



ASSOCIATION DES AGENTS PENSIONNÉS DES ORGANISATIONS COORDONNÉES ET DE LEURS AYANTS DROIT  
ASSOCIATION OF PENSIONED STAFF OF THE CO-ORDINATED ORGANISATIONS AND THEIR DEPENDANTS

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## GENERAL ASSEMBLY 2015



AAPOCAD Governing Board 2014

The General Assembly was held on 28 May at NATO's base in Geilenkirchen near Aix-La-Chapelle, and attended by almost a hundred people. Thanks to the warm welcome we received from Major General Andrew Mueller and the preparatory work of our colleagues, the event was a great success.

As has been the case for the last few years, the morning was given over to presentations by speakers involved in Co-ordination and those whose work affects our pensioners. In his welcome speech, Major General Mueller presented the base and outlined his mission,

which is the ongoing surveillance of military airspace in the north-west of the NATO zone, using 18 AWACS aircraft. He stressed the vital role played by civilian personnel in the day-to-day operation of the base and aircraft maintenance, and expressed his opinion that it was vital to preserve sufficiently attractive working conditions and job security to ensure the recruitment and retention of quality staff (a message that the CCR could consider before implementing its reforms!).

Neither Ambassador Cede, Chairman of the Co-ordinating Committee on Remuneration (CCR), nor Pa-

trice Billaud-Durand, Chairman of the Committee of Representatives of the Secretaries/Directors General (CRSG), who both generally speak at meetings of our Governing Board, were able to join us this year, and so have sent us the text of their addresses (see Annex). Jean-Pierre Cusse, Co-ordination Chairman of the Committee of Staff Representatives (CRP), shared his thoughts on the Co-ordination meetings of the past twelve months and his fears over the impact of the current benefit reforms on the attractiveness of the Co-ordinated Organisations. He also underlined the need for solidarity between serving staff and pensioners in defending their rights. Gianni Palmieri, former CRP Chairman and legal advisor to AAPOCAD, spoke on "The reform of legal protection of officials and pensioners of the Co-ordinated Organisations", which highlighted the already obvious failings of our legal system and touched on possible ways to improve it.

Every year, we invite Jean-François Poels, Head of the International Service for Remuneration and Pensions, and Bernard Job, Chairman of the Pensions Administrative Committee of the Co-ordinated Organisations (PACCO), to talk to us about relations between their entity and the pensioners. Neither was able to join us this year. Since our Assembly was being held on NATO's German site and many NATO pensioners live in that country, I invited Axel Reichl, Head of ISRP's Unit 2, which manages NATO staff, to give a presentation on relations between his unit and NATO pensioners, from which we learnt that the unit's communication policy ensures excellent relations.

After the morning's presentations, some people asked about the high number of no-shows among our regular speakers. I will attempt to shed some light on this. First, this tradition arose over the last five years, during which time we have been fortunate that despite their busy schedules, our speakers were all free on the same day at this time of the year, and this year our luck has turned. The second possibility is that our speakers suddenly lost interest in AAPOCAD. During my conversations with them, I did not receive this impression. The location of our Assembly may also have been poorly chosen, insofar as it may have given our speakers cause

for concern that the AWACS radars might detect significant flaws in their reasoning! In view of the evident quality and sincerity of the presentations given, I must reject this last explanation!

In accordance with the normal agenda that you will have received, the afternoon session focused on the examination and approval of AAPOCAD's financial statements, which record a continued recovery after a few years during which increased operating costs, among other things, put us in the red. We took the opportunity of the publication of the results of elections to the Governing Board to congratulate those members that had been elected or re-elected, and to thank those members leaving the Board, generally for health reasons, for their assistance in ensuring the smooth running of AAPOCAD during their terms of office. We concluded with my presenting the Chairman's Annual Report, as published in Bulletin 54 of January 2015, and the Assembly renewed its confidence in the Governing Board.

The Governing Board met after the General Assembly and appointed its Bureau. After 17 years of assuming the weighty charge of keeping the Association's accounts, Colette Giret wished to make full use of her retirement. Our heartfelt thanks to her for the time spent on this arduous task. Michèle Lobin, who sat on the Governing Board from 2004 to 2010, has agreed to replace her. Gianni Palmieri is joining the Bureau where he will act as legal advisor. Ayhan Egribozlu, regional delegate for Turkey since October 2010, has decided to step down after fulfilling her role with dedication. She was ever ready to denounce the injustice and loss of purchasing power inflicted on pensioners living in Turkey by unacceptable regulations governing the salary adjustment for high-inflation countries. We also recall the General Assembly in Izmir that she organised so efficiently. The seats of the regional delegates for Italy and Turkey are currently vacant; we expect the new delegates to be appointed at October's meeting of the Governing Board. It would also make sense for there to be a regional delegate for France, and I hereby launch an urgent call for candidates.

Our General Assembly ended with a dinner hosted by Major General Mueller and his wife in the "cellars" of the Hôtel de Ville in Aix-La-Chapelle.

On Friday 29 May Captain Peter Verlande gave a presentation and tour of the Geilenkirchen base and the AWACS, and in the afternoon our NATO colleagues took us on a guided tour of the historic centre of Aix-La-Chapelle.

The 2016 General Assembly will be held in Paris. I would like to close by offering our warmest thanks to all those who helped make the 2015 General Assembly in Germany such a success.

#### **Germany**

Roger Neitzel  
John Chalmers  
Maurizio de Odorico  
Johan van Raemdonck

#### **France**

Elfriede Lindner  
Colette Giret  
Doris Cachin

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### **Co-ordination**

The last Co-ordination meeting took place in The Hague between 8 and 11 June 2015. Items on the agenda included the review of the salary adjustment method and a discussion of Article 42 (the tax adjustment) of the Co-ordinated Pension Scheme. The CCR also elected its new Chairman following the expiry of Ambassador Cede's term of office. There were three candidates for

this position, and they were interviewed by all three Committees. After a day and a half of discussions, and several ballots, the CCR selected the British candidate Syd Maddicott (see summary profile on the AAPOCAD website).

On the subject of the review of the salary adjustment method, a certain number of CCR members have made a proposal that is still being discussed by their committee. The key points of this proposal concern the replacement of purchasing power parities by a cost-of-living allowance: the benchmark would be calculated using an arithmetic mean of the monthly wages of national public services for the reference period (which is not specified).

The CCR asked the CRSG and the CRP to state their positions on the revised method next autumn. Discussion of Article 42, the tax adjustment, has not moved forward and the only known positions are the proposals of the Belgian and French delegations.

Over three years ago, the CCR embarked on the as yet unfinished review of the system of benefits and allowances; it now wishes to make rapid progress on the salary adjustment method.

The next joint meetings of the Co-ordination Committee are planned for 29 and 30 September 2015. The CRP and CRSG will meet earlier in September. In preparation for these meetings, the working group of the CRP on remuneration, led by our colleague Jean Le Ber, will also meet in September.

*Bernard Wacquez*  
*Chairman*

# News of the Association

## Internet Site

The AAPOCAD website is becoming an essential instrument of communication within our Association. Sensitive information whose dissemination is reserved for our members can therefore be found there.

It is thus necessary for us to strengthen the security procedures for members' access to the site. Until now, there was a unique access code for all members:

Login: pension

Password: muette

From October 1, the access code will be customized as is already the case when voting electronically in the elections:

### Login:

Your registration number in AAPOCAD. You can find it in the list of members on the website which can be accessed until September 30, with the old codes (pension / muette). This number consists of a letter A or F, your membership year and your registration number in the year separated by a dash (ex. F-2016-12).

### Password:

The date of birth you provided to AAPOCAD when registering, in the format (dd/mm/yyyy): 06/12/1942  
If you have not given your birth date to AAPOCAD or if you are unable to connect, call the secretariat of AAPOCAD (+33 1 45 24 85 87) from 9 am to 6 pm to solve this problem.

See you soon on our site: [www.aapocad.org](http://www.aapocad.org)

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## Governing Board Elections

The results of the elections are shown in the following table.

Six existing Board members were re-elected: Mrs Brisset, Lerch and Lindner, and Messrs Bohner, Freeman and Rutten. There were also two entries to the Board: Mrs Melina Babocsay, returning after one year away; and Mr Mauro Corbellini, a pensioner from NATO, who is a newcomer. We offer our congratulations to all, and welcome the new members.

Two outgoing members of the Board were not re-elected: Messrs James Moore and Hanno Hartig. Furthermore, two outgoing members did not seek re-election: Messrs John Wilson and Ciro Quaranta. To all

of those who will no longer be with us on the Board we offer our sincere thanks for their contributions and our best wishes for the future.

A striking feature of the results was the successful performance of women candidates. All the women who presented themselves were elected, and they secured half of the eight available vacancies.

Beyond the results as such, there are two observations that should be made about the electoral process.

First, we have now completed the three-year programme of reducing the number of elected members on the Board. The plan to reduce the total by 14 posts, approximately one-third, has now been successfully accomplished. This has contributed to our efforts to redress the AAPOCAD budget, and has made for some streamlining of the Board's deliberations. The disadvantage is the rather limited rate of renewal of the Board over the period: altogether there have been only four new members over the three years. Such an effect was of course always predicted, but it has been more marked than expected. Now that the reduction has been completed, we should return to something of a new steady state, with a higher rate of renewal.

Second, there has been a drop of 190 this year in the number of members voting, even though we have more members than ever before. It seems clear that the reason is the greatly increased use of electronic means of communication with our members, as indeed urged upon us in previous meetings, especially of the Board. This was the first year that we have not sent out the ballot form by paper mail to the whole membership: we sent the document electronically to all those who had provided AAPOCAD with their e-mail address, and by paper mail to others. Those receiving it electronically had the options either of the electronic vote or of printing out the one page of the election document taken up by the ballot paper and using that to vote by post, just like those receiving the paper document. However, many did neither, and taking electronic and postal votes together there was a significant decline in votes cast. It is clearly discouraging for those charged with running the Association if fewer people vote in the elections. **So we have decided, at least for next year, to revert to circulating the election document to all members in paper form.** Like this, we hope to avoid a repetition of the unfortunate situation of 2015.

*Stephen Potter*  
Executive Secretary





## Election Results for the Governing Board

All the votes received by mail and electronically were counted on 18 May 2015 by the appointed scrutineers (Mrs. Cachin, Davies-Feiner, Poincloux, Prigneau, Rouillet), under the Chairmanship of Mr. Potter.

The result of the elections is as follows:

- Number of votes cast : 599
- Invalid votes: 16
- Valid votes cast: 583 (of which 349 electronically)

There are no available vacancies this year for ESA and ECMWF and no candidacies were received for the vacancy for EUMETSAT.

The candidates have received the following numbers of votes:

### **1) NATO (3 vacant posts)**

Mauro CORBELLINI	262
André DEUCHE	228
John FREEMAN	273
Robert GOYENS	246
R. Hessel RUTTEN	342

### **2) OECD (2 vacant posts)**

Victor Adolfo ALADRO	86
Malcolm GAIN	130
Bernard HUGONNIER	142
Barbara LERCH	280
Elfriede LINDNER	204
James MOORE	140

### **3) CoE (2 vacant posts)**

Mélina BABOCSAY	293
Ulrich BOHNER	296
Hanno HARTIG	255

### **4) WEU (1 vacant post)**

Indira BRISSET	433
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As a result, the following candidates are declared elected or re-elected\*:

<b>NATO :</b>	<b>Messrs. Corbellini, Freeman*, Rutten*</b>
<b>OECD :</b>	<b>Mrs. Lerch*, Mrs. Lindner*</b>
<b>CoE :</b>	<b>Mrs. Babocsay, Mr. Bohner*</b>
<b>UEO :</b>	<b>Mrs. Brisset*</b>

Results certified consistent with the count performed by the scrutineers,

Paris, 18 May 2015

Certified, the Executive Secretary,

Stephen Potter



# ANNEXES

- Annex 1** Statements by Invited Guests
- Annex 2** Photos of the 2015 General Assembly
- Annex 3** Composition of the Governing Board
- Annex 4** Financial Situation and Budget 2014 – 2016



## ***Annex 1 - Statements by Invited Guests***

**Ambassador Franz Cede**  
*CCR Chairman*

Dear Mr Chairman of the AAPOCAD,

Dear Mr Wacquez,

First of all I should like to send you my best regards and hope you had a successful session of the AAPOCAD in Geilenkirchen. I regret very much that this year, due to imperative commitments, I was unable to join you. I did, however, wish to share some thoughts with you and your colleagues on the occasion of this General Assembly. Unfortunately, due to an oversight, you will receive this letter after the Assembly; I should be grateful if you would share it with your colleagues.

As I am about to leave the co-ordination process I wish to share with you some observations in my capacity as President of the CCR. When I began my term of duty in July 2010 I did not expect the position of Chairman of the CCR to be as challenging as it was. In addition to the task of presiding over the meetings of the delegates of governments proper, according to the rules and regulations of co-ordination, the CCR Chairman has an overall responsibility for the smooth functioning of the co-ordination process. He is expected to perform his function by abiding strictly by the principle of impartiality. Furthermore, the Chairman has to respect the rule of consensus which, apart from a few clearly-defined exceptions, governs the decision-making process of co-ordination. Consensus presupposes that, at the end of the day, every recommendation adopted by the CCR is accepted by all stakeholders in the process. In practice, however, it turns out that such a harmonious outcome as desirable as it may be is not always possible. A case in point may be cited to illustrate the difficulty of finding a solution that can be subscribed to by all. I refer to the stormy debates on the reform of the so-called expatria-

tion allowance in which I was involved soon after my arrival at the CCR.

It became obvious that on this very subject-matter a meeting of minds between the three colleges did not happen. The conflicting interests between the CCR representing the collective position of governments on the one hand and the firm stand of the CRSG and the CRP on the other were such that at one memorable moment I even witnessed the exodus of delegations from the meeting room, expressing in this way their displeasure with the recommendation adopted by the CCR. In another instance during my mandate I was confronted with a demonstration staged by the CRP in which pickets carrying the slogan “Stop the CCR” were brandished in front of the meeting room at OECD premises. These two anecdotes speak volumes about the difficulties the Chairman encounters in ensuring “a harmonious, rapid and efficient functioning of the whole co-ordination process” to cite the language of Article 2 of the “Regulations Concerning the Co-ordination System” (154th Report). My stamina combined with a sense of duty helped me to go through these situations more or less unharmed.

In my view there are several reasons for the tensions apparent in these debates:

When I joined co-ordination in 2010 the economic environment had deteriorated significantly. Two years after the outbreak of what had become one of the worst economic crises in post-war history most governments were forced to tighten their belts and they started to reconsider their budgetary policy vis-à-vis the international organisations which depended on their contributions. This led to a situation in which the Co-ordinated Organisations were in turn hit by financial constraints. The proportion of the budget provided by the Co-ordinated Organisations for human resources had to be reduced across the board.

The general attitude taken by governments towards the international civil service has also changed. Whereas in the past generous remuneration packages and pension rights accorded within international organisations were accepted by governments normally without many questions raised the downward spiral of the world economy then led governments to look twice at the human resources policy of the organisations of which they were a member.

In a situation characterized by economic hardship suffered by civil servants at home governments began questioning what they now considered as undue privileges of international civil servants. They pointed to what they saw as unjustified benefits of the international staff either because comparable advantages did not exist in national administrations or if they existed were judged as less generous than those provided by international organisations. This explains to a great extent the decision that the whole system of allowances granted by the Co-ordinated Organisations be revisited. As you are aware, the reform process of the allowances is now well underway. The pension rights did not escape a review either, as you are certainly aware.

Dear Colleagues,

At the moment your General Assembly is meeting another major reform project is about to commence. A review of the salary adjustment mechanism constituting the key element of the entire system of co-ordination was put on the agenda. Although it is certainly premature to speculate about the direction in which the discussions move on this important subject-matter I have no doubt that the reform will be substantive rather than purely cosmetic.

Co-ordination as you can see is not a stagnant affair. The process of co-ordination is characterized by constant transformations. In many ways it reflects the changes in our societies and our economies which in turn impact on the status of international civil servants.

I am convinced that under the leadership of a new Chairperson at the helm of the CCR co-ordination will continue to thrive. All things considered and in spite of all the difficulties we have witnessed and the occasional setbacks we suffered I remain a strong believer in the virtues of co-ordination. I don't see an alternative system that could replace the mechanism of co-ordination seeking to strike a fair balance between the legitimate interests of all stake holders involved in the decision-making process on all issues of remunerations and pensions in your organisations.

You as members of the AAPOCAD dispose of an enormous wealth of experience and know-how gathered in your distinguished careers within these organisations. In putting your combined wisdom to good use of your colleagues of the CRP and the other two colleges you are in a splendid position to make a tremendous contribution to the good functioning of the entire system.

By way of concluding let me seize this opportunity to express my heartfelt gratitude to all of you for the sound advice you have always given me. I am leaving with a great sense of gratitude and respect for you. I truly hope that the friendship I was able to develop with a number of your members will continue even after my departure.

Yours faithfully,

*Ambassador Franz Cede*

**Mr. Patrice Billaud-Durand**  
*CRSG Chairman*

Dear Mr Chairman, my dear Bernard,

Ladies and Gentlemen of the Governing Board,

Dear Mr Chairman of the CRP, my dear Jean-Pierre,

Ladies and Gentlemen,

I regret that I have been unable this year to accept the invitation of your Chairman Bernard Wacquez to come to the AAPOCAD General Assembly to talk to you in my capacity as Chairman of the Committee of Representatives of the Secretaries/Directors General about the work being carried out in the Co-ordination process. Work commitments have obliged me to stay in Paris and for this I would like to apologise.

I would therefore like to pass on some information on Co-ordination activities over the last 12 months, from the perspective of the Secretaries-General, and on the main issues that we have been dealing with. I must admit that, once again, this has been a very busy year for us.

**For the most part, 2014 was spent pursuing the review of allowances in the Co-ordination system:** Firstly, the CCR completed its review of the kilometric allowance, daily subsistence allowance, and installation allowance and the three new reports were approved by the Councils of the six Co-ordinated Organisations. Once again, it was plain to see that the CCR's aim is to cut costs by freezing the kilometric allowance for many years and by significantly reducing the per diem rates for many

destinations. And yet again, the CCR used its tried and tested principle of aligning the allowances of officials in the Co-ordinated Organisations on the allowances in the national civil services of reference countries with a revision only every three years. Naturally, the CRSG expressed its keen disappointment about this timeframe and remains convinced that only an annual adjustment makes any sense.

Secondly, the Co-ordination system continued to implement the “compromise” of November 2013 regarding the review of the family-related allowances of officials hired as of 1 January 2017. The existing rights of serving officials have been protected. After talks with the CRP, the CRSG will present to the CCR in June the new proposals for regulations governing the basic family-related allowances and the supplements for children, disabled and seriously disabled children, and for disabled adult dependents. The deadline for the reform is the end of the year and, once again, there are serious discussions to come on the future adjustment allowance method, and especially the timeframe for adjustments.

**In addition, we began very preliminary discussions on the revision of the future salary adjustment method** (and therefore pension adjustment method) that will enter into force on 01 January 2017. The three Committees now have one year ahead of them in which to reach an acceptable compromise guaranteeing a method that is objective, mathematically reliable, foreseeable and stable going forward.

**Issues related to pensions were also the subject of many discussions.** Without duplicating the message by Bernard Job, Chairman of PACC0, I would like to highlight the revised 9.5% contribution rate to the Co-ordinated Pension Scheme since 01 January, resulting from a remarkable consensus between the three Committees.

However, and predictably, neither consensus nor compromise was reached on the Franco-Belgian proposal to gradually reduce the tax adjustment. I would like to remind you that this is a gradual reduction of the pension tax adjustment for serving officials as of 2021 (and not immediately as stated in the initial text) with a one percentage point reduction every year as of 2021, and a 15% floor under which the tax adjustment rate can no longer be lowered. Once again, the CRSG expressed its very strong reservations about this revised proposal, notably its legal aspects, and no progress has been made since. With the exception of the two sponsors of the proposal – Belgium and France – the other CCR delegations do not seem overly excited about an issue which is in reality a problem of tax revenue management in these two Member countries and nothing to do with the fi-

ancing of the Pension Scheme. There will be more talks in June, but this subject is proving very time consuming for the Co-ordination process and it is high time to move on to something else.

**By way of conclusion**, a few words on what lies ahead.

This year, once again, a certain number of missions have been completed in accordance with the mandate for Co-ordination, despite a challenging backdrop of Member countries striving first and foremost to save money.

I would nevertheless like to highlight the excellent relationship between the three Committee Chairmen which, in my opinion, has helped Co-ordination move forward in a climate of dialogue and receptiveness, despite budgetary problems. In particular, I would like to take this opportunity to pay tribute to the ever-constructive attitude of CCR Chairman Franz Cede, who is stepping down at the end of June. Over the coming months, the next Chairman (or Chairwoman) will have a vital role to play in maintaining a satisfactory level of dialogue and receptiveness on a number of sensitive subjects, without which the Co-ordination process risks becoming once again mired in difficulties over its functioning.

In any case, the CRSG will continue, as it has done in recent years, to approach all issues in an open and constructive manner with a view to striking the right balance in everything and maintaining the excellence and motivation of our staff in their work for our Member countries. I hope that our counterparts around the table will do the same.

Thank you once again for your invitation and your time, and I wish you an excellent General Assembly.

*Patrice Billaud-Durand*



**Mr. Jean-Pierre Cusse**  
*Chairman of the CRP*



Dear colleagues, Mr Chairman,

I am here today in my capacity as Chairman of the CRP, that is to say as the representative at the CRP of both serving officials and retired officials.

I feel that it is important and necessary to remind you of this at a time when there has been a sea change in the staffing profile of our organisations.

I am Chairman of the OECD's Staff Association, where 50% of our colleagues are on short-term contracts. In other words, a large population that will not receive an OECD pension.

For these colleagues, the concept of intergenerational solidarity means nothing. For these colleagues, who are simply passing through, solidarity means nothing.

What can you do to encourage these colleagues to take an interest in this or that aspect of our remuneration and rights when their main concern is whether or not they will still be there tomorrow?

And this turnover is also affecting the Administrations. These days, all we hear our managers talk about is cost-effectiveness and efficiency, concepts that are far removed from any human concern.

And the consequence is that, in each organisation, we are faced with serious staff management problems.

We are finding it increasingly difficult to recruit Staff representatives willing to commit themselves to forcefully and vigorously defending their colleagues.

These changes in our organisations are making it even more difficult to defend the interests of serving and retired officials.

In the Co-ordination system, we can feel the full force of this change in mentality. In the eyes of the elected delegates, we are anachronisms, enjoying privileges that need curtailing.

And to achieve this they are starting with our future colleagues, before gradually passing these changes on to serving officials and then in the future to retired officials.

As far as our Administrations are concerned, the staff need protecting but without upsetting the delegations. And the staff often come off worse from this balancing act.

In recent years, the Co-ordination system has shown its limits. The representatives of Member countries and the CCR are always open to discussion, but never change their stance, as individual delegates constantly compare their own situation with that of officials in the Co-ordinated Organisations.

This attitude is hurting the international civil service.

Faced with this situation, the CRSG, representing the Secretaries/Directors General, and the CRP have decided to adjust their working methods, combine their forces and build projects.

Naturally this is not a straightforward task, as not all Secretaries and Directors General have the same conception of their respective roles.

While some think that their organisation is built on its staff and that it's important to treat them properly, others are more subservient to the Member countries.

This lack of organisation, and the lack of fight in some of our Administrations, has left the door wide open for the CCR to pursue its own projects.

As a result, in recent years we have had to contend with the CCR's desire to attack our allowances. After the reform of the expatriation allowance, the delegates of the Member countries of the Co-ordinated Organisations have now started targeting other allowances.

To begin with, they wanted to modernise them, and use the opportunity to save money while maintaining an attractive salary package.

Of course, they soon forgot about attractiveness or modernity to focus solely on saving money and demonstrating to their respective capitals that the economic crisis also needed to have a sustained impact on the officials serving in international organisations.

The first up in their review of allowances were family-related allowances. The allowances offered under the proposed reform, which will apply to future colleagues as of January 2017, are far removed from those which you had in your day:

- No more household allowance;
- A reduced children's allowance;

- Conditions of entitlement that considerably restrict the number of officials eligible, etc.

What is more, we still have no idea to date of the adjustment method for this new allowance but we fear that, like the other allowances before it (kilometric, installation), the CCR is planning a revision every three years. And remember that when we asked them why they wanted a revision every three years, even when it doesn't exist in their own countries, the only answer they had was that it was a compromise and, as one of the national delegates said, a compromise doesn't have to be justified....!

Now that they were on a roll, they also revised the daily "per diem" subsistence allowance. The direct outcome of this was a significant reduction in payments to officials, for example 31% less for Spain and Mexico, 19% less for Paris and 18% less for Canada. Anyone would think that our colleagues go on missions solely for their own enjoyment!

And the next item on this year's agenda is the revision of the salary adjustment method.

And once again we have some concerns.

At the first tripartite meeting we asked, with that hope that it would be possible, for a common accord on the basic principles of a salary adjustment method, i.e. one that was objective, mathematical and easily ascertainable.

But we couldn't even obtain the delegates' consent for these minimum principles that are applicable to any method.

The fact is that we are fully aware that they don't really have a problem with the method. What they really want are tools to neutralise the results of the method, as budgetary feasibility has shown its limits.

To date, we still have no idea of delegates' intentions. We just have growing concerns.

If we can work together in close collaboration then we can put forward proposals to improve our system. However, past experience has shown that the Member countries are only interested in solutions which save money and which give them ways to be flexible in their application of the results.

The CCR does not want to show its hand. It is happy to sit back and wait for the CRSG to make suggestions and then cherry pick the one it likes.

We all remember the CRSG's initial proposals regarding family-related allowances. As reports came and went the CRSG made concessions until we ended up with this new basic family allowance which is, as I said earlier,

is far removed from the allowances you would have known in your day.

The CRP is incapacitated and under strength, and the CRSG has already surrendered.

That is why we need to work more closely with the CRSG. It is now possible for us to do this, because faces are changing and we are re-establishing dialogue.

I've already talked about the reform of allowances and remuneration, so that leaves pensions.

Tax adjustment is on the agenda.

And what can I say about the interminable discussions on Article 42 of the pension scheme concerning the tax adjustment? France and Belgium are using false pretexts to try and abolish or reduce this adjustment.

The OECD's Staff Association asked the Secretary-General to make a stand. And he wrote to the French Prime Minister to state that there was no reason for abolishing this adjustment.

The other delegates around the table don't seem to be interested in discussing this issue.

Despite that, the subject is always on the agenda when we meet.

Generally speaking, we regret the fact that our organisations do not invest sufficiently in the Co-ordination system, thereby leaving a void for the CCR delegates to fill.

Once a year the Executive Directors deign to attend Co-ordination meetings. And yet the decisions made in recent years have made recruitment more difficult and should give our bosses greater pause for thought.

At present, if Co-ordination is to start working again, our Secretaries and Directors General need to get involved. They need to work together to formulate a policy and lead discussions.

The CRP and the Staff Associations defend the interests not just of serving officials but also of our future colleagues and pensioners.

Each Staff Association is fighting to preserve our acquired rights, but we are not emerging unscathed from the battle. For example, a few years ago a new, less favourable, pension scheme was introduced. But, thanks to determined efforts by staff, the differences between the 1974 regime and the new scheme remained limited.

There is still a risk that the CCR may succumb to the powerful temptation to re-examine the 1974 regime, which some delegates feel is too generous.

Moreover, one organisation, the Council of Europe, has approached the Co-ordination system with a request

for a review of the respective pension contributions of officials and employers under the co-ordinated pension scheme.

So far, the CCR has not wanted to discuss this issue, which has now become a sword of Damocles hanging over our heads.

I can assure you that the CRP and all the Staff Associations remain extremely determined: any attempt to revisit the co-ordinated pension scheme is completely out of the question.

Earlier on I mentioned the problems our Associations were having in recruiting representatives, but the CRP has other difficulties to contend with, beyond our colleagues' flagging commitment.

These difficulties arise from the Committees that make up the Co-ordination system:

- The Committee representing Member countries (CCR), to which each delegate brings his or her own personal views on Co-ordination issues;
- The Committee representing the Secretaries and Directors General (CRSG), which defends the interests of their organisations, which are all so different, with compromise only possible at the level of the single lowest common denominator.

And lastly there is the third Committee, comprising the representatives of the Staff and Pensioner Associations, the CRP.

This is the only Committee with a clear position.

The CRP's position is made simple by the fact that we defend the interests of serving and retired officials regardless of their organisation, for their interests are the same.

This means that the CRP has an important role to play. It has to make sure that the CRSG does not sacrifice the interests of the staff on the altar of compromise.

That is why we are putting in place procedures and a working structure that should enable us to be more responsive in dealing with the projects we receive. However, it is important to note that, unlike the CRSG, most of our colleagues take part in the CRP in addition to their professional activity.

These are the conditions in which your CRP representatives Ivan Divoy, Steve Potter, Michel Garrouste, Jean Le Ber and your Chairman Bernard Wacquez work and defend your interests.

To achieve our mission in the interests of both serving and retired officials it is essential that we work to-

gether, that we constantly reaffirm the link between serving officials and pensioners.

Your Chairman has this determination. And I share this determination in my capacity as Chair of both the CRP and the OECD's Staff Association. However, this bond is fragile and needs men and women, it needs their conviction.

This bond is also undermined by individual initiatives concerning this or that aspect of our emoluments, our pensions or our taxation, which are taken without any prior consultation of the official representatives of serving officials or pensioners.

We cannot afford to pull in different directions.

We cannot afford to reason in terms of individual interests at the expense of the group.

If we do this, both pensioners and serving officials will lose. As I said earlier, the representatives of tomorrow's officials will only have a vague idea of the bond between serving officials and pensioners. Divided we fall.

That is why at the CRP we co-ordinate our initiatives, we have a duty to take into account all the populations within the CRP, be they serving officials, future colleagues or, last but not least, retired officials.

I will soon be joining your ranks. The organisations have changed considerably since I joined the OECD 33 years ago. Working conditions are deteriorating, the youngest members of staff are all on short-term contracts and therefore have no interest in the problems of pensioners, whom they also see as having a far more favourable pension scheme than their own.

More than ever, we cannot afford to pull in different directions, we must act together. While retired officials need serving officials, we also need you.

AAPOCAD has an important role in the Co-ordination process. Over the years you have chosen good representatives and good Chairmen. It has been an honour to work alongside them.

They are our memory, they force us to stay on track and not to stray.

Of course we are criticised, we could have done this or that differently, we could have tried harder... And naturally we are not perfect; but we are determined and we believe in our values. We know that to win battles you have to start fights, and we start them!

But our strength comes from you, retired and serving officials. Our strength comes from your unwavering support.

So to sum up I would like to thank the representatives of the CRP, the Staff Associations, the unions and

through them, all the men and women who work for them. I would also like to take my hat off to your AAPOCAD representatives who do a remarkable job and I can assure you that they have lost none of their vigour and determination.

Thank you Bernard, thank you all.

*Jean-Pierre Cusse*

**Mr. Giovanni Palmieri**  
*Former Chairman of the CRP*



Mr Chairman of AAPOCAD,

Mr Chairman of the CRP,

Ladies and gentlemen, dear friends,

I am here today at the request of the Chairman of AAPOCAD to give you an update on a matter that has received very specific support from AAPOCAD's representatives in the Co-ordination system. I'm talking about the reform of legal protection for serving and retired officials of the Co-ordinated Organisations.

While informal Co-ordination began in 1958, it was only in the early 80s that concerns over the legal protection of officials were first openly voiced in response to the contradictions in case law which emerged at the time and which were bewildering not only to actors in the Co-ordination process, but also to the outside world and in particular to specialists in international civil service law. It was at this time that influential authors noted the extent of the fallout from these contradictions in case law, confirmed the need to resolve the problem and put forward different solutions.

The representatives of the Administrations met several times before laboriously reaching the conclusion that there was no need to amend the texts and that several practical measures would suffice, i.e.: the creation of a database containing the case law of the legal bodies of

the Co-ordinated Organisations and the organisation of meetings between the judges in the six relevant jurisdictions. Nothing came of this minimalist solution and it was soon forgotten.

The years went by without anyone raising this issue at an official level, with the exception of Chairman Schaeffer in the CCR in the early 90s. But his initiative led to no more than a short-lived discussion, as staff representatives challenged the CCR's remit to deal with this issue, which was clearly opportunistic. Imagine for a second a legal reform managed by the CCR: it would have been an institutional nightmare.

In short, nothing was done to prevent these contradictions in case law from recurring in the future. Which is precisely what did happen, for the simple reason that they are an inherent part of the legal system in place. They emerge when you least expect them and are often worrying. This was the case for the conflicting interpretation of some provisions of the 139<sup>th</sup> report of the CCR by the NATO Appeals Commission, on the one hand, and by the Administrative Tribunal of the Council of Europe on the other. I will just say two things on this subject:

- Firstly, when the Administrative Tribunal made its decision it did so in full knowledge of decisions Nos. 700 and 706 of the NATO Appeals Commission *de eadem re* (on the same subject). This means that the solution that consists in saying "let's make sure that Institutions have a greater awareness of each other's case law" is futile in cases where one administrative jurisdiction is minded to interpret a given provision in the opposite way to which it has already been interpreted by another Co-ordinated jurisdiction;
- Secondly, the Administrative Tribunal made an incredibly clumsy attempt to conceal the conflict by confirming arbitrarily and without justification (simply because there is no logical justification for what comes next) that, and I quote, "*the situation at NATO was different to the situation at the Council of Europe*".

And what is it that international civil servants find shocking? It is the very fact that the same given provision can be interpreted not only differently, but in an opposite way, by two administrative jurisdictions with the same mandate. I should add that there has even been a case of the same ruling being given three different interpretations. This was the *inhouding* case, about a wage deduction used by the Dutch in the transition from net



to gross when calculating the salaries of the country's civil servants. According to the ESA's Appeals Commission this deduction was perfectly legal, whereas another jurisdiction (and an important one at that, the Administrative Tribunal of the International Labour Organization, which had jurisdiction over the EPO) found it to be entirely illegal. And the Administrative Tribunal of the Council of Europe considered it legal when applied to serving officials, but illegal when applied to retired officials.

Officials having to contend with these contradictions are left with a disconcerting view of justice. To them it seems more like a lucky dip than a rational and objective means to ascertain the truth. This is unfortunate, given that the main concern of both Member countries and the Secretaries/Directors-General should be to make sure that officials remain motivated. How are you supposed to feel motivated when, in the event of a personal or group issue, the ability to appeal to a jurisdiction is undermined by the fact that the foundation is lacking for one basic presumption, namely trust in the only form of justice available? And I am talking about officials whose status has been weakened by the increasing job insecurity prevalent in all the Co-ordinated Organisations, even the Council of Europe, the last bastion of a permanent career. In short, staff working in unstable conditions, whose material benefits are getting gradually whittled away - think of the expatriation allowance, the new pension scheme, the family-related allowances, etc. - and who are increasingly exposed to a single degree of random justice.

Given that I'm preaching to the converted, I don't intend to dwell on this issue. I'm just going to retrace the steps of the CRP's interest in this subject. The CRP's first step was to organise an international colloquy in 2011 on changes in the legal protection of international and European civil servants. This event was a great success, as shown by the large number of prestigious guests and the valuable contributions to the different subjects covered. The volume published in its wake, of which I was Chief Editor, filled a gap and is still a reference for anyone, especially in universities around the world, wanting to dig deeper into the key issue of international civil service law or international administrative law as the English-speaking nations like to say.

It was after this colloquy, and based on a summary of all the different reports presented, that the CRP decided to contact the Secretaries/Directors-General of the Co-ordinated Organisations and suggest reforms. The proposals were relatively simple and aimed, for a start, to replace the six administrative jurisdictions with a single authority. The matter of appeals was mentioned in

passing but the CRP considers this to be a second stage of the reform, if the reform ever sees the day.

It is remiss of me to attribute the proposed reforms solely to the CRP, as they were in fact proposals from all the staff representatives in the Co-ordinated Organisations, so not just the CRP but also the Staff Associations and Staff Committees. Four organisations rejected them, and two others (NATO and the Council of Europe) said nothing, by simply choosing not to reply to the correspondence addressed to them.

The four Administrations adopted two lines of argument to justify their decision: they claimed firstly that it was a question of principle; and secondly that their decisions had been taken on purely practical grounds. The question of principle was clear: as the European Convention on Human Rights does not recognise the right of individuals to appeal, the Administrations did not see why it should be granted to serving and retired officials of the Co-ordinated Organisations. This is a strange excuse, as who declared, and where is it written, that only demands from staff that are covered by an article in the European Convention on Human Rights are worthy of being examined? This reasoning is not only unfounded, it is also unimaginative. It is worth recalling that the European Convention on Human Rights is the alpha of human rights' protection and not the omega. It is a series of principles common to signatory States, who are naturally free to grant even broader rights to their citizens. Basically, the Convention is a starting point and not a conclusion when it comes to recognising and respecting human rights.

There is another simple fact to bear in mind on this subject, which is that national civil servants, just like civil servants working for the European Union and the United Nations, have an undisputed right to appeal. So why is it that, in the 21<sup>st</sup> century and in an enlightened society, officials in the Co-ordinated Organisations have no recourse on an issue which should in principle raise no objections?

As for the practical objections, such as the possible increase in costs for the organisations, this is just hair-splitting which, rather than reflecting a genuine concern, simply reflects an unwillingness to address the issue.

I have written an article discussing all these background details and reflections which will be published under my name in the *Rivista della Cooperazione Giuridica Internazionale*, an Italian periodical on international legal co-operation. Naturally, I submitted the article beforehand to the CRP, which fully endorses my opinions, even if the latter will not be directly attributed to the CRP in the article.

Once the article has been published, along with an abstract in English for which I would like to thank my friend Robin Flood, special editions will be printed and sent to everyone who attended the Luxembourg Colloquy and to all our contacts, especially the members of the CCR and the CRSG.

The aim of this publication is to sustain lawyers' interest in the reform of the legal system of the administrative jurisdictions of the Co-ordinated Organisations. Even the most ardent legal experts, such as Alain Pellet for example, who called for the creation of a global High Court of Cassation for international civil servants, are being ground down by decades of inertia and ill will. We want discussions to continue and for the CRP to demonstrate that the Luxembourg Colloquy was not just a publicity stunt but the reflection of a genuine desire to seek an answer to a very real issue. Following publication of the article, and any reactions to it, the CRP is thinking of organising a one-day roundtable debate, in other words a mini-colloquy, on a subject of interest to all of us: appeals. The aim would be to draw up a sort of review of how the appeal system works in the international organisations where it exists, i.e. the United Nations and the European Union, and then to draw conclusions on the possibility of creating a system for appealing against the decisions of the administrative jurisdictions of the Co-ordinated Organisations.

This is a subject which, as you have seen over a period of many years, is constantly bubbling away just beneath the surface, like an underground river, disappearing and then re-appearing again as circumstances and priorities change.

There's a large subterranean river called la Guadiana in a lovely part of Spain called La Mancha. And if La Mancha springs to mind now it's because I sometimes feel like Don Quixote tilting at windmills whenever I defend these proposals. And the Administrations definitely make good windmills. The four which rejected the proposals are like windmills turning in the wind, blowing nothing but hot air. And the two which failed to answer are also like windmills, but this time standing idle and waiting for the wind to blow. This stillness can either come across as hostile (like NATO) or vaguely benevolent (like the Council of Europe). But we are not here to try and interpret what lies behind their reticence. We are trying to take things forward. I do so in my own modest role. I am sure that the CRP will continue to pursue its dual role of a being an advisor to some and a nuisance to others.

I would like to briefly touch on a second legal topic. As you know, Mr Cede is stepping down as Chairman of the CCR, as is Vice-Chairman Mr Carmona. In addition,

the members of some national delegations are being completely replaced. So we are faced with a major shake-up in the CCR and the inherent risks that accompany this sort of change. The major risk is that we lose the Committee's institutional memory.

For example, the Vice-Chairman of the CCR is also its Legal Advisor. I saw first-hand how hard Mr Carmona and his predecessor Mr Schmitt worked to ensure that the CCR's reforms were entirely lawful.

A new Legal Advisor has been elected but there's just one problem: this individual is not a lawyer but a French government auditor, and a knowledge of international civil service law, or indeed any other type of law for that matter, is not something that can simply be made up as you go along. In addition, in this particular instance, it is particularly important to be familiar with the case-law of the international administrative jurisdictions.

Over the last 30 years, the CCR has initiated some extensive reforms – there's no need to look any further than the 1996 expatriation scheme and the current expatriation regime, as well as the family-related allowances, the texts for which will be finalised at the next session of the CCR. At every reform, the **acquired rights** of serving and retired staff have been respected. But this respect is not set in stone. The CCR does not proclaim it loud and clear, contrary to the demands of the CRP. It is a *de facto* respect.

It is my fear that some of the checks and balances which have always operated within the CCR are diminishing. The first, and probably the most effective one, is the Legal Advisor.

In addition, neither the ISRP nor the CRSG seem willing to assume this function, as was often the case in the past. They have different reasons for this, but now is not the time to go into detail.

There is therefore a risk, and here I turn to all of us retired officials, that the rights conferred to us under the 1974 co-ordinated pension scheme, rights which we have paid for with our pension contributions throughout our career, will be jeopardised, restricted or nullified. What would become of our objections in the face of jurisdictions that take such different approaches? On the one hand we have the NATO Administrative Tribunal saying that the general principles of law are irrelevant; and on the other hand the Administrative Tribunal of the Council of Europe which primarily seeks to determine whether these principles have been respected. This is why everything is intertwined. There is an overlap be-

tween the dangers of conflict gathering like clouds on the horizon and the issue of legal protection.

That is why we have to monitor changes in the Co-ordination system with realism and caution. The day we need fewer lawyers and legal experts is not yet upon us. Far from it.

I would like to express my gratitude for the support that many of you provided in seeing through the issue of the reform of legal protection, and I would like to thank you once again for your time and attention.

*Giovanni Palmieri*

**Mr. Axel Reichl**

*Head of Unit 2,*

*International Service for Remuneration and Pensions (ISRP)*



## Relations between the NATO Pensions Unit and NATO Pensioners

### *The NATO Pensions Unit - Facts and Figures – 1 May 2015*

The Pensions Unit - team of 6 staff:

4 staff dedicated to COPS (Co-ordinated Pension Scheme), 1 NATO DCPS (Defined Contribution Pension Scheme), 1 Head of Unit

### Full administration including pension payments for:

- 3,469 beneficiaries under the Co-ordinated Pension Scheme
- 18 beneficiaries under the NATO DCPS

### Responsible for the pension related information and education for

- 3,200 active affiliates to the Co-ordinated PS

- 3,020 active affiliates to the NATO DCPS

Overall: 10,000 customers throughout NATO

### The NATO Pensions Unit coordinates



### The NATO Pensions Unit provides active Staff:

#### Pension projections for members of the COPS:

- Help members to make informed decisions regarding pension pay scale, tax adjustment, insurance related questions
- 2014: 243 individual retirement projections

#### Pension workshops for NATO bodies

#### Focal point of contact for all DCPS related activities:

- Co-ordinate with the external Scheme Administrator, the Investment Managers, all payroll centres
- Support the DCPS governance – DCPS Management Board, Investment Committee, Working Groups

### The NATO Pensions Unit provides pensioners:

- Timely and accurate monthly benefit payments:
  - All pensions, allowances, tax adjustment
  - Deductions of insurance premiums
- Monthly pension statements are distributed via postal service
- Annual Tax Declarations sent to all pensioners in spring
- Annual Questionnaire for all pensioners incl. follow up verifications in September

5. Annual declarations for Invalidation Pensioners incl. follow up & verifications
6. Individual Statements following specific requests
7. Reply to queries and questions from pensioners (survivor benefits in case of death, change of residence, change of pay scale, allowances, tax adjustment, insurance etc.)
8. Information for Pensioners

### Action taken to address Challenges

- ASG EM and DASG HR at NATO HQ engaged to
  - a) Reinforce the NATO Pensions Unit (1 additional staff);
  - b) Introduce a Pension Newsletters as of Dec 2014;
    - Initial distribution about once per quarter;
    - more frequently in the future.
  - c) Improvements to the monthly pension statements in Feb. 2015;
    - Lay-out and colours;
    - Quality of the paper.
  - d) Objective: reduce the delays in replies to emails & letters from pensioners.
  - e) Awaiting green light to distribute pension statements in electronic format.

### Identified Issues 1

1. Information for pensioners:
  - Delays in replies to pensioners due to understaffing of Unit
  - Pensioners were informed when required (pension increase)
  - Changes/amendments to the Civilian Personnel Regulations only distributed if « pension related »

### Specific Issues 2

1. Dramatic situation in January 2013 when the premium for the maximum benefit coverage for age and seniority requirements for retirement increased from 1 to 1.7 percent of last grade / step:
  - Short information regarding the change distributed by Allianz WWC Ltd as a pdf attachment to an email:
    - Information dated 20 December 2012, distributed in January 2013
  - Allianz database not up to date:
    - Certain beneficiaries did not receive the information at all
    - Certain beneficiaries could not open the attachment
    - The information was distributed to certain former staff who had no entitlement to insurance coverage
    - The message was brief and lacked any form of background explanation

### Projects

- Electronic distribution of pension statements for those beneficiaries who wish so:
  - Status: waiting for the green light from our IT Services
- Creation of a Pensions web site
- Further improving the co-ordination and cooperation with the NATO Retirees Associations grouped under the umbrella of the « Confederation of NATO Retired Civilian Staff »
- Preparing for transition of the Pensions Unit to the new NATO HQ planned for end 2016
- Preparation for digitalization of the entire Pension Archives

### Other Projects impacting the Pensions Unit

- Pensions Unit integration into a Shared Services Structure;
- Introduction of the Single Spine to replace the pay scale system currently in place;



- Possibility of having the Personnel Management Information System PMIS replaced by the ERP (Enterprise Resource Planning)
- Retirees Medical Claim Fund (RMCF) under review
- Some nations asking to abolish the tax adjustment
- The Review of the NATO DCPS possibility of
  - Improving the current scheme, or,
  - Change to a different pension scheme.

This concludes my presentation on the NATO Pensions Unit, and the relations with our pensioners.

Thank you for your attention.

*Axel Reichl*

**Mr. Bernard Job**  
*PACCO Chairman*

Dear Mr Chairman, dear colleagues,

The demands of my timetable have again sadly prevented me being able to join you today. But I felt that it was useful and important for me to share a little information about the current roles and challenges facing the Committee that I have had the honour of chairing for the last eight years.

As you know, the Pensions Administrative Committee of the Co-ordinated Organisations (PACCO) was created in 1974 to ensure consistent application of our pension rules.

This Committee reports to the CRSG and meets four times a year. It will hold its 180th meeting next month at Torrejon de Ardoz, near Madrid, on the invitation of the European Union Satellite Centre. Why the Sat Cen? Because the PACCO invites not only the representatives of the six Co-ordinated Organisations, but also those of observers, and of the institutes and centres set up after the closure of the Western European Union, including the body that manages the pensions of WEU officials, the RATU (Residual Administrative Task Unit), and the European Patent Office, whose pensions are managed by the Paris-based ISRP.

1. Although most of you are already familiar with them, I will very briefly summarise the roles of the PACCO.

- First, updating the pension rules if an irregularity or loophole is discovered. After discussions with the CRP's Pension Group and approval by the CRSG, changes will be made either to the implementation guidance or to the text of the rules themselves. In the latter case, those changes will also subsequently require the approval of the CCR and the Council of each organisation.

Naturally, these changes cannot affect pensions that have already been claimed.

The PACCO will, for example, continue to work on the impact on the pension rules of the family allowance reforms which are still under discussion by the CCR.

- Second, proposing a review of the officials' pension scheme contribution rate to the CCR. This involves working closely with the ISRP's actuaries. As you are aware, under the pension rules this rate is revised every five years; last year's revision took effect on 1 January 2015. The PACCO has also delivered its suggested adaptations to the coefficients used for early retirement pensions (Rule 8) and for rights transfers (Rule 12), and the coefficients are now awaiting approval at Council level or the preparation of implementation guidance.
- Next, an unrewarding task conducted by the ISRP, drawing up and finalising transfer agreements with other international organisations and national schemes. I say unrewarding because these efforts are often to no avail, and the decision has therefore been taken to limit the time spent on new agreements with countries, which, for various reasons, many of them do not want; some, like the British, are reversing them for tax reasons.
- Monitoring tax issues, the application of tax adjustments and the simplification of annual forms.
- Maintaining communications with you, an area the ISRP continues to cultivate, as evidenced by the website.
- Analysing the scheme's annual figures. At 31 December 2014, we had 7,215 pensioners (up 3.1% year on year), and annual outgoings of around EUR 328 million (excluding new schemes), up 3.9%. For demographic reasons, these figures will naturally continue to climb. Your Association can look forward to strong growth in the years ahead!

- Last but not least, approving the calculation of new pensions, including those under the NPS.

These are the recurrent, traditional tasks, to which I would add another, one that has grown in importance over recent years as new schemes have been adopted by the Co-ordinated Organisations – the so-called, and increasingly complex, first-circle transfers, that define the transfer of pension rights from one Co-ordinated Organisation pension scheme to another Co-ordinated Organisation pension scheme.

2. Although time-consuming, these recurrent tasks now seem trivial in comparison to the hot topics.

Because of the financial crisis, persistent moves are being made to reform our pension schemes in every organisation. The PACCO plays the role of technical advisor to Co-ordinated Organisations that so wish. It can check a project's validity or suggest alternatives, as it did for the Council of Europe's Third Pension Scheme.

You will also be aware that the CCR included the review of the Co-ordinated Pension Scheme in its programme of work, since it is the only scheme within its remit. Clearly, if the CCR were to adopt certain reforms, the Councils of the organisations would if possible adopt the same reforms in their new schemes. Two subjects that have been either discussed or officially raised by the CCR are the relative contribution rates of officials and organisations, and the live issue of the tax adjustment for future pensioners. The PACCO was quick to provide the CRSG with relevant information to help it prepare counter-arguments against the CCR.

Under pressure from a hectic programme of work, the CCR is moving ahead very slowly with reforms to family allowances, and must approve a new allowance adjustment method by June 2016. The CCR is also at a crossroads, since a new Chair will replace Franz Cede in September, and a new vice-Chair – the legal advisor –

will take his seat next month. Given these uncertainties, the PACCO has prepared for particular scenarios and reported to the CRSG on its technical analysis of some potential reforms, such as increasing the age at which pensions can be claimed under the Co-ordinated Pension Scheme.

The PACCO also keeps up to date with the latest developments, including through the international organisations' Pension Workshop held jointly by the ISRP and the United Nations' Pension Fund every 18 months. The tenth workshop took place in Munich last October on the invitation of the EPO, and was a resounding success, with around forty international organisations in attendance.

The PACCO will also oversee the eventual implementation of the single salary scale with all its attendant consequences for future pensioners.

Please allow me to assure you, my dear colleagues, that the PACCO will spare no effort to prepare, research, defend and preserve – as far as it possibly can – our current benefits in order to ensure that our pension schemes continue to be a major benefit of our pay package, as they have been for over forty years.

I will close by thanking the ISRP, as usual, for its excellent work in providing the PACCO's secretariat, and managing your pensions, as well as those of other international organisations, with their unfailing professionalism and consideration; the PACCO could not function without its support.

Thank you for your time; I hope you have a productive meeting.

*Bernard Job*



## Annex 2 - Photos of the 2015 General Assembly



*(From Left to right : Ivan Divoy, Major General Mueller, Yves Borius, Giovanni Palmieri, Germaine Borius)*



*(Rüdiger Neitzel's Speech next to Major General Mueller)*



*(From Left to right : Bernard Wacquez, Yvonne Wacquez, Major General Mueller, Keri Mueller)*



*(From Left to right : Bernard Wacquez, Keri Mueller, Stephen Potter)*



*AWACS Visit, Geilenkirchen, Germany – 29 May 2015*





### ***Annex 3 - Composition of the Governing Board***

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2015**

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## ***Annex 4 - Financial Situation and Budget 2013 – 2015***

### **Situation as at 31st December 2014**

The budget situation for 2014 is showing the benefits of our ongoing policy of economies (particularly under General Assembly, packaging/postage and computers), with the accounts in surplus by over 10 000 €. This surplus was the first for some years.

On the financial side, the result was further boosted by an exceptional income of 20 000 € from Mrs. Pfändner's succession.

As a result, our financial assets have increased in 2014 by 11 % in comparison to 2013, to 258 933 €.

### **Revised Budget for 2015 and Draft Budget for 2016**

Expenses for 2015 will be affected by the additional costs resulting from the General Assembly being held outside of Paris.

In 2016, assuming that the General Assembly will be held in Paris, we expect once again a balanced budget.

## AAPOCAD

TABLE 1  
INCOME AND EXPENDITURE 2013 - 2014 AND DRAFT BUDGET 2015 - 2016  
(Euros)

	2013	2014		2015		2016
	Outturn	Revised budget	Outturn	Initial Budget (a)	Revised Budget	Draft Budget
<b>INCOME</b>						
Subscriptions	134,881.45	135,000.00	136,654.46	135,000.00	137,000.00	137,000.00
Interests / Capital gains or losses	3,781.28	4,000.00	2,581.63	4,000.00	2,500.00	2,500.00
	<u>138,662.73</u>	<u>139,000.00</u>	<u>139,236.09</u>	<u>139,000.00</u>	<u>139,500.00</u>	<u>139,500.00</u>
<b>EXPENDITURE</b>						
General Assembly: a) reception	375.78	800.00	0.00	800.00	800.00	500.00
b) other (room rental, interpretation)	5,554.48	1,000.00	0.00	5,000.00	5,000.00	1,000.00
	<u>5,930.26</u>	<u>1,800.00</u>	<u>0.00</u>	<u>5,800.00</u>	<u>5,800.00</u>	<u>1,500.00</u>
Travel - Coordination missions	9,032.98	8,000.00	7,709.51	8,000.00	8,000.00	7,500.00
- Governing Board	29,130.02	25,000.00	24,852.84	25,000.00	25,000.00	25,000.00
	<u>38,163.00</u>	<u>33,000.00</u>	<u>32,562.35</u>	<u>33,000.00</u>	<u>33,000.00</u>	<u>32,500.00</u>
Experts/consultants/CRP	1,750.85	5,000.00	4,459.00	5,000.00	5,000.00	5,000.00
Miscellaneous	622.58	1,500.00	276.19	1,500.00	500.00	500.00
Representation	0.00	500.00	89.74	500.00	500.00	500.00
Secrétariat (salary)	70,770.70	68,000.00	67,563.66	70,000.00	70,000.00	72,000.00
Office supplies, computer, telephone	11,138.85	10,000.00	6,884.43	7,000.00	7,000.00	7,000.00
Document printing	0.00	1,000.00	3,270.17	2,000.00	3,500.00	3,500.00
Packaging and postage	13,086.61	13,000.00	9,777.60	13,000.00	12,000.00	12,000.00
Regional delegates	224.14	500.00	0.00	500.00	500.00	500.00
Assistance and participation in appeals	0.00	4,000.00	3,500.00	4,000.00	4,000.00	4,500.00
	<u>97,593.73</u>	<u>103,500.00</u>	<u>95,820.79</u>	<u>103,500.00</u>	<u>103,000.00</u>	<u>105,500.00</u>
<b>Total expenditure</b>	<u>141,686.99</u>	<u>138,300.00</u>	<u>128,383.14</u>	<u>142,300.00</u>	<u>141,800.00</u>	<u>139,500.00</u>
<b>SURPLUS OR DEFICIT</b>	<b>-3,024.26</b>	<b>700.00</b>	<b>10,852.95</b>	<b>-3,300.00</b>	<b>-2,300.00</b>	<b>0.00</b>

(a) Approved at the General Assembly 2014

06-05-2015



Table 2

**FINANCIAL SITUATION 2010 - 2014**  
(Euros)

	2010	2011	2012	2013	2014
<b><u>Income</u></b>	101,821.91	99,787.05	105,072.75	138,662.73	139,236.09
<b><u>Expenditure</u></b>	104,763.64	138,322.37	109,775.42	141,747.46	128,383.14
<b><u>Surplus / Deficit</u></b>	-2,941.73	-38,535.32	-4,702.67	-3,084.73	10,852.95
<b>Net assets as at 1st January</b>	283,794.70	280,852.97	241,317.64	236,614.97	233,590.71
<b><u>At 31st December presented by Assets</u></b>	280,852.97	241,317.64	236,614.97	233,590.71	258,933.66
<b>Amounts receivable</b>	100.00	45.00	5,545.00	0.00	0.00
<b>Investments *)</b>	275,149.32	245,368.14	240,879.09	224,660.37	247,242.00
<b>Bank</b>	22,151.63	10,583.31	8,249.75	22,367.07	28,902.35
<b>Cash</b>	10.60	10.60	10.60	31.72	6.72
<b>Reimbursement advance</b>				5,500.00	
<b>Total</b>	297,411.55	256,007.05	254,684.44	252,559.16	276,151.07
<b><u>Liabilities</u></b>					
<b>Amounts payable</b>	16,558.58	14,689.41	18,069.47	18,968.45	17,217.41
<b><u>Total (net)</u></b>	280,852.97	241,317.64	236,614.97	233,590.71	258,933.66

\*) Includes for 2014 "Pfändner Fund" : 20.000 € on Savings Account  
14-04-2015

Certified exact



Elfriede LINDNER  
Treasurer

