

Last Update: July 2023



UNJSPF

United Nations Joint
Staff Pension Fund

The Fund in brief

2023

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General Overview

The United Nations Joint Staff Pension Fund - also known by its acronym UNJSPF in English or CCPPNU in French - was established in 1949 by the General Assembly of the United Nations to provide retirement, death, disability and related benefits for the staff of the United Nations and the other organizations admitted to membership in the Fund.

The Fund comprises 25 member organizations. As at 31 December 2022, the Fund had 143,612 participants and 83,988 retirees and beneficiaries.

The Fund's Regulations and Pension Adjustment System are approved by the General Assembly, and the Board approves the Administrative Rules and Rules of Procedure of the Fund. The Fund is administered by the United Nations Joint Staff Pension Board, the Chief Executive of Pension Administration, a staff pension committee for each member organization, and a secretariat to each such committee.

Investments are managed by the Office of Investment Management (OIM), which

reports to the United Nations Secretary-General through his Representative for the investment of the assets of the Fund. The position of Secretary of the Pension Board was created by the General Assembly in 2018 and reports to the Pension Board.

The Fund has offices in New York (United States) and Geneva (Switzerland) and two liaison offices, one in Nairobi (Kenya) and one in Bangkok (Thailand).

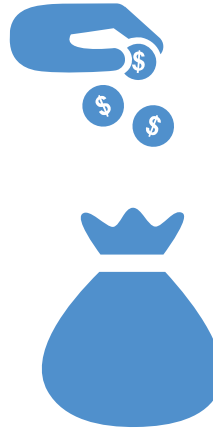
Key Figures

As at 31 December 2022

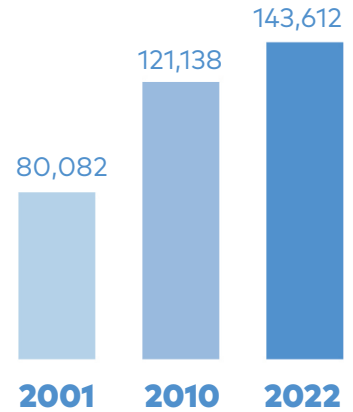
143,612

PARTICIPANTS

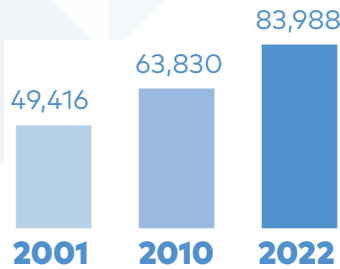
US\$3.121 billion
(total contributions from
employees and employers)



NUMBER OF PARTICIPANTS



NUMBER OF PERIODIC BENEFITS AWARDED



THE FUND PAYS

83,988

PERIODIC BENEFITS

US\$3.128 billion



In 2022

93.3%

**OF INITIAL BENEFIT ENTITLEMENT
CASES WERE PROCESSED WITHIN
15 BUSINESS DAYS**

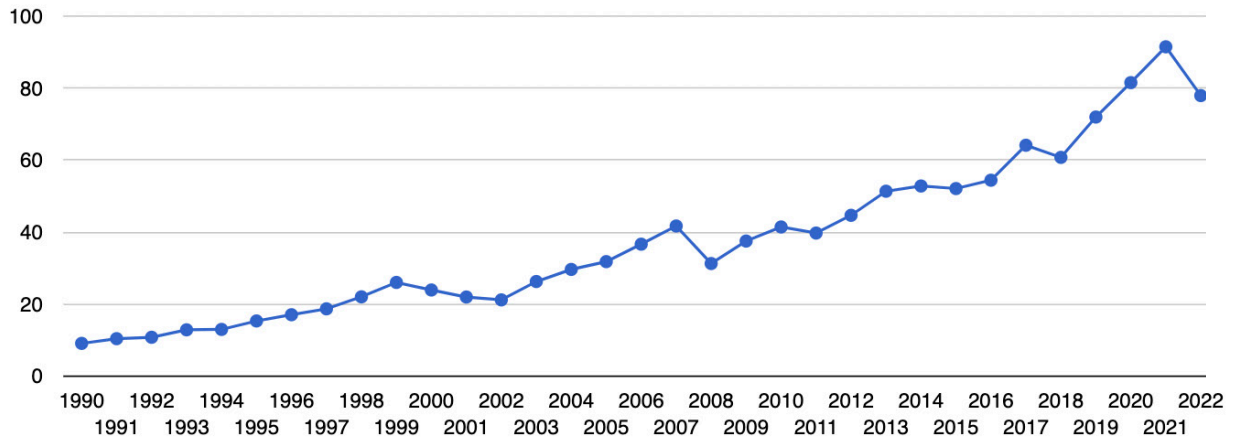


Value of the Assets

As of 31 December 2022

US\$77.93 billion

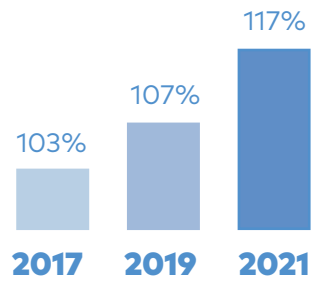
(Billions of USD)



117%

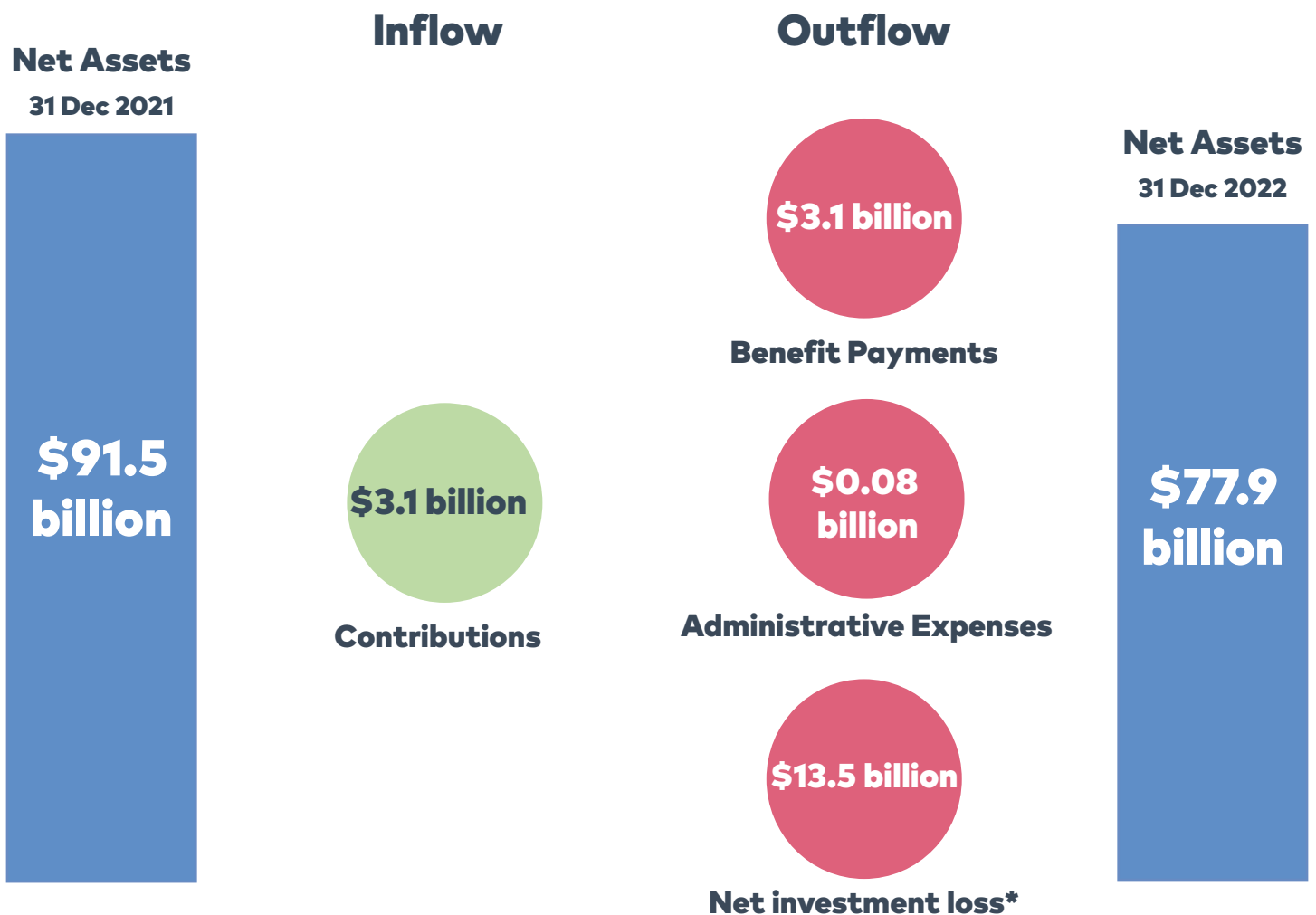
FUNDING RATIO

For more details, see page 6.



Overview of the Fund's 2022 Financial Statements

The figures below are in USD.



*Includes 14.7 billion in valuation losses.

Actuarial Matters and Asset Liability Management

Ensuring that the Fund can continue to pay benefits over the long-term is crucial. The Fund's solvency is monitored through actuarial valuations and asset-liability management (ALM) studies.

Actuarial Valuation: Monitoring that the Fund is securely funded

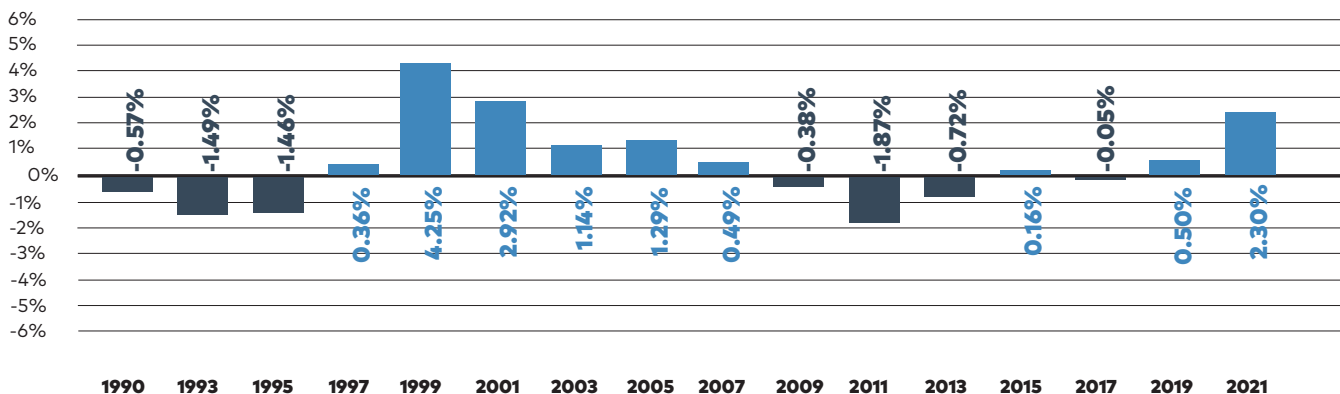
The biennial actuarial valuation uses various economic and demographic assumptions to model the future cashflows to the Fund. It places a value on current and future liabilities, for comparison against current and projected assets. With liabilities extending over an average of 40 years into the future, the actuarial valuation takes a long-term view. Short-term fluctuations in asset values are smoothed, because short-term market volatility should not impact the Fund's ability to meet its obligations.

Open group valuation

Providing a measure of the overall financial health of the Fund, this valuation assumes new participants continue to join. The key metric is the required contribution rate, which is the theoretical contribution rate that maintains a balance between liabilities and assets over the long-term.

The 2021 actuarial valuation resulted in a required contribution rate of 21.4 per cent of pensionable remuneration, which, compared against the actual contribution rate (23.7 per cent), equated to an actuarial surplus of 2.3 per cent of pensionable remuneration. Recent historical results are outlined below.

Historical differences between required and actual contributions rate



Closed group valuation

Required under the Fund's Regulations, the closed group valuation provides a view of the Fund's ability to meet its obligations if it were to be closed to all new participants.

The 2021 actuarial valuation placed a value of US\$70,873.8 million on the accrued benefit liabilities, with an actuarial value of assets of US\$82,911.7 million. This equates to a funded ratio of 117 per cent (assets divided by liabilities), with the historical funded ratios summarised below.

Historical funded ratios for valuations

1999	2001	2003	2005	2007	2009	2011	2013	2015	2017	2019	2021
113%	106%	95%	92%	95%	91%	86%	91%	101%	103%	107%	117%

Asset-Liability Management Study: keeping the Fund on track

The main objectives of the quadrennial ALM study are to:

- Establish if the current contribution rate will remain sufficient in the future.
- Establish if the solvency of the Fund will remain within an acceptable range.
- Evaluate current and alternative asset allocation.
- Assess whether the assumed rate of investment return is expected to be achieved in the long-term.

The results are utilised in setting the investment strategy and in understanding the effects of changes that impact the liabilities.

The key conclusions from the last ALM study in 2019 were that:

- The real rate of investment return is the most significant factor in maintaining solvency
- The current contribution rate (23.7 per cent) is appropriate
- There are no expected liquidity problems for the Fund over the next the 30 years

The next ALM study is due to be completed in 2023.

Member Organizations

As of 31 December 2022, the 25 member organizations of the Fund are the following:

Member Organizations		Number of Participants	Year of Admission
United Nations	UN	89,446	1949
Food and Agriculture Organization	FAO	15,990*	1950
World Health Organization	WHO	11,551	1949
International Organization for Migration	IOM	9,968	2007
International Labour Organization	ILO	4,406	1953
International Atomic Energy Agency	IAEA	2,687	1958
United Nations Educational, Scientific and Cultural Organization	UNESCO	2,601	1951
World Intellectual Property Organization	WIPO	1,200	1977
International Criminal Court	ICC	1,107	2004
International Telecommunication Union	ITU	781	1960
International Civil Aviation Organization	ICAO	725	1951
United Nations Industrial Development Organization	UNIDO	703	1986
International Fund for Agricultural Development	IFAD	665	1977
World Meteorological Organization	WMO	407	1952
International Maritime Organization	IMO	353	1959
Comprehensive Nuclear-Test-Ban Treaty Organization	CTBTO	343	2019
Special Tribunal for Lebanon	STL	186	2009
International Centre for Genetic Engineering and Biotechnology	ICGEB	174	1996
United Nations World Tourism Organization	UNWTO	97	1996
International Seabed Authority	ISA	54	1998
International Centre for the Study of the Preservation and Restoration of Cultural Property	ICCROM	50	1981
Inter-Parliamentary Union	IPU	44	2005
International Tribunal for the Law of the Sea	ITLOS	39	1997
European and Mediterranean Plant Protection Organization	EPPO	21	1983
Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies	WA	14	2021

*Includes WFP's participants who are administered, for pension purposes, by the same staff pension committee as FAO's.

Transfer Agreements

The Fund has signed transfer agreements with 24 entities, which allow the Fund's participants to transfer their pension rights from the Fund to the new entity on leaving employment of a member organization of the Fund, or vice versa, when a staff member joins a member organization of the Fund.

Below is a list of the entities with which transfer agreements have been entered into:

- African Development Bank (AfDB)
- Asian Development Bank (ADB) (suspended since December 2022)
- Council of Europe (COE)
- European Bank for Reconstruction and Development (EBRD)
- European Centre for Medium-Range Weather Forecasts (ECMWF)
- European Communities (EC)
- European Free Trade Association (EFTA)
- European Investment Bank (EIB)
- European Investment Fund (EIF)
- European Organization for the Safety of Air Navigation (EUROCONTROL)
- European Organization for the Exploitation of Meteorological Satellites (EUMETSAT)
- European Space Agency (ESA)
- European Union Institute for Security Studies (EUISS)
- European Union Satellite Centre (Satcen)
- Government of Canada (limited application one-way to Government of Canada only)
- Inter-American Development Bank (IDB)
- International Monetary Fund (IMF)
- North Atlantic Treaty Organization (NATO)
- Organization for Economic Co-operation and Development (OECD)
- Organization for the Prohibition of Chemical Weapons (OPCW)
- Organization for Security and Co-operation in Europe (OSCE)
- Universal Postal Union (UPU)
- World Bank Group
- World Trade Organization (WTO)

Regulations and Rules



Photo credit: UN Photo

The Regulations of the Fund were adopted by the General Assembly of the United Nations by resolution 248 (III), effective 23 January 1949, and have been amended by the General Assembly a number of times since then, following recommendations by the United Nations Joint Staff Pension Board.

The UNJSPF Regulations, together with the Administrative Rules, Rules of Procedure and Pension Adjustment System, set out the governance of the Fund, the benefits that are payable and how they are administered, and the rules of procedure for the proceedings of the Pension Board and the Staff Pension Committee of each member organization. In addition, the Fund's appeals process is found in the Administrative Rules.



Governance

The Fund is administered by the United Nations Joint Staff Pension Board, the Chief Executive of Pension Administration, a staff pension committee for each member organization, and a secretariat to each such committee.

Fund Administration

United Nations Joint Staff Pension Board

Function: The Pension Board formulates recommendations for approval by the General Assembly of the United Nations including budget, changes to the Regulations and Rules, and governance. It also reports on the long-term solvency (30 or more years) of the Fund and makes observations and suggestions on the investment policy from time to time.

Composition: The Pension Board is composed of 33 members; 11 members represent governing bodies of the member organizations, 11 members are appointed by the chief administrative officers of the member organizations, and 11 members are elected by participants in service. Attendance at Board sessions includes other categories without voting rights such as representatives of retirees.

Standing Committee

Function: The Pension Board has a Standing Committee that considers appeals of decisions of the Staff Pension Committees by participants and of decisions of the Chief Executive of Pension Administration by retirees and other beneficiaries.

Composition: The Committee is composed of 15 members; five members represent the governing bodies of the member organizations, five members are appointed by the chief administrative officers of the member organizations, and five members are elected by participants in service. In addition, the representatives of retirees participate without voting rights.

Staff Pension Committees and their Secretaries

Function: For each member organization, a Staff Pension Committee (SPC) administers the participation in the Fund of its staff members and has the power to determine incapacity for the purpose of the award of disability benefits.

Composition: Each Staff Pension Committee is composed of an equal number of members representing (i) the governing body, (ii) the chief administrative officer, and (iii) the participants in service.

Secretaries: The Secretaries of Staff Pension Committees of member organizations are appointed by the chief administrative officer of each member organization on the recommendation of the respective Staff Pension Committee, except for the United Nations Staff Pension Committee (UNSPC). For the UNSPC, Pension Administration acts as its secretariat in accordance with the Fund's Regulations.

Pension Board Committees and Working Groups

Fund Solvency and Assets and Liabilities Monitoring Committee

Function: The Fund Solvency and Assets and Liabilities Monitoring Committee (FSALM) monitors the solvency of the Fund and provides advice and recommendations to the Pension Board on asset-liability matters.

Composition: The FSALM Committee is composed of eight members of whom six are designated by the Pension Board, two from each of the three constituent groups of the Board, as well as two additional members designated by the Federation of Associations of Former International Civil Servants (FAFICS).

Committee of Actuaries

Function: The Committee of Actuaries advises the Pension Board on actuarial questions arising out of the operation of the Fund's Regulations.

Composition: The Committee consists of five members plus ad hoc members, all independent actuaries respected in their field from around the world. The members are appointed by the United Nations Secretary-General upon the recommendation of the Pension Board.

Audit Committee

Function: The Audit Committee assists to the Board in fulfilling its oversight responsibility relating to: (a) the performance and independence of the internal audit function; (b) the accounting and financial audit reporting processes of UNJSPF; (c) adherence to the Internal Audit Charter of the Fund, and UNJSPF Regulations and Administrative Rules relating to audits.

Composition: The Committee has six members reflecting the tripartite composition of the Pension Board, two external expert members and one representative of FAFICS.

Budget Committee

Function: The Budget Committee advises the Board on the Fund's budget proposal on the administrative expenses submitted to the General Assembly; the Fund's budget performance and revised budget estimates; and the Fund's budget methodology.

Composition: The Budget Committee has eight members: six members designated by the Board from amongst members of the Staff Pension Committees, two from each of the three constituent groups of the Board, as well as two additional members designated by FAFICS.

Succession Planning and Evaluation Committee

Function: The Succession Planning and Evaluation Committee assists the Board in selecting senior staff of the Fund, specifically, the Chief Executive of Pension Administration (CEPA), Deputy CEPA, and Secretary to the Board for recommendation to the United Nations Secretary-General for appointment; develops performance evaluation methodologies for senior positions; and takes a long-term strategic approach to succession planning in the senior executive levels of the Fund.

Composition: The Committee has six members reflecting the tripartite composition of the Pension Board, two external expert members and one representative of FAFICS.

In addition to the above permanent committees, the Pension Board relies on smaller working groups and ad hoc committees to prepare recommendations for the Board's consideration on various matters. Examples of working groups are the Governance Working Group and the newly established Plan Review Group.

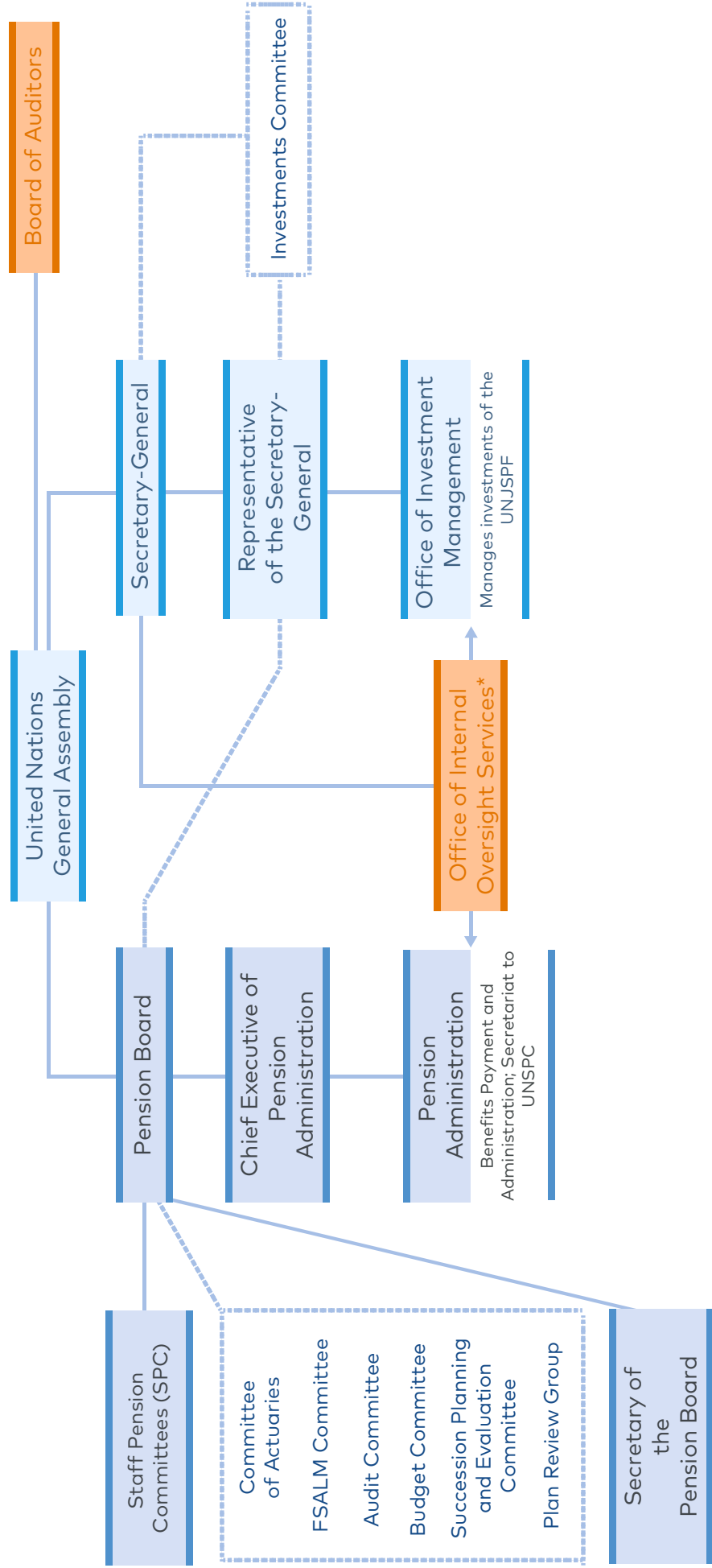
These working groups adhere to the tripartite composition of the Pension Board and include representatives of FAFICS.

Investments Committee

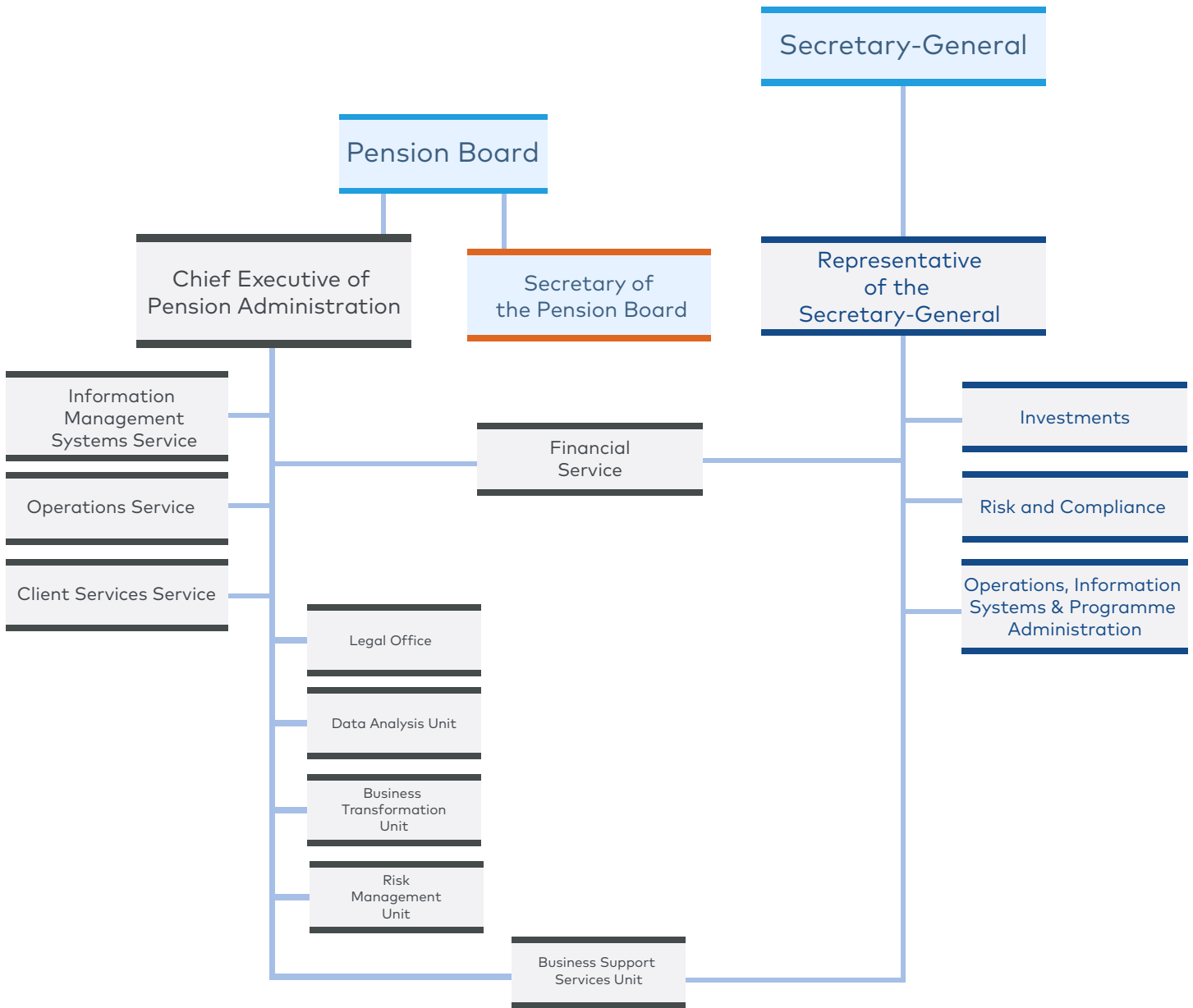
Function: The Investments Committee advises the United Nations Secretary-General on the investment of the assets of the Fund.

Composition: The Committee consists of nine members plus ad hoc members appointed by the United Nations Secretary-General after consultation with the Pension Board and the United Nations Advisory Committee on Administrative and Budgetary Questions (ACABQ), subject to confirmation by the United Nations General Assembly.

Governance Chart



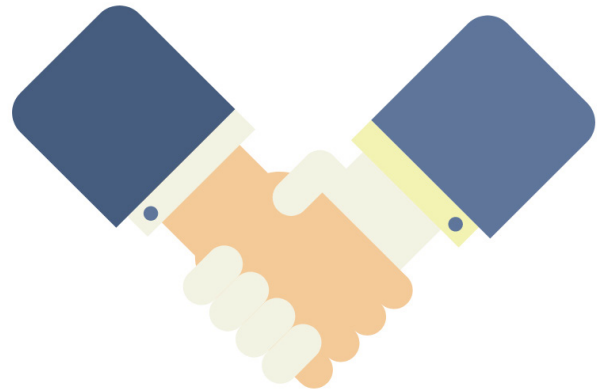
Organization Chart



Participation and Benefits

Participation

Staff members of each member organization with an appointment of six months or longer become participants in the Fund. Each month, a percentage of the participant's pensionable remuneration is paid to the Fund, and the employing organization pays double the amount as its share of the contributions.



Defined Benefit Plan

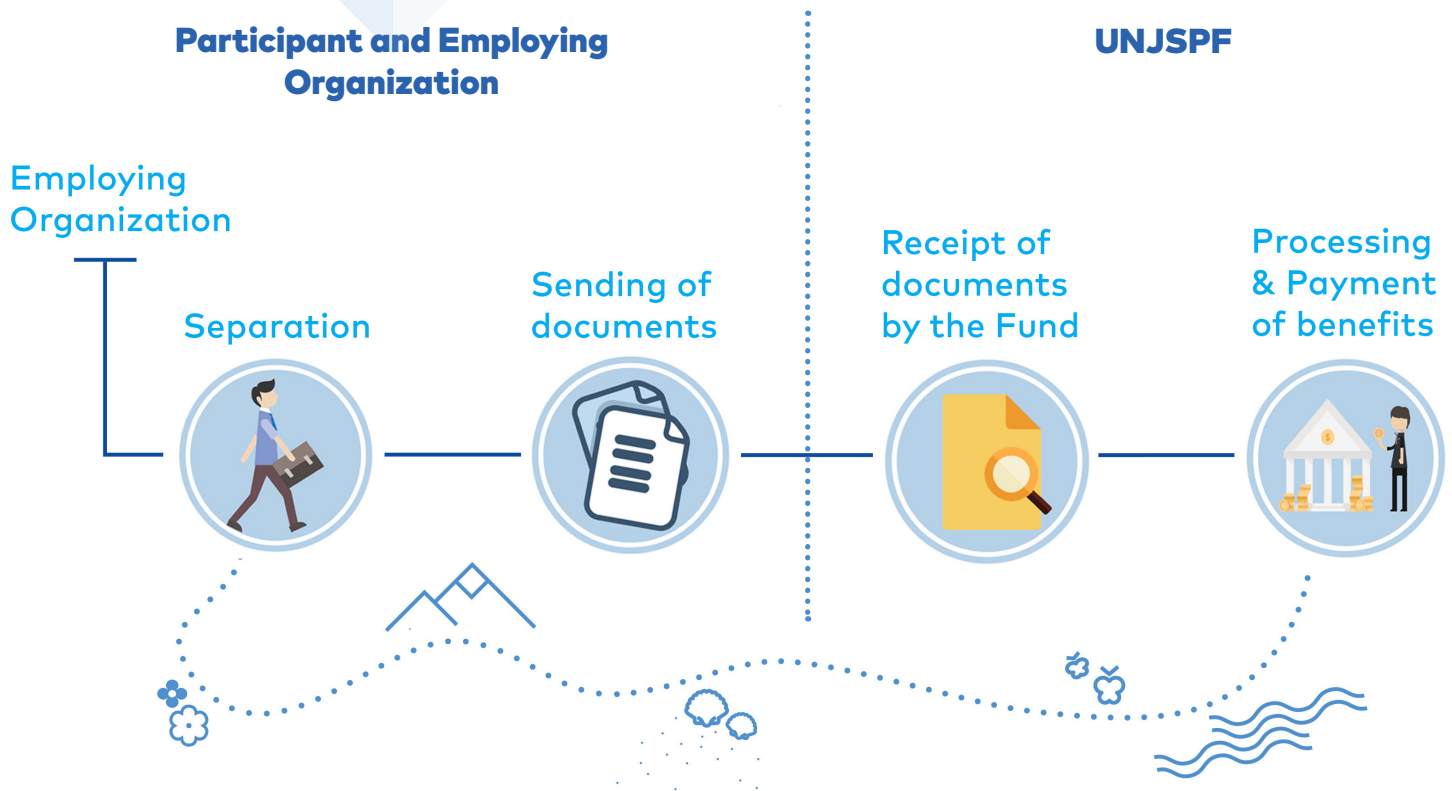
UNJSPF is a defined benefit plan. Therefore, benefits are not dependent on investment return or longevity. Risks are assumed by the member organizations and shared by participants through the level of contributions paid to the Fund.

Retirement, Death and Disability Benefits

Participants in the Fund vest after five years of participation except in the event of death and disability where vesting is immediate. When they leave their employing organization, participants can opt for a withdrawal settlement (lump sum) or, if they have more than five years of service, a periodic benefit. Children and surviving spouses are also eligible to receive benefits.

The process from separation to benefit payment

The process from separation to submission and receipt of all required documentation and information to the Fund.



- **A UNJSPF benefit cannot be processed without the required separation documents from the employing organization and the former participant.**
- **The Fund engages actively with member organizations to make sure the separation documents are received in a timely manner.**

The C.A.R.E. Strategy

Pension Administration's C.A.R.E. Strategy was defined in 2020 for the years 2021-2023. The Strategy was welcomed and endorsed by the United Joint Staff Pension Board and the General Assembly of the United Nations in its resolution 75/246 of 2020.

The C.A.R.E. Strategy has the following vision, mission and values.

Vision

At the center of the Strategy is a vision of a service-oriented pension fund, which provides outstanding, high-quality services for UNJSPF member organizations, participants and beneficiaries, wherever they are.

Mission

Supporting this vision, the Pension Administration has identified three strategic pillars:

- 1) Simplify Client Experience:** The Fund will focus on key moments of the pension experience and make them as simple and straightforward as possible for participants and retirees alike.
- 2) Modernize Pension Services:** The Fund will focus on innovation, streamlined and paperless processes, new technologies, and upscaling of staff skills, and becoming a data-driven organization. These undertakings will be the backbone of the Fund's modernization.
- 3) Develop a Strong Global Partnership Network:** The Fund will further develop internal and external partnerships to increase trust and confidence between the Fund and its staff, clients, stakeholders and decision-makers.

Values

In these endeavors, the Fund will be guided by the core values of the United Nations, namely integrity, professionalism and respect for diversity, as well as the values that have been identified as core to the transformation of the Fund: innovation, partnership and service.

C.A.R.E. Strategy highlights



A new website with a simplified navigation, integrating pension administration and investment information (2022)

A new extranet for the Pension Board, **a new intranet** for the Fund's staff (2021), **a new portal** for the member organizations (2023)

20 new videos and 11 new eLearning modules to help participants, retirees and beneficiaries better understand the UNJSPF pension plan (2022)



New financial interfaces to automate data transfer between member organizations and the Fund (2021-2023)

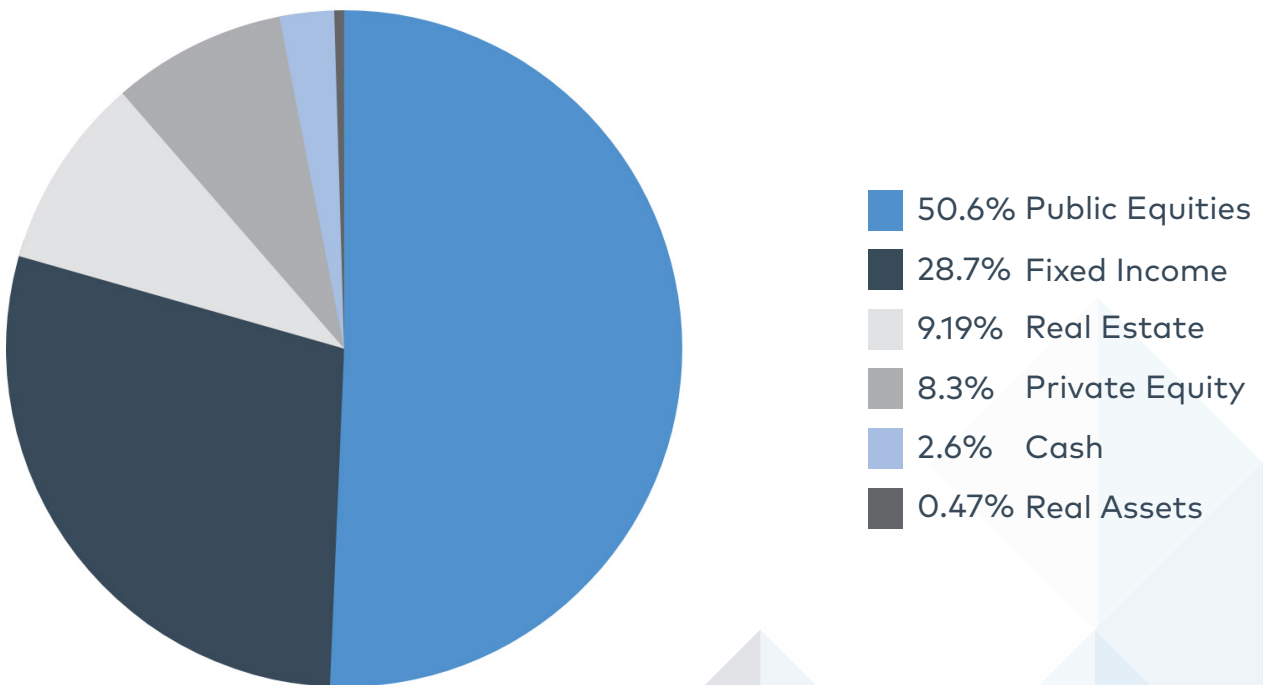
Digital Certificate of Entitlement (DCE) launched in 2021 to replace the annual proof-of-life paper form; in 2023, more than 1/3 of retirees and beneficiaries use the DCE

80% of documents are transferred electronically in 2022, against 39% in 2019.

Investments

As at 31 December 2022, the Fund managed a global multi-asset investment portfolio worth approximately US\$ 77.9 billion, 72 per cent of which is actively managed in-house. The Fund invests globally in regions such as North America, Europe, Asia, Latin America and the Caribbean and Africa. Investments are made across multiple asset classes that include global equities, global fixed income, private equity, real estate, infrastructure, timber and commodities.

Asset Breakdown*



*As of 31 December 2022.

Long-Term and Short-Term Investment Objectives

The Fund's current long-term investment objective is to meet or exceed a 3.5 per cent real rate of return (net of inflation, as measured by the US Consumer Price Index) in US dollar terms annualized over the long-term (15 years and longer). The Fund's current short-term investment objective is to meet or exceed the return of the policy benchmark over the short-term (3 years). In aiming to prudently meet its long-term obligations, the Fund must ensure an adequate level of investment return on its assets while being mindful of the approved Risk Appetite Statement and the requirements posed by its liabilities.

Investment Policy

The management of the investment of the assets of UNJSPF is the fiduciary responsibility of the Secretary-General of the United Nations, in consultation with an Investments Committee, and in light of the observations and suggestions, made from time to time, by the Pension Board on the investment policy. The Representative of the Secretary-General has been delegated the responsibility and authority to act on behalf of the Secretary-General in all matters relating to the investments. Investments must, at the time of initial review, meet the criteria of safety, profitability, liquidity and convertibility. Investments are carried out within the framework of an Investment Policy Statement which is usually updated comprehensively subsequent to the completion of an Asset-Liability Management study, conducted once every four years (see page 7). The Investment Policy Statement was last updated in 2022 and is available on the Fund's website.

Diversification of Investments

The Fund's policy of broad diversification continues to be a reliable strategy for improving its risk-return profile over the long term. The Fund is unique among major pension funds in its commitment to diversifying its portfolio on a fully global basis.

The Fund continually strives identify opportunities to diversify its investment by asset classes and geographical regions. As of 31 December 2022, the Fund had investments in 97 countries/territories*, including both developed and developing countries. This included direct securities investments in 35 currencies along with indirect investments in additional countries through externally managed funds.

*Territories are entities which are not Member States of the United Nations.

Sustainable Investing

The Office of Investment Management (OIM) is a long-term investor and prefers high-quality companies that can generate stable cashflow return on investment above their cost of capital and achieve sustainable and profitable growth. All teams within OIM consider environmental, social and governance (ESG) factors in their investment decisions. OIM conducts an ESG due diligence on all investment opportunities with a standardized framework and monitors and engage with external managers post investment.

In 2022, OIM continued to pursue the integration of environmental, social and corporate governance processes that initiated in the previous years. In 2021, the Fund's ESG programme OIM obtained a rating of 4 out of 5 stars from the signatories of the Principles for Responsible Investment (PRI) report. The Fund was ranked first in the 2021-2022 Responsible Asset Allocator Initiative (RAAI) Index and Leaders List Report.

In addition, OIM started to roll out ESG certifications for its investment teams.

OIM strengthened its existing ESG policy.

This document states OIM's beliefs and principles related to sustainability integration in the investment process as well as internal processes. In addition, the team developed Climate 2.0 and Equity 2.0 strategies (moving to an enhanced integration process and defining objectives by 2025 and beyond), boosted existing private market ESG integration techniques and initiated a review of its fixed income ESG processes. OIM further developed its impact investing strategy following the United Nations General Assembly's resolution A/RES/76/246 asking the Fund to explore impact investing for part of the portfolio.

OIM is still on track to meet its carbon reduction targets by 2025 and is expanding the coverage of its targets to non-listed real estate as well as non-listed infrastructure.

Finally, the Fund became a signatory of the UN biodiversity Conference (COP 15) Statement from the financial sector – a global initiative committing the financial community to contribute to the protection and restoration of biodiversity and ecosystems through financing activities and investments.

Administrative Budget

The UNJSPF administrative expenses are funded through contributions from its member organizations and participating staff members as well as investment income. The General Assembly noted in its 2019 resolution 74/263 that "contributions of member organizations are resourced by Member States through the United Nations regular budget, extrabudgetary contributions and the budget of other participating member organizations". The Fund's resource requirements support its three entities: the secretariat of the Pension Board, Pension Administration, and the Office of Investment Management, as well as external and internal audit functions.

(Thousands of USD)

	2022
Secretariat of the Pension Board	1 375.7
Pension Administration	64 307.3
Office of Investment Management	54 051.4
Audit	2 084.7
Total	121 819.1

Relation with the UN Regular Budget – The Cost-Sharing Methodology

As noted above, the Pension Administration also serves as the secretariat of the United Nations Staff Pension Committee (UNSPC) on behalf of the United Nations (including its Funds and Programmes), whereas all other member organizations are responsible for the expenses of their own Staff Pension Committee.

The United Nations reimburses the Fund for the expenses incurred in providing services as the SPC secretariat. As the Fund's host organization, the United Nations also provides a number of administrative services to UNJSPF and charges the Fund accordingly.

The General Assembly in its 2019 resolution 74/263 endorsed a revised measurement methodology for the valuation of the services exchanged between the Fund and the United Nations, better reflecting the reality than the methodology previously applied.

The table below shows the financial impact of this cost sharing between the United Nations and UNJSPF.

	(Millions of USD)
	2022
UNSPC services provided by UNJSPF (payment from the UN)	8.3
Services provided by the UN (payment to the UN)	(3.3)
Net: Funds/Payment by the UN	5.0

Milestones



1949

UNJSPF was established as a defined benefit retirement fund.



1960s

Benefit calculations were done manually.



1970s

Instability in currency exchange, high inflation and market deteriorated.



The End of 1990s

Started to show an important level of surplus of investments.



1990s

Began digitalizing some tasks and using computers for benefit calculations.



1980s

The General Assembly requested new economic measures to reduce benefits and increase contributions.



2000s

United Nations Joint Staff Pension Board began making plans for modernization. The Fund's first website was launched.



2010s

The Fund built a new operation IT system (IPAS) and strengthened client services.



2020

A new strategy is adopted to modernize the Pension Administration.



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