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13. *Requests* the Secretary-General to transmit the recommendations of the panel of experts, together with its final report and his comments, for consideration by the General Assembly at the main part of its seventy-first session;

## II

### Informal system

14. *Recognizes* that the informal system of administration of justice is an efficient and effective option for staff who seek redress of grievances and for managers to participate in;

15. *Reaffirms* that the informal resolution of conflict is a crucial element of the system of administration of justice, emphasizes that all possible use should be made of the informal system in order to avoid unnecessary litigation, without prejudice to the basic right of staff members to access the formal system of justice, and encourages recourse to the informal resolution of disputes;

16. *Welcomes* the outreach activities of the Office of the United Nations Ombudsman and Mediation Services to encourage informal dispute resolution;

17. *Also welcomes* the recommendations to address systemic and cross-cutting issues contained in the report of the Secretary-General on the activities of the Office of the United Nations Ombudsman and Mediation Services, and requests the Secretary-General to report to the General Assembly on progress made in the implementation of those recommendations in his next report;

18. *Requests* that information on the number and nature of cases from non-staff personnel continue to be clearly set out in future reports on the activities of the Office of the United Nations Ombudsman and Mediation Services;

19. *Recalls* paragraph 49 of the report of the Advisory Committee and paragraph 23 of its resolution 68/254, and requests the Secretary-General to provide, in his next report on the activities of the Office of the United Nations Ombudsman and Mediation Services, data and other relevant information on outreach activities, focusing on conflict resolution, systemic issues and conflict competence, as well as on promotion of the benefits of informal resolution;

20. *Also recalls* paragraph 32 of the report of the Advisory Committee, regrets that the Secretary-General has not fulfilled the request to ensure that the revised terms of reference and guidelines for the Office of the United Nations Ombudsman and Mediation Services are promulgated, and reiterates its request to the Secretary-General to do so by the end of December 2014 at the latest;

21. *Recognizes* that in-person access to the Office of the United Nations Ombudsman and Mediation Services is a challenge for staff in the field, including for those in special political missions;

22. *Requests* the Secretary-General to strengthen performance management skills among managers, including by enriching training programmes for conflict competence;

23. *Recognizes* the importance of both staff and managers understanding and adopting conflict competency skills

in order to prevent conflicts, cope with potential or actual conflicts and maintain resilience, and in this regard notes with appreciation the activities of the Office of the United Nations Ombudsman and Mediation Services to promote conflict competence at all levels of the Organization;

24. *Reiterates* that sound performance management can greatly contribute to avoiding conflict in the workplace, and requests the Secretary-General to continue his efforts to promote collaboration among all relevant stakeholders towards the full implementation of a credible, fair and consistent performance management system;

## III

### Formal system

25. *Recognizes* the ongoing positive contribution of the Office of Staff Legal Assistance to the system of administration of justice;

26. *Also recognizes* the importance of the Office of Staff Legal Assistance as a filter in the system of administration of justice, and encourages the Office to continue to advise staff on the merits of their cases, especially when giving summary or preventive legal advice;

27. *Recalls* the emphasis placed by the General Assembly on the resolution of disputes, and requests the Secretary-General to report on the practice of proactive case management by the judges of the United Nations Dispute Tribunal in the promotion and successful settlement of disputes within the formal system in his next report;

28. *Requests* the Secretary-General to continue to track the data on the number of cases received by the Management Evaluation Unit and the Dispute Tribunal in order to identify any emerging trends and to include his observations on those statistics in future reports;

29. *Reaffirms* the need for the Dispute Tribunal and the United Nations Appeals Tribunal to have at their disposal functional courtrooms equipped with adequate facilities;

30. *Welcomes* the progress made in the implementation of the voluntary supplemental funding mechanism with respect to additional resources for the Office of Staff Legal Assistance;

31. *Stresses* the need to explore further means to raise awareness among staff of the importance of financial contributions to the Office of Staff Legal Assistance;

32. *Recalls* paragraph 35 of its resolution 68/254, and requests the Secretary-General to implement incentives for staff not to opt out and to report thereon to the General Assembly in his next report;

33. *Requests* the Secretary-General to continue to collect and examine data relating to staff contributions to the Office of Staff Legal Assistance and to report thereon to the General Assembly in his next report;

34. *Stresses* the importance of the dissemination of the jurisprudence of the Tribunals, including through improvement to the search engine;

35. *Requests* the Secretary-General to ensure that a lessons-learned guide on performance management based on the jurisprudence of the Tribunals is completed before the main part of the seventieth session of the General Assembly and that it is shared with managers across the Organization;

36. *Reaffirms* that, in accordance with paragraph 25 of its resolution 68/254, paragraph 5 of its resolution 67/241 and paragraph 28 of its resolution 63/253, the Dispute

Tribunal and the Appeals Tribunal shall not have any powers beyond those conferred under their respective statutes;

37. *Also reaffirms* that recourse to general principles of law and the Charter of the United Nations by the Tribunals is to take place within the context of and consistent with their statutes and the relevant General Assembly resolutions, regulations, rules and administrative issuances;

38. *Decides* to amend article 10, paragraph 5, of the statute of the Dispute Tribunal and article 9, paragraph 1, of the statute of the Appeals Tribunal, by adding the word “only” between the words “may” and “order”, and to amend article 10, paragraph 5 (b), of the statute of the Dispute Tribunal and article 9, paragraph 1 (b), of the statute of the Appeals Tribunal, by adding the words “for harm, supported by evidence” after the word “compensation”;

39. *Also decides* to amend article 11, paragraph 3, of the statute of the Dispute Tribunal by inserting the words “and orders” after the word “judgements” and by adding, at the end of the paragraph, a sentence reading “Case management orders or directives shall be executable immediately.”, and to amend article 7, paragraph 5, of the statute of the Appeals Tribunal by inserting the words “or order” after the word “judgement”;

40. *Emphasizes* that the amendments to article 11, paragraph 3, of the statute of the Dispute Tribunal shall not affect the provisions of article 2, paragraph 2, and article 10, paragraph 2, of the statute of the Dispute Tribunal;

41. *Requests* the Secretary-General to provide to the General Assembly at the main part of its seventieth session a report on the implementation of the amendment to article 11, paragraph 3, of the statute of the Dispute Tribunal and article 7, paragraph 5, of the statute of the Appeals Tribunal, including with respect to the administrative implications, any implications for the timely disposal of these cases, the ultimate disposition of appeals of orders, if any, and any costs saved by reason of stays pending such appeals;

42. *Decides* to approve the amendments to article 3 of the statute of the Appeals Tribunal proposed in annex IV to the report of the Secretary-General, with the following modifications:

(a) Replace the second sentence of article 3, paragraph 3 (b), as follows: “Relevant academic experience, when combined with practical experience in arbitration or the equivalent, may be taken into account towards 5 of the qualifying 15 years.”;

(b) Delete the third sentence of article 3, paragraph 3 (b);

(c) Delete the following words of article 3, paragraph 3 (c), “and, on appointment, be in a state of health appropriate for effective service during the entirety of the proposed term of appointment”;

43. *Requests* the Secretary-General to review the issue of harmonization of the privileges and immunities of the judges and to submit a proposal to the General Assembly in his next report on this item;

44. *Stresses* the need to ensure that all individuals acting as legal representatives appearing before the Dispute Tribunal and Appeals Tribunal are subject to the same standards of professional conduct, and in this regard requests the Secretary-General to submit to the General Assembly in his next report a single code of conduct for all legal representatives, without prejudice to other lines of disciplinary authority;

45. *Reiterates its request* to the Secretary-General to develop incentives for staff and management, including through training opportunities, to enable and encourage staff to continue to participate as volunteers in the work of the Office of Staff Legal Assistance;

#### IV

##### Other issues

46. *Notes* the proposal of the Secretary-General of a mechanism for addressing complaints under the code of conduct of judges, and requests the Secretary-General to submit to the General Assembly, in his next report, a refined proposal with regard to the scope of application and the title of the mechanism;

47. *Stresses* that the Internal Justice Council can help to ensure independence, professionalism and accountability in the system of administration of justice, and requests the Secretary-General to entrust the Council with including the views of both the Dispute Tribunal and the Appeals Tribunal in its reports;

48. *Recalls* paragraph 39 of the report of the Advisory Committee and paragraph 8 of its resolution 61/261, and requests the Secretary-General to present, in his next report, proposals with reference to the accountability of all individuals where violations of the rules and procedures of the Organization have led to financial loss;

49. *Invites* the Sixth Committee to consider the legal aspects of the report to be submitted by the Secretary-General, without prejudice to the role of the Fifth Committee as the Main Committee entrusted with responsibilities for administrative and budgetary matters;

50. *Requests* the Secretary-General to report to the General Assembly at its seventieth session on the implementation of the present resolution.

##### UN Joint Staff Pension Fund

As at 31 December 2014, the United Nations Joint Staff Pension Fund (UNJSPF) recorded 122,759 active participants compared to 120,294 at the end of 2013. The number of member organizations remained unchanged at 23.

Periodic benefits increased to 72,367. The distribution of benefits was as follows: 26,217 full retirement benefits; 15,746 early retirement benefits; 7,673 deferred retirement benefits; 11,233 widow and 923 widower benefits; 9,124 child benefits; 1,410 disability benefits; and 41 secondary dependent benefits.

Contributions received from active participants and member organizations were slightly less, by \$158 million or 6.9 per cent, than the benefit payments made of \$2.4 billion. The gap between contributions and benefit payments, however, continued to represent a very small portion of total assets (0.3 per cent). The principal of the Fund continued to grow. Income (contributions plus investment income) considerably exceeded benefit payments. During 2014, the Fund earned an approximate 3.21 per cent return.

The Fund continued to be in a strong financial position. Compared to the 3.5 per cent real return

objective, long-term investment performance was in line with expectations. In 2014, the Fund carried out its third comprehensive Asset Liability Management study, which provided additional confirmation of the Fund's sound actuarial valuation position and favourable funded status.

The market value of the Fund's assets was \$52,280 million as at 31 December 2014, which represented a real rate of return of 2.4 per cent. Through the management and re-balancing of the assets to maintain its long-term investment objectives, the Fund out-performed the policy benchmark in three, seven and ten year periods. The management of the Fund's investments continued to focus on balancing the risk and reward expectations with broad global diversification. As at 31 December 2014, the Fund had investments in 39 countries, 7 international institutions and 23 currencies.

The Fund's actuarial valuation completed as of 31 December 2013 revealed a deficit, amounting to -0.72 per cent of pensionable remuneration, which meant that the theoretical contribution rate required to achieve balance as of 31 December 2013 was 24.42 per cent of pensionable remuneration, compared to the actual contribution rate of 23.70 per cent; those results showed a reverse of the downward trend since 2001 and a significant long-term development considering the size and maturity of the Fund.

The Fund strengthened its internal control framework. The Fund's first Statement of Internal Control (SIC) accompanied its financial statements for the year 2013. During 2014, the Fund's management introduced refinements to its Enterprise-wide Risk Management Framework, including the approval of the Internal Control Policy and updates to the Enterprise-wide Risk Management Framework Methodology. UNJSPB Audit Committee met three times during the year, making recommendations to the Board on the preparation of financial rules for the Fund, expanding SIC and the relationship with internal and external auditors. The Assets and Liabilities Monitoring Committee met twice during the year, providing analysis, advice and recommendations to the Board.

The United Nations Joint Staff Pension Board (UNJSPB) held its sixty-first session (Rome, 10–18 July) [A/69/9], addressing actuarial matters, the management of the Fund's investments, the Fund's strategic framework for 2016–2017, the performance report on the strategic framework indicators for 2012–2013, possible changes in the Fund's Regulations and Administrative Rules and other matters. Annexed to the Board's report was the report of the Board of Auditors on the financial statements of the Fund for the year ended 31 December 2013, which also included the Board of Auditors' recommendations.

By **resolution 68/247 B** (section VIII) of 9 April, the General Assembly, having considered the

Secretary-General's report [A/68/753] on proposed terms of reference for the representative of the Secretary-General for the investment of the assets of the Pension Fund, and the related ACABQ report [A/68/805], established the post of full-time representative of the Secretary-General for the investment of the assets of the Pension Fund at the Assistant Secretary-General's level. The terms of reference of the post were annexed to the resolution.

**Report of Secretary-General.** In August [A/C.5/69/2], the Secretary-General reported on the investments of the Pension Fund and on measures undertaken to increase the diversification of the Fund, providing information on the management of the investments during the fiscal biennium from 1 April 2012 to 31 March 2014. During the fiscal biennium, the Fund had an annualized return of 10.1 per cent. The total investment return was 8.1 per cent for the fiscal year ended 31 March 2013 and 12.1 per cent for the fiscal year ended 31 March 2014).

As at 31 March 2014, the Fund held direct securities investments in 39 countries and 23 currencies, along with indirect country investments through international institutions and externally managed funds. In terms of geographical diversification, the proportion of the total Fund invested in North America increased to 50.5 per cent in March 2014, compared to March 2012. Investments in Europe decreased to 24.1 per cent, while in Asia and the Pacific the proportion of investments decreased to 14.9 per cent. The rest of the portfolio was invested with international institutions. The equities portfolio was directly invested in 35 countries and 4 supranational and regional institutions as at 31 March 2014. The fixed-income portfolio was directly invested in 28 countries, plus 4 supranational and regional institutions. In terms of currency diversification, the equities portfolio invested in 23 different currencies through direct investments, 55.4 per cent of which were in United States dollars and 44.5 per cent in non-United States dollar currencies. Further diversification opportunities in emerging markets were being carefully reviewed while considering the four investment criteria: safety, profitability, liquidity and convertibility.

**ACABQ report.** In October [A/69/528], the Advisory Committee commented on the reports of the Pension Board and of the Secretary-General. It recommended approval of the Board's proposals, taking into account the Committee's observations and recommendations. The Committee welcomed the appointment of a full-time representative of the Secretary-General for the investment of UNJSPF assets. It had no objections to the Secretary-General's proposed appointments to the Investment Committee and to the proposed amendment of an addition to article 14(b) of the regulations of the Fund to clarify

the mandate of the Board of Auditors in relation to the Fund and to establish the terms of reference for the Fund's annual audits.

#### GENERAL ASSEMBLY ACTION

On 10 December [meeting 68], the General Assembly, on the recommendation of the Fifth Committee [A/69/637], adopted **resolution 69/113** without vote [agenda item 140].

#### United Nations pension system

##### *The General Assembly,*

Recalling its resolution 67/240 of 24 December 2012, section VII of its resolution 68/247 A of 27 December 2013 and section VIII of its resolution 68/247 B of 9 April 2014,

Having considered the report of the United Nations Joint Staff Pension Board for 2014, including the financial statements of the United Nations Joint Staff Pension Fund for the year ended 31 December 2013, the audit opinion and report of the Board of Auditors thereon, the information provided on the internal audits of the Fund and the observations of the United Nations Joint Staff Pension Board and of the Audit Committee, the report of the Secretary-General on the investments of the Fund and measures taken to increase the diversification of the Fund and the related report of the Advisory Committee on Administrative and Budgetary Questions,

1. Takes note of the report of the United Nations Joint Staff Pension Board for 2014, in particular the actions taken by the Board as set out in chapter II.B of the report;
2. Endorses the recommendations of the Advisory Committee on Administrative and Budgetary Questions, subject to the provisions of the present resolution;

#### Actuarial matters

3. Emphasizes the importance of the United Nations Joint Staff Pension Fund meeting its target annual real rate of return of 3.5 per cent over the long term;
4. Takes note of the results of the actuarial valuation of the Fund, which revealed a deficit of 0.72 per cent of pensionable remuneration as at 31 December 2013, which was a significant improvement over the deficit of 1.87 per cent of pensionable remuneration revealed by the prior actuarial valuation as at 31 December 2011;
5. Welcomes the improvement in the actuarial position of the Fund, which represents a reversal of the downward trend observed since 1999, and in this regard emphasizes the need to ensure the sustainability of these gains;

#### Financial statements of the United Nations Joint Staff Pension Fund and report of the Board of Auditors

6. Notes that the Board of Auditors issued an unqualified audit opinion on the financial statements of the Fund for the year ended 31 December 2013;
7. Also notes the observation of the Board of Auditors that the adoption of the International Public Sector Accounting Standards in 2012 had enhanced the quality of the financial statements of the Fund;
8. Stresses the need for the Fund to address all the weaknesses identified by the Board of Auditors in relation to financial management and financial statement disclosure,

investment management, information system management and other administrative processes;

#### Amendments to the Regulations and Administrative Rules of the United Nations Joint Staff Pension Fund

9. Approves the amendment to article 4 of the Regulations of the United Nations Joint Staff Pension Fund, as set out in annex XI to the report of the United Nations Joint Staff Pension Board, in order to establish clear authority and reference to the financial rules of the Fund;

10. Emphasizes the importance of the Board promulgating financial rules that will govern the financial management of the Fund, and in this regard looks forward to receiving further information in the next report of the Board;

11. Takes note of paragraph 36 of the report of the Advisory Committee, and decides not to approve the proposed amendment to article 14 as set out in annex XI to the report of the Board;

12. Encourages the Audit Committee of the Fund to continue to work closely with the Board of Auditors in order to address issues of mutual interest;

13. Approves the technical changes in the Regulations of the Fund, as set out in annex XI to the report of the United Nations Joint Staff Pension Board, in accordance with past decisions and amendments adopted by the Board and the General Assembly;

14. Takes note of the amendments to the Administrative Rules of the United Nations Joint Staff Pension Fund, as set out in annex XII to the report of the Board, to refine the Administrative Rules and align them with the Regulations of the Fund;

#### Pension adjustment system

15. Approves the amendment regarding the special adjustment for small pensions, as set out in annex XIII to the report of the Board, to reflect the 10 per cent adjustment to small pension threshold amounts for separations on or after 1 April 2016;

16. Concurs with the recommendation of the Board that the following assessments be discontinued, considering the comments of the Committee of Actuaries that the assessments were consistent with the initial estimates of the consulting actuary and were subsumed in the overall cost of the two-track feature, which would continue to be monitored in conjunction with each actuarial valuation: (a) assessment of the costs of the April 1992 modification of the cost-of-living differential factors as applicable to the Professional and higher categories, (b) assessment of actual savings from the reduction of the 120 per cent cap provision to 110 per cent, effective for separations on 1 July 1995 or later and (c) assessment of the costs and/or savings of the minimum guarantee at 80 per cent of the United States dollar track amount;

#### Other matters

17. Concurs, in accordance with article 13 of the Regulations of the Fund and with a view to securing the continuity of pension rights, with the new transfer agreements of the Fund with the European Organization for the Exploitation of Meteorological Satellites, the European Union Satellite Centre and the European Union Institute for Security Studies, as approved by the Board and set out

in annex XIV to its report, which will become effective 1 January 2015;

18. *Notes* that the transfer agreement of the Fund with the African Development Bank has been withdrawn, because the Bank has not signed the approved agreement;

19. *Recalls* paragraph 10 of the report of the Advisory Committee, and welcomes the initiative taken by the High-level Committee on Management to establish a working group on after-service health insurance and looks forward to receiving information on its findings at the seventieth session of the General Assembly, pursuant to Assembly resolution 68/244 of 27 December 2013;

20. *Also recalls* paragraph 13 of section VII of resolution 68/247 A and paragraph 26 of the report of the Advisory Committee, and requests the Board to inform the General Assembly of the outcome of the revision of the memorandum of understanding between the Office of Human Resources Management of the Secretariat and the Fund in the context of its next report to the Assembly;

21. *Notes with concern* the observation of the Board of Auditors regarding performance evaluations not having been completed for Fund staff for the cycle ended 31 March 2013, and in this regard requests the Secretary-General to continue his effort to ensure that the performance of all staff members of the Fund is properly evaluated in a timely manner;

#### **Investments of the United Nations Joint Staff Pension Fund**

22. *Takes note* of the report of the Secretary-General on the investments of the Fund and measures taken to increase the diversification of the Fund and the observations of the United Nations Joint Staff Pension Board as set out in its report;

23. *Reaffirms* its resolution 33/121 B of 19 December 1978;

24. *Notes* the overall improved investment performance of the Fund for the year ended 31 December 2013 as compared with its performance benchmarks for the same period in 2012, and commends its success in meeting its investment objectives;

25. *Recalls* paragraph 14 of the report of the Advisory Committee, and in this regard commends the Fund for its success in meeting its long-term investment objectives over the past 10, 15, 20, 25 and 50 years;

26. *Emphasizes* the importance of the policy of the Fund of broad diversification of its investments by currency, type of asset class and geographical area as a reliable method of improving the risk-return profile of its portfolio over long periods of time;

27. *Requests* the Secretary-General, as fiduciary for the investment of the assets of the Fund, to continue to diversify its investments between developed, developing and emerging markets, wherever this serves the interests of the participants and the beneficiaries of the Fund, and also requests the Secretary-General to ensure that decisions concerning the investments of the Fund in any country are implemented prudently, taking fully into account the four main criteria for investment, namely, safety, profitability, liquidity and convertibility, under volatile market conditions;

28. *Encourages* the Secretary-General, as fiduciary for the investment of the assets of the Fund, to continue to explore prospects in all markets, taking into account risk-return profiles and always applying sound risk management techniques, and taking fully into account the four main criteria for investments of the Fund;

29. *Recognizes* the importance of the use of in-house expertise, and in this regard requests the Secretary-General to continue to take all measures to ensure that the costs for non-discretionary advisory fees are reduced and to report thereon in the context of future reports.