

Last Update: November 2024



UNJSPF

United Nations Joint
Staff Pension Fund

The Fund in brief

2024

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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.

As at 31 December 2023, the Fund comprised 25 member organizations. The Fund had 149,848 participants and 86,013 periodic benefits in payment.

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).

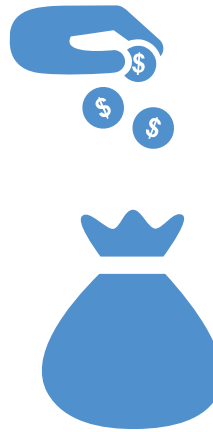
Key Figures

As at 31 December 2023

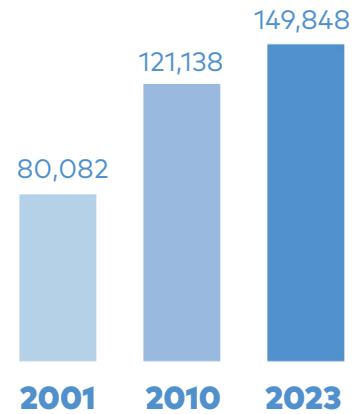
149,848

PARTICIPANTS

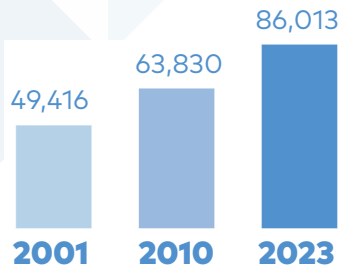
US\$3.409 billion
(total annual contributions
from
employees and employers)



NUMBER OF PARTICIPANTS



NUMBER OF PERIODIC BENEFITS IN PAYMENT



THE FUND PAYS

86,013

PERIODIC BENEFITS

US\$3.527 billion



In 2023

92.7%

**OF BENCHMARKED CASES WERE
PROCESSED WITHIN 15 BUSINESS
DAYS**

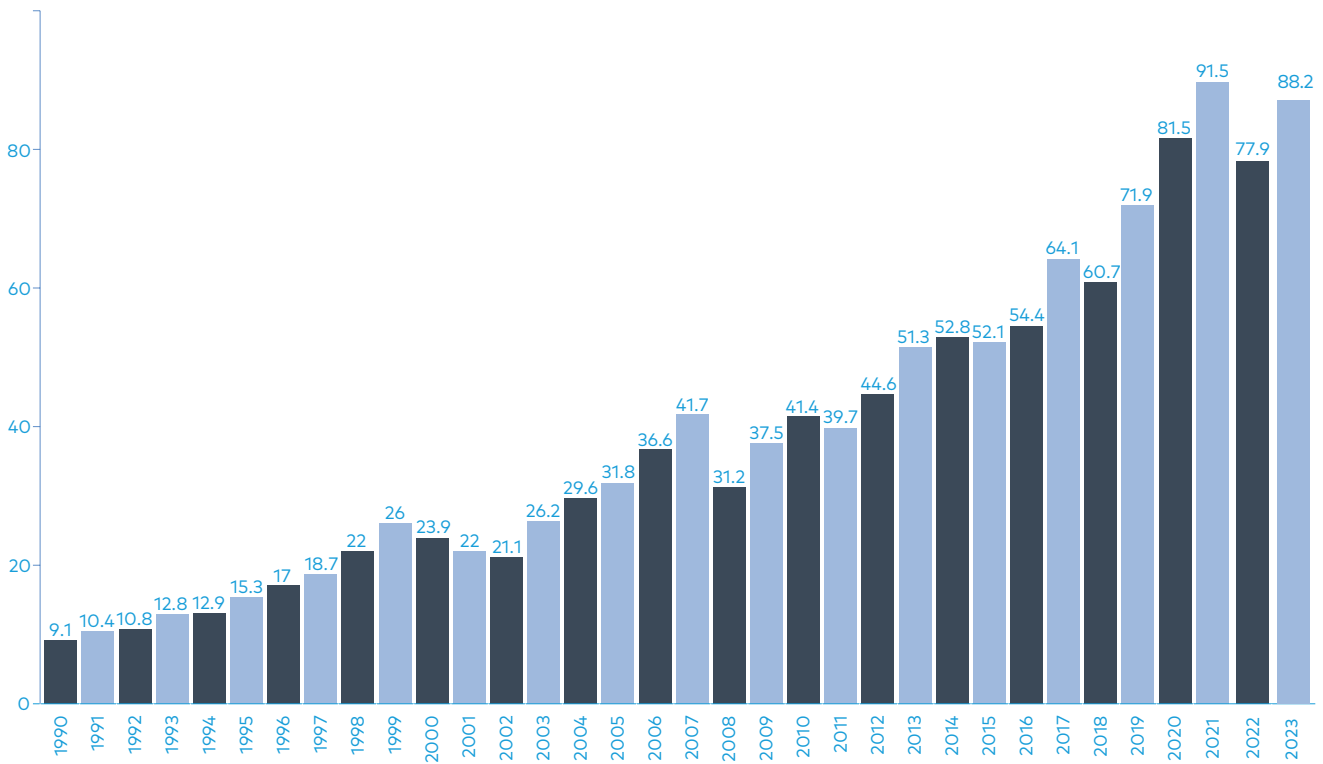


Value of the Assets

As at 31 December 2023

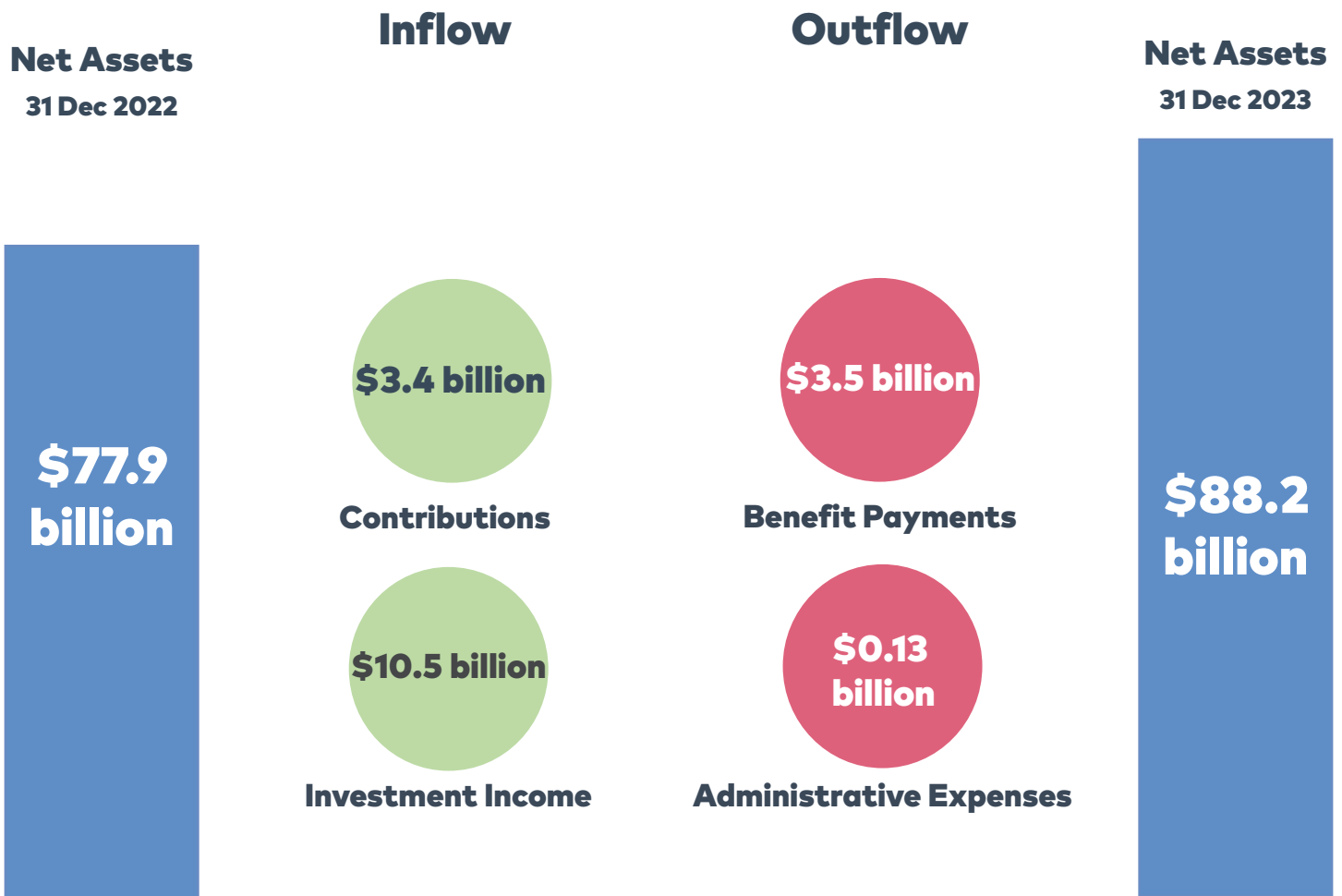
(Billions of USD)

US\$88.2 billion



Overview of the Fund's 2023 Financial Statements

The figures below are in USD.



Actuarial Matters and Asset Liability Management

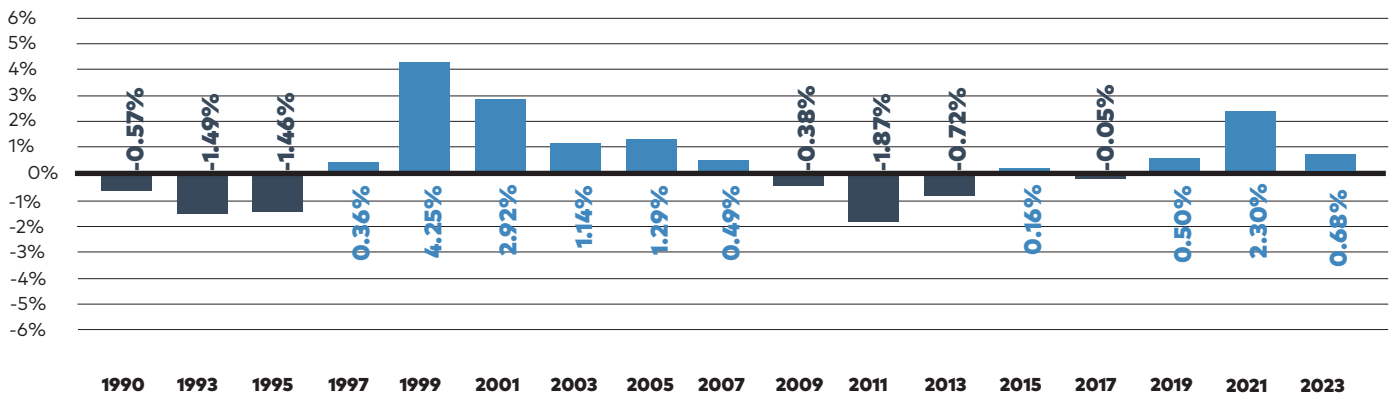
Ensuring that the Fund can continue to pay benefits over the long term is of primary importance to the Pension Board, clients and wider stakeholders. The Fund's long-term solvency is monitored through biennial actuarial valuations and asset liability management (ALM) studies.

Using various economic and demographic assumptions, the actuarial valuation appraises the Fund's assets compared to the liabilities. This helps to inform whether the current contribution rate is sufficient to sustain the payment, into perpetuity, of all benefits to current and future clients.

2023 Actuarial Valuation

The latest actuarial valuation was carried out as at 31 December 2023 and confirmed that the Fund remains strong. The valuation results reported that the current contribution rate of 23.70 per cent of pensionable remuneration remains adequate with a surplus of 0.68 per cent of pensionable remuneration. With liabilities extending over an average of 40 years into the future, it is also important to note that the actuarial valuation takes a long-term view of the Fund's assets. Short-term market fluctuations in assets are smoothed. This minimizes the risk of the long-term assessment being distorted by short-term capital market movements (both up and down) that do not impact the Fund's ability to meet its obligations.

Historical differences between required and actual contributions rate



Funding Policy

In 2023, the Pension Board approved and published the Funding Policy for UNJSPF. The Funding Policy guides the Fund on when it should consider acting in respect of its long-term solvency. The Policy sets out the guiding principles in solvency management, the actuarial methods and studies employed, and the roles and responsibilities of the different parties involved. The Funding Policy document can be viewed on the UNJSPF website at <https://www.unjspf.org/the-fund/actuarial-matters/>

Historical funded ratios for valuations

2001	2003	2005	2007	2009	2011	2013	2015	2017	2019	2021	2023
106%	95%	92%	95%	91%	86%	91%	101%	103%	107%	117%	111%

Asset liability management

In addition to the biennial actuarial valuation, like many other defined benefit pension plans, the Fund also periodically commissions an asset liability management (ALM) study. Usually performed every four years, the ALM study is a more in-depth analysis of the Fund's financial condition, including the exploration of different future scenarios. It assesses the impact of key investment- and solvency-related decisions, as part of a robust approach to risk management and ensuring the long-term sustainability of the Fund.

Using an expert, external consultancy firm, the last ALM study was conducted in 2023 and the full report can be viewed on the UNJSPF website at <https://www.unjspf.org/the-fund/actuarial-matters/>.

Member Organizations

As at 31 December 2023, the member organizations of the Fund were the following:

Member Organizations		Number of Participants	Year of Admission
United Nations	UN	91,803	1949
Food and Agriculture Organization	FAO	16,813*	1950
International Organization for Migration	IOM	12,594	2007
World Health Organization	WHO	12,100	1949
International Labour Organization	ILO	4,337	1953
International Atomic Energy Agency	IAEA	2,697	1958
United Nations Educational, Scientific and Cultural Organization	UNESCO	2,591	1951
World Intellectual Property Organization	WIPO	1,203	1977
International Criminal Court	ICC	1,133	2004
International Telecommunication Union	ITU	755	1960
International Fund for Agricultural Development	IFAD	713	1977
International Civil Aviation Organization	ICAO	703	1951
United Nations Industrial Development Organization	UNIDO	697	1986
World Meteorological Organization	WMO	415	1952
International Maritime Organization	IMO	347	1959
Comprehensive Nuclear-Test-Ban Treaty Organization	CTBTO	340	2019
International Centre for Genetic Engineering and Biotechnology	ICGEB	176	1996
Special Tribunal for Lebanon	STL	115	2009
United Nations World Tourism Organization	UNWTO	92	1996
International Seabed Authority	ISA	57	1998
International Centre for the Study of the Preservation and Restoration of Cultural Property	ICCROM	46	1981
Inter-Parliamentary Union	IPU	46	2005
International Tribunal for the Law of the Sea	ITLOS	39	1997
European and Mediterranean Plant Protection Organization	EPPO	22	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, 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.

Below is a list of the entities which currently have transfer agreements with the Fund:

- African Development Bank
- Asian Development Bank (suspended as of 9 December 2022)
- Council of Europe
- European Bank for Reconstruction and Development
- European Centre for Medium Range Weather Forecasts
- European Communities
- European Free Trade Association
- European Investment Bank
- European Investment Fund
- European Organization for the Safety of Air Navigation
- European Organization for the Exploitation of Meteorological Satellites
- European Space Agency
- European Union Institute for Security Studies
- European Union Satellite Centre
- European University Institute
- Government of Canada (limited one-way application)
- Inter-American Development Bank
- International Monetary Fund
- North Atlantic Treaty Organization
- Organization for Economic Co-operation and Development
- Organization for the Prohibition of Chemical Weapons
- Organization for Security and Co-operation in Europe
- Universal Postal Union
- World Bank
- World Trade Organization

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 regular 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 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. Over the last 12 months, the Board has received deliverables from the Plan Review Group, the Ethics Policy Review Group and the Ad Hoc Working Group on the Criteria for Admission of New Member Organizations, and has established a Governance Working Group.

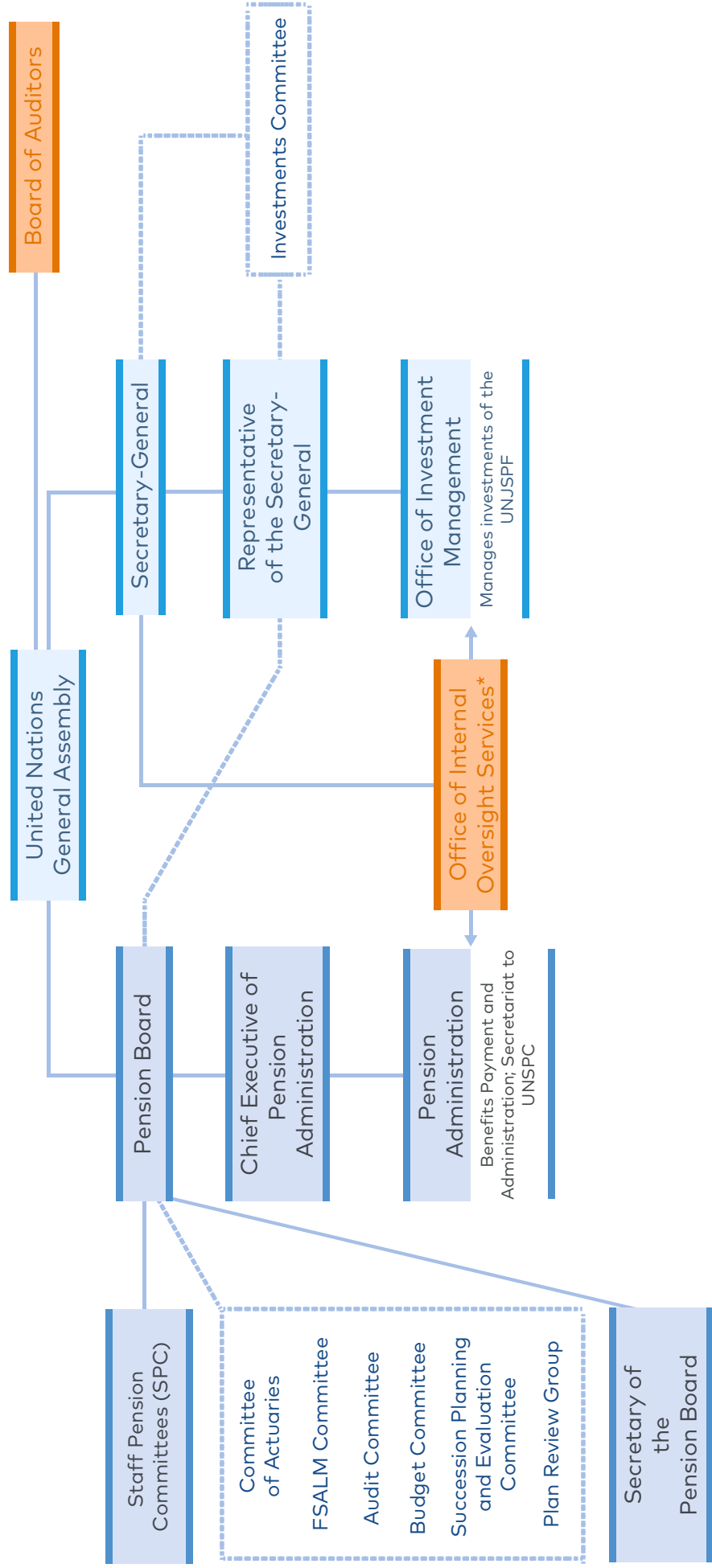
These working groups adhere to the tripartite composition of the Pension Board and include representatives of FAFICS.

Investments Committee

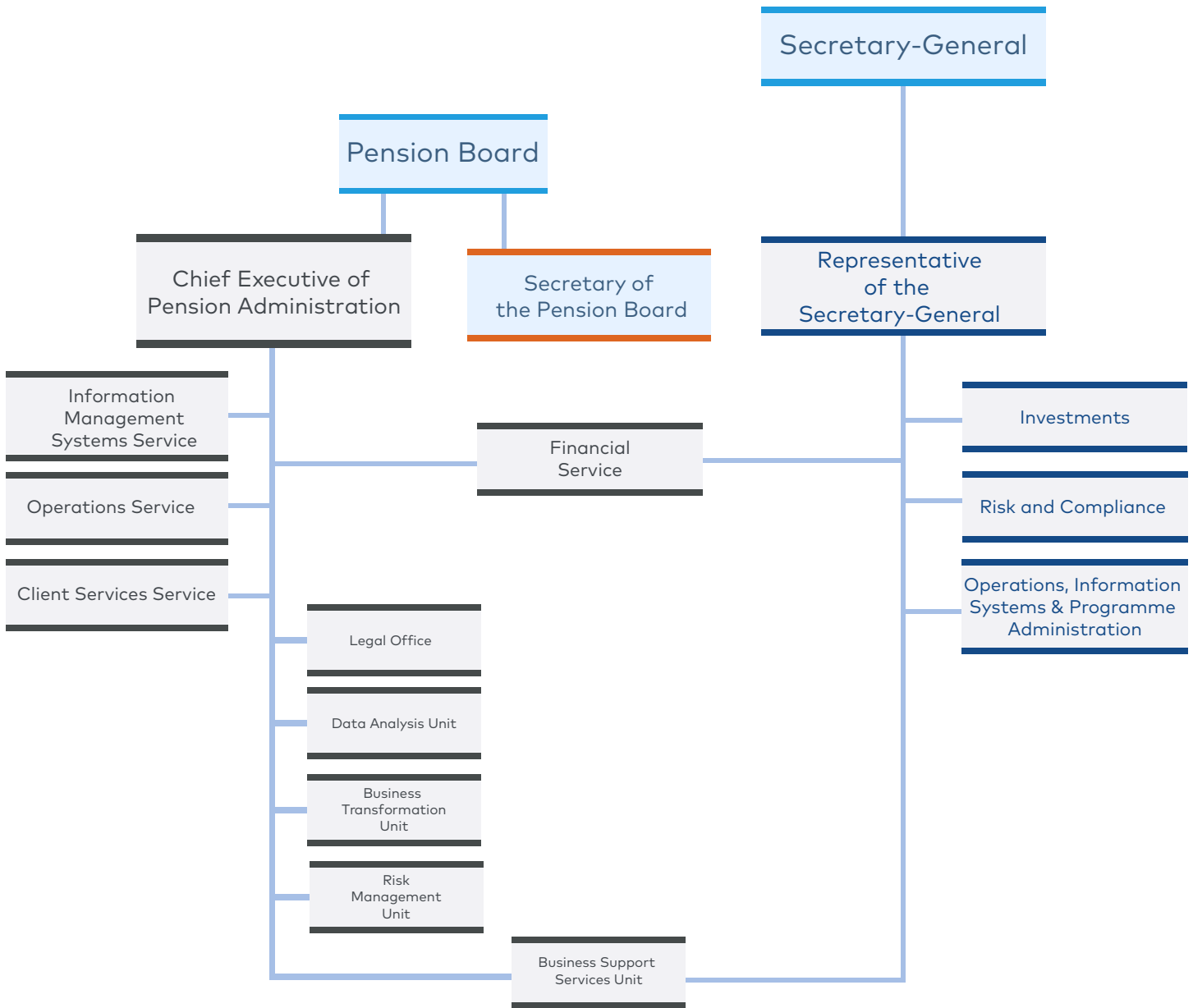
Function: The Investments Committee advises the United Nations Secretary-General on the investment of the assets of the Fund.

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

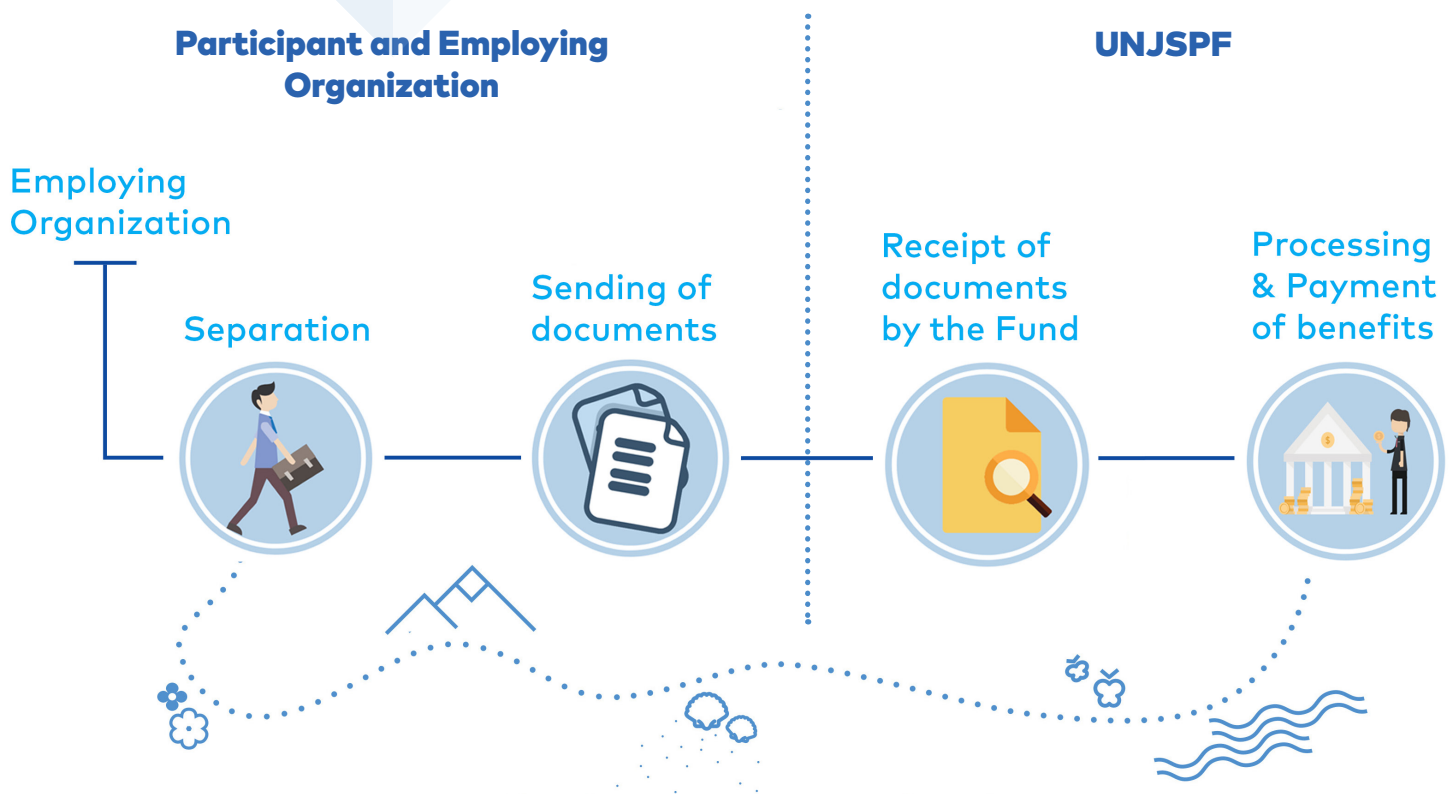
UNJSPF is a defined benefit plan. Therefore, benefits are not dependent on investment return or how long a beneficiary lives. Risks are assumed by the member organizations and shared by participants through the level of contributions paid to the Fund.

Retirement, Death and Disability Benefits

A participant's entitlement to benefit from the Fund vests after five years of participation except in the event of death and disability where entitlement to a benefit 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

The C.A.R.E. Strategy for Pension Administration 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) Improve Client Experience:** Ensure client satisfaction through improved services, simplified interactions and clear communication with our participants, retirees and beneficiaries.
- 2) Modernize Pension Services:** Focus on operational excellence and transformation as part of the Fund's work culture through people, processes and services for all clients globally organizations technology.
- 3) Strengthen relationships with all stakeholders:** Promote trust, collaboration and transparency.

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 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) and **a new portal** for the member organizations (2023)

20 new videos, 11 new eLearning modules and 11 updated booklets to help participants, retirees and beneficiaries better understand the UNJSPF pension plan (2022-2024)



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

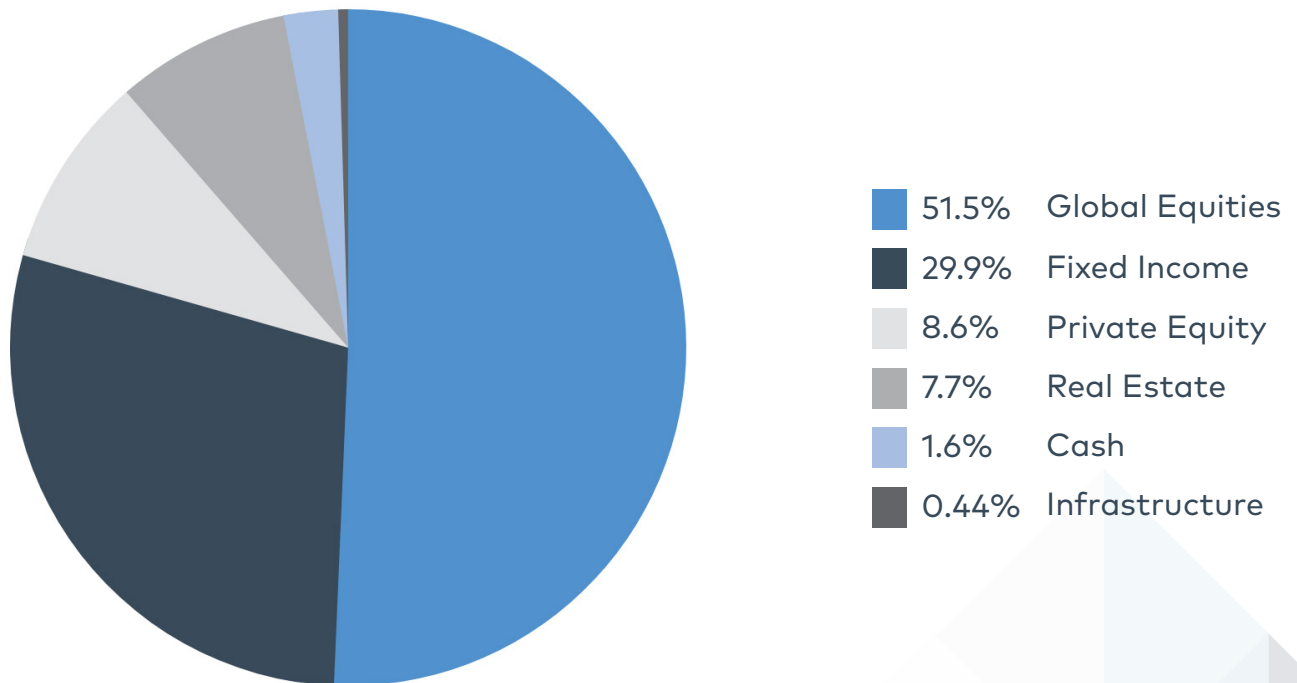
Digital Certificate of Entitlement (DCE) launched in 2021 to replace the annual proof-of-life paper form; in 2024, more than 30,000 of retirees and beneficiaries used the DCE

87% of documents were transferred electronically in 2023, against 39% in 2019

Investments

As at 31 December 2023, the Fund managed a global multi-asset investment portfolio worth US\$88.3 billion. This represents an annual increase of more than \$10.3 billion from December 2022. Investments are made across numerous asset classes, each of which uses a particular benchmark and approach.

Asset Breakdown*



*As at 31 December 2023

Long-Term and Short-Term Investment Objectives

The Office of Investment Management (OIM) has the fiduciary obligation to manage the investment of the assets of the Fund in the best long-term interest of its participants and beneficiaries. OIM must adhere to the policies, procedures and practices as set forth in its Investment Policy Statement and strive to ensure that the Fund's Long-Term and Short-Term Investment Objectives are met.

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 its 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.

As at 31 December 2023, the Fund met its short-term investment objective, returning a three-year annualized nominal return of 2.90 per cent, outperforming the benchmark return of 2.63 per cent. The long-term real rate of return was more than 1 percentage point above the Fund's current long-term investment objective of 3.5 per cent per annum.

Responsible Investing

In 2023, OIM continued to incorporate Environmental, Social and Governance (ESG) factors into its investment process, and advanced its stewardship efforts, all following key milestones reached in 2022. The focus of the year regarding responsible investment was on a) ESG integration, with a particular emphasis on climate; b) negative screening of companies that produce weapons and tobacco, normative exclusion of entities on the UN Security Sanctions List and positive screening of fossil-fuel producing companies that are transitioning towards renewable sources and good performers in the UN Global Compact; and c) thematic investments towards renewable energy sources and exploration of impact investment.

OIM strengthened its existing policy framework and published its first Sustainable Investing Manifest and Policy. These documents articulate OIM's beliefs and principles related to integrating responsible investment into its investment and internal processes. In addition, a new strategy was developed that included defining objectives and enhancing integration

processes. This boosted existing private market ESG-integration techniques and initiated a review of fixed income ESG processes.

PROGRESS ON NET-ZERO JOURNEY

OIM is on track to reach its ambitious 40 per cent carbon-reduction target for its equities, corporate bonds and non-listed real estate portfolios. The Fund has also made progress in its engagement efforts and financing the energy transition. In 2024, OIM will set new reduction targets to be reached by 2030, in line with the recommendations of the Net-Zero Asset Owner Alliance (between 40 and 60 per cent reduction).

OIM also published its second Task Force on Climate-Related Financial Disclosures (TCFD) report in 2023. This report outlined the progress made since the Fund's first report on its climate-related governance, strategy, risk management, metrics and targets. From 2024, OIM will continue to publish information related to its climate-related risks and opportunities by following the International Financial Reporting Standards (IFRS) S2 guidelines, which effectively replace the TCFD reporting framework. Of note, in 2023, the Asset-Liability Management (ALM) study encompassed climate considerations for the asset allocation of the Fund.

STEWARDSHIP

In 2023, together with its external partners, OIM exercised its right to vote in practically all meetings where it was entitled 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 OIM's commitment to being an active owner and influencing the companies in which it invests.

EXCLUSIONS

As of the end of 2023, OIM excluded over 700 securities from its investment universe, encompassing public equities and bonds. From 1 June, 2022, the cumulative return of the public equities customized benchmark, which reflects these exclusions, was 16.6 per cent, compared to 15.6 per cent for the corresponding plain MSCI benchmark. For the fixed income credit portfolio, the customized benchmark's cumulative return was 10.2 per cent, while the plain Bloomberg benchmark's return was 10.5 per cent, each since 3 October 2022.

Administrative Budget

The UNJSPF administrative expenses are funded by the Fund itself, which has been built up over 75 years from the participants and employing member organizations' contributions together with the investment returns earned.

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.

Administrative expenses in 2023 are as follows:

(Thousands of USD)

	2023
Secretariat of the Pension Board	1 154
Pension Administration	71 719
Office of Investment Management	58 321
Audit	1 769
Total	132 963

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