



**Official Document**

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

**November 26, 2007**

**English Version**

**CISS/CP/A/07/042  
Official Document**

**Minutes of the Ordinary Annual Meeting of the Permanent Committee of the CISS  
Bogota, Colombia**

**English Version**

A majority quorum being present, the Ordinary Annual Meeting of the Permanent Committee was held in Bogota, Colombia at the SI Room of COMPENSAR's Convention Center the 26th of November, 2007 at 4:30 p.m. Quorum was verified in accordance to 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 Regulation of the Permanent Committee of the Inter-American Conference on Social Security (CISS). The following were in attendance: Mr. Juan Molinar Horcasitas, President of the Inter-American Conference on Social Security (CISS) and Director General of the Mexican Institute of Social Security; Mr. Rogelio Gomez, 2007 Vice-President of the Inter-American Conference on Social Security (CISS) and Associate Commissioner for International Programs at the Social Security Administration; Mrs. Anina del Castillo, 2006 Vice-President of the CISS and Vice-Minister of Labor and Deputy Chairman of the National Social Security Board of the Dominican Republic; Mr. Efrain Bu, Sub-region II (Central America) representative and Executive Vice-President at the Honduran Social Security Institute; Mr. Helmut Schwarzer, Sub-region III (South Cone) representative and Secretary of *Previdencia Social* of Brazil; Mr. Reginald Thomas Sub-region IV (North America and the English speaking Caribbean) representative and Executive Director of the National Social Insurance Scheme of Saint Vincent and the Grenadines, also representing Mr. Ian Carrington from Barbados, Comptroller of the CISS; Mrs. Marta Elena Feito Cabrera, representing Sub-region V (Mexico and the Latin Caribbean) and Director General of the National Social Security Institute of the Ministry of Labor and Social Security; Mr. Henry Gonzalez Vega, representing Associate Members and President of the Board of Directors of *Junta de Pensiones y Jubilaciones del Magisterio Nacional*; Mr. Gabriel Martinez Gonzalez, Secretary General of the CISS and Mr. Luis Jose Martinez Villalba, Director of the CIESS.

### **1. Quorum Verification**

The President of the CISS, Mr. Juan Molinar, presided over the Meeting of the Permanent Committee and called the meeting to order.

The Secretary General, assisting the President to proceed with the Agenda, certified that a quorum had been met. Document CISS/CP/A/07/02

### **2. Minutes of the Meeting of the Permanent Committee held July 24, 2007**

As the second item on the Agenda, the members of the Permanent Committee present approved the minutes of the meeting held on July 24, 2007 as submitted. Document CISS/CP/S/07/04

### **3. Report of the Secretariat General**

Proceeding through the agenda in order, the President of the (CISS) gave the podium to the Secretary General, who presented his report.

The Secretary General presented his activity report, which was distributed among those present as document CISS/CP/A/07/03 and contains the following items:

#### **▪ Development of Leading Programs**

Special mention was made of activities carried out by CISS bodies and different academic and dissemination activities performed by the Secretariat during 2007.

Information on the publication and distribution of Well Being and Social Policy Magazine, the 2007 Report on Social Security in America, Social Security Magazine and the Spanish edition of the book "Regulation and Employment" was also provided.

With respect to the Inter-American Social Security Award, the names of the 2007 winners were announced.

## Post-graduate Thesis

1*	Emma Aguila Mexico	University College London	Topics on Economics on Ageing: Adequacy of Savings for Retirement, Pension Reform and Retirement Patterns	US\$ 2,500
2*	Hilda Santos Padron Mexico	Universidad Juárez Autónoma de Tabasco / Escuela Nacional de Salud Pública de Cuba	Prospective Model to Assess the Sustainability of the Fund for Protection against Catastrophic Expenses in Mexico	US\$ 1,500
3*	Rigan Andre Campos González Brazil	Escola Nacional de Ciencias Estadísticas ENCE	Amostragem Longitudinal em Registros Administrativos: Uma Aplicação à Previdência Social	US\$ 500

## Graduate Thesis

1*	Mariana Sienna Mattos Uruguay	Universidad de la República	Evolution of the Social Security System in Uruguay and its effects on economic inequity 1968-1986	US\$ 1,600
2*	Luis Alberto Vazquez Nicolas Mexico	UNAM	Solvency Analysis of the Fund for Protection against Catastrophic Expenses in the System for Social Protection in Health	US\$ 800

## Third place tie

3*	Alma Viridiana Quintero Flores México	UNAM	Health Risks at IMSS: Paying for HIV/AIDS Antiretrovirals	US\$ 400
3*	Sandra Orci Gutierrez	ITAM	Determinants of health service demand through Popular Health Insurance: Analysis of short and long term affiliates	

## ▪ Legal Issues

It was reported that the minutes of the ordinary meetings of the Permanent Committee held on October 24, 2006 and July 24, 2007, and of the XXII meeting of the General Assembly held on October 26, 2006, had been prepared and sent.

## CISS Members

With respect to member affiliation and disaffiliation, the following was reported: During 2007, 5 requests for affiliation with CISS as associated members were received.

- a. *Unidad de Previsión y Seguridad Social del Estado de Tamaulipas, Mexico.*
- b. *Caja Paraguaya de Jubilaciones y Pensiones del personal de la ITAIPU Binacional, Paraguay.*
- c. *Oficina de Normalización Previsional, Peru.*
- d. *Seguro Nacional de Salud, Dominican Republic.*
- e. *Instituto de Bienestar Magisterial (INABIMA), Dominican Republic*

*Corporación de Estudios Técnicos de Seguridad Social (CETESS), Chile, requested disaffiliation from CISS as related member; the request was signed by Mr. Eduardo Etcheverry Adan, Secretary General of this institution. It is worth mentioning that CETESS never participated in CISS activities. Disaffiliation of Caja Petrolera de Salud, Bolivia, was also requested; for budgetary reasons, this institution has not been able to cover its membership fee since 2005.*

#### ▪ **Financial, Administrative and Budgetary Issues**

This section of the Report includes the following items:

##### **a. External Auditing**

It was reported that in February 2007, the international external auditing firm, Pricewaterhouse Coopers, audited the financial statements of the CISS for 2006 and their opinion is that they provide a reasonable presentation of the financial situation, activity results, changes in equity and financial situation of the CISS as of December 31, 2006 and 2005, in accordance with Mexican Reporting Standards. The report was previously distributed to the members of the Permanent Committee during last July's semestral meeting. It was also reported that in October 2007, the external auditing firm made a preliminary visit to audit the Conference's 2007 financial statements and provided a preliminary report for the period January-August of 2007 indicating that figures audited are in accordance with Reporting Standards applicable in Mexico and that controls tested are working correctly; however, certain operating aspects could be improved. It was also reported that the audited financial statements had been forwarded to the Comptroller of the CISS, Mr. Ian Carrington, and to Mr. Reginald Thomas.

##### **b. Utilization of the 2007 budget**

The Balance as of August 31, 2007 and the differences it contains compared to the balance as of the close of 2006 were presented. Committee members were advised that one of the most significant changes can be observed in Cash and Banks, with a positive difference of 834,546 dollars compared to the previous year. Income and expense components were also presented. It was also mentioned that the operating surplus was 704,640 dollars higher than expected. It was specified that changes in the fee paid by the country where the seat is located resulted from the conversion of the amount received in Mexican pesos using the exchange rate for August 2007. Finally, it was reported that as of August 2007, the Secretariat General had utilized 58.3% of the authorized budget for 2007 and the CIESS 64.7%.

##### **c. Expectations for the closing of 2007.**

With respect to expectations for the closing of 2007, it was reported that based on actual figures for the period January-August 2007, a budget deficit of US \$40,784 is estimated for the end of 2007. The deficit is due to increases in expenses for events held outside the seat and in personnel related expenses resulting from the creation of a new internal auditing position, not contemplated in the budget, to address external auditors' observations.

It was also reported that a significant fall in income from courses in the amount of \$100,000 is estimated for the closing of 2007. Thus, both the Secretariat General and the CIESS are making significant efforts to limit expenditure.

- **Draft of the 2008 Work Program.**

The following suggestions were made:

- a. Carrying Out Relevant Programs**

- Statutory CISS meetings

The most important statutory meetings to be held during the year were mentioned.

- ◆ XXIV Ordinary General Assembly of the Inter-American Conference on Social Security
      - ◆ Ordinary Meetings of the Permanent Committee. Semestral and Annual during the XXIV General Assembly.
      - ◆ Ordinary Meetings of the Board of Directors of CIESS. Semestral and Annual during the XXIV General Assembly.
      - ◆ Technical meetings of the six American Social Security Commissions (CASS).
      - ◆ Statutory sessions of the six CASS and the five Sub-regions.

- Publications and research

With regard to the 2009 Report on Social Security in America, "Assessment and Monitoring of Social Security Policies and Programs", Reference Terms were presented before the Permanent Committee. Document CISS/TDR/08/01.

Information was also provided on the topics to be addressed in 2008 issues of Social Security Journal and Well Being and Social Policy Journal. Regarding Special Studies (Working Papers), the topics of Health and Pensions, which will be addressed in an Annual Report, were mentioned. A list of potential work document topics was submitted to the Permanent Committee for consideration.

It was reported that research and graduate thesis have traditionally been the categories considered in the Inter-American Award for Research on Social Security. A motion was made to maintain the category of research, include a new category, best article published in Well Being and Social Policy Journal, and eliminate the graduate thesis category.

The reason is that many countries and universities no longer require a thesis and the contest is biased towards countries and universities where a thesis is still required. On the other hand, by including a best research category, scholars who achieve outstanding results and publish them will be rewarded. The Secretariat General was requested to submit a specific invitation draft.

- b. Commission and Sub-region related issues**

The Secretary General presented before the Permanent Committee a proposal to concentrate activities to annual meetings and one or two technical meetings. The latter, he pointed out, should be held at least two months before the annual meeting. He indicated that it is extremely important for commission presidents or sub-region coordinators to promote these meetings to ensure financing and optimize both guest and member attendance.

### **c. Draft of the 2008 Budget**

The 2008 budget of the Conference that is being submitted for consideration and approval anticipates, among other, the following:

- **Income**
  1. Annual membership fees are not increased and members are required to cover their fees within the period provided in the Financial Regulation of the CISS (first quarter).
  2. Fee increases for the country where the seat is located are not expected.
  3. Cash surpluses will continue to be invested with Fund Managers, always seeking the best returns possible while minimizing risk.
- **Expenses**
  1. Allocations to each expense item have been duly justified both by the Secretariat General and the CIESS.
  2. Without detriment to the execution of CISS programs, the social security research program will continue and support will continue to be provided for events organized by the American Commissions and the Sub-regions outside the seat.

### **4. Approval of the Secretariat General's Report**

The activity Report, the accounts and the 2008 Work Program of the Secretariat General was approved as submitted.

Thus, provisional affiliation of the following institutions has been approved.

- a. *Unidad de Previsión y Seguridad Social del Estado de Tamaulipas, Mexico.*
- b. *Caja Paraguaya de Jubilaciones y Pensiones del personal de la ITAIPU Binacional, Paraguay.*
- c. *Oficina de Normalización Previsional, Peru.*
- d. *Seguro Nacional de Salud, Dominican Republic.*
- e. *Instituto de Bienestar Magisterial (INABIMA), Dominican Republic.*

As well as the disaffiliation of:

- a. *Corporación de Estudios Técnicos de Seguridad Social (CETESS), Chile.*
- b. *Caja Petrolera de Salud, Bolivia.*

### **5. Report of the Comptroller**

As the next issue in the Agenda, the President of the CISS gave the podium to Mr. Reginald Thomas, who in representation of Mr. Ian Carrington, Comptroller of the CISS, presented the financial statements of the Inter-American Conference on Social Security (CISS) for the period ended March 2007.

Based on financial information provided to the Comptroller, CISS continues operating satisfactorily, as confirmed by the external audit performed by Pricewaterhouse Coopers. We hope the organization continues along their path of success and affiliate members keep fulfilling their fee obligations in a timely fashion to be able to carry out the organization's programs and have additional funds for investment.

The President of the CISS put the report to a vote and it was approved as submitted.

## **6. Suggested venue and date for the XXIV General Assembly of the CISS**

The President of the CISS gave the podium to Mr. Helmut Schwarzer, Secretary of *Previdencia Social* of Brazil, who submitted for consideration of the Permanent Committee the invitation made by Mr. Luiz Marinho, Minister of *Previdencia Social* of Brazil, to hold the XXIV General Assembly in Salvador de Bahia next November 2008. The motion was unanimously accepted by the Permanent Committee.

## **7. General Issues**

The President of the CISS, Mr. Juan Molinar, following up on the topic of remunerations of the Secretary General and the Director of the CIESS, previously addressed at this Committee's ordinary meeting, submitted the two attached documents for consideration. The first document refers to Doctor Luis Jose Martinez Villalba's compensation, whose term is ending, and the second document suggests the remunerations of the Secretary General of the CISS and the Director of the CIESS. As mentioned in previous sessions, modifications to the Bylaw in 2002 resulted in operational modifications that did not contemplate a savings mechanism for the Director of the CISS, so this issue would be thereby addressed.

Due to the above, the Permanent Committee approved that the following proposals regarding the remuneration policies for the Secretary General and the Director of the CISS presented by the President of the CISS be presented before the General Assembly.

### **Agreements**

1. Compensation to the Director of the CIESS for termination of services: The amount provided in the Federal Labor Law of the United Mexican States.
2. Remunerations of the Secretary General and the Director of the CIESS: Using salaries paid to high ranking officials in Mexico, the country where the seat is located, as a benchmark, they would be equivalent, in the case of the former, to the remuneration of Undersecretaries, and in the case of the latter, to the remuneration of Unit Chiefs. In addition, a retirement savings fund is being contemplated in the future to provide officials adequate protection upon retirement. The topic of social security for officials has been resolved through this proposal and no additional termination payments are contemplated.

In addition, the Secretariat General has been instructed to create an Evaluation Commission. The purpose of this Commission will be to present their proposal based on guidelines followed by other international organizations regarding remunerations to their officials.

The meeting was adjourned at 6:00 p.m.

## **ATTACHMENTS**