

7 July 2022

Dear Mrs. Chaoui,

At its 70th session, in February 2022, the United Nations Joint Staff Pension Board was informed by the Representative of the Secretary-General for the investment of the assets of the United Nations Joint Staff Pension Fund (RSG/OIM), Mr. Pedro Guazo, about the decision to invest temporarily around 18 per cent of the resources of the United Nations Joint Staff Pension Fund through external managers under the OIM team's direction and supervision. Context and information was provided to the Board and shared in the report of the Board. The Board commented on this matter, in line with its mandate under the UNJSPF Regulations and concluded that *"The Board wants to clearly express that the investment of the assets of the Pension Fund will not be "outsourced" and the use of external managers is a mechanism that was endorsed by this Board in 2019."*

I note that CCISUA attended that Board session as an observer and has since been organizing town hall meetings, issued petitions and distributed messages to staff on what has been incorrectly called the "outsourcing of the fixed-income portfolio". The activities undertaken by CCISUA and its agents have failed to take into account assurances that were provided by the RSG in regard to the use of external managers and the Board's endorsement of the use of external managers. Information that has been circulated and conveyed by CCISUA has caused unnecessary alarm regarding the management of the assets of the Fund. As observers, members of CCISUA who attend the Board session are bound by the Board's Code of Conduct and Ethics Policy. Both the Code of Conduct and Ethics Policy as stated in Appendix 12 to the Regulations, contain specific provisions on confidentiality; the Ethics Policy also requires Board members, representatives and observers to *"respect the decisions of the Board and not undertake, in any form, actions to contravene or undermine the decisions, agreed positions or report of the Board"*.

Following a review of all the materials distributed by CCISUA on the issue of the fixed-income portfolio and consultation with the Ethics Adviser, the Bureau has concluded that the actions undertaken violate the provisions of the Ethics Policy as they undermine the decisions and agreed positions of the Board.

Article A9(e) of the Rules of Procedure of the Fund states that observers are invited by the Board to attend its sessions. At its meeting on 30 June 2022, the Bureau decided to extend an invitation to CCISUA to attend the 72nd session of the Board remotely. However, should CCISUA and its agents undertake further activities that undermine the work of the Fund, violate the existing Ethics Policy as well as the Board's Code of Conduct, then the Board, will need to reconsider the inclusion of CCISUA as an observer at future Board sessions.

Let me finally reiterate my full support for the Secretary-General and his representative for the investment of the assets of the Fund, Mr. Pedro Guazo. I hope that we can continue to have constructive discussions on these issues, within the context of the agreed governance frameworks.

Please note that this letter will be shared with Board members and that all relevant articles of the Ethics Policy related to confidentiality apply.

Yours sincerely,

Vilem Vesely (signed)
Chair
United Nations Joint Staff Pension Board