

AAPOCAD



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 2016

This year's AAPOCAD General Assembly, as is customary in an even-numbered year, was held on the premises of the OECD. This Assembly is the only event attended by all those directly responsible, at least in part, for the future of pensioners of the Co-ordinated Organisations. This year they once again gave frank answers to the questions put to them after their presentations of the activities of the entities they manage. Unlike last year's General Assembly in Geilenkirchen, which some of them had been forced to miss due to prior commitments, this event boasted the full complement of Chairmen of the three Co-ordination Committees and managers of the pensions' administrative bodies. The texts of their presentations are given below (page 6).

The Secretary-General of the OECD, Angel Gurría, was otherwise engaged in a meeting in London, and hence unable to welcome us personally to his "home" as he usually does. He therefore delegated the task of delivering a welcome address to Michèle Pagé, Head of Service, Human Resources Management.

The new Chairman of the Co-ordinating Committee on Remuneration (CCR), Syd Maddicott, began with a clear and detailed presentation of how he saw his role as Chairman of this tripartite body. He followed with his thoughts on the revision of the salary adjustment method, insisting that the CCR "...continues to be in favour of remuneration in the Co-ordinated Organisations being adjusted in parallel with the eight reference countries'

National Civil Services and agrees that the adjustment method should be as simple as possible and give results that are stable and predictable." I will return to this point below. Finally, after stating that the CCR had not settled on a final position in relation to the tax adjustment, Mr Maddicott added that in his opinion, reform would not affect current pensioners.

The second speaker, Patrice Billaud-Durand, Chairman of the Committee of Representatives of the Secretaries/Directors General (CRSG) gave his point of view on Co-ordination activity during the previous twelve months. First, after long years in the preparing, the review of family-related allowances had been finalised and would be applied to all staff whose appointments started on or after 1 January 2017. Second, discussions on the review of the salary (and hence also pension) adjustment method had included a subject that gave the CRSG cause for concern: the introduction of a "moderation" clause, to be applied to the results of the method and designed to reduce or eliminate any increase in salary. Last, the Chairman of the CRSG shared his fears concerning the timetable for the introduction (on 1 January 2017) of the new method. We were again grateful for the rigour and honesty with which Patrice Billaud-Durand presented the CRSG's vision of the current issues and the difficult talks present and pending.

Then Jean-Pierre Cusse, Chairman of the Committee of Staff Representatives (CRP), which hosts AAPO-

CAD, presented his position on several points. First, the hopes he had for the future co-operation between the Chairmen of the three Committees, and his view of the role played by each Committee, after which he discussed the need to constantly maintain and tighten the links between serving staff and pensioners in today's difficult situation.

After the Chairmen's presentations and questions from the floor, Bernard Job, Chairman of the Pensions Administrative Committee of the Co-ordinated Organisations (PACCO), and the manager of the International Service for Remunerations and Pensions, Jean-François Poels, described the increasingly weighty and complex administrative load on their staff. Mr Poels stressed his entity's dual role as both a research body for the CCR and service provider for pensioners.

I am grateful to all speakers for setting this morning aside in their busy schedules. They once again showed us how complex a system Co-ordination is, given the differences between the objectives pursued by the three Committees (budget savings for the CCR; the smooth running of the Organisations for the CRSG; respect for the aspirations and rights of staff and pensioners for the CRP).

As set out by the agenda, the rest of the Assembly was devoted to publication of the results of the elections for the Governing Board (see page 5). Before congratulating the newly and re-elected Members, I would like, on your behalf, to thank those who are leaving us: Messrs Flood, Hart, Potter, Sharpe and Woods. Special thanks must go to Stephen Potter who took on the burdensome role of the Executive Secretary to the Association in May 2009, giving up much of his time in the interests of its seamless operation. Some outgoing Members will retain some responsibilities on the Board—Robin Flood as Regional Delegate for Spain and Member of the Legal Working Party; Jonathan Sharpe as Honorary Vice-Chairman. While we are delighted at the election of two ladies (Ms Höllt and Ms Lobin) among the new Members, I remain disappointed at the continued gender imbalance on the Governing Board.

Another important item on the agenda concerned the Association's financial position, which has continued to improve, allowing it to generate a surplus for the second consecutive year in 2015. If there are no non-provisioned exceptional expenses in 2016, the books should also end this year in the black.

I presented the Chairman's annual report (See Bulletin No. 56, January 2016) to the General Assembly which reaffirmed its confidence in the Governing Board.

The Assembly ended with a rustic dinner on Friday 13th, followed by a boat trip on the Seine and the canals north-east of Paris on Saturday, 14 May.

Co-ordination

Following meetings on 11 and 12 July 2016, and after over a year of negotiation and work, a consensus was reached among the three Co-ordination Committees on a new annual adjustment method for salaries and, by extension, pensions.¹ This method, which will be applicable as of 1 January 2017 for a period of 4 years, with two possible one-year extensions, retains the main adjustment parameters of the previous methods, namely:

- The *reference index*, which will take into account real-term changes in the net civil service salaries of the eight reference countries;
- *Consumer price trends* in each country, which will be taken into account in the salary adjustments of different Co-ordinated Organisations;
- *Purchasing power parities*, which will continue to be applied to ensure that staff and pensioners maintain identical purchasing power irrespective of their country of residence;
- The *affordability clauses* in each Co-ordinated Organisation, which will continue to apply.

An “injustice” affecting the residents of high-inflation countries has been partially rectified in this new method. Every time inflation exceeds the threshold of 7 percent, a special adjustment may be granted.

A cloud nonetheless remains on the horizon in that, in order to meet statutory deadlines, several CCR delegations who have difficulty in justifying in their capital the results of application of the method wanted the new method to be adopted and applied as of 2017 for a period of one year, and another new method to be developed over the coming year and applied as of 2018. This method would have contained a *moderation clause* allowing for application of the results solely according to the specific economic or financial situation of certain countries. The CRP was strongly opposed to this proposal, which went against the principle of stability of the method and set a dangerous precedent;

¹ The official text of the new method will be posted on the AAPOCAD website as soon as it is published.

A compromise was reached between the three Committees. The new method, the contents of which have already been outlined, will include an addendum that will be drawn up by mid-2017, and that will seek to set out solutions addressing the concerns of the CCR delegations.

As a member of the CRP, AAPOCAD will examine this issue and help identify solutions, ensuring that they respect the fundamental principles of the method which are stability, transparency and objectivity. The current method uses the reference index to take into consideration the specific situations of each country, and it also provides for the affordability clauses which are designed to cover any financial difficulties faced by Organisations. Accordingly, the introduction of an additional moderation clause would only result in the staff and former staff of the Co-ordinated Organisations being systematically or doubly penalised.

We shall keep you informed of the state of negotiations, which will begin in September, on the AAPOCAD website and in our next Bulletin.

Life of the Association

The new Governing Board met after the General Assembly to appoint its new Bureau. The former Treasurer, Elfriede Lindner, will succeed Stephen Potter as Executive Secretary. The Assistant Treasurer, Michèle Lobin, will take over as Treasurer. James Moore, who writes up some of the minutes of our meetings and supervises all of them, has joined the Bureau. I wish the new team well in their new roles. The Governing Board also renewed their trust in me as Chairman.

Upcoming meetings

- AAPOCAD's next General Assembly is scheduled for Thursday, 18 May 2017, at the ESTEC headquarters in Noordwijk in the Netherlands. Our colleague Robert Veldhuyzen is already organising the event with great efficiency. The latest information will be posted on the website and in next January's bulletin.
- In order to develop its relations with Associations of Pensioners of non Co-ordinated Organisations and create an information and experience exchange network about issues affecting all pensioners and people retired from International Organisations (pension schemes, pensions adjustment and taxation, health insurance, legal protection, etc.), AAPOCAD is proposing to organise a Conference of representatives of Associations of pensioners of International Organisations, both Co-ordinated and non Co-ordinated.

If a significant number of Organisations or Associations respond positively to our invitation, this conference will be held on the premises of the OECD in March 2017.

We will keep you updated as to the results of this initiative, on our website and in next January's bulletin.

Bernard Wacquez
Chairman



Governing Board Elections

Over 800 Members voted in this year's elections, an increase of 36% on last year's disappointing turnout. We can therefore consider that the decision we took a year ago to circulate the election documents in paper form to all Members, at least for this year, has been justified. The voters divided almost equally between those voting electronically and those by correspondence.

There were 13 vacant posts, and for the first time since EUMETSAT joined Co-ordination some years ago all posts are now filled, with pensioners from that Organisation having this time put forward candidates for both of the posts available to it.

Seven of the posts were filled by the re-election of Members whose existing mandates had come to an end: Messrs Campbell, De Boer, De Gou, Eler, Iaconelli, Thiem and Vanston. Mme Lobin, who had been a Member of the Board from 2004 to 2010, has been elected anew. Two of the newly elected Members, Mr Schultes of ECMWF and Mr Jagtman of ESA, have earlier participated in the Board as Presidents of their respective Pensioners' Associations. Finally, three of the successful candidates are wholly new to the Board: Mrs Höllt of EUMETSAT, Mr Hugonnier of OECD and Mr Parsons of

the Council of Europe. Congratulations to both new and returning Members!

Of the five other Members whose mandate expired this year, Mr Flood was not re-elected, but he will be able to continue to participate in Board meetings as Regional Delegate for Spain. The remaining four outgoing Members did not stand for re-election: Mr Sharpe continues to be a Member of the Bureau and Board as Honorary Vice-Chairman; Mr Woods can continue to participate in the Board meetings as President of the ECMWF Pensioners' Association; and Mr Hart and I will cease to be Members of the Board.

A quick word about gender balance. There has been an increase of two this year in the number of women Board members, a small step in the right direction, but their share is still only just over 20%. The solution to this unsatisfactory state of affairs seems clearly to lie in more women candidates putting themselves forward.

Stephen Potter
Executive Secretary

Election Results for the Governing Board

All the votes received by mail and electronically were counted on 4 May 2016 by the appointed scrutineers (Mrs. Cachin, Davies-Feiner, Léguillier, L'Helgoualch, Lindner), under the Chairmanship of Mr. Potter. The result of the elections is as follows:

- Number of votes cast : 818
- Invalid votes: 24
- Valid votes cast: 794 (of which 403 electronically)

The candidates have received the following numbers of votes:

1) NATO (2 vacant posts)

Ciriaco COLELLA	160
André DEUCHE	294
Fortunato IACONELLI	376
Michèle LOBIN	383

2) OECD (2 vacant posts)

Bernard HUGONNIER	442
James MOORE	412
Nicholas VANSTON	426

3) ESA (3 vacant posts)

David CAMPBELL	547
Nico DE BOER	501
Robin FLOOD	326
Frans JAGTMAN	391

4) CoE (1 vacant post)

John PARSONS	581
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5) WEU (1 vacant post)

Floris DE GOU	575
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6) ECMWF (2 vacant posts)

Jochen ERLER	534
Gerd SCHULTES	551

7) EUMETSAT (2 vacant posts)

Annerose HÖLLT	554
Volker THIEM	553

As a result, the following candidates are declared elected or re-elected*:

NATO:	Mr. Iaconelli*, Mrs. Lobin
OECD:	Messrs. Hugonnier, Vanston*
ESA:	Messrs. Campbell*, De Boer*, Jagtman
CoE:	Mr. Parsons
WEU:	Mr. De Gou*
ECMWF:	Messrs. Erler*, Schultes
EUMETSAT:	Mrs. Höllt, Mr. Thiem*

Results certified consistent with the count performed by the scrutineers,
Paris, 4 May 2016, Certified, the Executive Secretary,



Stephen Potter



ANNEXES

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Annex 1 - Statements by Invited Guests

Mrs Michèle Pagé

Head of Human Resource Management, OECD

Dear Mr. Chairman, Mr. Wacquez,
Chairmen of the three Committees of Coordination,

Dear friends of the AAPOCAD, it is with great pleasure that I welcome you today at the OECD Conference Centre for your 38th General Assembly.

For those of you who don't know me, I am Michèle Pagé and I am the Head of Human Resource Management at the OECD.

As such, I am responsible for the smooth delivery of a wide range of HR services and these are not limited to the Managers and the active staff of the Organisation, but extend also towards our former colleagues who retired from the Organisation and towards their dependants.

This is why, in fact, we do share a lot of common interests and stakes, even if, from time to time, our perspectives may differ! For instance, an important dimension of my role is to foster and promote solidarity between serving and pensioned staff. Another important aspect of my work is to make sure that our pension schemes are implemented correctly.

As all of you know, this is quite a challenge in the current political and budgetary environment. Our Member countries had to go and are still going through major and painful reforms of their welfare systems in order to ensure their sustainability. And although we operate in very different ecosystems, we cannot simply ignore the changes happening in our Member states, not only because this would be a political mistake but also because societal changes are impacting us as much. So we are not protected from Darwin laws and we must adapt if we

don't want International Organisations to become an endangered species!

And here, I would like to take this opportunity to pay tribute to your Association and to thank you. You play a very important role in representing and defending the interests of former members of staff of the Co-ordinated Organisations and their dependants and I want to say that you always do it in a very constructive way. I am attending many meetings of the Co-ordinating Committee on Remuneration (CCR) and I have to acknowledge that the AAPOCAD positions are always bringing stimulating elements and this is always done in a positive spirit. So once again, thank you very much for maintaining such a fruitful collaboration.

I'd like to conclude my welcome address by sharing with you one very good news. Three weeks ago, the International Service for Remuneration and Pensions (ISRP) organised a very interesting workshop on pensions, gathering more than 60 international institutions. They invited Mr Jean-Marie Robine, a famous French demographer from the French National Institute of Health and Medical Research (INSERM), who gave an enlightening speech about "the adult longevity revolution". An interesting element of his lecture was that since the 80's, the consensus amongst researchers was that human longevity had a natural limitation at 100 years. So on that basis, despite medical and societal progress, our life expectancy would continue to increase but would culminate at 100. Yet, the most recent studies are proving them wrong and are showing an increasing number of 'super centenarians' largely over 110. The message here is that I invite you all to save the date for the 100th General Assembly of the AAPOCAD in 2078, as the champagne will be on me! I thank you and wish you a successful General Assembly.

Michèle Pagé

Mr Syd Maddicott
CCR Chairman

Mr Chairman, Ladies and Gentlemen, Fellow Pensioners,

Friday 13th is considered by many to be an inauspicious day, but I count myself fortunate indeed to be able to speak to you here today at your 38th General Assembly.

And to follow my distinguished predecessor, Franz Cede, in addressing you at the first opportunity in my chairmanship of the Co-ordinating Committee on Remuneration (CCR), which began on 1 July 2015.

I'd like to thank AAPOCAD and you Mr Chairman for your kind invitation.

My own preference would be to speak off the cuff, but I am reading from a prepared speech at the Chairman's request and this facilitates interpretation, of course. I apologise for any lack of spontaneity that results.

I have been asked to speak to you about:

- How I see my role as Chairman of the CCR
- The position of the CCR on the revision of the Remuneration Adjustment method
- The position of the CCR on the Tax Adjustment

I'll do my very best to cover all three points and to relate them as far as I can to what I perceive to be the specific interests of the AAPOCAD Membership.

My introduction to Co-ordination was somewhat overpowering. I was interviewed in June in The Hague by three committees in turn in both official languages.

I was told that there would be amplification and simultaneous translation – but in fact the first committee that interviewed me had neither as far as I remember – something of a problem as I am rather hard of hearing and my French was rather rusty.

I count myself lucky to have survived the process and was delighted to have been elected.

As Chairman I can say that I can see things from the point-of-view of:

- Member states as I have represented a Member state in many different forums and am a current taxpayer;

- Management (as I have been involved in management for most of my adult life); and as
- A staff member and, in particular as a pensioner as I am one myself, though it has to be said that the British Foreign Office Pension scheme is rather less generous than the Co-ordinated Pension Scheme from which the majority of you benefit.

This broad perspective on Co-ordination leads me to believe that Co-ordination is in itself a useful process which delivers pretty good results for all concerned.

I made it clear at interview that I am not following any particular agenda as Chairman of the CCR, neither my own, nor that of the Member state who proposed my candidature, nor anyone else. I hope to be seen as impartial as is demanded of the Chair. But I do see Co-ordination as worth preserving.

It is a complex and demanding process for those involved in it.

I'd like at this point to thank the International Service for Remuneration and Pensions (ISRP) and its Head, Jean-François Poels for the vast amount of help I have received in my first few months in the position.

I found it requires a fair degree of mental agility when chairing three separate meetings at any session – those of the CCR, those of the CCR and Committee of Representatives of the Secretaries/Directors-General (CRSG) and the tripartite meetings of the CCR, CRSG and Committee of Staff Representatives (CRP). It is not impossible that I could also chair meetings of the CCR and CRP, too. I think the ISRP has usually managed to keep me on the straight and narrow.

To prepare myself for taking up the role and my first Co-ordination meeting last September, I arranged to meet the Secretariat in Paris and to meet my predecessor.

I then undertook a series of visits to each of the Co-ordinated Organisations and met the management to discuss the issues they were facing.

I also held separate meetings with all the staff representative groups in each Organisation. I was encouraged by the degree to which management and staff representatives shared a similar perspective on the major issues facing each Organisation. I have to say that overall I found the visits invaluable.

It gave me the chance to meet management and staff representatives, many of whom sit on the CRSG or the CRP. That in itself was a good introduction.

I have also had the pleasure of meeting the AAPO-CAD representatives informally in the margins of one of the Co-ordination sessions.

Ladies and Gentlemen, let me say that the complexity of Co-ordination arises in large part from the very different viewpoints of its key participants:

- Management who want to be able to recruit, retain and reward the best staff they can get so that their Organisations function effectively;
- Member states, under great financial pressure, who need to be able to demonstrate that they are achieving value for money; and
- Staff representatives who are seeking to obtain the best terms for their Members.

These perspectives are not always easily compatible. In particular, the financial pressures on Member states have risen dramatically following the recent financial crisis. I must say that I do not envisage that their stance will change much in the short and medium term; they will be looking to contain costs as much as possible. But I do also take it as a given that all Member states want to see the Co-ordinated Organisations functioning effectively and that this is an underlying objective as important as containing costs.

My biggest concerns when approaching the job were:

- The very long time it was taking to get agreement on certain topics; and
- What I was told by many was a breakdown in trust among the three Colleges.

My assessment was that this resulted from the financial pressures on Member states and the tougher line many were taking on matters of cost and the reactions of the other Colleges to it. I decided that where possible I would do what I could to move the process of decision-making along a little more quickly and do what I could to encourage a rebuilding of trust.

I have to say that in this the attitude of the Chairs of the other two Colleges has been very positive. I would like to congratulate all concerned in each of the three Colleges for the flexibility shown in enabling agreements

to be reached on Family-Related Allowances at the March Co-ordination sessions.

Discussions on this had been going on for four years but have now concluded. No one got everything they wanted but all are, I believe, reasonably happy with the outcome. Again, I thank Patrice Billaud-Durand and Jean-Pierre Cusse for their contribution in achieving this. More important than the result itself was the way it was achieved, a way that shows the benefit of flexibility and starts us on the road to rebuilding the trust that helps Co-ordination run effectively.

Let me now turn to the other two topics that I was asked to cover.

Ladies and Gentlemen, the timing of this address does not permit me to outline a definitive position of the CCR in relation to the new Remuneration Adjustment Method, as discussions within the CCR are still going on.

What I can say is that while CCR Members are generally happy with many aspects of the current system there is one problem that some wish to see addressed.

When several of the eight reference countries imposed a wage freeze on their civil servants during the financial crisis, the fact that one reference state, itself coming out of recession, gave a rather generous rise to its civil servants, caused a more generous settlement for the Co-ordinated Organisations than was available in many reference countries and which CCR representatives found difficult to defend back home.

Some CCR Members have therefore proposed a moderation clause which would negate this effect. It remains to be seen whether such a clause can be framed in such a way as to counteract any similar situation which might arise in the future but not be triggered too frequently so as to disturb the stability and predictability of the Remuneration Adjustment Method.

The CCR also has to wrestle with the basis on which the calculations are made. Should they opt for gross pay or net pay? Should the salaries compared by the nominal salaries or real salaries? This debate is still going on. You should know the outcome relatively soon, I think.

One thing I can say is that the CCR continues to be in favour of remuneration in the Co-ordinated Organisations being adjusted in parallel with the eight reference countries' National Civil Services and agrees that the adjustment method should be as simple as possible and

give results that are stable and predictable. I do not think there will be radical change.

On the Tax Adjustment proposals, again I think it would be premature to attempt to outline a CCR position. This is still under discussion. One thing I can say is that any adjustment is not going to affect existing pensioners in the Co-ordinated Scheme. The proposers of the changes to the Tax Adjustment did not want to take on the legal consequences that might have arisen if they were to succeed in changing the terms of existing pensioners, so I think the AAPOCAD Membership can be assured that their own position on tax will remain as it is currently.

The CCR and the other Colleges will be discussing the Tax Adjustment proposal in the coming months and your representatives on the CRP will, I am sure, keep you fully up-to-date. Let me say that I am fully aware that pensioners are not necessarily in the most powerful position when it comes to collective bargaining. Your representation on the CRP is therefore invaluable in ensuring fair and equitable treatment and I can assure you that your interests are fully taken into account in the Co-ordination process as a whole.

Well, Mr Chairman, Ladies and Gentlemen, I think I have already spoken for too long. Let me thank you again for inviting me to this event and wish you all the best of success for the remainder of the Assembly.

Syd Maddicott

Mr Patrice Billaud-Durand
CRSG Chairman

Dear Mister Chairman, My Dear Bernard
Ladies and Gentlemen of the Governing Board,
Dear Chairmen of the CCR, the CRP, PACCO,
Dear Head of the ISRP,
Ladies and Gentlemen,

Once again, it was with pleasure that I accepted 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 (CRSG) about the work being carried out in the Co-ordination process.

This year yet again, AAPOCAD is celebrating tripartism as the Chairs of three Co-ordination committees are speaking at your General Assembly. The best symbol of this is the presence of Syd Maddicott in his first year as Chairman of the Co-ordinating Committee on Remunera-

tion (CCR). For me this always reflects the importance that everyone attaches to the Co-ordination process and naturally to discussion with pensioners of the Co-ordinated Organisations.

I would therefore like to give you my views on Co-ordination activities over the last 12 months, from the perspective of the CRSG, 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.

In his fable the Lion and the Rat, Jean de la Fontaine wrote “By time and toil we sever what strength and rage could never”. By starting with this quotation, I want to highlight the extent to which 2015 and the start of 2016 were mainly spent on two important issues:

Firstly, the completion of the review of family-related allowances. 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.

As you are aware, the vested rights of serving officials have been safeguarded. Therefore, at the start of 2014, and after talks with the Committee of Staff Representatives (CRP), the CRSG submitted its proposals for regulations governing the basic family allowance and the supplements for children, disabled and seriously disabled children, and for disabled adult dependents. We spent nearly two years drawing up the future rules which will govern these new allowances.

I’d like to give you a quick reminder of these allowances:

Basic Family Allowance (BFA)

The BFA will replace the current household allowance, which is currently set at 6% of the basic monthly salary, and will be paid at a flat rate. The Co-ordinating Committee on Remuneration (CCR) has imposed more restrictive criteria for eligibility compared to the current system, which will no doubt result in fewer future officials being able to obtain the allowance. Nevertheless, we were pleased that the CCR took our arguments into consideration, firstly by acknowledging that spouses can find it difficult to find a professional occupation when they follow officials hired by the Co-ordinated Organisations to their duty stations, as in some cases they may have to give up their careers. The CCR was also sensitive to the situation for expatriates. The latter, provided they meet all the criteria, will be eligible for a BFA supplement, either at the full rate for five years (before it is

gradually reduced to zero after 10 years like the expatriation allowance), or at the full rate for the entire duration of their employment if they are expatriates from a region different to the one in which they will carry out their duties. Lastly, the CCR also accepted to introduce a system for resetting BFA payments in the event that an Organisation decides to transfer officials between two duty stations within the same geographic zone. This measure is particularly apposite for Organisations which have a number of offices in several duty countries and which recruit significant numbers of officials.

Dependent child supplement

The CCR, without completely overhauling the existing system for the dependent child supplement, has introduced a number of changes. As you may remember, the major sticking point in negotiations was the issue of lowering the new maximum age of dependent children after which the supplement will no longer be paid. After long discussions, the CCR settled for the age of 22 which, as it admits, is not based on any particular logic but simply corresponds to an age upon which Member states were able to agree. The CRSG was disappointed by this approach but nevertheless managed to convince the CCR to introduce transitional measures for a 15-year period, which will help avoid, as far as possible, the risk of disputes with serving officials. The CRSG also managed to obtain recognition by the CCR of the specific situation of single-parent families, in accordance with the modernisation envisaged under the reform of the family-related allowances, and of the merit of increased financial support for officials raising children on their own.

Supplement for disabled and severely disabled children

The CRSG suggested maintaining specific financial support for officials with disabled children, and received the backing of the CCR. Moreover, the CCR also backed the CRSG's proposal to provide an additional allowance for a severely disabled child. The CRSG was delighted that all three Committees rapidly reached a consensus on all its proposals to increase financial support for officials with disabled children.

Supplement for a disabled dependent parent

The CRSG proposed maintaining special financial support in the future for officials with disabled dependent parents, given the costly consequences and their significant impact on the life of officials and their families who find themselves in these circumstances. The CCR supported the CRSG's initiative to provide a framework governing these cases, of which there would only be a limited number, under strict conditions.

Adjustment method for allowances/supplements expressed in absolute value terms

After long discussions on the adjustment method for allowances and supplements expressed in absolute value terms, and in a spirit of compromise, the CRSG accepted the CCR's request for future adjustments to be based on changes in the dependent child allowance in the eight reference countries used for salary adjustment. In return, the CCR accepted the introduction of a special mechanism to take account of the situation in countries with high inflation. The CCR, after seeking an adjustment schedule of three years, finally accepted to compromise and accepted the CRP's and CRSG's request to maintain an annual adjustment. Lastly, the CRSG secured the insertion of an early revision clause for the method in the event that substantial changes were made to the dependent child allowance in a reference country which would then prevent the calculation of the average change using the agreed and appropriate statistical standards. This new adjustment method will apply to all the allowances and supplements expressed as an absolute value.

The upshot of all this is that a complete overhaul of the system for family-related allowances was adopted at the March meeting of the Co-ordinated system, and the CCR's reports have been sent to the Co-ordinated Organisations for approval by their Councils. The significant task of finalising legal texts and adapting payroll systems has now begun in each Organisation with a view to the reform coming into effect in 2017.

The second major issue for the CRSG was the ongoing discussion concerning the revision of the future salary adjustment method (and therefore pension adjustment method), which is supposed to come into effect on 1 January 2017. The CRSG wants a method that is objective, mathematically reliable, foreseeable and stable going forward. Very technical discussions have taken place with the assistance of the ISRP and are continuing to date.

The CRSG has said it is open to simplifying some aspects of the method provided that the system as a whole remains objective, credible and technically sound. The CCR seems to be looking for some kind of magic formula which when applied to past adjustments would enable it to predict future adjustments, with a view to keeping any increases to a bare minimum. It is unlikely that it will find such a formula for the simple reason that it does not exist and that the ISRP is yet to add crystal balls to its forecasting tools, which is reassuring to know!

Albert Einstein once joked “if the facts don't fit the theory, change the facts”.

Joking aside, there seems to be some risk of this happening. The CRSG is alarmed by an approach which, if allowed to go too far, risks removing any objectivity and mathematical credibility from the method and thereby increasing the risk of disputes over the results.

In addition the CRSG has been informed, without any more details to date, that the CCR is thinking of introducing, alongside the affordability clause, another so-called “moderation” clause which could “moderate” (meaning lessen, naturally) any positive adjustments resulting from the method. This is a source of great concern for the CRSG as, and once again this is without prejudging the criteria governing this new clause, the only justifications for the affordability clause are precisely to take account of “*an economic and financial crisis affecting Member countries; or the withdrawal of, or payment default by, one or more Member countries; or an unforeseen external event causing exceptional financial damage to the Organisation or Member countries; or finally an adjustment recommended by the CCR that, if applied, would cause a variation in the budgeted total staff expenditures of such magnitude that it would significantly disrupt the Organisation's ability to maintain the planned quality and volume of its outputs.*”

I quote these situations directly from the new affordability clause approved by the OECD Council and due to come into effect on the first of January next year. They demonstrate the extent to which “salary moderation” is already built into the existing method. The CRSG will therefore be paying particular attention when discussions start in June on this new “surprise” clause.

The last point on the revision of the adjustment method which I feel is important to share with you concerns the timetable for our work. It seems hard to imagine that we will be able to adopt a new method in June - or even in September, if of course we are forced to move significantly away from the existing method - meaning that we are going to be hard put to have a new mechanism ready to come into effect on 1 January 2017. This issue is bound to influence the discussions in June.

Naturally, all of these issues are discussed in our permanent dialogue with the CRP, with which we meet very regularly in bilateral CRSG/CRP meetings. I also have regular discussions with Chairman Maddicott on ways to improve our meetings and collaboration between the three Committees.

For pension-related subjects, I will hand over to Bernard Job, the Chairman of the Pensions Administrative Committee of the Co-ordinated Organisations, who is attending your General Assembly this year.

In conclusion, I will say that we have a lot of work ahead of us. Chairman Syd Maddicott must be congratulated on his efforts to pursue and maximise the ongoing dialogue with the Chairs of the other Committees. His personal involvement in tying up the review of family-related allowances has also proved invaluable.

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 and seeking pragmatic, effective solutions which will guarantee our ability to best manage the resources allocated to us by 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, Dear Chairman,

Once again, this was a busy year for the Co-ordination system. When I say “busy”, I mean that a lot of important issues were examined, and I do not mean that a lot of progress was made as, on the contrary, we often made no progress whatsoever.

In recent years there have been lengthy discussions over family-related allowances and although we have managed to maintain the existing system for currently serving officials, allowances will be much lower for colleagues joining us as of 2017.

On the face of it, this is of no great concern to this Assembly. Or so you may think ... But I shall be coming back to this later.

This year, the Co-ordination system appointed a new Chairman, Syd Maddicott, who spoke to you earlier. The question is, can the appointment of a new Chairman lead to change? Personally speaking, I would say yes.

The success of the Co-ordination system largely depends on mutual trust between the three Commit-

tees, i.e. the Co-ordinating Committee on Remuneration (CCR), the Committee of Representatives of the Secretaries and Directors General (CRSG) and the Committee of Staff Representatives (CRP), and on a commitment to carrying out useful work in the interest of the Organisations, and therefore in the interest of the Member countries and staff.

Of course, there are always one or two extremists who want to save money at all costs, or whose knowledge of International Organisations is very limited. There are also those whose only point of comparison is their experience of their own civil service. And lastly, there are those who prefer to remain silent.

So how can the Chairman help nurture the Co-ordination system by encouraging more productive exchanges and better recognition of the expectations and constraints of the three committees?

- Firstly, by enabling the three committees to interact as often as possible;
- By doing his utmost to facilitate the dissemination of the documents produced by the International Service for Remunerations and Pensions (ISRP) in order to ensure that the three committees have the same information and understanding of the issues being dealt with;
- By maintaining close ties with the different Chairs;
- And especially by not seeking consensus at all costs, which is often reached to the detriment of the Organisations and thus officials, with a knock-on effect on pensioners, but by seeking an agreement grounded in reality and the facts set out during discussions;
- By providing a summary status report on all ongoing cases after each meeting;
- And lastly, by establishing himself – as some of his predecessors have done – as the Chairman of the Co-ordination system and not just the Chairman of the only committee representing the Member countries.

The Chairman of the Co-ordination system also has the important responsibility of focusing the CCR on its mission. Empowered by the tools at its disposal, the CCR makes *recommendations* to the Councils of the different Organisations. It is not, however, authorised to meddle in the internal management of the Organisations.

Unfortunately, the temptation to micro-manage is simply too strong, and it is this approach which more often than not throws a spanner in the smooth running of our work.

In light of what Mr Maddicott has said, I now think there is room for hope. And this is particularly important given that we are about to embark on the revision of the salary method.

The representatives of our countries want to reform our method because it does not seem to suit them. Do not be fooled, they are not criticising the method, just the results of the method when they are not what they would like them to be.

Some delegates say that the method is too complicated, that they do not understand it and that it needs revising. If we had to change the procedures dealt with by our Organisations every time a delegate didn't understand a given detail, the ESA's space programme, to name but one example, would never get off the ground! We want a method which is stable, foreseeable, objective, mathematical and transparent. Is that too much to ask for?

Every now and then proposals for change are put forward, such as making it possible to adjust the result of the method to take account of the difficulties encountered by countries. This would mean taking the initial result of the method and then applying a clause to take account of the real state of countries' economies, a reality which has already been factored in to the initial calculations. But that's not really the point as the objective is to save even more money.

We consider that this possibility is already open to the Councils of our Organisations through application of the affordability clause. Other suggestions involve abolishing purchasing power parities or rendering them meaningless. Some of the proposals on the table would threaten social peace in our Organisations, in addition to being legally unacceptable.

To this end, we hope that the appointment of Peter Olson as vice-Chair and legal advisor will allow better account to be taken of the legal impact of certain proposals.

In reality, the current method is reliable, and if we, as members of the CRP, had to revise it, our goal, for example, would be to reduce the significant disparities for countries with high inflation.

The CRSG is another important part of the Co-ordination system. As you are aware, the CRSG is the CRP's main contact. It is therefore vital that we work together effectively and constructively. I have to admit that our relationship has improved in recent years, even if we sometimes regret this Committee's lack of fight. It is true however that the CRSG is stuck between a rock and a hard place i.e. between the Member countries and the staff. That said, its mission is to act in the interest of the Organisations, and not to meet the CCR's demands when the latter go against those interests.

All the same, I have to admit that the current Chairman, Patrice Billaud-Durand, has facilitated dialogue, making it easier for both sides to understand the approaches taken by the other to issues dealt with.

I would now like to return to the subject of family-related allowances. This reform will not affect you, apart from the adjustment method, but it concerns you all the same. Indeed, our system is built on the unbreakable bond between serving officials and pensioners. This bond is vital for ensuring fair treatment for all, but it is a bond that is fragile.

Fixed-term contracts, used by all the Organisations, in some cases to recruit almost 50% of staff, make it difficult to recruit staff representatives. As you can imagine, the bond between serving officials and pensioners is of less importance to this generation of colleagues who are merely passing through our Organisations. This bond is also jeopardised, however, by some actions of the pensioners themselves. The intergenerational solidarity that I'm talking about is something that works both ways.

I would like to finish by drawing your attention to how fortunate you are to be represented and defended today by colleagues who, in addition to their great expertise and knowledge of the issues under discussion, share the same vision of defending your interests and the interests of serving officials.

I have been Chairman of the Staff Association of the OECD for several years now, and I am certain that, like me, Bernard is sometimes on the receiving end of not always pleasant comments from people who think that we could be doing things better and faster.

So I would like you to show your appreciation for the work carried out by, among others, Ivan, Michel, Steve, Jean and your Chairman, Bernard.

If AAPOCAD is now an essential partner in representing staff in the Co-ordination system, it is entirely thanks to them.

Thank you Chairman, thank you Bernard.

Thank you all for listening.

Jean-Pierre Cusse

Mr Bernard Job
Chairman of PACCO

Dear Mr Chairman and Dear Bernard, Dear Colleagues,

For once I am delighted to address you in person this year, rather than through a loyal spokesperson, whom incidentally I would like to thank. We are all very busy and the subject of pensions, as fascinating as it may be, is only one of my many activities. I am delighted to see the familiar faces of a number of former colleagues in the audience today, some of whom know more about today's topic than I do, and I extend warm greetings to you all. But let's move swiftly on and focus on the activities of the Pensions Administrative Committee of the Co-ordinated Organisations (PACCO), which I have had the honour of chairing for the last 9 years.

I would like to remind you that PACCO was created in 1974 ensure consistent application of our pension rules.

The Committee, which reports to the Committee of Representatives of the Secretaries/Directors General (CRSG), meets four times a year and will hold its 184th meeting next month in Brussels at the liaison office of the European Space Agency.

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 WEU, including the Residual Administrative Tasks Unit (RATU) which manages the pensions of WEU officials, and the European Patent Office, whose pensions are managed by the International Service for Remunerations and Pensions (ISRP).

The ISRP provides the secretariat of PACCO very efficiently, allowing us to benefit from its expertise in legal, actuarial and tax matters.

Before going into the details, it is worth noting that PACCO's missions were significantly complicated by the emergence of new pension schemes as of 2002. Until then, I think it is fair to say, the system was simple with one scheme for everybody, the Co-ordinated Pension Scheme.

As of 2002, we witnessed the implementation of the New Pension Scheme (NPS) at the OECD (2002), the Council of Europe (2003), ESA and EUMETSAT (2010), as well as the Defined Benefit Funded Pension Scheme (DBFPS) of the European Centre for Medium-Range Weather Forecasts (ECMWF) in 2003, and the Third Pension Scheme (TPS) of the Council of Europe in 2013, which to date is the first and only Organisation to have approved a second reform. All these new schemes are descendants of the Co-ordinated Pension Scheme.

The major exception to the aforementioned schemes is the Defined Contribution Pension Scheme (DCPS) implemented at NATO in 2005, which is completely different as it is a defined contribution scheme rather than a defined benefit scheme, meaning that affiliates do not know the size of their future pension.

PACCO works with all these different schemes, with the exception of NATO's Defined Contribution Pension Scheme (DCPS).

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

- Firstly, to update the Pension Rules, or rather sets of 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 instructions or to the text of the rules themselves. In the latter case, those changes will also subsequently require the approval of the Co-ordinating Committee on Remuneration (CCR) (for the Co-ordinated Pension Scheme) and the Council of each Organisation.

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

At present, PACCO continues to work on the detailed repercussions on the pension rules of the family allowance reforms which, as you know, were approved by the CCR at its March meeting.

- Then, to propose a review of the contribution rates of officials to the pension scheme. This

involves working closely with the ISRP's actuaries. As you are aware, under the different pension rules this rate is revised every five years. The next review is planned for 1 January 2020, provided that there are no major changes between now and then. As soon as the contribution rates are adopted, the actuarial coefficients are updated for early pension claims (Article 8 of the rules) or for the inward and outward transfer of pension rights (Article 12).

- Lastly, and this is always a complex task conducted by the ISRP, to draw up and finalise transfer agreements with other international organisations and national schemes, or even with other Co-ordinated Organisation pension schemes, which we call inner-circle transfers. We need to keep a close eye on the situation so that our colleagues can accept mobility, which is often imposed on them due to the contract policies in many Organisations that no longer consider jobs for life as a norm. To this end, one issue still needs to be resolved, which is the incorporation of NATO's Defined Contribution Pension Scheme (DCPS) into inner-circle transfer agreements.

I say complex, because efforts to negotiate agreements, essentially with governments, are often to no avail as many countries, for various reasons, do not want them, no longer want them, or, like the British, are reversing them for tax reasons. Countries now prefer so-called social security agreements which accumulate rights in national schemes. The purpose of this is to ensure that pensioners who have not obtained the requisite number of years of service in their national scheme are not penalised.

- Also, to monitor tax issues, the application of tax adjustments and the simplification of annual forms. PACCO remains extremely vigilant with regard to developments in the application (or not) of the general social tax (CSG) to pensions paid in France.
- To approve changes put forward by the ISRP in the way we communicate with you, as evidenced in particular by the website.
- To analyse the scheme's annual figures. At 31 December 2015, we had 7, 469 pensioners (up 3.5% year on year), and annual outgoings of around EUR 348 million (excluding new schemes), up 6.2%. 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, to approve the calculation of new pensions, including those under the new schemes.

Although time-consuming, these recurrent tasks are not the only issues covered by PACCO in meetings. It is also the Committee's duty to follow, if not anticipate, the changes ahead.

As you know, the subject of changes to pension schemes is now a universally topical theme. Longer lifespans (the life expectancy of former international civil servants at the age of 60 is over 25 years), the non-payment of contributions by Member countries for years, if not decades, and budgetary crises which still remain to be resolved provide enough reasons for following the funding of our schemes closely, to ensure their sustainability.

The CCR included in its programme of work for 2016, after a bit of a delay, a review of the Co-ordinated Pension Scheme, 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. Another potential subject is the age at which pensions can be claimed under the Co-ordinated Pension Scheme. PACCO was quick to provide the CRSG with relevant information to help it prepare counter-arguments against the CCR and will be ready to act as soon as it is necessary to take matters further.

Moreover, PACCO is keen to see the approach that the CCR takes to the revision of the adjustment level of our salary scales in order to obtain an insight into the consequences for our pension schemes.

Given these uncertainties, 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.

It has also launched a study into funding issues, which is a complex task in that the 6 Co-ordinated Organisations all use different models for measuring funding and accounting for employers' contributions.

PACCO also keeps up with the latest developments, thanks not least to the Workshop on Pensions in International Organisations organised by the ISRP every 18 months in collaboration with the United Nations Joint Staff Pension Fund. The 11th workshop took place in Brussels last month at the invitation of the European Commission, and was a great success with over 100 participants from forty or so International Organisations.

Lastly, PACCO will also oversee the eventual implementation of the single spine salary structure with all its attendant consequences for future pensioners.

Please allow me to assure you, my dear colleagues, that 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 in our pay package, as they have been for over forty years.

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

Thank you for your time; I am now happy to take any questions.

Bernard Job

Mr Jean-François Poels
Head of Unit,
International Service for Remuneration and Pensions
(ISRP)

Dear Mr. Chairman, Dear Bernard, Dear Chairmen of the other Committees, Ladies and Gentlemen, Mr. Chairman of the PACCO,

First of all, thank you for your invitation to speak to you at your General Assembly, as I have done in previous years. I always try to attend every year and appreciate the time that we can spend in each other's company.

The advantage and disadvantage of speaking at the end of the morning session is that everything, or almost everything, has already been said. In addition to which, there is the constraint of time. I would like to speak to you about four subjects in different terms to those used by previous speakers by discussing them in the light of the insights afforded by my position in the ISRP (International Service for Remunerations and Pen-

sions), inasmuch that we do not have a population to defend, neither the Member countries, nor the management of Organisations, members or staff or pensioners. We have the particularity of being slightly off to one side in the Co-ordination process, and it is from this standpoint that I would like to discuss the first subject, namely Co-ordination. I shall then move on to the subject that is of immediate interest to you, that is to say, you, the members of AAPOCAD, but also all pensioners. I shall finish with a message from my colleagues, as well as a request to you all and also to you, Mr. Chairman. Provided that enough time remains, I will then spend one or two minutes answering questions that have already been posed.

There are two things that I would like to say with regard to Co-ordination. The first is that a large part of the programme of work of Co-ordination that has been presented by previous speakers has now been completed. We have effectively finished the review of allowances, and my feeling is that this review had in fact already started several years ago and certainly well over four years ago. The fact is that we had already revised the education, expatriation, daily subsistence, kilometric and installation allowances, as well as all family-related allowances (household allowance, child's allowance and benefits for a handicapped child). This amounts to a huge amount of work which was overseen by the three Chairs. The discussions took place in a much improved atmosphere which had moved on from the confrontational exchanges during the reform of the expatriation allowance to an understanding that, while not yet cordial, was marked by a desire to understand the different positions of the three Committees.

The second task we undertook concerned the method for adjusting remunerations and pensions. Here, too, you have heard how discussions progressed. Regarding the adjustment method, I would also like to stress that in a number of cases the three Committees are trying to agree on or achieve a simplification. Simplifications are not always easy to put into practice. When there are three Committees with different aims, they ultimately try to find a solution in which all the different arguments put forward by the three Committees are taken into account. This means that among the allowances I mentioned earlier we have a different adjustment method for daily subsistence allowances, which is itself different to the one used for the kilometric allowance, which in turn differs to the method used to adjust the household allowance. And there will be yet another and different adjustment method for family-related allowances, not to mention the adjustment method for salaries, which will also be different. All this is by no means straightforward. On the other hand, this often

criticised complexity makes it possible for the Committees to reach agreement. It is at this level that differences must be weighed and a balance struck. Once this balance has been reached, it allows progress to be made at a political level, even if at a practical or pragmatic level the situation may rightly seem to be a little more complex.

The third item that will be addressed at the level of Co-ordination consists of pensions-related issues, which will continue to figure on the agenda for discussion. We need to be frank with everyone. Once we have settled one issue, another one will crop up and then another. Because, and all this was said at the beginning of this Assembly, pensions and pension schemes are also changing in Member countries and these developments also have an impact on the pension schemes in force in the different international Organisations, and particularly in the Co-ordinated Organisations. In view of this situation, I really encourage the three Chairs to maintain relations that have been markedly more constructive than those we experienced a few years ago. This also facilitates the work of the ISRP, even if there are a vast number of cost simulations, requests for complementary analyses and support in terms of the information that the Committees need to be provided with in order to be able to reach decisions.

You have also on several occasions heard speakers use the metaphor of being between the hammer and the anvil. I would like to use this metaphor, but the other way around. It is interesting to see that everyone thinks that they are between the hammer and the anvil. So my question is: who is holding the hammer and who is the anvil? What I can say to you is that the ISRP does not think in these terms. Instead, we try at all times to find tools that will prevent negotiations from taking a turn in which the various Committees find themselves, one after the other, between the hammer and the anvil. That is what I wanted to say about Co-ordination.

As far as you are concerned, the ISRP does indeed provide a number of services that we hope are of the highest quality possible, which is what we endeavour to do. Some figures may interest you here, because figures are what we deal in. In this month of April we currently have 10 253 pensioners on our books. This is almost one pensioner for each serving official. Well, not quite, but not far off. As you know, there are two calculation units. There is a NATO calculation unit which manages just over 3 600 pensioners, and then an ISRP calculation unit managing just over 6 400 pensioners. In addition, there are also the pensioners from the scheme run by the European Medium Range Weather Forecasting Centre, which the Centre manages itself.

It is important to remember that the ISRP also provides services to non-co-ordinated Organisations, and some 36% of the 6 400 pensioners we take care of have retired from non-Co-ordinated international Organisations, for which we provide the same service, and consequently 64% from the Co-ordinated Organisations. I also have some figures that may be of interest to you, Mr. Chairman, namely the number of AAPOCAD members. What is interesting, and this is perhaps something you can work on, is that you have percentages of what in marketing terms could be referred to as rates of penetration, that vary fairly widely from one Co-ordinated Organisation to another. You have 48% of OECD pensioners, 35% of ESA pensioners, 74% of WEU pensioners, which is also a special case, and 8% of the pensioners from EUMETSAT, which of course has recently joined the Co-ordination process. I do not have a figure for NATO, but believe that you do.

Lastly, my colleagues, knowing that I had been invited to speak to you today, asked me to pass on the following message to you, which I am pleased to be able to do. Firstly, they wanted me to thank you, as we have always noted and appreciated the courtesy and kindness of not only members of AAPOCAD, but also, and more generally, all the pensioners affiliated to the pensions schemes of the Co-ordinated Organisations. It is always a great pleasure to work with people like you, and I wanted to tell you this. We are a small team and we endeavour both to be efficient, which I believe we are, and to show a human touch, or as we say in French "*une touche humaine*". I hope, at any event, that this is what you yourselves feel. The message I have been asked to give you, to put actions into words, is "Yes, we love you". And I hope that as you leave you will recall these words: "we love you".

I shall conclude with a request that is the outcome of a little calculation we made in the ISRP. This request simply concerns the fact that we have noticed that thirty per cent of affiliates or pensioners in the pension schemes of the Co-ordinated Organisations have agreed to receive their payslip electronically. As a result, in such cases we no longer send the pensioners concerned a

paper copy of their payslip. I hope that I won't offend anyone here, but I think that if we all pull together, that is to say you on your side and us on our side, we can improve this percentage, and I sincerely hope that we can reach 70% within the next two years.

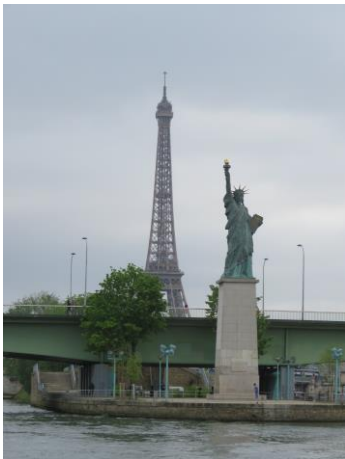
"Yes, but why do we need to change?" you might ask. Well, quite simply because I would like to ask you to consider the weight of a sheet of paper. Do you know how much it weighs? Five grams, which is nothing – really nothing at all. But that said, the weight of the payslips sent to the 70% of pensioners who still receive a paper copy of their payslip amounts to, and hold on to your hats, 250 kilograms of paper a year; which means that since I took up my duties in the ISRP we have sent out one tonne of paper, whereas it is possible to obtain the same information electronically – and perfectly securely because there are no problems from that standpoint. I appeal to your green conscience. We are all asked to pay attention to this issue, and so I hope that we can all advance together. I'm not trying to eliminate paper mail completely, as I am perfectly aware that some people do not have the necessary technology or possibility to receive their payslip electronically. But if we could increase the number of recipients of electronic payslips from thirty to seventy per cent, we would already have taken a step in the right direction. And in a small aside, this would help to simplify processes. One final small comment, the tonne of paper does not include the weight of the envelopes. I could add in the weight of the envelope, not to mention the weight of the stamps which I haven't calculated yet.

With these few words and mindful of the request that I keep my comments to a reasonable length, I would therefore like to finish here by thanking you, firstly for your attention, but above all for the renewal of your trust in the services provided by the ISRP. Thank you, Mr. Chairman.

Jean-François Poels



**Annex 2 - Photos of the 2016 General Assembly
River cruise on the Seine, Canal St. Denis and Canal Martin**



Photos Courtesy of Mr. Yaşar Kaya, Regional Delegate of Turkey



Annex 3 - Composition of the Governing Board

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Annex 4 - Financial Situation and Budget 2015 – 2017

Situation as at 31st December 2015

The year 2015 showed an increase of 14,273 Euros in receipts of membership fees thanks to the arrival of a large number of new members towards the end of 2014. The majority of new members come from NATO. Despite a slight decline of financial income resulting from lower interest rates, total revenue increased by 13,905 Euros in 2015.

The expenditure increased by nearly 5,797 Euros compared to 2014 mainly due to increased personnel costs following the reclassification of the assistant post and a higher contribution to the CRP due to the organisation of a legal seminar in Rome.

In all, a surplus of almost 18,960 Euros was reached in 2015, an increase of 8,100 Euros compared to the previous year, which helped to increase the amount of our financial assets to 279,557 Euros at December 31, 2015.

Revised Budget for 2016 and Draft Budget for 2017

The revised budget for 2016 takes into account the final results of 2015. In addition, for purposes of transparency, the costs of unelected Regional Delegates incurred in attending Governing Board meetings now appear as such.

In total, in the absence of exceptional expenditure not provided for, a surplus of about 12,000 might be produced for the year.

In the 2017 draft budget we have anticipated, given the experience of past years, an increase of the General Assembly cost because it is due to be held outside Paris. A sum of 2,500 Euros was also provisioned, which is included under miscellaneous expenses for the cost of organising a conference for Associations of retirees of International Organisations. Under these conditions, 2017 could still yield a surplus of around 5,000 to 6,000 Euros.

AAPOCAD

TABLE 1
INCOME AND EXPENDITURE 2014-2015 AND DRAFT BUDGET 2016-2017
(Euros)

	2014	2015		2016		2017
	Outturn	Revised Budget	Outturn	Initial Budget (a)	Revised Budget	Draft Budget
INCOME						
Subscriptions	136,654.46	137,000.00	150,927.67	137,000.00	151,000.00	151,000.00
Interests / Capital gains or losses	2,581.63	2,500.00	2,213.34	2,500.00	2,000.00	2,000.00
	<u>139,236.09</u>	<u>139,500.00</u>	<u>153,141.01</u>	<u>139,500.00</u>	<u>153,000.00</u>	<u>153,000.00</u>
EXPENDITURE						
General Assembly: a) reception	0.00	800.00	2,480.00	500.00	500.00	2,000.00
b) other (room rental, interpretation)	0.00	5,000.00	3,033.50	1,000.00	1,000.00	3,000.00
	<u>0.00</u>	<u>5,800.00</u>	<u>5,513.50</u>	<u>1,500.00</u>	<u>1,500.00</u>	<u>5,000.00</u>
Travel - Coordination missions	7,709.51	8,000.00	7,064.77	7,500.00	8,500.00	8,500.00
- Governing Board	24,852.84	25,000.00	23,664.09	25,000.00	20,000.00	20,000.00
- Regional Delegates*	0.00	0.00	0.00	0.00	5,000.00	5,000.00
	<u>32,562.35</u>	<u>33,000.00</u>	<u>30,728.86</u>	<u>32,500.00</u>	<u>33,500.00</u>	<u>33,500.00</u>
Experts/consultants/CRP	4,459.00	5,000.00	6,176.97	5,000.00	6,000.00	6,000.00
Miscellaneous**	276.19	500.00	1,364.50	500.00	500.00	3,000.00
Representation	89.74	500.00	179.75	500.00	500.00	500.00
Secretariat (salary)	67,563.66	70,000.00	71,791.62	72,000.00	74,000.00	75,000.00
Office supplies, computer, telephone	6,884.43	7,500.00	4,296.64	7,500.00	3,500.00	3,500.00
Document printing	3,270.17	3,500.00	3,979.49	3,500.00	4,000.00	4,000.00
Packaging and postage	9,777.60	12,000.00	10,149.22	12,000.00	12,000.00	12,500.00
Assistance and participation in appeals	3,500.00	4,000.00	0.00	4,500.00	4,500.00	4,500.00
	<u>95,820.79</u>	<u>103,000.00</u>	<u>97,938.19</u>	<u>105,500.00</u>	<u>105,000.00</u>	<u>109,000.00</u>
Total expenditure	<u>128,383.14</u>	<u>141,800.00</u>	<u>134,180.55</u>	<u>139,500.00</u>	<u>140,000.00</u>	<u>147,500.00</u>
SURPLUS OR DEFICIT	10,852.95	-2,300.00	18,960.46	0.00	13,000.00	5,500.00

(a) Approved at the General Assembly 2015

* Travel expenses of non-elected Regional Delegates to Governing Board meetings (included until 2015 in the previous line)

** Includes for 2017 a provision of 2,500€ for the organisation of a conference with Pensioners' Associations

A.A.P.O.C.A.D.

Table 2

FINANCIAL SITUATION 2011 - 2015
(Euros)

	2011	2012	2013	2014	2015
<u>Income</u>	99,787.05	105,072.75	138,662.73	139,236.09	153,141.01
<u>Expenditure</u>	138,322.37	109,775.42	141,747.46	128,383.14	134,180.55
<u>Surplus/Deficit</u>	-38,535.32	-4,702.67	-3,084.73	10,852.95	18,960.46
<u>Net assets as at 1st January</u>	0.00	241,317.64	236,614.97	233,590.71	258,933.66
<u>at 31st December presented by Assets</u>	241,317.64	236,614.97	233,590.71	258,933.66	279,557.41
Amounts receivable	45.00	5,545.00	0.00	0.00	0.00
Investments *)	245,368.14	240,879.09	224,660.37	247,242.00	249,455.34
Bank	10,583.31	8,249.75	22,367.07	28,902.35	45,038.51
Cash	10.60	10.60	31.72	6.72	130.42
Reimbursement advance			5,500.00		
Total *)	256,007.05	254,684.44	252,559.16	276,151.07	294,624.27
<u>Liabilities</u>					
Amounts payable	14,689.41	18,069.47	18,968.45	17,217.41	15,066.86
<u>Total (net) *)</u>	241,317.64	236,614.97	233,590.71	258,933.66	279,557.41

*) includes from 2014 "Pfändner Fund": 20.000 € on Savings Account

Certified exact,



Elfriede LINDNER
Treasurer

