



**Coordinating Committee for
International Staff Unions and Associations**

**CCISUA intervention at the 69th session of the United Nations Joint Staff Pension
Fund**

Mr. Chair,
Dear colleagues,

It is a great pleasure for me to address the Pension Board on behalf of CCISUA. I would like to thank you Mr. Chair for leading the work of the 69th session of the Board in a very able manner.

Allow me first of all to welcome the new members of the Board and congratulate the newly elected representatives of the participants to the Board and wish them well in their tenure. In this regard, we believe that the election process should in all circumstances uphold the principles of impartiality and independence, without any direct or indirect intervention from any other representative group.

CCISUA has been following with great attention the Board's deliberations during its current session and would like to raise the following points for your consideration:

As you may be aware, for the majority of UNJSPF participants, the defined-benefit pension plan is their most important lifetime investment and therefore CCISUA would be opposed to any attempts to move to a provident fund saving scheme that would introduce a measure of uncertainty into the social security of thousands in our system.

Regarding the size of the Pension Board, CCISUA believes that there shouldn't be any change.

For the Board functioning per se, since the UNJSPF is a public pension fund and is therefore subject to a higher level of transparency and scrutiny by beneficiaries and Member States, CCISUA urges the Board to adopt a transparent culture by which all matters are discussed with participants via open meetings of the Board in accordance with best practices of peer pension funds.

Regarding the participation of alternates to the Pension Board sessions, we believe that all alternates should be allowed to attend the Pension Board sessions in person and be able to substitute for the member representatives when they are absent. We also believe that adequate time release should be given to members of the SPCs as well as to the Chair in order to allow them to perform their fiduciary duties responsibly.

CCISUA is pleased to see the progress made in the area of divestment from fossil fuels by the Office of Investment Management (OIM) and its commitment to achieving net zero greenhouse gas emissions. However, it requests that further information be published on this.

CCISUA has taken note of the reasons provided for the portfolio performance below the benchmark for 1-3-5-7 and 10 year horizon and wishes to highlight the Fixed Income Portfolio, which has underperformed the benchmark of over the last several years. In light of the OIOS recommendations in the 2020 OIM Governance Audit A/75/215, CCISUA expects that this matter will be addressed shortly in line with GA requests to align management responsibility and accountability with performance.

We are also watching with concern the Secretary-General's decision to use derivative instruments at this time, given our positively funded status. We expect that the detailed

proposals requested by the General Assembly in its resolution 75/246, (para 33) should be provided prior to implementation and principles of safety, profitability, liquidity and convertibility adhered to.

CCISUA has strong reservations in regard to the increase in the annual budget for 2022. We believe that an increase of over 8% in addition to the 32% has only led to an increased cost to participants over the last 4 years. About the staffing of the Pension Fund, CCISUA shares concerns regarding the lack of diversity especially in leadership and other professional posts and expects that changes in recruitment practices so as to ensure a better geographical representation which reflects the membership of the Fund.

CCISUA supports better Client Service and recalls its resolution 2020/1 on the issue of the closure of the Finance Section in Geneva and believes this will cause and increase the backlog and will not enhance Client Service. We believe closure of this section in view of the time difference and thousands of workflows and tasks performed by the Geneva Finance Section each year, which are indeed third level Client Service, will negatively affect service to Europe, the Middle East and Africa, in French, Spanish and Arabic languages. CCISUA is not convinced that the loss of institutional knowledge can be replaced by new posts in NY. We are also concerned at the lack of formal leadership in the Geneva office, reducing its stature when it has been established that the Geneva Office should reflect the New York Office since they both serve more than 60,000 participants each. CCISUA believes that there is a need to strengthen the liaison offices in Bangkok, Nairobi, Santiago and Addis Abeba in order to further improve the Client Service.

Furthermore CCISUA is concerned that as with the implementation of IPAS, there will be heavy backlogs during the implementation of Digital Certificate of Entitlement and CRM projects. We are already hearing that appointments for the Digital CE are being given for December 2021 while it is now July. and that waiting time for other services has increased. At the conservative rate of 9,000 DCE registrations per year it will take 6 years for this project to reach the maintenance stage and while we are excited at this new cutting edge technology, CCISUA wonders if there are not opportunities to apply LEAN Six Sigma principles adopted by the Pension Administration so as to cut down on time so as to avoid more backlog.

CCISUA strongly supports the proposal to pay former participants a provisional payment comprising of 80% of their own contributions, in the event that the member organization does not finalize papers within three months. We note that the retained 20 percent will address the risk concerns.

CCISUA is disturbed by the proposal by the Board year after year and again in the 69th Session to amend Articles 6 and 48. These amendments would negatively impact administration of justice for participants in certain pension fund and board matters, including due process and disenfranchisement of hundreds of participants who work in the Fund Administration, Office of Investment Management and Staff Pension Committees of Specialized Agencies, inhibiting them from fully exercising their rights, duties and responsibilities to participants of the Fund. CCISUA therefore insists on maintaining Articles 6 and 48 of the Fund's regulations without amendment.

CCISUA is happy to see the amendment that will allow beneficiaries on disability to work to a certain extent as this can be therapeutic or may supplement a low benefit to allow a living wage while keeping their After Service Health Insurance. However CCISUA urges the Board to take the time to ensure the streamlining of Administrative policies with the regulations so as not infringe on the rights of beneficiaries in the process of awarding disability benefits.

Allow me finally to thank all the staff at the Pension fund for their hard work and dedication.