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Conferencia Interamericana de Seguridad Social
Inter-American Conference on Social Security

November 2, 2009

English Version

CISS/CP/A/09/04
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**Minutes of the Annual Ordinary Meeting of the Permanent Committee
Guatemala City, Guatemala**

English Version

The Ordinary Annual Meeting of the Permanent Committee of the Inter-American Conference on Social Security was held November 2, 2009 at 2:30 p.m. at the Cafetales Room of the Westin Camino Real Hotel, Guatemala City, Guatemala. It was attended by representatives of the institutions that make up this Committee,

CISS Presidency
Mexican Institute of Social Security
Daniel Karam
Director General, Mexican Institute of Social Security

2008 Vice presidency
Ministerio da Previdência Social, Brazil
Lucio Santos
Deputy Executive Secretary
Brazil

2009 Vice presidency
Corporation for the Development of Social Security (CODESS)¹, Colombia
Juan Carlos Cortés
Executive Director

Representative of Sub-region II, Central American
Guatemalan Institute of Social Security
Alfredo Rolando del Cid Pinillos
Manager
Guatemala

Representative of Sub-region IV, North America and the English Speaking Caribbean
National Insurance Scheme
Reginald Thomas
Executive Director
Saint Vincent and the Grenadines

Representative of Sub-region V, Mexico and the Latin Caribbean
Ministry of Labor and Social Security
Marta Elena Feitó Cabrera
Director General
Cuba

Representative of Associated Members
Junta de Pensiones y Jubilaciones del Magisterio Nacional
Henry González Vega
President of the Board of Directors
Costa Rica

Also present were the Comptroller of the CISS, Mr. Lennox Tim, National Insurance Scheme, Saint Vincent and the Grenadines, Doctor Gabriel Martínez González, Secretary General of the CISS, Doctor Miguel Ángel Fernández Pastor, Director of the CIESS and Mr. Marlon de Souza, Vice President, *Caja del Seguro Social*, Panama. Thus, in accordance with Articles 15, 16 and 17 of the Bylaw of the Inter-American Conference on Social Security (CISS) and Articles 3, 4, 5, 6, 11, 12, 13, 14, 16 and 17 of the Regulations of the Permanent Committee of the Inter-American Conference on Social Security (CISS), the necessary quorum to hold the meeting was reached.

The President of the CISS, Daniel Karam, presided over the meeting of the Permanent Committee, declaring it open.

¹ In representation of Positiva, Cia. de Seguros, full CISS member from Colombia.

Minutes of the Meeting of the Permanent Committee held November 11, 2008

As the second item in the agenda, the members of the Permanent Committee unanimously approved the minutes of the meeting held November 11, 2008 as presented. Document CISS/CP/A/08/04.

Annual Report of the Secretariat General

Following the order of the agenda, the President of the CISS gave the podium to the Secretary General, who presented his report.

The Secretary General presented his annual activity report, which was distributed to those present as document CISS/CP/A/09/03 and includes the following points:

▪ Substantive Programs

Mention was made of the activities carried out by the organs of the CISS as well as other academic activities carried out by the Secretariat in 2009.

Information was also provided regarding the printing and distribution of Social Security Magazine and Well Being and Social Policy Magazine and the 2009 and 2010 Report on Social Security in America.

▪ Legal Issues

Attendants were informed that the minutes of the Annual Ordinary Meeting of the Permanent Committee held November 11, 2008 and of the 24th Meeting of the General Assembly held November 13, 2008 had been prepared and sent and that, as previously discussed and agreed upon with the members of the Permanent Committee, because of the health contingency caused by the A H1N1 virus, the 2009 ordinary semestral meeting had been cancelled.

▪ CISS Members

With respect to member affiliation and disaffiliation, the following was submitted to the Permanent Committee for consideration:

○ Affiliation

Six affiliation requests were received in 2009 from the following institutions:

- *Obra Social del Personal y Estibadores de la República Argentina (OSPRERA)*
Category: Associated Member.
- *Autoridad de Fiscalización y Control Social de Pensiones (AP), Bolivia*
Category: Associated Member.
- *Positiva, Compañía de Seguros, Colombia*
Category: Full Member

○ Disaffiliation

The Permanent Committee was informed that there had been changes to the Argentine social security system where the Capitalization System had been eliminated effective December 9, 2008 and as provided by Law 26,425 of the Integrated Argentine Social Security System, Capitalization System Funds (AFJP) had been automatically transferred to the National Social Security Administration (ANSeS).

The Secretary General informed them that, as a result, 2 member institutions no longer existed.

- *Nación Administradora de Fondos de Pensiones y Jubilaciones, Argentina.*

- *Unión de Administradoras de Fondos de Pensiones y Jubilaciones, Argentina.*

The Committee was also informed that the Superintendence of Pensions, Securities and Insurance (SPVS), an institution that had been accepted as associated member of the Conference at the 24th General Assembly, was now extinct as a result of legislative changes in Bolivia.

- *Superintendencia de Pensiones Valores y Seguros (SPVS), Bolivia.*

On the other hand, he mentioned that as of October 30, 2009, the following institutions were more than two years behind on their fee payments:

Institution	Amount Owed	
	Fees	Total Amount
<i>Instituto de Auxilios y Viviendas, Dominican Republic</i>	2002-2005 and 2007-2009	35,000
<i>Instituto Dominicano de Seguros Sociales, Dominican Republic</i>	2001 and 2003-2009	40,216
<i>Caja Nacional de Salud, Bolivia</i>	2003-2009	35,000
<i>Consejo Federal de Previsión Social, Argentina</i>	2007-2009	15,000
<i>Ministry of Social Affairs, Haiti</i>	1996-2009	68,789
<i>Ministry of Labor, Social Security and Sports, Jamaica</i>	2004-2009	30,000
<i>Sistema Integral de Salud (SIS), Peru</i>	2007-2009	15,000
TOTAL		239,005

The Committee was reminded that the disaffiliation of five member institutions that had fallen significantly behind in their fee payments had been submitted for their consideration during the annual meeting held in November 2008 and that the Committee had instructed the Secretary General to contact member institutions more than two years behind in their fee payments and urge them to present a commitment to pay overdue fees to the Secretariat General, specifying that if no reply was received in a reasonable period of time, they would proceed in accordance with the provisions of Article 12, paragraph i) of the Bylaw of the CISS and Article 16 of the Financial Regulation.

As instructed, the Secretary General had contacted institutions that were more than two years behind in their fee payments and to date, only *Asociación Nacional de Instituciones Estatales de Seguridad Social, Mexico*, had presented a written commitment to pay.

Since the above mentioned institutions had not presented a written commitment to pay, their disaffiliation was being submitted to the Committee for consideration.

The Committee was also informed that once these institutions were disaffiliated, these fee receivables would be cancelled.

The Secretary General emphasized that to have as many affiliates as possible, during their semestral meeting held in July 2008, the Committee had agreed to cancel fee arrears that went back three years or more for member institutions that requested their reaffiliation to CISS provided they had not used member services for the last two years.

▪ **Financial, Administrative and Budgetary Issues**

This section of the Report includes the following:

a. External Auditing

The international independent auditing firm PricewaterhouseCoopers audited the financial statements of the CISS for fiscal year 2008. In May 2008, they submitted a report indicating that the 2008 financial statements provide a fair presentation, in all material respects, of the financial situation of the CISS as of December 31, 2008 and 2007, as well as of activity results and changes in equity in accordance with Financial Reporting Standards in Mexico.

Additionally, in October 2009, the independent auditors visited the Conference to meet with officials regarding the audit of the financial statements of the CISS as of August 31, 2009 and presented a Memorandum of Recommendations to Improve Internal Control Systems and Accounting Procedures. These documents were presented to the Permanent Committee as attachments to the report and were also forwarded to Mr. Lennox Tim, Comptroller of the CISS.

b. Utilization of 2009 Budget

The authorized budget for 2009 was presented to the Permanent Committee. The exchange rate used for budget calculations was 12 pesos per US dollar. Even though there have been considerable exchange rate fluctuations during the year, this does not represent a problem since most expenses in pesos can be controlled. However, certain expenses in US dollars were paid with exchange rates of up to 14.90 pesos per dollar, increasing costs.

The Balance as of August 31, 2009 was also presented and compared to the close of fiscal 2008 was made. One of the most significant changes occurred in Cash and Banks, with a positive difference of US \$713,271 as a result of careful resource allocation; labor liabilities showed a positive change of US \$162,757, mainly because monthly provisions were doubled beginning in April of the current year.

The Income and Expense Statement was also presented, explaining that the operating surplus of US 643,743 had been lower than expected by US 25,754, mainly due to exchange rates fluctuations. In addition, changes in the fee for the country where the seat is located (-US\$291,754) result from converting the amount received in Mexican pesos using the exchange rate for August 2009.

The Secretary General stressed that the most significant change in income for the period, with respect to the budget, had occurred in income from courses, US \$648,463, as a result of increased course activity, making it necessary to incur in expenses that had not been considered in the budget; however, he emphasized that income had exceeded unforeseen expenses. He also commented that higher income from courses had made it possible to allocate resources to remodeling CISS facilities. Thus, we observe a positive change of US \$298,460 with respect to the budget.

Finally, he commented that as of August 2009, the Secretariat General had utilized 51.0% of its authorized budget and CIESS, 85.5%.

The report of the Secretariat General was unanimously approved as presented, including the affiliation and disaffiliation of member institutions.

Report of the Comptroller

As the next item in the Agenda, the President of the CISS gave the podium to Mr. Lennox Tim, Comptroller of the Conference, who presented the Financial Statements of the Inter-American Conference on Social Security (CISS).

The report of the Comptroller was unanimously approved as presented.

Proposal regarding the venue for the 26th General Assembly of the CISS

The President of the CISS gave the podium to Mr. Marlon Desouza, Vice President of *Caja del Seguro Social*, Panama, who was kind enough to suggest Panama as host country for the 26th General Assembly of the CISS.

Mr. Desouza mentioned that IGSS considered that acting as venue for the Assembly was of import to his country because of the topics addressed but especially because this meeting congregates experts on Social Security.

The Permanent Committee unanimously approved the proposal made by Caja del Seguro Social of Panama to host the 26th General Assembly.

General Issues

The Secretary General informed the Permanent Committee that there were two items in the agenda regarding this point and inquired whether there were any additional topics to address.

1. Vice Presidency 2010

Since the Vice Presidency for 2010 is vacant, the Secretary General referred to the letter of the President of CISS suggesting that this Vice Presidency be occupied by the Guatemalan Institute of Social Security.

Juan Carlos Cortes, from Colombia, emphasized the importance of having IGSS in the Vice Presidency due to their representation in Central America and in Latin America in general.

Alfredo Rolando del Cid Pinillos, Manager, IGSS, thanked him for the proposal.

It was unanimously approved to present the proposal to give Guatemala the Vice Presidency for 2010 before the General Assembly.

2. Budget of the American Social Security Commissions

The Secretary General mentioned that the new administration of the SSA of the United States had reviewed its regulations and had decided that SSA officials were not allowed to participate in international organizations whose regulations required the SSA to allocate resources. In view of the above, Diana Braustein, declined to participate as President of CAOSA.

The Secretary General commented that increasing regulation regarding transparency could represent an obstacle to participation since according to the current financial regulation of the CISS, the president of CASS is responsible for the commission's budget. He also pointed out that a proposal regarding budget utilization and control could be found in tab 6 of the folder that had been handed out.

The Committee decided that the American Legal Social Commission (CAJS) should review the matter and prepare a proposal to modify the Bylaw and Regulations of the CISS, particularly regarding the budget of the CASS, to consult countries on this issue to ensure

their participation in the Commissions and governance organs, to eliminate any regulation that might hinder participation; and that this issue should be solved in 2010.

3. 2010 Reference Terms

These are available at the CISS Web site in the three official languages of the Conference in the publications section and work documents regarding this topic will be distributed in 2010.

4. Topic to Analyze in 2010

Mr. Reginald Thomas from St. Vincent and the Grenadines requested that the topic of reincorporation of individuals injured at work into the labor market be analyzed in collaboration with the International Labor Organization (ILO).

Marta Feitó suggested that this topic should focus on best practices to prevent work accidents.

With no further matter to address, the meeting concluded at 3:30 p.m.