

## MEDICAL BENEFITS FUND OF UNESCO

### RESOLUTION

The Extraordinary General Assembly of 4 September 2013.

1. Recalling that:

- (a) Resolution 86 of the 33th General Conference of UNESCO in 2005, took note of the recommendations of the External Auditor, the timetable for their implementation and the global plan of action, and invited the Director General to report ... on the possibility of reviewing contributions to the Fund. The plan of action included the increase in 3 stages, beginning on 1 January 2008, of the employer's share of contributions to 60%. (See Annex I for Resolution 86 and the measures relating to contributions and financial management);
- (b) the present Rules, dated 2008, were revised over a period of 5 years by two different Working Groups, and that, in comparison, the procedure for the introduction of these new Rules has been extremely hurried, with the first draft provided to the Board of Management on 6 June 2013;

2. Considering that:

- (a) the present structure of the Medical Benefits Fund has served the participants (active and retired staff), and the organization, reasonably well for more than 60 years, so it is only reasonable to allow participants sufficient time to study the new rules and structures proposed.
- (b) the Deloitte report on governance, which is the basis of the new Rules, has been made available to participants only the evening before the Extraordinary General Assembly, despite its being specifically requested at the General Assembly of Participants held on 15 May 2013;
- (c) far from enhancing the Fund's expertise and independence, the proposed reform would concentrate control in a newly established Coordinator within the Secretariat who would be accountable only to senior management;
- (d) despite the best efforts of a small Working Group to revise the Administration's draft Rules in July 2013, the role of participants would be reduced to participation in an Advisory Board;
- (e) costs are likely to increase in view of the tasks envisaged for the proposed External subject matter expert, and any benefits for the participants are unclear;

3. Notes with regret that:

- (a) the proposed new Rules would fundamentally change the status of the MBF from "a mutually financed and autonomous health insurance scheme based on principles of solidarity" to a scheme managed by a Coordinator, unaccountable except to his/her immediate superiors;
- (b) the loss of autonomy of the Board of Management and the effective abolition of the General Assembly would leave the participants of the Fund, who are its co-owners, without any recourse to decisions, and would deprive them of the kind of affordable, mutually financed health insurance scheme to which they have repeatedly affirmed their attachment;

4. Recommends that the UNESCO External Auditor be requested to undertake a full performance audit of the MBF, including its financing, governance and administration, the costs and benefits of the proposed changes, and a review of its own last report, i.e. of 2005;

5. Considers that it is premature to take a decision on the proposed new Rules and governance structure; and decides to adjourn the Assembly until the External Auditor's Report is made available to it.

6. Requests the Chairman of the Extraordinary General Assembly to transmit this Resolution to the Director General.

## CAISSE D'ASSURANCE MALADIE DE L'UNESCO

### RESOLUTION

#### L'Assemblée générale extraordinaire du 4 septembre 2013

1. Rappelant que :

(a) la Résolution 86 adoptée par la Conférence générale de l'UNESCO à sa trente-troisième session en 2005 prend note des recommandations de l'Auditeur externe, du calendrier de leur mise en œuvre et du Plan d'Action Global et invite le Directeur général à faire rapport ... sur la possibilité de réviser les contributions à la Caisse. Le plan d'action prévoyait l'augmentation à 60% de la contribution de l'employeur, en trois paliers, à dater du 1<sup>er</sup> janvier 2008. (voir l'Annexe I pour la Résolution 86 et les mesures relatives aux contributions et à la gestion financière) ;

(b) le Règlement actuel qui date de 2008 a été révisé au cours des cinq années par deux groupes de travail différents et qu'en comparaison, la procédure suivie pour introduire ce nouveau Règlement a été extrêmement précipitée, le premier projet ayant été présenté au Conseil de gestion le 6 juin 2013 ;

2. Considérant que :

(a) la structure actuelle de la CAM a raisonnablement bien servi les participants (actifs et retraités) et l'Organisation depuis plus de soixante ans. Bien que son fonctionnement n'ait pas été très satisfaisant ces dernières années, il n'y a pas grand-chose dans les nouvelles règles et structures de susceptible d'en améliorer le situation;

(b) le rapport Deloitte sur la gouvernance qui est à la base du nouveau Règlement n'a été mis à la disposition des participants qu'à la veille de l'Assemblée générale extraordinaire, bien que la demande en ait été faite spécifiquement par l'Assemblée générale tenue le 15 mai 2013 ;

(c) loin de renforcer l'expertise et l'indépendance de la Caisse, la réforme proposée concentrerait le contrôle entre les mains d'un nouveau 'Coordonnateur' du Secrétariat qui ne rendrait de comptes qu'aux cadres supérieurs ;

(d) en dépit des efforts méritoires d'un petit groupe de travail, le rôle des participants serait réduit à la participation à un Conseil consultatif ;

(e) les coûts augmenteront vraisemblablement, vu les nombreuses tâches envisagées pour l'Expert externe et les bénéfices à en tirer pour les participants ne sont pas clairs;

3. Note avec regret que :

(a) le projet de nouveau Règlement changerait fondamentalement le statut de la CAM d'un « système d'assurance-maladie mutualiste et autonome qui repose sur les principes de la solidarité » pour un plan géré par un Coordonnateur responsable uniquement envers ses supérieurs immédiats ;

(b) la perte d'autonomie du Conseil de gestion et l'abolition de fait de l'Assemblée générale laisseraient les participants à la Caisse (qui en sont copropriétaires) sans recours contre ses décisions et les priverait d'un plan d'assurance maladie mutualiste, abordable auquel ils ont constamment réaffirmé leur attachement.

4. Recommande qu'il soit demandé à l'Auditeur externe d'entreprendre un audit complet de la Caisse, y compris son financement, sa gouvernance et son administration, les coût et bénéfices des changements projetés ainsi qu'une revue de son dernier rapport (2005);

5. Considère qu'il serait prématuré de prendre une décision relativement au nouveau Règlement et à la structure de gouvernance et décide d'ajourner l'Assemblée jusqu'à ce que le rapport de l'Auditeur externe lui ait été communiqué.

6. Demande au Président de l'Assemblée générale extraordinaire de transmettre cette Résolution à la Directrice générale.

## **Annex I**

### **33 C/Resolution 86**

#### **Report by the Director-General on the state of the Medical Benefits Fund and appointment of Member States' representatives to the Board of Management for 2006-2007**

*The General Conference,*

**I**

*Recalling 32 C/Resolution 73, 171 EX/Decision 38 and 172 EX/Decision 38,*

*Having examined documents 33 C/36 and 172 EX/36,*

1. *Recognizes* that the Medical Benefits Fund is an efficient and indispensable element of medical protection for serving and retired staff members;
2. *Takes note* of the recommendations of the External Auditor concerning the Medical Benefits Fund, including the timetable for their implementation as well as the global plan of action and the measures proposed by the Director-General to ensure the Fund's long-term financial stability and equilibrium;
3. *Welcomes* the launching of an international call for tenders with a view to selecting the best offer for subcontracting the processing of claims that the Fund carries out worldwide for all its participants;
4. *Decides* exceptionally to suspend Financial Regulation 4.4, and *authorizes* the Director-General to use the balance of unliquidated obligations from the 2002-2003 biennium (\$2,478,170) to finance, as a one-time measure, the costs of subcontracting the processing of the reimbursement claims of the Fund;
5. *Invites* the Director-General to report to the Executive Board at its 176th session on the Medical Benefits Fund, including the possibility of reviewing contributions to the Fund;
6. *Designates* the following two Member States to act as observers on the Board of Management of the Fund for the 2006-2007 biennium:  
Finland, Lao People's Democratic Republic

### **172EX/Decision38**

#### **Report by the Director-General on a global plan of action for the UNESCO Medical Benefits Fund together with a timetable for the implementation of the recommendations of the External Auditor (172 EX/36)**

The Executive Board,

1. Recalling 32 C/Resolution 73 and 171 EX/Decisions 38 and 40,
2. Having examined document 172 EX/36,
3. Recognizes that the Medical Benefits Fund is an efficient and indispensable element of medical protection for serving and retired staff members;
4. Takes note of the recommendations of the External Auditor on the Medical Benefits Fund and of the timetable for their implementation contained in Annex III to document 172 EX/36;
5. Also takes note of the global plan of action and the measures proposed therein to ensure the Fund's long-term financial stability and equilibrium;
6. Welcomes the launching of an international call for tenders with a view to selecting the best offer for subcontracting of the processing of claims that the Fund carries out worldwide for all its participants;
7. Recommends that the General Conference, at its 33rd session, suspend Financial Regulation 4.4 exceptionally, and authorize the Director-General to use the balance of unliquidated obligations from the 2002-2003 biennium (\$2,478,170) to finance, as a one-time measure, the costs of subcontracting the processing of the reimbursement claims of the Fund;
8. Invites the Director-General to report to it at its 176th session on the implementation of the global action plan, including proposed measures to increase the contributions to the Medical Benefits Fund, which will be presented as part of the Draft Programme and Budget for 2008-2009 (34 C/5).

### **172 EX 36**

#### **Global Plan of Action: 5. Measures relating to contributions and financial management**

26. The measures relating to contributions merit consideration because the Fund should have 18 months of benefit payments in reserve with a margin of roughly three months, or between 15 and 21 months of reimbursements. The proposals contained in document 171 EX/30 have therefore been modified as follows, as part of the global plan of action:

- (i) the establishment, beginning on 1 January 2007, of a minimum level of contribution for associate participants based on a theoretical pension paid for 20 years' service in the Organization;
- (ii) the increase in three stages, beginning on 1 January 2008, of employee/employer contributions, augmenting gradually to 60% the employer's share of contributions, including administrative costs;
- (iii) the adoption of a mechanism that would automatically increase contributions as a function of recorded expenditure, which would become operational after the 2012-2013 biennium ;
- (iv) the establishment of biennial monitoring of the projected results for the following ten years (2008).