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**FOLLOW-UP TO DECISIONS AND RESOLUTIONS ADOPTED BY
THE EXECUTIVE BOARD AND THE GENERAL CONFERENCE
AT THEIR PREVIOUS SESSIONS**

PART IV

HUMAN RESOURCES ISSUES

**C. Progress of the After-Service Health Insurance (ASHI)
Working Group (WG) and its recommendations**

ADDENDUM

COMMENTS BY THE UNESCO STAFF UNION (STU)

Pursuant to Item 9.2.E.7 of the UNESCO Human Resources Manual, the UNESCO Staff Union (STU) submits its comments on the reports by the Director-General.

1. This document is an annotated addition to 201 EX/5 Part IV B, which set out the eight recommendations of the Working Group to the United Nations General Assembly. It notes that it is too early to make any specific recommendations for UNESCO, though it comments on the possible relevance of each to UNESCO.

2. STU supports the resolution of the Working Group, in the context of a proposal for a **permanent specialized body to address insurance related matters**, to respect: (i) acquired rights; (ii) duty of care; (iii) universal access to healthcare; (iv) commitment to the provision of high-quality health insurance coverage; and (v) intergenerational solidarity. The basic feature of the UNESCO Medical Benefits Fund, set out in Article 1 of the Rules, is that it is a mutually financed and autonomous health-insurance scheme based on principles of solidarity, which includes solidarity across employment categories, as well as generations.

3. Regarding the **UNESCO Medical Benefits Fund (MBF)** and **Medical Service**, the STU notes that the External Auditor has chosen to deal with three separate entities together, which has resulted in some errors and misunderstandings, and a not very convincing result. The three are: the Medical Benefits Fund (MBF) – a joint staff-administration mechanism, the After Service Health Insurance (ASHI) – a budgetary liability, and the Medical Service – an internal facility.



4. Besides a huge number of inaccuracies, it is particularly unfortunate that **the External Auditor does not appear to have noticed that the Medical Benefits Fund (MBF) has been, since 1948, a joint staff-administration mechanism**, providing an important measure of social security in health matters for all active and many retired staff members. In consequence, he failed to consult the participants, who are co-owners of the MBF, either through their elected representatives to the Board of Management or to the Advisory Board, or through the STU. Further, **he also does not seem to have noticed that the Fund has barely functioned over the last four years as it has been without any management** for the greater part of that time.

5. Moreover, it is worth noting that the ILOAT judgment found that "*Although accountable to the General Conference, the responsibility for the operation of the MBF rests with the Director-General.*" As the authority to amend the MBF Rules is invested in the Director-General (following the recommendation of the Board of Management and a decision by the General Assembly of Participants), **the General Conference may recommend or request an amendment to the MBF Rules but it does not have the authority to amend the Rules**. Thus, the recommendation to "*take a position ... on the governance arrangements ... to be adopted and proposed to the General Conference*" may well lead, if followed, to a **further internal appeal and complaint at the ILOAT**.

6. While the Report, in paragraph 32, refers to the decision of the General Conference in 2011 to approve an **increase in contributions**, it omits any reference to the fact that participants voted, not once, but twice on this matter in 2011. The first time was based on the proposal and calculation that the General Conference would also approve an increase in the Organization's share of the costs, from 50% to 55%. The second time was after the General Conference had declined yet again to increase their share, so that UNESCO remains **one of the least generous employers in the United Nations system** in the matter of health insurance.

7. STU notes that a general revision of the 2008 Rules is due, in part to include the amendments from 2010 and 2011 (AC/HR/7 of 20 October 2010, AC/HR/16 of 23 June 2011, AC/HR20 of 23 December 2011) as well as to consider the recommendations in the Report. It notes that Annex III, which deals with reimbursable benefits, in particular needs **updating to take into consideration increases in medical costs in France**, to **set ceilings for items in other countries**, as well as to **clarify the issues** identified here.