



## General Conference

37th Session, Paris, 2013

United Nations  
Educational, Scientific and  
Cultural Organization

Organisation  
des Nations Unies  
pour l'éducation,  
la science et la culture

Organización  
de las Naciones Unidas  
para la Educación,  
la Ciencia y la Cultura

Организация  
Объединенных Наций по  
вопросам образования,  
науки и культуры

منظمة الأمم المتحدة  
للتربية والعلم والثقافة

联合国教育、  
科学及文化组织

# 37 C

37 C/38 Add.2  
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Item 12.4 of the agenda

### THE STATE OF THE MEDICAL BENEFITS FUND AND INTRODUCTION OF THE NEW GOVERNANCE STRUCTURE

#### ADDENDUM 2

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

In conformity with item 2805.7 of the UNESCO Administrative Manual, the UNESCO Staff Union (STU) submits its observations on this report by the Director-General.

1. STU wishes to draw attention to the fact that the MBF is not a Unit of the Secretariat, but is, according to Article 1 of the Rules of the MBF, "a mutually financed and autonomous health insurance scheme based on principles of solidarity." Participants in the scheme have frequently expressed their attachment to the scheme in its present form, of which they are co-owners.
2. It thus requests the General Conference to respect the autonomy of the MBF, and in particular the decision of the Extraordinary General Assembly of 4 September 2013 (Part 2 of document 37 C/38 Add.), which considered that it was premature to take a decision on the new Rules, not least because of the withholding of background information and of the lack of time to consider the very radical changes being proposed to the governance structure. In this sense, it further requests the General Conference to take note of the information in the documents 37 C/38 and 37 C/38 Add., and to reserve judgment on any changes in the governance structure and rules until the issue has been fully and transparently examined by those directly concerned.
3. It regrets the plan to maintain the services of Deloitte for the coming two biennia as this consulting firm has shown little understanding of the nature of the MBF but instead has made proposals based on what appear to be pre-conceived ideas of what the MBF should be. The MBF Board of Management has not been consulted on this measure, and the terms of reference and the

costs (at least US \$10,000 to \$12,000 a year for basic services only, as estimated in their report of 9 July 2010) of the consultancy are not known. STU would prefer the adoption of the recommendation of the External Auditor (37 C/30, Recommendation 6) that UNESCO use the same consulting actuary for all its long-term staff benefits. This would be both a savings and a benefit as it would align the MBF and the ASHI liability under the same structure and valuations.

4. It notes that the unilateral decision of the Administration in this matter is yet a further instance of the lack of respect in the application of the existing Rules. Further instances relate to the considerable cost-savings measures that have been approved by the Board of Management but have yet to be implemented by the Administration. The deplorable delay in presenting this document after the start of the General Conference, less than 24 hours before it is to be discussed in the APX Commission, is a further symptom of the inefficiency of the current administrative team.

5. It trusts that the General Conference will approve the revised cost sharing formula and the initial funding of the ASHI liability, which would provide a measure of badly needed financial stability to the MBF. It notes that the External Auditor has once again reprimanded the Organization and its governing bodies for not yet adopting a structural solution to its long-term liabilities. In view of the enforced departure of several hundred staff at the end of 2013, and the further erosion of the balance between active and retired staff participants, it is urgent that these measures, together with the cost-saving measures approved by the MBF's Board of Management, be applied as soon as possible.