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منظمة الأمم المتحدة  
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### REPORT BY THE DIRECTOR-GENERAL ON THE STATE OF THE MEDICAL BENEFITS FUND

#### ADDENDUM

#### COMMENTS OF THE UNESCO STAFF UNION (STU)

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

#### Part I: Governance of the Medical Benefits Fund

1. Part I of this report on the governance of the Medical Benefits Fund (MBF) is understandably very short since there has been no governance or governance structure since the decision of the General Conference at its 37th session in November 2013 to ignore the procedure for amending the Rules of the MBF and to change the Rules unilaterally.
2. More specifically, there has not been a meeting of the joint staff-administration Board of Management since October 2013; there has not been an annual General Assembly of Participants, due in the first quarter of the year, since May 2013; no information or financial statements have been made available to participants; the Extraordinary General Assembly of Participants of 4 September 2013, convened to review and approve the proposed new Rules, is still adjourned and the Report on this meeting has not been issued.
3. The report claims that the new structure was implemented with an Administrative Circular. This was published in October 2014, but there has been no implementation. A further Circular was issued in November 2014, calling for nominations for the election of members to the new Advisory



Board, to be held on 2 February 2015. This election did not take place; no explanation has been given for its non-happening. The elections, noted in the report to take place from 21 to 23 September, were postponed 4 days before they were due to take place, a new list of candidates was issued and the election took place from 21 to 23 October 2015. Among the many irregularities surrounding this re-scheduling, was the fact that many participants did not receive the new ballot papers in time to vote. The Coordinator, a key figure in the new Rules, has not been appointed, nor has the position been advertised.

4. In this vacuum, the STU has been obliged to intervene directly with the Administration to resolve a difficult case that would in normal circumstances have been dealt with by the Board of Management or the new Advisory Board. And the non-recognition of guarantees from the Claims Administrator by many hospitals of Paris (AP-HP) continues to cause great confusion and stress to participants contemplating or suffering an extended stay in a hospital.

5. As there is no evidence that the new governance structure could or would “strengthen the financial sustainability and effectiveness of the Fund”, and, after two years the structure is far from being implemented, the STU urges the General Conference to reconsider and reverse its previous decision to intervene in what was, until then, “a mutually financed and autonomous health insurance scheme”. In particular, it requests the General Conference to take a new decision, to rescind 37 C/Resolution 85, so as to allow the resumption of discussions between participants and Administration, the co-owners of the Fund, on a new governance structure, under the previous procedures for amending the Rules.

6. This request is in line with the several complaints against the Administration at the International Labour Organization Administrative Tribunal (ILOAT) and by the several appeals before the internal Appeals Board.

## **Part II: Financial Situation of the Medical Benefits Fund and the After-Service Health Insurance Liability**

7. The STU reluctantly reminds the General Conference that the recommendation of the External Auditor in 2005, included in the Director-General's Global Plan of Action for the MBF of 2006 in 172 EX/36, was a reserve of 18 months with a margin of roughly three months, or between 15 and 21 months of reimbursements. With a reserve of only 13 months, the financial situation is still a cause for concern, and an increase in contributions should be considered in the near future, especially as the number of compulsory participants (incorrectly referred to as active participants) is declining due to the reform and restructuring exercises, adding to the increasing numbers of voluntary participants (incorrectly referred to as associate participants).

8. The 51% increase in the After-Service Health Insurance (ASHI) liability in the last year is extremely worrying, even if it is largely due to the use of a different measure for calculating this liability. The STU asks the General Conference to support all measures being taken to increase the funds in the Special Account for After-Service Health Insurance.