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REPORT OF THE DIRECTOR-GENERAL ON THE STATE OF THE MEDICAL BENEFITS FUND AND APPOINTMENT OF MEMBER STATES' REPRESENTATION TO THE BOARD OF MANAGEMENT FOR 2022-2023

ADDENDUM

COMMENTS OF THE INTERNATIONAL STAFF ASSOCIATION OF UNESCO (ISAU)

OUTLINE

In accordance with Item 9.2.7 of the UNESCO Human Resources Manual, the International Staff Association of UNESCO (ISAU) submits its comments on the report of the Director-General on the state of the Medical Benefits Fund (MBF) and the appointment of Member States' representatives to the MBF Board of Management for 2022-2023 (document 40 C/46).

1. ISAU welcomes the positive conclusions of the audit of the Medical Benefits Fund and MSH International. We also note the results of the actuarial valuation.
2. Nevertheless, we wish to stress that there is a need for more information on the MBF's future financial circumstances. On the one hand, the Secretariat lacks resources. On the other hand, the actuarial valuation just carried out highlights the need to consider the MBF's solvency beyond the next 10 years. That the MBF's demographic structure may change in the near future as a result of large-scale departures due to retirement should also be taken into account. All these facts show that it is important to have more information on the MBF's financial situation, which is becoming increasingly worrying.



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3. In addition, we wonder whether the increased use of service and consultant contracts might not constitute a loss of revenue for the MBF. It would be interesting to study how regularizing those of our colleagues concerned would affect the financial situation of the Medical Benefits Fund.

4. With regard to the various options being considered by the Secretariat, which are aimed at, *inter alia*, providing the same or better coverage to all participants in the Medical Benefits Fund, we consider it essential that said options be the subject of an inclusive consultation with the members of the MBF.

5. ISAU welcomes the rebalancing which has taken place with regard to the participants in the Fund. Indeed, at the 39th session of the General Conference, we had highlighted the negative consequences of the fact that the number of active participants in the Fund was lower than that of retirees (45% versus 55%). We are seeing an improvement in this area, since in 2020, the percentage of active participants had increased to 50.8%, a majority. We also welcome the significant increase in the total amount of accumulated reserves.

6. ISAU will continue to monitor these issues, which are closely related to the future of the Medical Benefits Fund and directly concern UNESCO staff.