reporting entities.<br><br>A dedicated Accounting Assistant would support the Chief of Accounts Section initially in managing the project and leading the coordination with various member organizations until the team is set up. It is expected that 17 per cent and 32 per cent of all participants' contributions will be reported through the financial interface in 2024 and 2025, respectively. This significant increase in participants' contributions reported through the financial interface requires a dedicated team to monitor the process to avoid or mitigate the impact of any unforeseen issues. |
| | 1 | P-3 | **Conversion** of 1 Information Systems Officer | See annex IV for details. |
| | 1 | GS (OL) | **Conversion** of 1 Benefits Assistant | See annex IV for details. |
| | 2 | GS (OL) | **Conversion** of 2 Accounting Assistant positions to posts | See annex IV for details. |
| Programme support | 1 | P-4 | **Establishment** of 1 post of Acquisition Planning Officer | The incumbent of the proposed Acquisition Planning Officer post would lead the Sourcing Coordination Unit and spearhead efforts to address the recommendations of OIOS by providing expert advice and guidance on procurement and contract management within the Pension Administration. The incumbent would be responsible for consolidating procurement planning and assisting in drafting requirements such as specifications, statements of work and terms of reference, and associated technical evaluation criteria. The incumbent would oversee the Unit, which would be responsible for raising shopping carts, ensuring that sufficient funds are available, providing advice during technical evaluations as an ex officio member of the technical evaluation committee, accepting goods and services delivered by vendors, creating receiving and inspection reports in Umoja and assisting end users in contract management duties, including vendor performance evaluation. |

| Component | Posts | Level | Description | Reason for change |
|---|---|---|---|---|
| | 1 | GS (OL) | **Establishment** of 1 post of Administrative Assistant | The Business Support Section is requesting the creation of an Administrative Assistant (General Service (Other level)) post to reinforce its single administrative resource in the Fund's Geneva office to effectively address the office's increasing needs for human resources, administrative and logistical support. The Fund's Geneva office has transitioned from management by the United Nations Office at Geneva to centralized human resources services based in New York, resulting in an increased workload for the sole Administrative Assistant, who now handles a broad array of human resources and administrative tasks without a Chief of Office, leading to significant operational strain.<br>As the sole Administrative Assistant, the staff member supports approximately 45 staff, which involves 58 distinct sets of administrative, human resources, time and attendance, and logistical tasks and responsibilities under nine key headings owing to the shift of human resources administration functions of the office from the United Nations Office at Geneva to the centralized services in New York, including administrative, logistical, procurement and general office management support responsibilities. The Administrative Assistant has become the main liaison between the Geneva office staff and the Business Support Section team in New York on human resources and administrative matters and provides daily front-line human resources guidance and support to staff and managers of the office on behalf of the Business Support Section regardless of the time difference. For example, 86 meetings, 139 calls and 2,164 messages were sent during a period of three months (March to May 2023). The Administrative Assistant also supports hiring managers with recruitment activities (end-to-end support for 6 selection processes in 2022, 10 in 2023 and 11 from 1 January to 31 May 2024), creating job openings, managing applicants, scheduling and participating in interviews and assessments, processing onboarding, contract extensions and separation paperwork, responding to enquiries and advising staff on the Staff Regulations and Rules of the United Nations, benefits and entitlements, administrative procedures, processes and practices, conditions of service, duties and responsibilities. Due to functional reporting, the Administrative Assistant received more than 10 visits in 2022, and 20 visits in 2023 besides the annual staff pension committee meetings with more than 40 participants.<br>Additionally, the post of Chief of Office in Geneva, previously responsible for coordinating all office tasks and priorities, no longer exists, and the Administrative Assistant now handles all logistical and administrative duties without the authority to set and shift priorities but by simply resorting to executing all competing demands. The absence of the Chief of Office has also led to a significant increase in in-person visits from Fund headquarters, increasing the Administrative Assistant's logistical coordination workload.<br>The single existing staff member is currently stretched beyond capacity, working over 350 extra hours in 2023 (only approximately 25 per cent were recorded as overtime due to lack of time), with no backup, resulting in higher risk of delays and potential errors, as well as of chronic stress, fatigue, health problems and burnout for the staff member. This situation is not sustainable both from the perspective of good administration of the office and business continuity and from that of duty of care responsibility vis-à-vis the staff member. |

| Component | Posts | Level | Description | Reason for change |
|---|---|---|---|---|
| | | | | The addition of a junior administrative support position is critical to ensure the smooth operation of the Fund's Geneva office and to mitigate the risks described above. The Administrative Assistant plays a critical role in coordinating all administrative and logistical activities of the office, alleviating the administrative burden on managers and staff of the office, which contributes to higher productivity of its growing staff population. This additional support would allow the more senior Administrative Assistant to dedicate more time and focus to sensitive, high-priority and value-adding tasks that require greater expertise and coordination capacity and enhance the ability to continue to liaise effectively with different teams and sections within the Fund and with other local partner offices for better coordination. |
| | 1 | P-3 | **Conversion** of 1 Training Officer | See annex IV for details. |

## C. Office of Investment Management

| Component | Posts | Level | Description | Reason for change |
|---|---|---|---|---|
| Programme of work | 1 | D-1 | **Establishment** of 1 post of Deputy Chief Investment Officer | The Deputy Chief Investment Officer would be primarily tasked with supporting the Chief Investment Officer in strategizing and implementing the organization's investment policies. The creation of a dedicated function for asset allocation is seen as critical for enhancing the organization's ability to adapt and respond to global economic shifts for proactive adjustments to investment strategies. The Deputy Chief Investment Officer would also play a key role in business continuity, acting as the primary alternate to the Chief Investment Officer, ensuring stability and continuity in the investment management process. |
| | 1 | P-5 | **Establishment** of 1 post of Senior Investment Officer | The Office of Investment Management seeks to establish a quantitative strategy for global public equity. The Senior Investment Officer would be primarily responsible for developing and implementing a quantitative investment strategy. The strategy emphasizes a systematic and disciplined approach, utilizing both market data and fundamental financial metrics to construct models that have a relatively low correlation with traditional fundamental methods. By adding a quantitative layer, the Fund can expect significant diversification benefits, potentially reducing volatility and improving risk-adjusted returns. The Office will seek opportunities to replace some portion of the externally managed small-cap portfolio with a more cost-efficient in-house quantitative strategy. |
| | 1 | P-4 | **Establishment** of 1 post of Investment Officer | The Investment Officer for the quantitative strategy for global public equity would support the Senior Investment Officer for the quantitative strategy in developing and implementing a quantitative investment strategy for the public equity portfolio that seeks superior performance over the benchmark. The quantitative strategy emphasizes a systematic and disciplined approach, utilizing both market data and fundamental financial metrics to construct models that have a relatively low correlation with traditional fundamental methods. By adding a quantitative layer, the Fund can expect significant diversification benefits, potentially reducing volatility and improving risk-adjusted returns. The Office of Investment Management will seek opportunities to replace some portion of the externally managed small-cap portfolio with a more cost-efficient in-house quantitative strategy when appropriate. |

| *Component* | *Posts* | *Level* | *Description* | *Reason for change* |
|---|---|---|---|---|
| | 1 | P-4 | **Establishment** of 1 post of Investment Officer, Private Credit | The Fund plans to grow the private credit asset class. That market is valued at $1.6 trillion. The goal is to diversify the private markets portfolio and better withstand future economic cycles. A new Investment Officer, Private Credit (P-4) post will support this initiative, assisting in the development and implementation of a new investment strategy, conducting market analysis, identifying investment opportunities and evaluating performance and risks. The role will also involve evaluating the impact of private credit strategies and supporting the private equity team in refining portfolio construction and leveraging new products. |
| | 1 | P-2/1 | **Establishment** of 1 post of Associate Investment Officer | The Fund plans to grow the private credit asset class. That market is valued at $1.6 trillion. The goal is to diversify the private markets portfolio and better withstand future economic cycles. This move is supported by the 2023 asset liability management and CEM Benchmarking study results, and is in line with market consensus. A junior investment professional is needed to provide analytical assistance and investment support across both the private credit and the private equity market strategies. This includes assisting with market research, supporting the underwriting process, conducting various analyses and working on investment initiatives, including on the impact of investing in private credit and private equity and on other new thematic investment opportunities. |
| | 1 | P-5 | **Establishment** of 1 post of Senior Investment Officer | The securitized portfolio is a core fixed-income portfolio that has optionality embedded in its structure. This makes it inherently more complex than other fixed-income asset classes from both a management and structural perspective. The level of quantitative skills and bottom-up security selection required to lead this portfolio and drive returns is very detailed. In addition, this portfolio lends itself very naturally to the use of derivative products for both risk management and return generation purposes. Indeed, the recent introduction of "to be announced" securities and their ramp-up within the portfolio highlights the pivotal role these instruments play in supporting the liquidity, safety and returns of this portfolio. The ongoing evolution of this portfolio along with its magnitude necessitate the recruitment of a Senior Investment Officer (P-5) to provide leadership and take accountability for both its construction and performance. |
| | 1 | P-5 | **Establishment** of 1 post of Senior Investment Officer | The tranching of the fixed-income portfolio to allow for more effective portfolio construction within the corporate credit space enhances income generation and risk management. It also means that scope for further active management and the related return and diversification benefits are also increased. Furthermore, bond market volatility and dislocation are expected to be another defining feature of the investment landscape, hence the use of derivative instruments to hedge the portfolio will become more pronounced. In short, global fixed-income strategies that actively manage duration, sectors, credit and yield curve positions are more important than ever. A stronger consolidation of these functions is expected to generate greater efficiencies, which should provide higher current and future income, consistent with the preservation of capital and liquidity, while delivering sound returns. A more dynamic management of interest rate risk can also help to reduce the volatility of the overall fund. These attributes mean that this portfolio underpins the entire fixed-income complex from both a strategic and tactical perspective. In addition, and in line with the derivatives pilot programme, the use of futures and repurchase agreements |

| Component | Posts | Level | Description | Reason for change |
|---|---|---|---|---|
| | | | | (also known as repos) will further enhance the complexity of this portfolio. The evolution of this portfolio, its magnitude and its multiple levers to drive excess returns necessitates the recruitment of a Senior Investment Officer (P-5) to provide leadership and take accountability for both its construction and performance. |
| | 1 | P-5 | **Establishment** of 1 post of Senior Risk Officer | As head of operational risk, the incumbent of this post will design and implement a new operational risk management framework and consolidate the second line of defence for operational risk, mainly focusing on cyber, third-party and fraud risk. It will also oversee business continuity and disaster recovery. The post will expand the coverage of operational risk oversight in the Pension Administration and the Office of Investment Management, standardize risk assessment and mitigation approaches, enhance the risk and control self-assessment process, and implement the process to capture and analyse operational events. |
| | 1 | P-5 | **Establishment** of 1 post of Senior Risk Officer | As head of risk strategy and governance, this post will drive the full implementation of enterprise-wide risk management in the Fund, will lead the coordination of the portfolio of strategic projects carried out by the Risk Management and Compliance Service, and will be responsible for the development and execution of the governance-related aspects of the overall programme. The incumbent of the post will also take on the responsibility of establishing formal governance and oversight of sustainability risk, aid in the preparation of internal sustainability processes and related process maps and the definition of sustainability roles and responsibilities, prepare and maintain a sustainability risk control matrix, assess existing sustainability internal controls and develop and implement new controls as needed. The incumbent will also liaise with the finance function to prepare for International Financial Reporting Standards (IFRS) S1 and S2 reporting. |
| | 1 | P-3 | **Establishment** of 1 post of Risk Officer (Performance) | This post will replace a post that was reassigned to handle the increase in the supervision of external managers. As a result of this reassignment, the performance team has decreased from three members to only two. As the performance team is responsible for a crucial activity for the Fund, it is necessary to have a P-3 post perform its day-to-day duties more efficiently. Performance reporting is a mission-critical function of the Risk Management and Compliance Service. This post will allow for the seamless continuity of the flow of performance reports to the stakeholders. |
| | 1 | P-3 | Establishment of 1 post of Risk Officer (Total Portfolio) | As mentioned, the Office of Investment Management has started to implement a new approach to managing investment risks called the “total portfolio approach”. The reasons behind the decision to move forward with the total portfolio approach are as follows: the approach considers risks and returns across the entire portfolio, including both traditional and alternative investments and liabilities; the approach allows for more dynamic asset allocation decisions; and the approach provides a framework for integrating environmental, social and governance considerations into investment decision-making across the entire portfolio.<br><br>This is a long-term endeavour that requires significant analytical work and preparation, including the design of a new risk budgeting methodology consistent with the total portfolio approach. This initiative will require the risk team to develop new analytical capabilities. |

| *Component* | *Posts* | *Level* | *Description* | *Reason for change* |
|---|---|---|---|---|
| | | | | The current team does not have the capacity to support the initiatives outlined above. Moreover, the initiatives require different skill sets, namely developing more customized risk analytics and the strategic development and applications of a risk ecosystem. |
| | 1 | P-3 | **Establishment** of 1 post of Programme Management Officer (Change Management) | A Programme Management Officer (P-3) for change management is being requested. The scope of culture transformation has significantly expanded since 2021, underlining the need to institutionalize current operations. This post is being created to help centralize various workstreams that have been created and piloted by the change agent network and are being run on a voluntary basis. The Office of Investment Management would like to integrate the work style on a permanent basis. |
| | 1 | P-5 | **Establishment** of 1 post of Chief of Section, Investment Accounting | The accounting team has experienced significant ongoing growth in its volume of work and increasing complexity and diversity in its operations in recent years, with such trends expected to continue well into the future. The contributing factors to the evolution of the functions are: (a) new investment products such as "to be announced" mortgage-backed securities and currency forwards; (b) a 200 per cent increase in the tax-recoverable portfolio since 2018; (c) increased exposure in the private market portfolio, including the expectation to invest in private credit; (d) a dramatic increase in the amount of booking transactions, which led to the idea of incorporating investment accounting into the Fund's new financial suite; and (e) growing complexity in financial reporting requirements, such as IPSAS 41, IPSAS 49 and sustainability reporting. The proposed creation of the Chief of Section, Investment Accounting (P-5) will allow the investment accounting team to fulfil its requirements under a growing and institutionalized organization and meet all the current and well anticipated future changes in the team. |
| | 1 | P-4 | **Establishment** of 1 post of Legal Officer | The proposed request for a Legal Officer (P-4) will contribute the needed additional resources to the existing legal team. This post will allow for the equivalent of a dedicated full-time legal officer at the P-4 level to support the asset allocation to private market investments and the ongoing diversification of sector-specific investments within that asset class. The Office of Investment Management expects to continue to add new relationships with private equity fund managers and participate in co-investment opportunities with short time frames from initiation to closing. It is expected that no fewer than seven investments with an estimated value of more than $1 billion will be in the negotiation stage at any given time. This post would provide needed support for such activities. |
| | 1 | P-3 | **Establishment** of 1 post of Coordinator, Programme Management | This new request for a technical programme coordinator post at the P-3 level in the Enterprise Programme and Vendor Management Office is primarily driven by the overall growth in complexity and increased maturity of the Office of Investment Management as an organization, and the critical need to implement and coordinate projects and programmes in a more rigorous and safer manner. The post will also focus on strengthening the weak areas of the Enterprise Programme and Vendor Management Office (as identified through previous audit recommendations or the IT Score maturity assessment), such as intake management and reporting. In particular, one of the key responsibilities will be to support and update the Enterprise Programme and Vendor Management Office tool (currently Meisterplan but the long-term vision is to upgrade to the |

| *Component* | *Posts* | *Level* | *Description* | *Reason for change* |
|---|---|---|---|---|
| | | | | ServiceNow Strategic Portfolio Management module), as well as maintain the projects' and programmes' data in order to develop and publish dashboards with metrics and key performance indicators for the relevant governance bodies (e.g. the ICT Steering Committee, project boards and senior management, including the Representative of the Secretary-General). In a nutshell, this new post will directly support the implementation and execution of the day-to-day activities related to the extended scope of the Office. |
| | 1 | P-3 | **Establishment** of 1 post of Information Systems Officer | This new post request is primarily driven by the overall growth in complexity and increased maturity of the Office of Investment Management as an organization, and the critical need to assess, design and implement a strategic programme of work in the areas of the Office's ICT infrastructure, information security and business continuity. The post will also focus on strengthening the weaknesses in the areas mentioned above (as identified through previous audit recommendations or IT Score maturity assessment), such as the monitoring, logging and documentation of processes and procedures. This will be done primarily by an architect-level resource to design a future state system that is able to handle the growing complexity of the Office's ICT environment. |
| | 1 | P-2/1 | **Establishment** of 1 post of Associate Information Systems Officer | This new post request will be the primary operational support resource for the ServiceNow platform, which will be extensively implemented with many new modules to improve the delivery of information technology services to the Office of Investment Management. The post will focus on new ServiceNow implementations and the maintenance of implemented modules. One of the key responsibilities will be to review the implemented products of ServiceNow and analyse them for product enhancements and continuous improvement. A key deliverable would be the development and publishing dashboards, with metrics and key performance indicators for the relevant governance bodies (e.g. the ICT Steering Committee, project boards and senior management, including the Representative of the Secretary-General). |
| | 1 | P-4 | **Establishment** of 1 post of Data Scientist | A Data Scientist is being requested. This post will help with understanding business goals, designing data modelling processes, analysing data, sharing insights, applying data science techniques such as machine learning and statistical modelling, and presenting results to stakeholders to assist in decision-making. |
| | 2 | P-2/1 | **Conversion** of 2 positions of Associate Accountant to posts | See annex IV for details. |
| | 3 | P-3 | **Conversion** of 3 positions of Accountant to posts | See annex IV for details. |
| | 1 | GS (PL) | **Conversion** of 1 position of Senior Accounting Assistant to a post | See annex IV for details. |
| | 1 | P-4 | **Conversion** of 1 position of Risk Officer to a post | See annex IV for details. |

## D. Internal audit/Office of Internal Oversight Services

| *Component* | *Posts* | *Level* | *Description* | *Reason for change* |
|---|---|---|---|---|
| | 1 | P-5 | **Conversion** of 1 Senior Auditor | See annex IV for details. |

*Abbreviations*: GS (OL), General Service (Other level); GS (PL), General Service (Principal level).

# Annex IV

## General temporary assistance positions

### A. Pension Administration

| *Title* | *Level* | *2024 approved positions* | *Proposed action* | *Conversions to post* | *2025 proposed general temporary assistance positions* | *Position needed until* | *Duration of the positions proposed for conversion as at 31 December 2024 (number of years)* | *Justification* |
|---|---|---|---|---|---|---|---|---|
| **Programme of work** | | | | | | | | |
| Information Systems Officer | P-3 | 1 | Conversion | (1) | – | – | 2 | The Fund has embarked on a strategy of integrating best-of-breed systems instead of having a monolithic pension administration system. When the Information Systems Officer (Integration Specialist) was envisioned, the plan was to integrate only the ServiceNow customer relationship management system. In 2023, however, it was determined that the Fund would embark on a much more extensive integration between V3 and ServiceNow to include moving all member self-service functionality to ServiceNow. This will provide an enhanced service to the Fund's members and beneficiaries but will require a greater level of integration efforts than originally planned, including the requests in the application programming interface to external validation services for address, email, phone and banking information. In addition, the Fund is now moving forward with the replacement of its financial system, which will require extensive integration with IPAS. Therefore, the predicted scope of integration work at the Fund has increased and will require ongoing maintenance for the foreseeable future. |
| Accounting Assistant | GS (OL) | 2 | Conversion | (2) | – | – | 3 | Conversion is requested for the two positions of Accounting Assistant in the Accounts Section performing core functions related to contributory service purchase workflows for Geneva-based participants with higher work volumes. The incumbents support the monthly financial interface project, which, given the progress made, requires a stable and dedicated team to manage its implementation on an ongoing basis. |

| *Title* | *Level* | *2024 approved positions* | *Proposed action* | *Conversions to post* | *2025 proposed general temporary assistance positions* | *Position needed until* | *Duration of the positions proposed for conversion as at 31 December 2024 (number of years)* | *Justification* |
|---|---|---|---|---|---|---|---|---|
| Benefits Assistant | GS (OL) | 1 | Conversion | (1) | – | – | 3 | The Client Services Service requests the conversion of the position of Benefits Assistant to a post to deal with a permanent increase in workload, including dealing with participant, retiree and other beneficiary enquiries, providing support to core client services functions, maintaining productivity levels and increasing output during peak workload periods to ensure a responsive, quality service, and addressing any new challenges as they arise. |
| Information Systems Officer | P-3 | 1 | Continuation | – | 1 | 2026 | 1 | The Pension Administration requests the continuation of this position in the Enterprise Applications Section in the Information Management Systems Service. With the ongoing major system implementations, including a new customer relationship management system, a new payments platform, the upgrade of the financial system, the migration of application servers to the cloud and the upgrade of IPAS to a cloud-based pension administration system, thorough and accurate testing continues to be essential to ensure successful implementation. To address this need, the Fund is implementing modern testing automation tools to perform various types of testing efficiently and effectively. The complexity and scope of these projects require cross-sectional tests that demand meticulous coordination and management. The incumbent, with extensive experience in testing automation tools and quality assurance/regression testing coordination, is indispensable to this process and is responsible for implementing testing automation tools, creating and maintaining a comprehensive test script library, developing business-specific test scripts, coordinating cross-sectional test script creation with business units, and assisting in the execution of automated testing processes. |
| Change and Project Management Officer | P-3 | 1 | Continuation | – | 1 | 2026 | 1 | The position continues to be required under the Client Services Service to provide major project work support during the deployment of the customer relationship management system and the IPAS upgrade projects. |
| Benefits Assistant | GS (OL) | 2 | Continuation | – | 2 | 2026 | 1 | These positions continue to be required under the Clients Services Service to backfill the respective teams that would be heavily involved in the deployment of the customer relationship management system and the IPAS upgrade projects, which would require full-time assignment of at least two subject matter experts at the G-6 level from Client Services in New York and Client Services in Geneva to these projects. |

| Title | Level | 2024 approved positions | Proposed action | Conversions to post | 2025 proposed general temporary assistance positions | Position needed until | Duration of the positions proposed for conversion as at 31 December 2024 (number of years) | Justification |
|---|---|---|---|---|---|---|---|---|
| Benefits Assistant | GS (OL) | 1 | Continuation | – | 1 | 2025 | 2 | The Benefits Assistant in the Operations Coordination and Liaison Unit continues to provide additional support to member organizations in collecting separation documents and promptly submitting them to the Fund, work with member organizations to reduce the stock of missing documents, especially for long-outstanding cases (five years or longer), continuously keep the stock for a maximum period of five years and continuously report on progress in the separation process to the United Nations Staff Pension Committee and other constituents. |
| Benefits Assistant | GS (OL) | 2 | Continuation | – | 2 | 2025 | 1 | These positions are requested for the Pension Entitlement Section in New York of the Operations Service to assist the Pension Entitlement Section in Geneva in reviewing, following up and clearing the accumulated inventory of open workflows with missing payment instructions and to clear the article 32 and deemed deferred cases. |
| Benefits Assistant | GS (OL) | 3 | Continuation | – | 3 | 2026 | 1 | These positions are requested for the Operations Support Section to be part of a working group to support the data cleansing effort for IPAS. The working group aims to clean up data in the IPAS participants accounts and employment demographics by eliminating discrepancies and inaccuracies for approximately 300,000 dependants and 3,000 staff, as well as 20,000 employment data records, ahead of the IPAS upgrade. |
| Benefits Assistant | GS (OL) | 1 | Continuation | – | 1 | 2026 | 1 | This position is requested for the Records Management and Quality Control Unit in the Operations Support Section to provide administrative support related to the digital certificate of entitlement, including conducting user acceptance testing of new versions of the digital certificate of entitlement, training the digital certificate of entitlement support team on new functionalities and versions, helping with outreach to retirees who have not yet enrolled in the digital certificate of entitlement and providing direct support to retirees in enrolling and issuing digital certificates of entitlement through video calls and in-person visits to the Fund. |

| *Title* | *Level* | *2024 approved positions* | *Proposed action* | *Conversions to post* | *2025 proposed general temporary assistance positions* | *Position needed until* | *Duration of the positions proposed for conversion as at 31 December 2024 (number of years)* | *Justification* |
|---|---|---|---|---|---|---|---|---|
| Benefits Assistant | GS (OL) | 1 | Continuation | – | 1 | 2026 | 1 | This position continues to be required for the Pension Entitlement Section in Geneva. The incumbent would provide support in pension entitlement recalculations. The position would help reduce the backlog in the processing of recalculation workflows and minimize the delay in the follow-up and processing of death and local track cases, forfeiture and termination. |
| Accounting Assistant | GS (OL) | 1 | Continuation | – | 1 | 2026 | 1 | This position is requested for the Accounts Section to be part of a working group to support the data cleansing effort for IPAS. The working group aims to clean up data in the IPAS participant accounts and employment demographics by eliminating discrepancies and inaccuracies for approximately 300,000 dependants and 3,000 staff, as well as 20,000 employment data records, ahead of the IPAS upgrade. |
| Accounting Assistant | GS (OL) | 1 | Continuation | – | 1 | 2025 | 1 | The Payments Section is requesting this position to support special projects related to estate payments and workflow clean-up. Estate payments involve a lengthy process of identifying a valid estate and obtaining all necessary legal documents before issuing a payment, which can easily take several years to complete and require ongoing communication and extended periods of waiting. To manage these slow-moving estate payment cases effectively, it is important to maintain and track the case profile and status, and to send reminders for due diligence. Over the years, there has been a gradual build-up of estate payment cases, which now needs critical attention to bring the numbers down to a manageable level. The incumbent of this position would streamline the laborious process and resolve a significant number of long-standing cases. Furthermore, there are a number of inactive workflows that need attention. The incumbent would also participate in a project to clean up these idle workflows, promoting a more efficient and organized workflow data management system. |
| Information Systems Assistant | GS (OL) | 1 | Continuation | – | 1 | 2025 | 3 | The position continues to provide information technology support to the Geneva office. |
| Senior Accounting Assistant | GS (PL) | – | New | – | 1 | 2026 | – | The position of a Senior Accounting Assistant is requested to backfill for more experienced staff in the Accounts Section who will be assigned to work on the new financial system. |

| Title | Level | 2024 approved positions | Proposed action | Conversions to post | 2025 proposed general temporary assistance positions | Position needed until | Duration of the positions proposed for conversion as at 31 December 2024 (number of years) | Justification |
|---|---|---|---|---|---|---|---|---|
| Accounting Assistant | GS (OL) | – | New | – | 1 | 2026 | – | The position of an Accounting Assistant is requested to backfill for more experienced staff in the Accounts Section who will be assigned to work on the new financial system. |
| Treasury Assistant | GS (OL) | – | New | – | 1 | 2025 | – | The position of a Treasury Assistant is requested to backfill for more experienced staff in the Cashiers Unit who will be assigned to work on the new financial system. |
| **Programme support** | | | | | | | | |
| Human Resources Officer (Training and Development) | P-3 | 1 | Conversion | (1) | – | – | 3 | The Fund created a Training Officer function in 2022 following the introduction of a new learning strategy in 2021. The Training Officer has focused on improving the training processes, monitoring and compliance, as well as systematizing information-sharing across the Fund. The incumbent has focused on staff and organizational learning needs, career development and learning planning. The incumbent has supported the implementation of the Fund's budgets optimally by leveraging available learning options and fully supporting on-the-job experiences, hence creating efficiencies and positively affecting staff retention. The incumbent has been instrumental in launching an induction programme aimed at expediting the integration of new staff. The Fund has registered constantly improved feedback on learning in the leadership culture assessments or in other surveys, which attests to the positive impact and the need to sustain the training function over the long term. |
| **Total, Pension Administration** | | **20** | | **(5)** | **18** | | | |

## B. Office of Investment Management

| *Title* | *Level* | *2024 approved positions* | *Proposed action* | *Conversions to post* | *2025 proposed general temporary assistance positions* | *Position needed until* | *Duration of the positions proposed for conversion as at 31 December 2024 (number of years)* | *Justification* |
|---|---|---|---|---|---|---|---|---|
| **Programme of work** | | | | | | | | |
| Associate Accountant | P-2/1 | 1 | Conversion | (1) | – | – | 3 | Conversion is requested for the position of Associate Accountant to established post to continue to support the expansion of markets in emerging markets, such as India (bonds), China (A-shares), Indonesia and Thailand, and provide additional back-office support for the Asia-Pacific market hours. The role involves ensuring quality control over trade capture and validation, validating trade details using a trade matching system and focusing on daily reconciliation functions to finalize daily position and cash reconciliation as early as possible each morning. The function has been supported by general temporary assistance funds for the last three budget cycles. |
| Accountant | P-3 | 1 | Conversion | (1) | – | – | 3 | The proposed conversion of the position of Accountant to established post is necessary to continue to support the securities lending programme, which requires oversight of the securities lending agent. Tighter deadlines for instructions to custodians have increased trade settlement risk. The Accountant will monitor the trade settlement blotter daily to facilitate faster post-trade matching and settlement functions. The Accountant will monitor the accuracy of “manufactured” economic benefits and additional disclosures for financial reporting purposes. The Accountant will be responsible for monitoring service provider reports and fees. Without this position, the operations team of the Office of Investment Management cannot monitor the securities lending programme and fulfil financial reporting requirements. Conversion is being requested in consideration of the agreement with the agent being finalized and operations starting soon. |
| Accountant | P-3 | 1 | Conversion | (1) | – | – | 3 | The Office of Investment Management has entered into master securities forward transaction agreements, which share the same collateral management needs used for repurchase agreements and reverse repurchase agreements. In consideration of the successful execution of these contracts and the consequent live trading of “to be announced” mortgage pools, the conversion of the position of repurchase Accountant (P-3) is requested. It should also be noted that this |

| *Title* | *Level* | *2024 approved positions* | *Proposed action* | *Conversions to post* | *2025 proposed general temporary assistance positions* | *Position needed until* | *Duration of the positions proposed for conversion as at 31 December 2024 (number of years)* | *Justification* |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | position has been included and filled under general temporary assistance for the past three budget cycles. The proposed position will help support this new investment product. “To be announced” securities under master securities forward transaction agreements need margin and collateral management and monitoring. The Office’s operations team requires an Accountant to set up new counterparties, monitor trade matching and manage cash and security movements and reconciliation for these transactions. The Accountant will also ensure that the security transferred meets the haircut requirement based on the master repurchase agreement or master securities forward transaction agreement signed by both the counterparties and the Fund. Without this position, the operations team would not be able to process repurchase transactions or similar transactions on time, resolve disputes through reconciliation and valuation challenges related to margin and collateral, monitor activities for pledged securities and fulfil additional disclosure requirements for financial reporting purposes. |
| Accountant | P-3 | 1 | Conversion | (1) | – | – | 3 | The Office of Investment Management started to trade “to be announced” contracts in December 2023 and is currently monitoring derivatives activities as a result of these new financial instruments. In consideration of the completion of the project and the go-live date for this new financial instrument, the conversion of the position of futures/currency Accountant (P-3) is being requested. It should also be noted that this position has been included and filled under general temporary assistance for the past three budget cycles. The proposed request will help establish a team that specializes in a range of financial instruments, such as exchange-traded futures, FX swaps and foreign exchange forwards, with industry and regulatory knowledge necessary for the Fund to ensure the accurate processing of such transactions and the reflection of all such transactions in the financial statements, and provide a proper oversight role of the collateral management service provider. Without these positions, the Office’s operations team would not be able to: (a) support the new margin trading instruments; (b) appropriately manage accounting for complex instruments; (c) implement ongoing and necessary changes in industry standards, regulations and |

| *Title* | *Level* | *2024 approved positions* | *Proposed action* | *Conversions to post* | *2025 proposed general temporary assistance positions* | *Position needed until* | *Duration of the positions proposed for conversion as at 31 December 2024 (number of years)* | *Justification* |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | IPSAS; and (d) formulate the necessary and complex investment disclosures to the financial statements, thereby increasing the risk of misstatements and the misclassification of accounts and the risk of a modified or qualified opinion on the Fund's financial statements. |
| Associate Accountant | P-2/1 | 1 | Conversion | (1) | – | – | 3 | The Office of Investment Management started to trade "to be announced" contracts in December 2023 and is currently monitoring derivatives activities as a result of these new financial instruments. In consideration of the completion of the project and the go-live date for this new financial instrument, the conversion of the position of futures/currency Associate Accountant (P-2) is being requested. It should also be noted that this position has been included and filled under general temporary assistance for the past three budget cycles. The proposed request will help establish a team that specializes in range of financial instruments, such as exchange-traded futures, FX swaps and foreign exchange forwards, with the industry and regulatory knowledge necessary for the Fund to ensure the accurate processing of such transactions and the reflection of all such transactions in the financial statements, and provide a proper oversight role of the collateral management service provider. Without these positions, the Office's operations team would not be able to: (a) support the new margin trading instruments; (b) appropriately manage accounting for complex instruments; (c) implement ongoing and necessary changes in industry standards, regulations and IPSAS; and (d) formulate the necessary and complex investment disclosures to the financial statements, thereby increasing the risk of misstatements and the misclassification of accounts and the risk of a modified or qualified opinion on the Fund's financial statements. |
| Senior Accountant Assistant | GS (PL) | 1 | Conversion | (1) | – | – | 3 | The Office of Investment Management started to trade "to be announced" contracts in December 2023 and is currently monitoring derivatives activities as a result of these new financial instruments. In consideration of the completion of the project and the go-live date for this new financial instrument, the conversion of the position of futures/currency Senior Accountant Assistant is being requested. It should also be noted that this position has been included and filled under general temporary assistance for the past three budget cycles. |

| *Title* | *Level* | *2024 approved positions* | *Proposed action* | *Conversions to post* | *2025 proposed general temporary assistance positions* | *Position needed until* | *Duration of the positions proposed for conversion as at 31 December 2024 (number of years)* | *Justification* |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | The proposed request will help establish a team that specializes in a range of financial instruments, such as exchange-traded futures, FX swaps and foreign exchange forwards, with industry and regulatory knowledge necessary for the Fund to ensure the accurate processing of such transactions and the reflection of all such transactions in the financial statements, and provide a proper oversight role of the collateral management service provider. Without these positions, the Office's operations team would not be able to: (a) support the new margin trading instruments; (b) appropriately manage accounting for complex instruments; (c) implement ongoing and necessary changes in industry standards, regulations and IPSAS; and (d) formulate the necessary and complex investment disclosures to the financial statements, thereby increasing the risk of misstatements and the misclassification of accounts and the risk of a modified or qualified opinion on the Fund's financial statements. |
| Risk Officer | P-4 | 1 | Conversion | (1) | – | – | 3 | The proposed conversion of one Risk Officer will support new initiatives such as securities lending, to-be-announced mortgage-backed securities, bond futures, foreign exchange swaps and forwards and repurchase agreements. The first to-be-announced trade was successful, and the Office of Investment Management expects to expand the use of the above-mentioned instruments. Given their complexity and high profile, it was confirmed that a high level of specialization and expertise would continue to be required to assess complex risks associated with the new initiatives. |
| **Total, Office of Investment Management** | | **7** | | **(7)** | **–** | | | |

## C. Internal audit/Office of Internal Oversight Services

| *Title* | *Level* | *2024 approved positions* | *Proposed action* | *Conversions to post* | *2025 proposed general temporary assistance positions* | *Duration of the positions proposed for conversion as at 31 December 2024 (number of years)* | *Justification* |
|---|---|---|---|---|---|---|---|
| **Programme of work** | | | | | | | |
| Senior Auditor | P-5 | 1 | Conversion | 1 | – | 4 | The Senior Auditor, currently funded under general temporary assistance, is performing core functions that are required into the foreseeable future and, therefore, should not be considered a temporary resource. Moreover, in its resolutions, the General Assembly repeatedly emphasized that OIOS shall remain the sole internal oversight body of the secretariat of the Fund and its investments, in line with the mandate of the Office. Hence, the audit function needs to remain as an integral part of the Fund to ensure continuous oversight of the stewardship of resources and implementation of the mandate. |
| Investigator | P-4 | 1 | Continuation | – | 1 | 4 | To conduct the Fund’s case investigations. |
| **Total, OIOS** | | **2** | | **1** | **1** | | |

# Annex V

## Overview of new initiative projects from 2022 to 2030 (Pension Administration)

| | | Budget | | Projections | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | *2022–2023 (expenditure)* | *2024 approved* | *2025 proposed* | *2026* | *2027* | *2028* | *2029* | *2030* | *Total* |
| **A. Kofax, phase 2** | | | | | | | | | |
| **Contractual services** | | | | | | | | | |
| Design | – | 38 400 | 74 100 | – | – | – | – | – | 112 500 |
| Consulting/project management | – | 49 100 | 7 600 | – | – | – | – | – | 56 700 |
| Configuration/development | – | 152 200 | 22 500 | – | – | – | – | – | 174 700 |
| **Subtotal** | **–** | **239 700** | **104 200** | **–** | **–** | **–** | **–** | **–** | **343 900** |
| **B. Replacement of financial system** | | | | | | | | | |
| **General temporary assistance** | | | | | | | | | |
| Backfill for staff involved in the system's deployment (3 GS (OL)) | – | – | 295 600 | 295 600 | – | – | – | – | 591 200 |
| **Consultant** | | | | | | | | | |
| For business analyst capability for process mapping and business requirements | – | – | 58 800 | – | – | – | – | – | 58 800 |
| **Travel** | | | | | | | | | |
| To related technical conferences | – | – | 31 700 | 45 900 | 45 900 | 45 900 | 45 900 | 45 900 | 261 200 |
| **Contractual services** | | | | | | | | | |
| Financial suite licence/subscription to software | – | – | 300 000 | 300 000 | 300 000 | 300 000 | 300 000 | 300 000 | 1 800 000 |
| Implementation and customization | – | 500 000 | 1 000 000 | 1 000 000 | – | – | – | – | 2 500 000 |
| Project management and technical support | – | – | 200 000 | 200 000 | – | – | – | – | – |
| Design/business process re-engineering | – | – | 80 000 | 50 000 | – | – | – | – | 130 000 |
| Change management training | – | – | 165 000 | 20 000 | 20 000 | – | – | – | 205 000 |
| Production support and enhancements | – | – | 200 000 | 200 000 | 200 000 | 200 000 | 200 000 | 200 000 | 1 200 000 |
| **Subtotal** | **–** | **500 000** | **2 331 100** | **2 111 500** | **565 900** | **545 900** | **545 900** | **545 900** | **6 746 200** |

| | | Budget | | Projections | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2022–2023 (expenditure) | 2024 approved | 2025 proposed | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
| **C. Customer relationship management** | | | | | | | | | – |
| **General temporary assistance** | | | | | | | | | |
| Project/Change Management Officer (1 P-3) | – | 188 300 | 188 300 | 188 300 | – | – | – | – | 564 900 |
| Backfill for staff involved in deployment of the customer relationship management system (2 GS (OL)) | – | 182 600 | 182 600 | 182 600 | – | – | – | – | 547 800 |
| **Travel** | | | | | | | | | |
| For training and related technical customer relationship management conference | – | 44 400 | 8 800 | – | – | – | – | – | 53 200 |
| **Contractual services** | | | | | | | | | |
| Implementation and customization | 1 453 334 | – | – | – | – | – | – | – | 1 453 334 |
| Design/business process re-engineering | – | 50 000 | – | – | – | – | – | – | 50 000 |
| Change management training | – | 160 000 | 50 000 | – | – | – | – | – | 210 000 |
| Licence | – | – | 81 000 | – | – | – | – | – | 81 000 |
| Project management support | – | – | 300 000 | – | – | – | – | – | 300 000 |
| Customer relationship management system initial maintenance support | – | 390 000 | 550 000 | 600 000 | 600 000 | 600 000 | 600 000 | 600 000 | 3 940 000 |
| **Subtotal** | **1 453 334** | **1 015 300** | **1 360 700** | **970 900** | **600 000** | **600 000** | **600 000** | **600 000** | **7 200 234** |
| **D. Support to all projects** | | | | | | | | | |
| **General temporary assistance** | | | | | | | | | |
| Project support/application testing (1 P-3) | – | 188 300 | 188 300 | – | – | – | – | – | 376 600 |
| **Consultant** | | | | | | | | | |
| For process review and re-engineering, scoping and planning | – | 74 300 | 58 800 | – | – | – | – | – | 133 100 |
| **Contractual services** | | | | | | | | | – |
| External project management support | – | 653 300 | 646 000 | 654 000 | – | – | – | – | 1 953 300 |
| Project management and integration software tool | – | 199 800 | 250 000 | 200 000 | – | – | – | – | 649 800 |
| **Subtotal** | **–** | **1 115 700** | **1 143 100** | **854 000** | **–** | **–** | **–** | **–** | **3 112 800** |

| | | Budget | | Projections | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2022–2023 (expenditure) | 2024 approved | 2025 proposed | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
| **E. Data cleansing** | | | | | | | | | |
| Benefits Assistant (3 GS (OL)) | – | 273 900 | 273 900 | 283 800 | – | – | – | – | 831 600 |
| Accounting Assistant (1 GS (OL)) | – | 91 300 | 91 300 | 94 600 | – | – | – | – | 277 200 |
| Overtime | – | 50 600 | 52 100 | 50 500 | – | – | – | – | 153 200 |
| **Subtotal** | **–** | **415 800** | **417 300** | **428 900** | **–** | **–** | **–** | **–** | **1 262 000** |
| **Total** | **1 453 334** | **3 286 500** | **5 356 400** | **4 365 300** | **1 165 900** | **1 145 900** | **1 145 900** | **1 145 900** | **18 665 134** |

# Annex VI

## Number of participants in the United Nations Joint Staff Pension Fund by member organizations as at 31 December, 2004–2023

| | *Number of participants* | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Member organization* | *2004* | *2005* | *2006* | *2007* | *2008* | *2009* | *2010* | *2011* | *2012* | *2013* | *2014* | *2015* | *2016* | *2017* | *2018* | *2019* | *2020* | *2021* | *2022* | *2023* |
| United Nations[a] | 59 542 | 64 092 | 68 853 | 74 575 | 79 933 | 82 576 | 85 617 | 85 289 | 86 190 | 85 721 | 84 476 | 86 880 | 87 111 | 85 009 | 84 854 | 85 363 | 86 963 | 86 827 | 89 446 | 91 803 |
| Food and Agriculture Organization of the United Nations | 5 822 | 5 918 | 5 774 | 5 735 | 5 722 | 6 011 | 6 145 | 6 243 | 6 081 | 6 032 | 9 558 | 10 062 | 10 318 | 10 533 | 11 163 | 11 760 | 12 341 | 13 900 | 15 990 | 16 813 |
| World Health Organization | 9 498 | 9 932 | 10 072 | 10 157 | 10 435 | 11 029 | 10 986 | 10 774 | 10 391 | 10 153 | 10 091 | 10 536 | 10 724 | 10 732 | 10 819 | 11 056 | 11 189 | 11 310 | 11 551 | 12 100 |
| International Organization for Migration | – | – | – | 2 059 | 2 419 | 3 134 | 3 261 | 3 263 | 3 326 | 3 428 | 3 536 | 3 924 | 4 624 | 5 052 | 5 951 | 6 897 | 7 687 | 8 636 | 9 968 | 12 594 |
| International Labour Organization | 3 221 | 3 330 | 3 261 | 3 366 | 3 572 | 3 642 | 3 741 | 3 697 | 3 644 | 3 599 | 3 692 | 3 760 | 3 706 | 3 629 | 3 819 | 3 939 | 4 050 | 4 283 | 4 406 | 4 337 |
| International Atomic Energy Agency | 2 217 | 2 261 | 2 278 | 2 273 | 2 229 | 2 245 | 2 307 | 2 363 | 2 447 | 2 464 | 2 517 | 2 666 | 2 681 | 2 679 | 2 734 | 2 802 | 2 777 | 2 743 | 2 687 | 2 697 |
| United Nations Educational, Scientific and Cultural Organization | 2 528 | 2 508 | 2 469 | 2 526 | 2 553 | 2 602 | 2 632 | 2 651 | 2 520 | 2 442 | 2 376 | 2 445 | 2 412 | 2 434 | 2 479 | 2 539 | 2 511 | 2 539 | 2 601 | 2 591 |
| World Intellectual Property Organization | 1 206 | 1 166 | 1 130 | 1 134 | 1 139 | 1 154 | 1 156 | 1 161 | 1 173 | 1 242 | 1 246 | 1 233 | 1 225 | 1 209 | 1 222 | 1 216 | 1 215 | 1 210 | 1 200 | 1 203 |
| International Criminal Court | 298 | 431 | 578 | 719 | 809 | 865 | 908 | 974 | 936 | 914 | 958 | 1 004 | 1 099 | 1 167 | 1 225 | 1 230 | 1 179 | 1 166 | 1 107 | 1 133 |
| International Telecommunication Union | 875 | 871 | 854 | 843 | 823 | 831 | 830 | 822 | 834 | 814 | 781 | 779 | 768 | 721 | 726 | 748 | 765 | 778 | 781 | 755 |
| International Civil Aviation Organization | 863 | 826 | 806 | 795 | 775 | 784 | 791 | 777 | 778 | 745 | 769 | 787 | 798 | 799 | 789 | 761 | 739 | 720 | 725 | 703 |

| Member organization | Number of participants 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| United Nations Industrial Development Organization | 791 | 783 | 753 | 759 | 779 | 825 | 826 | 775 | 769 | 735 | 713 | 697 | 669 | 673 | 698 | 712 | 711 | 713 | 703 | 697 |
| International Fund for Agricultural Development | 488 | 506 | 502 | 519 | 526 | 534 | 540 | 549 | 556 | 540 | 560 | 578 | 595 | 580 | 586 | 612 | 633 | 646 | 665 | 713 |
| World Meteorological Organization | 287 | 302 | 334 | 332 | 319 | 315 | 309 | 307 | 308 | 315 | 327 | 350 | 351 | 350 | 360 | 374 | 353 | 388 | 407 | 415 |
| International Maritime Organization | 351 | 343 | 338 | 337 | 320 | 323 | 313 | 312 | 308 | 291 | 290 | 284 | 284 | 280 | 277 | 365 | 358 | 345 | 353 | 347 |
| Comprehensive Nuclear-Test-Ban Treaty Organization | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 300 | 309 | 329 | 343 | 340 |
| Special Tribunal for Lebanon | – | – | – | – | – | 259 | 329 | 371 | 396 | 412 | 436 | 472 | 462 | 450 | 438 | 449 | 400 | 259 | 186 | 115 |
| International Centre for Genetic Engineering and Biotechnology | 162 | 171 | 173 | 177 | 191 | 194 | 190 | 189 | 183 | 184 | 177 | 171 | 168 | 175 | 174 | 175 | 168 | 169 | 174 | 176 |
| World Tourism Organization | 95 | 90 | 99 | 100 | 95 | 95 | 95 | 98 | 97 | 97 | 98 | 97 | 91 | 83 | 88 | 89 | 89 | 87 | 97 | 92 |
| International Seabed Authority | 28 | 30 | 29 | 29 | 32 | 31 | 32 | 31 | 32 | 35 | 30 | 33 | 35 | 38 | 42 | 43 | 44 | 48 | 54 | 57 |
| International Centre for the Study of the Preservation and Restoration of Cultural Property | 39 | 39 | 40 | 38 | 37 | 36 | 34 | 32 | 34 | 33 | 32 | 33 | 37 | 39 | 43 | 45 | 49 | 47 | 50 | 46 |
| Inter-Parliamentary Union | – | 37 | 40 | 45 | 45 | 48 | 49 | 45 | 46 | 47 | 45 | 46 | 47 | 45 | 48 | 47 | 43 | 45 | 44 | 46 |
| International Tribunal for the Law of the Sea | 34 | 36 | 36 | 36 | 38 | 34 | 34 | 37 | 36 | 38 | 36 | 38 | 39 | 41 | 40 | 41 | 40 | 40 | 39 | 39 |

| | *Number of participants* | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Member organization* | *2004* | *2005* | *2006* | *2007* | *2008* | *2009* | *2010* | *2011* | *2012* | *2013* | *2014* | *2015* | *2016* | *2017* | *2018* | *2019* | *2020* | *2021* | *2022* | *2023* |
| European and Mediterranean Plant Protection Organization | 11 | 11 | 12 | 12 | 13 | 13 | 13 | 14 | 13 | 13 | 15 | 17 | 18 | 18 | 19 | 20 | 19 | 19 | 21 | 22 |
| Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 14 | 14 | 14 |
| **Number of participants** | **88 356** | **93 683** | **98 431** | **106 566** | **112 804** | **117 580** | **121 138** | **120 774** | **121 098** | **120 294** | **122 759** | **126 892** | **128 262** | **126 736** | **128 594** | **131 583** | **134 632** | **137 261** | **143 612** | **149 848** |
| **Number of member organizations** | **20** | **21** | **21** | **22** | **22** | **23** | **23** | **23** | **23** | **23** | **23** | **23** | **23** | **23** | **23** | **24** | **24** | **25** | **25** | **25** |

*Note*: The counts in the table are based on the number of participant accounts. A participant may have more than one participant account.

[a] United Nations Headquarters, regional offices, and all funds and programmes.