



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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This bulletin has been sent in electronic format to the Members for whom we have an e-mail address. This decision is in response to a certain number of requests from those who wish to no longer receive paper copies. A second reason is economic. The expenses of printing, sending and postage of the documents represent approximately ten percent of our annual expenses and we are attempting to reduce these, in order to re-establish a balanced budget that we have lost in the last couple of years. However, the information for our Members remains an absolute priority. Those of you who wish, for reasons of convenience, to continue to receive a printed version of our documents, may inform us and we will add you to our mailing list upon receiving your request. In any case, the annual bulletin and the election documents will still be sent to everyone by paper copy. Lastly, we remind you that all AAPOCAD information can be consulted on our internet site.

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GENERAL ASSEMBLY 2014

The AAPOCAD General Assembly was held at OECD Headquarters last 16 May.¹ Its participants were briefed on the state of Co-ordination work and the life of our Association and were able to exchange views with the invited dignitaries. It concluded with a dinner and was extended informally on the Saturday morning with a guided tour of the Musée du Quai Branly, dedicated to “primitive arts”.

The Secretary-General of the OECD, Mr. Angel Gurría, opened the meeting with welcoming remarks. After reiterating the major role played by the OECD in promoting strong, resilient, inclusive and sustainable economic growth, he outlined his position on the protection of allowances and pensions, along with his assessment of the Co-ordination system.

Once again this year, we had the honour and the privilege of hearing the Chairs of all three Co-ordinating Committees give us their very frank and sincere impressions of how their work had gone over the past twelve months, along with their feelings about events to come.

Mr. Giovanni Palmieri, who has just joined the AAPOCAD Governing Board in his capacity as a new

pensioner, shared his thoughts about the many years he spent chairing the Committee of Staff Representatives (CSR) within the Co-ordination system. In an exposé that pulled no punches, he reviewed the 35-year history of Co-ordination, during which, as he put it, the benefits of staff (and pensioners) shifted from a “nibbling away” phase to a phase of sheer erosion.

Lastly, Mr. Jean-François Poels, who heads the International Service for Remunerations and Pensions (ISRP), outlined the major aspects of that unit’s activities and his own thoughts about Co-ordination.

The cycle of reviewing allowances continued after our previous 35th General Assembly in 2013, the most recent meeting having taken place at the Council of Europe in Strasbourg on 17-19 June 2014. As the agreements stand now, pensioners in the 1974 Co-ordinated Scheme are not affected by the reforms, which apply to serving staff: the basic kilometric allowance, daily subsistence allowances and the installation allowance. A number of lessons must be learned, however, from the way in which the most recent negotiations were conducted.

1. Transcripts of the remarks by invited dignitaries may be found in the annex.

1. The adjustment method for the basic family allowance, which is replacing the former household allowance, has not yet been settled. But if it is revised on the basis of the new criteria adopted for the three aforementioned allowances (triennial revision with reference to observed trends in national governments), it could set a precedent for revising the salary (and thus pension) adjustment method, which is scheduled for 2016. The current method offers guarantees of objectivity, transparency and regularity, which is not the case for the proposed new adjustment methods, which might be applied to the basic family allowance and ultimately inspire the revision of the salary adjustment method.
2. In recent years, the Co-ordinating Committee on Remuneration (CCR) has frequently taken dogmatic stances and refused to consider the CSR's reasoned arguments or, to a lesser extent, those of the Committee of Representatives of the Secretaries-General (CRSG). Examples of this include the substitution of triennial adjustments for annual ones; the introduction of degression, in some cases to the point of totally eliminating allowances that have an ongoing purpose, such as the dependent child's allowance; and exclusive reference to national indicators, without factoring in the specificity of International Organisations.
3. At Co-ordination meetings, the representatives of certain Member countries have been exhibiting an ever-more militant tendency to consider that their initial proposals already constitute compromises that are presumed to be acceptable before any discussion whatsoever.

This trend has disturbing implications for the course of current negotiations, and especially those concerning Article 42.2 of the Pension Scheme Rules – known erroneously as the “tax adjustment”. This subject has been raised repeatedly in our publications (see, for example, on the AAPOCAD site under the heading for Co-ordination, the “White Paper on the Co-ordinated Pension Scheme”, page 53).

The latest frontal attack on this provision comes in a joint letter from the Belgian and French Delegations to the CCR (see AAPOCAD site, under “Co-ordination”). The case for abolishing the tax adjustment put forward by the signatories of that letter is based on two arguments:

- They consider the adjustment a “tax privilege”;
- They consider the expenditure it generates to be unsustainable for their two countries.

In the aforementioned White Paper, it is shown that to categorise the tax allowance as a “tax privilege” is legally baseless. Moreover, an OECD memorandum to

the CCR (see the site, under “Co-ordination”) shows that the “unsustainable” financial cost argument is quite debatable in the case of France. And the same is very likely true of Belgium as well.

Even before talks got underway, the authors of the letter proposing to abolish the adjustment, or their advisers, probably realised the inanity of their arguments, since the letter is accompanied by a proposal to reduce the adjustment gradually, and not until 2020, lowering it to 15% by 2056, versus 50% at present.

In our view this idea, although watered down as compared to the initial proposal of outright abolition, is unacceptable insofar as it runs counter to the principles underlying the tax adjustment in the first place.

With no admissible legal or financial arguments, we fear that the CCR may once again set out to demolish the mechanism on the basis of dogmatic positions alone. Indeed, it emerges explicitly in the arguments put forward by the CCR delegates to reform or demolish the status of officials or pensioners of the Co-ordinated Organisations, that those officials and pensioners enjoy “privileges” that are unsustainable in a period of budgetary restrictions. As it happens, this is false: the tax adjustment is by no means a “privilege”. Pensioners pay tax on their entire pension income, including the tax adjustment; moreover, tax revenue from pensioners, even after payment of the tax adjustment, constitutes a net resource for the governments of the countries in which they live. Lastly, the argument that we are shielded from the budgetary consequences of the crisis is false insofar as our adjustment indices factor in the trends recorded in the reference countries.

The upcoming negotiations in the months ahead promise to be difficult, but we pledge, working closely with our serving-staff colleagues, to uphold our rights and make pensioners' voices heard.

I should like to wish you all a very pleasant summer and assure you that we shall keep you abreast of developments affecting our pensions on our internet site.

Bernard Wacquez
Chairman

News of the Association

Internet Site

The AAPOCAD internet site has been “renovated” in order to make the content, accessibility and exploitation more attractive. We invite you to consult the site on a regular basis, in order to receive the information you need as a pensioner more rapidly.

Site Address: www.aapocad.org

Login: pension

Password: muette

Memberships

Good news: Thanks to an initiative carried out in collaboration with the International Service for Remuneration and Pensions (ISRP) promoting AAPOCAD among pensioners who are non-Members of AAPOCAD, we have registered a significant number of new Members in the first semester of 2014: 180 compared to the total of 139 for the whole year 2013. With the assistance of Unit 2 (the NATO pension unit), we are currently preparing an identical initiative with the NATO pensioners. We hope that this will also be a great success. We will keep you informed. On this occasion, we also thank the heads of the Pensioners’ Associations for their efforts promoting AAPOCAD among their Members.

Governing Board Elections

The composition of the Governing Board for the year ahead shows considerable stability. Seven existing Members - Peter Emmett, Roger Neitzel, Billy Roden, Michel Garrouste, Jean Le Ber, Robert Veldhuyzen and your Chairman - were re-elected in the recent elections. Moreover, another two existing Members of the Board whose terms had expired will continue to participate: André Deuche as Regional Delegate for the United Kingdom and Johannes De Jonge as President of the Council of Europe Pensioners' Association. Finally, the Bureau asked Colette Giret, who had not sought re-election, to remain in its ranks in view of her continuing indispensable work on AAPOCAD's day-to-day finances.

We are very pleased to welcome to the Board Gianni Palmieri, recently retired from the Council of Europe; Gianni brings with him exceptionally rich knowledge and experience of the Co-ordination process, acquired over many years as Chairman of the CSR.

Sadly, two long-serving Members of the Board are leaving us: Michel Guérin and Méline Babocsay, who had been an active Member of the Bureau for some years. We thank both of them for their contributions, and extend to them our best wishes for the future. Apart from the departure of Méline, the Bureau, designated by the Governing Board at the close of the General Assembly, continues unchanged for the coming year.

We thank all the Members of the Association who voted: a considerably increased number this year, and with a larger proportion of electronic votes. Those of us who run AAPOCAD on a day-to-day basis take encouragement from this, while noting that there is still plenty of scope to do better in future years!

Stephen Potter
Executive Secretary

In Memoriam

Professor Marcel PIQUEMAL

A good friend to the international civil service, Professor Marcel Piquemal, has suddenly passed away at the age of 88. Marcel Piquemal began his professional career as a civil servant in the short-lived Union Française, to be more precise, as Secretary of the Budget Committee of its Parliamentary Assembly. When the Union Française was wound up, he embarked upon an academic career and taught public law in a number of French universities. His works on French public law remain the essential reference text for anybody seeking to learn more about this branch of administrative law. He was also a Member of the French National Assembly for several legislative terms. In 1988, at the Council of Europe, he made the acquaintance of our colleague Gianni Palmieri. The friendship between the two men proved to be both long-lasting and close.

Gianni asked him to take a close look at international civil service law, which Marcel Piquemal proceeded to do by examining this law in an original and committed manner. In 1998, he published a book entitled “The International Civil Service: Current Problems”. His approach took account of the interests of international co-operation and the need for International Organisations to have a competent and independent civil service. Marcel Piquemal served as adviser to the Staff Associations and Staff Committees of several Co-ordinated Organisations, as he also did to the CSR and AAPOCAD. In addition, he agreed to defend a number of actions brought before the Co-ordinated administrative tribunals and boards, often successfully. Those who were fortunate to hear him plead recall the wisdom and kindness that characterised his style.

At the Conference organised in 2011 in Luxembourg by the CSR, he presented a very high quality report on the winding-up of the WEU. The representatives of the staff and pensioners of the Co-ordinated Organisations have today lost a fervent defender of their rights. They will continue for many years to refer to his arguments and to consult his book mentioned above, as well as the studies he drafted at their request for over twenty years.

ANNEXES

Annex 1	Statements by Invited Guests
Annex 2	Election Results for the Governing Board
Annex 3	Composition of the Governing Board
Annex 4	Financial Situation and Budget 2013 – 2015



Annex 1 - Statements by Invited Guests

Mr. Angel Gurría
OECD Secretary-General

Mr. Chairman, Mr. Wacquez, Ladies and Gentlemen, Members of the Governing Board, Messrs Chairmen of the Co-ordinating Committees, Dear Friends from AAPOCAD,

- It is a real pleasure to address you once again at the opening of the annual General Assembly of AAPOCAD here at the OECD, and I thank you sincerely for your kind invitation.
- I am pleased to meet you again, as I did two years ago when I attended your General Assembly for the first time. I am also pleased to recognise some familiar faces, in my particular case those of former OECD officials, and to note the vigour of your Members and elected representatives. My warmest greetings to you all.
- Allow me to begin by mentioning our OECD Week, which proved to be a great success.

Our 2014 OECD Week: A Great Success

- Under the theme “Resilient Economies and Inclusive Societies – Empowering People for Jobs and Growth”, we held our annual Forum and Ministerial Council Meeting (MCM). We were delighted to have the Prime Minister of Slovenia, Ms. Alenka Bratušek, and the Chairman of the Council of Economic Advisers to the US President, Mr. Jason Furman, kick-off the Forum. And we were also very fortunate to receive the Prime Minister of Japan, Mr. Abe, as Chair of the MCM.
- The message we received throughout the week was clear: we need to promote strong, resilient, inclusive and sustainable economic growth and well-being. To help achieve this objective, we launched our latest Economic Outlook and pre-

sented our most recent progress on our New Approaches to Economic Challenges (NAEC) initiative and Inclusive Growth project.

- We received a strong mandate to continue our work on these projects, and to focus diligently on helping countries combine strong growth with a better distribution of benefits and opportunities. We also received a mandate to help countries transition to a sustainable low-carbon and climate-resilient economy.
- To advance the OECD’s aim to become more global, we also launched the Southeast Asia Regional Programme, and affirmed our commitment to the OECD’s new country program and regional approach. Ministers also welcomed progress on the accession processes of Colombia and Latvia. These initiatives will help to ensure the OECD’s relevance in an increasingly interconnected and globalized world.
- This is a lengthy set of achievements, and I am deeply grateful to our Member countries for their contributions, and of course, to our staff for their hard work.
- Indeed, the OECD staff played a crucial role in ensuring OECD week’s success. Without their diligent efforts, how could we receive 6 Deputy Prime Ministers, 40 Ministers, 130 senior country delegates, 200 panellists and over 1600 participants from 70 countries – in just three days!
- To produce such high quality work, our staff needs adequate working conditions. This, as you know, has been one of my priorities as Secretary-General.

Protecting Staff Allowances and Pensions

- Over the past two years, our Organisations have seriously debated staff allowances and pension schemes. The concerns of our countries stem from the tight budget constraints and financial challenges that they are facing. We need to understand that many public services are hit hard by crisis. This is particularly challenging because a competitive remuneration package is essential to our ability to attract and retain top talent at the OECD, and at all International Organisations!
- Fortunately, we have good news when it comes to staff allowances. Following 18 months of intensive discussion, we have avoided the worst outcomes. As a result of the hard work of our team and the Staff Association, officials and current pensioners will continue to benefit from existing entitlements. And we avoided a considerable worsening of conditions for new staff as was initially proposed. The new allowances are being drafted in Co-ordination, and will soon be submitted to the Organisations' Councils for approval.
- I can assure you these were not easy discussions. I had the opportunity to experience the 'heat' of this debate first hand, when I addressed the Co-ordination plenary meeting. I'd like to point out that this was unprecedented. It was the first time an OECD Secretary-General had addressed this audience.
- I can assure you that I will also be equally involved in the ongoing discussions on the Co-ordinated Pension Scheme. As you may know, in 2013, one of the Co-ordinated Organisations, the Council of Europe, instituted a third Pension Scheme as a result of its own internal budget difficulties. This has created mounting pressure to review the contribution breakdown to the Co-ordinated Pension Scheme, which is currently two-thirds employer, one third employees.
- Additionally, two countries within the Co-ordinated Committee on Remuneration (CCR) are pushing to abolish the tax adjustment system of the Co-ordinated Pension Scheme for serving staff.
- Just yesterday, we received a new proposal that significantly attacks the pension rights of our staff. This is of considerable concern. Trying to modify certain of the pillars of the scheme is not a good idea. It raises serious moral, legal and practical questions. We will of course respond vigorously, and I will keep a close watch on this topic.

- Now, regarding the system of Co-ordination itself, let me share some concerns with you.

Reassessing the System of Co-ordination

- Co-ordination itself has proven to be a valuable instrument over a number of decades. I do however have some concerns about its operations. For one thing, it carries a major risk of settling decisions based on a lowest common denominator.
- Also, in terms of the Organisations themselves, it is increasingly difficult to reach 'Co-ordinated' positions, as the situations and interests of the individual Organisations increasingly differ. In our case, our continued growth, global reach and high staff turnover are distinguishing features of the OECD.
- For example, the CCR made no attempt, until we insisted, to consider the cuts to expatriation and family allowances in tandem. Looking at these effects in combination has helped to diminish the cuts to family allowances.
- Finally, and taking into account the ongoing discussions on pension issues in CCR, I believe that the role of AAPOCAD is very important. You defend and represent the interests of the pensioners within the Committee of Staff Representatives (CSR). And you bring expertise and valuable experience to the table. We certainly can avoid many mistakes when we take the time to look back and learn from the past. So let's hope that these discussions will remain reasonable, serious and equitable.
- I wish you a very fruitful meeting. Thank you again for your kind invitation.

Angel Gurría

Ambassador Franz Cede *CCR Chairman*

Mr. SG of the OECD, Mr. President of AAPOCAD, Presidents of the CRSG and the CSR, Distinguished Delegates, Dear Colleagues,

It has become a good tradition that the three Chairmen of the Co-ordination colleges, the CCR, the CRSG and the CSR, address the annual General Assembly of AAPOCAD to give their account of the ongoing work in the process of Co-ordination. I thank you for the opportunity to speak to you again this year. My statement will be brief I promise.

I am most pleased by the presence of the Secretary-General of the OECD whose personal commitment to improving the situation of the active and retired staff of

his organisation has always impressed me. Thank you Mr. Secretary-General for joining us again today.

Let me also welcome the new President of the CSR and congratulate him on his recent election to the Chair of this important Committee. I am sure that we will all continue our good co-operation with the CSR under the leadership of Jean-Pierre Cusse. Let me seize the opportunity at this moment to express my thanks and appreciation to the past long standing CSR-President Gianni Palmieri whose strong personal commitment and contribution to Co-ordination will be forever imprinted on our minds. I am pleased to learn that Gianni will not leave the Co-ordination family but will stay with us in the ranks of AAPOCAD.

Dear Mister Wacquez, Dear Mister President of AAPOCAD,

As you always do, you gave me also this year a little homework. You provided me with a list of themes which you expect me to deal with in my brief intervention. For me there is little surprise that you listed among the themes where you expect a statement from the CCR Chairman, the position of the CCR on the issue of allowances, of pensions and the tax adjustments. I don't want to shy away from addressing these themes. You know me already as someone who likes to take the bull by the horns. However, I beg for your understanding that at this critical moment of the negotiations. I can give you only a very general and cursory overview of what is going on at the moment on the various items on the agenda. On the comprehensive reform of the system allowances, it is my assessment that we have reached the home stretch on the daily subsistence allowance (DSA), the kilometric allowance and the installation allowance. Good will prevailing, we should be able to finalize the negotiations on these three topics at our upcoming Strasbourg meeting which I hope will result in the adoption of the relevant reports. I know that for my colleagues in the CCR, the conclusion of the work on the three topics constitutes a priority. As far as the issue of tax adjustments to the Co-ordinated Pension Scheme is concerned, the French and the Belgian delegations to the CCR recently submitted a revised proposal, which has not yet been discussed by the CCR. I therefore refrain from making any comments on the revised Belgo-French proposal.

Apart from the current questions on the agenda mentioned, one issue has attracted considerable interest over the last few Co-ordination meetings. I refer to the working method within the Co-ordination process. In this connection, it was widely felt that there is room for improvement especially as far as the interaction of the three Co-ordination bodies and the structure of work are concerned. I take the matter of working methods very much to heart and may inform you that some concrete steps were already taken to streamline the Co-ordination process. However, I must honestly say that lack of progress is not always due to what appears to be the clumsy working method or the inability of the Chairman standing in

front of you. Generally speaking, it rather reflects the real and often serious differences of positions among the main stakeholders of the Co-ordination process. Such differences may impede the search for a common position within each Committee or complicate the interaction between the three colleges.

This state of affairs is compounded by the difficult economic environment in most Co-ordinated Organisations and their Member states. When there is little to distribute but very much to curtail one should not be surprised if the level of collective happiness decreases. I had the misfortune to join the Co-ordination family in 2010, i.e. two years after the beginning of one of the worst economic crises after 1945. The era of what seemed like a never-ending story of lavish and ever-increasing salaries of international civil servants definitely came to a screeching halt in the wake of the economic downturn. This explains to a great extent the necessity to rethink and to reform the entire set of benefits to which the staff of international organisations were entitled.

However, as a firm believer in the benefits of Co-ordination, I am more than ever convinced that also in difficult times our system of consultation and Co-ordination that includes the representatives of the different interests involved – the governments, the management of the organisations and last but not least the staff - continues to serve the objective of reaching a fair compromise between all parties.

This unique instrument of international co-operation allowing to balance the positions and interests of all participants must be preserved. Giving it up would mean the disintegration of Co-ordination as a proven model of international negotiation. In my view, it would have the consequence that the conflicts about opposite positions on matters of remuneration and pensions would break out unbridled in each and every Organisation. In my humble submission the authority of our overarching system of Co-ordination based on the principle of compromise and consensus constitutes a moderating force that ensures a fair deal at the international level. In keeping with the rules and principles of the international civil service, our system also provides a great measure of predictability and stability. Finally, it is worth mentioning that our system of Co-ordination enjoys the service of the ISRP, which is arguably one of the best entities in the world whenever it comes to questions of remuneration and pensions of international civil servants. The comparative advantage of having such a fine secretariat cannot be overestimated.

Let me conclude by expressing the hope that notwithstanding all the difficulties mentioned the system of Co-ordination will prove again its capacity to solve the difficult problems lying ahead. Let us see whether in this vein we will speak of the spirit of Strasbourg at the close of our next session.

Thank you for your attention.

Ambassador Franz Cede

Mr. Patrice Billaud
CRSG Chairman

Mr. Chairman, my Dear Bernard, Ladies and Gentlemen, Members of the Governing Board, Chairmen of the CCR and CSR, Dear Franz, Dear Jean-Pierre, Dear Colleagues and Friends, Ladies and Gentlemen,

It is once again with pleasure that I have accepted the invitation of your Chairman, Bernard Wacquez, to talk to you, on the occasion of AAPOCAD's General Assembly, about the work of Co-ordination in my capacity as Chair of the Committee of Representatives of the Secretaries-General.

This year AAPOCAD is once again celebrating the tripartite system as the Chairs of all three Committees involved in the Co-ordination process are addressing your General Assembly. This is also a sign, I believe, of the importance that we all attach to Co-ordination and, of course, to dialogue with the pensioners of the Co-ordinated Organisations.

We listened earlier to the opening speech by Mr. Angel Gurría, the Secretary-General of the OECD, who described to you his vision of, and thoughts about, the past year with regard to Co-ordination and the outlook for the future. Chairman Cede, in his speech too, stressed to you the importance of the work of Co-ordination and spoke of the essential issues that we have dealt with together in the three Committees.

This will allow me to go straight to the main points of the CRSG's overview of the work of these past months, while attempting to convey to you the feeling that prevailed in our Committee which represents six Co-ordinated Organisations.

I would therefore like to focus on what the activity of Co-ordination has consisted of over the past twelve months from the standpoint of the Secretaries-General, and the main issues we have addressed. I must say that, this year once again, this period has been particularly intense from the standpoint of our work.

First of all, with regard to application of the salary adjustment method for 2014, which of course is of interest to you because it directly concerns your pensions, I explained to your General Assembly last year in Frascati that **in discussions on the salary and pension adjustment for 2013**, we had encountered unforeseen and serious difficulties due to the position adopted by two Member countries which contested the figures that had been produced by the method. This situation had resulted in Chairman Cede, despite all his efforts, having to write a "Chairman's Report" to the Councils of our Organisations, together with a recommendation drafted in highly ambiguous, not to say highly contentious, language in that it could have been interpreted to mean that the Councils were invited, where appropriate, not to apply the results of the method.

Fortunately, for 2014, the CCR was able to arrive at a unanimous recommendation drafted in language that was both clear and unambiguous.

The more facetious among you might think that this return to good practices, only a year after the crisis in autumn 2012, was due to the fact that the figures produced by the method had resulted in a decrease in salaries and pensions for a non-negligible number of duty stations.

Let us hope that the CCR will be at pains to demonstrate that it has restored a certain degree of legal rigour in its recommendations to Councils for next year's adjustments.

I would now like to rapidly bring you up to date on the latest developments at the end of 2013 regarding the infamous budgetary affordability clause.

You will recall that the CCR, when it adopted the current salary adjustment method which entered into force on 1 January 2013, had been unable to agree on a single budgetary affordability clause that could have been applied uniformly across all the Organisations.

In its report to Councils, the CCR had therefore sought to recommend that consideration be given in each Organisation – which had kept its own budgetary affordability clause – to the criteria for triggering the clause, which might ultimately be adopted in order to broaden the scope for such clause initiation.

This message was heard because to date the Council of Europe, the European Centre for Medium-Range Weather Forecasts, NATO, the OECD and EUMETSAT have amended their budgetary affordability clause by effectively revising the criteria for clause initiation. It remains that this revision of the budgetary affordability clause by Member countries along the same lines designed to give the various Councils much greater room for manoeuvre in applying the results of the adjustment method does not help to bring stability or legal security. Once again, it will be up to the Administrative Tribunals and Appeals Boards of our Organisations to settle issues regarding interpretation in the event of conflicts.

A third and very important element: the revision of co-ordinated allowances. I shall be brief on this point since you have already heard the comments of the speakers who preceded me and who quite rightly emphasised the importance of this dossier.

After almost two years of negotiations between the three Committees, the CRSG considers that the compromise agreed in November 2013, while far from perfect, is indeed a genuine compromise. For parties with what are sometimes diverging aims and interests, a compromise is what you have when you are not entirely satisfied but neither are the other parties, although all of you have sought to achieve a reasonable balance.

Throughout the discussions the CRSG regretted that the CCR perhaps did not pay enough attention to the issue of maintaining the competitiveness and attractiveness of our Organisations as employers. On the other hand, we fought strenuously to maintain good labour relations in our Organisations and the vested rights of serving staff and pensioners who currently benefit from the existing system of allowances. We consider that, in a very difficult budgetary climate, we have managed to ensure that Member countries meet this objective.

Since last February, we have been working with the CCR and the CSR on drafting new rules which will apply to the future staff of our Organisations and, as usual, the devil is in the detail; our shared task is not easy, but we are making progress. This technical work is of course being performed with constant support from the ISRP team, to whom I would like to extend my sincere thanks on behalf of the CRSG.

The fourth very important part of Co-ordination activity: Pensions-related dossiers

As our colleague Bernard Job from the Council of Europe and Chair of PACCO was unable to attend this session, he has asked me to read a message to you in which he shares some information with you regarding the roles and current challenges regarding pensions.

PACCO, the Pensions Administrative Committee of the Co-ordinated Organisations, was set up in 1974 to ensure the uniform application of our pension rules.

This committee, which reports to the CRSG, meets four times a year and will thus be holding its 176th meeting in Brussels next month. It comprises not only representatives of the six COs, but also those of observers such as the institutes or centres to have emerged from the former WEU, including the body which manages WEU pensioners, as well as the EPO whose pensions are managed by the ISRP in Paris.

- 1) Although the vast majority of you are already familiar with them, I shall very briefly recall the roles played by PACCO, which are to:
 - Firstly, adjust or supplement the Rules in the event that an anomaly or regulatory omission were to become apparent. Following discussions with the CSR’s Pension Group, and subject to the approval of the CRSG, the Committee either amends the instructions applicable to the rules or amends the articles of the pension scheme rules, although in the latter case it would have obtain the approval of the CCR followed by that of the Council of each Organisation.

It is clear that these amendments cannot affect pensions, which have already been claimed.

By way of example, PACCO is about to start work on the impacts on the pension scheme rules of the reforms of family allowances currently under discussion with the CCR.

- Secondly, and this is a topical issue, propose to the CCR a revised rate of contribution to the pension scheme for officials. This work is carried out in very close collaboration with the ISRP’s actuaries. I call this a topical issue because the pension scheme rules call for the rate to be revised every five years, the date for the next revision having been set for 1 January next year. PACCO has therefore already handed in its homework in this regard, so to speak. The next step now is to present the report for adoption of the new rate at the forthcoming session of the CCR next month.
- Thirdly, and this is always a thankless task carried out by the ISRP, draw up and finalise transfer agreements with the other international organisations or national schemes. I said thankless because the ISRP’s efforts often go unrewarded, hence the decision to no longer spend enormous amounts of time to secure new agreements with countries, given that many of them, for a variety of reasons, do not want such agreements or are stepping back from them for tax reasons.
- In addition, monitor tax aspects, apply tax adjustments or simplify annual forms.
- Monitor, too, communications with you, an aspect that the ISRP continues to develop. You have seen the results of this in the revamped web site.
- Analyse the annual balance sheet of our pension scheme. We had 7 033 pensioners as of 31 December 2013 (+3.9% in a year), representing an annual expenditure of around 315 million euros (excluding the new pension schemes), i.e. +4.3%. These figures will of course continue to rise for obvious demographic reasons.
- And last but not least, approve the itemised breakdown of payments for new pension claims, including those under the NPS.

These are traditional recurring tasks to which I would add another task that has grown over the past few years with the introduction of new pension schemes in the Co-ordinated Organisations, namely the management of what are known as inner-circle transfers, which are becoming increasingly complex, in order to determine how to transfer pension rights for officials moving from a pension scheme in one CO to a pension scheme in another CO.

- 2) However, these tasks, although time-consuming, currently take second stage to the more burning issues.

Given the budgetary crisis, attempts to reform our pension schemes at the level of each individual Organisation are and remain topical. PACCO acts as a technical advisor whenever a CO wants to call on its services, and can make it possible to validate the coherence of a project or to propose alternative paths. This is the role it played in regard to the third Pension Scheme at the Council of Europe.

PACCO also intends to play its role with regard to two issues the CCR always has on its agenda: firstly, the respective share of the contribution rate paid by officials/organisations; and secondly, the tax adjustment for future pensioners. PACCO has already provided the CRSG with inputs for its analysis and is preparing counter-arguments to use against the CCR.

[Comments by Patrice Billaud] As Mr. Gurría announced to you in his speech, the CRSG and the CSR did indeed receive a new document yesterday drawn up jointly by Belgium and France with a view to securing a gradual reduction in the tax adjustment on the pensions for serving officials. We shall examine this new proposal very closely. At first sight, it sets out to be less radical than the proposal submitted two years ago in that, on the one hand, the mechanism for reducing the rate of the tax adjustment would only be actuated from 2021 onwards (and not immediately as specified in the initial text) with a reduction of one percentage point a year from 2021, and a bottom rate of 15% would be provided below which the rate of the tax adjustment cannot be reduced. I will not comment further on this proposal as, once again, we need to carefully analyse this proposal which we have only just received.

[Return to the message from Bernard Job] PACCO also keeps abreast of topical issues, including through the Workshop on Pensions in international organisations organised jointly every 18 months by the ISRP and the United Nations Joint Staff Pension Fund. The 10th workshop is due to be held in the autumn in Munich and will be hosted by the EPO.

Lastly, it will provide support for the introduction, when or if it takes place, of the single spine for salaries and the impacts this will have on future pensioners.

I can assure you that PACCO will remain vigilant, in order to foresee, document itself, prepare arguments and do its utmost to preserve the benefits that have been acquired in order to ensure that our pension scheme continues to be, as far as it possibly can, one of the major components of our remuneration package, as it has been for the past 40 years.

Lastly, I would like to conclude by paying tribute to the excellent work performed by the ISRP, which acts as the Secretariat for PACCO and manages not only your

pensions but also those of other international organisations with the professionalism and courtesy, which we all know, and without whose support the PACCO would be unable to function.

Thank you for your attention.

[End of the message from Mr. Bernard Job, PACCO Chair]

In conclusion, a few words about the future outlook.

This year Co-ordination has once again fulfilled a number of missions in accordance with its mandate against an increasingly difficult backdrop.

I would like to highlight the excellent relations which have united the three Committee Chairs and which, I think, have made it possible for Co-ordination to move forward as part of process in which all parties speak and listen to each other, despite the budgetary problems.

At this stage, and standing before your Assembly, allow me to pay tribute as well to our colleague Gianni Palmieri, who has been a permanent fixture as Chair of the CSR for decades now and who I imagine has already joined AAPOCAD's ranks following his retirement from the Council of Europe. An eminent lawyer, the uncompromising defender of the acquired rights of serving officials and pensioners, and a man who is very attached to Co-ordination and the proper functioning of that process, Gianni Palmieri will have left his mark on the history of our system through his intelligence, his erudition and also his sense of humour. I am sure that he will continue to place his experience and knowledge at the disposal of the Co-ordinated Organisations. I believe that in a few minutes he will himself present an overview of his long and rich experience.

Next, I would like to pay tribute to Jean-Pierre Cusse who took over from Gianni in February. I have no doubt we the three Chairs of the Co-ordination Committees will, between us, continue to play our individual roles and maintain a regular, open and constructive dialogue that is constantly focused on giving priority to common ground, wherever possible.

2014 will therefore see the finalisation of the CCR's reports on the revision of staff allowances, the revision of the rate of contribution to the co-ordinated pension scheme, the examination of the results of the five-yearly actuarial study of the rate of contribution to the pension scheme, the salary and pensions adjustment for 2015, the resumption of discussions on tax adjustment for pensions following the new proposal by France and Belgium and perhaps the start of discussions on the future revision of the salary adjustment method.

As you can see, in the Co-ordination process we are in some respects the acolytes of Sisyphus, every year pushing the same boulders to the top of a hill and then starting all over again the following year. It is a long and

fastidious process, but one which we have not yet found anything better to replace it with.

I note that over the past three years the Member countries represented in the CCR have obtained many changes with the reform of the expatriation allowance and reform of all the other co-ordinated allowances. These changes have generated, and will continue to generate, substantial savings in the budget. I would therefore like to express a wish that every time a new dossier is examined as part of the Co-ordination process it is not routinely seen as an opportunity for Member countries to reduce the competitiveness of our Organisations, and that the three Committees find reasonable compromises whenever possible.

Failure to do so means that we can consider that the real intention of the CCR, and I think that I am quoting here a famous expression used by one of Chairman Cede's predecessors, is ultimately to "scour" the salaries, allowances and pensions of officials of the Co-ordinated Organisations with steel wool.

In any event, the CRSG will continue, as it has done in recent years, to approach these issues in an open and constructive manner, seeking to ensure a fair balance in all issues and to maintain the excellence and motivation of our staff in serving our Member countries. I hope that the same approach will be followed on the other side of the table.

Thank you once again for your invitation and your attention, and my best wishes for an excellent General Assembly.

Patrice Billaud

Mr. Jean-Pierre Cusse

Chairman of the CSR,

Chairman of the Staff Association of OECD

Dear colleagues, Mr. Chairman,

As you will have been informed, I have been given the difficult task of succeeding Gianni Palmieri.

In the course of these years spent at the helm of the CSR he has left his mark on our work and lent credibility to our Committee. I would like to take the opportunity offered to me here to thank him once again for all that he has accomplished and above all for the work he has yet to perform, because there can be no doubt that the CSR will not want to deprive itself of his legal talents.

Today more than ever we need a strong and united CSR to face up to the constant attacks by Member countries as they attempt, with every year that passes, to reduce our social *acquis*.

This year has mainly been devoted to the reform of family allowances, and while we have managed to preserve the rights of serving colleagues, we have unfortu-

nately failed to avoid a deterioration in the conditions of employment that will apply to our future colleagues.

The CCR wanted to review our allowances in order to, as they put it, modernise them, maintain the attractiveness of our Organisations and make savings.

On reading the new provisions, it is clear to see that modernism and attractiveness have been swiftly forgotten.

Pensions have not been spared and we have seen that after introducing a second pension scheme that is less advantageous than the 1974 scheme, the Council of Europe has not only put in place a third and even more unfavourable scheme, but is now eyeing the 1974 scheme with a view to reviewing the percentage share of the contribution paid by officials. Indeed, some Delegations also want to attack the tax adjustment.

The CSR's strength lies in its ability to react, to show its determination. We have therefore demonstrated our displeasure over the CCR's thoughts about reforming the family allowances of serving officials. We shall show the same determination should by any chance Member countries move further ahead with their plans to review our 1974 scheme.

This strength, the CSR derives it from the fact that we are united in what we say.

And, since I am standing before you here today, I must also tell you that we owe our strength to the intangible link between serving officials and you, the pensioners.

You are represented – and very well represented – in the CSR. And I would like to take this opportunity to extend my thanks to Ivan Divoy, Steve Potter, Michel Garrouste and Jean Le Ber.

All four of them bring much to the co-ordination process through their intimate knowledge of dossiers. I personally consider them to be colleagues who are indispensable for our work.

And of course, I would like to thank the Chair, Bernard Wacquez. I know that it is not always an easy task to serve as Chair, but he has performed his duties with much aplomb without allowing himself to get carried away. At all times, he forcefully defends not just your interests, but ultimately our interests.

Bernard, on behalf of the CSR, thank you for everything you do for us.

I shall finish my comments by addressing the two Chairs who spoke to you earlier: Franz Cede – Chair of the Committee of Member country representatives – and Patrice Billaud – Chair of the Committee of Representatives of the Secretaries-General of our Organisations.

I would like to tell them first of all that we want to continue working together on good terms and that we are sure that with a constructive and high quality dialogue we

can find an appropriate basis on which to meet expectations.

However, I would also like to stress that if by any chance the rights we have acquired were to be threatened, then they will have to contend with our determination.

Thank you for your attention.

Mr. Jean-Pierre Cusse

Mr. Giovanni Palmieri

Former Chairman of the CSR

Mr. Chairman of AAPOCAD, Chairmen of the CCR, CRSG and CSR, dear colleagues and friends,

First of all, I would like to thank Chairman Wacquez for having invited me to address this Assembly in order to – and I quote – “*speak briefly about the history of the past twenty years of Co-ordination.*”

I am going to deviate just slightly from this injunction. While remaining brief, I am going to talk instead about the past thirty-five years of Co-ordination.

I do not intend to dwell at length on the consequences of the decisions taken within the Co-ordination process on the remuneration of officials and pensioners of the Co-ordinated Organisations. You are perfectly familiar with these subjects: on the one hand, you are regularly provided with a summary report on the deliberations of Co-ordination; and on the other, I would recall to you that it is within AAPOCAD that we started to draw up the inventory, in response to an initiative by Ivan Divoy, of the “*nibbling away*” of remunerations and pensions. I am referring in particular to the report, which Ivan Divoy presented to the General Assembly in Vannes in 2006.

The CSR later modified its language somewhat, considering that it had become more appropriate to speak of a genuine “*erosion*” of remunerations. Indeed, this subject was covered in the “*white paper*” which the CSR presented to Members of the CCR and CRSG at the beginning of discussions on the renewal of the method currently in force.

The history of Co-ordination progresses rapidly. The erosion continued to such an extent that the CSR was thinking about presenting a new report when the idea emerged within the Committee to no longer refer to this report by the fairly innocuous title of “*white paper*”, but to call it a “*black paper*” instead.

I am not going to dwell on this matter. Instead, I am going to talk about some of the changes and developments in the *modus operandi* of the three Committees that are involved in Co-ordination and the balance of power between these three Committees.

When I joined the Co-ordination process in September 1985, the CCR had just decided to reorganise its method of working and its discussions. Until a certain

point in time, the CCR delegations used to meet solely in tripartite meetings with the representatives of the other two Committees. As a result, differences of opinion between different countries would emerge – sometimes explosively – in the course of the tripartite meeting. Some delegations were concerned at this open display of division they were giving to the two other Committees. Accordingly, it was decided that the CCR would meet alone before the tripartite meetings, as well as at other times, too, when required. This was a change in both culture and customary practice.

However, until the early 1990s the impression had been that the opening of the tripartite meeting marked the real beginning in the work of Co-ordination. Today, this is far from being the case. On the contrary, the impression now at the beginning of every tripartite meeting is that we are boarding the train at a station already far down the line once discussions were already at a certain juncture and once the direction in which they were proceeding had at least been decided by the CCR in its own Committee by a majority vote or – who knows? – by consensus.

In the 1980s, the CRSG was composed of Heads of Administrations, namely the people who are now referred to as Executive Directors and who once a year honour the Co-ordination process with their presence. Moreover, the name of the Committee was different and was known as the Committee of Heads of Administration of the Co-ordinated Organisations (CHA). There was also a Committee made up of Deputy Heads of Administration. Those of who like to keep alive memories may recall the nickname given to these young and dynamic deputies, namely the “*kittens*” or “*young cats*”. Le CRSG was chaired by a Deputy Secretary-General from the OECD. I remember, for instance, Mr. Le Merle and Mr. Vinde.

The CSR, which at the time was known as CPAPOC (Standing Committee of Staff Associations of the Co-ordinated Organisations), would for its part sometimes present itself before the other two Committees with a “majority” or a “minority” position. This was the case, for example, when it was decided to shift to the “*single method*” for B and C grades. A minority of the Organisations wanted to retain the best local employers method, while the majority was in favour of the single method. At present, we consider that a split within the CSR would discredit its stances and we are at pains to present a united front to our counterparts.

Despite the changes, I alluded to earlier, the CCR continued for some time to spend most of its time in tripartite meetings. This was case during the period the Committee was chaired by Bernard Schaeffer in the early 1990s. This method gave rise to extremely long meetings, which allowed issues to be reviewed in great depth. However, it did not prevent differences between the delegations of Member countries from emerging.

The bilateral meetings between the CCR and the CRSG have always been quite important. However, until recently they did not play the predominant role that they play today.

To understand the importance of these meetings, and more generally the dialogue and confrontation between the CCR and the CRSG, it needs to be born in mind that both of these Committees had at one point in their history suffered a **stinging defeat**.

The CCR's stinging defeat was delivered at the very moment when its plan, which had been studied in depth and nurtured over a long period of time, to amend the Co-ordinated Pension Rules to the detriment of serving officials was unexpectedly torpedoed when another major country sided with the United States in opposing any breach of acquired rights of serving officials. It was a bolt from the blue, which resulted in the session being adjourned, and which in the short term led to the CCR losing its competence to deal with any pension issues other than those relating to the Co-ordinated Pension Scheme. It is for this reason that the Pension Schemes Nos. 2 and 3 in place in various Organisations are not co-ordinated and are therefore totally outside the scope of the CCR's competence. This debacle only appeared to be the outcome of a difference of opinion within the CCR. In reality, this opposition of two major delegations had been organised by the Chairman of the CRSG at the time, Tom Mears, who was implacably opposed to Chairman Schaeffer.

The CRSG's stinging defeat is more recent in date and concerns the third expatriation allowance regime. The CCR presented a proposal during a session with the other two Committees. The CRSG and the CSR refused to discuss the proposal on principle; the CCR was not prepared to discuss the basic approach followed in the document, merely to amend a few details. The CRSG opted for confrontation, relying on the ability of the Secretaries-General to prevent it from being adopted by Councils. It lost its wager. Indeed, the impact of this failure is now starting to make itself felt on the new generation of officials in the Co-ordinated Organisations. Remuneration, which declines significantly according to the length of time spent in the service of an Organisation, is clearly not very motivating for new officials, nor is it going to retain the best of those among them.

Further to these two debacles, the CCR and the CRSG seem to think at present – and I speak as an observer – that it would be dangerous to take a decision that would go completely against the opinion of the other Committee. The implicit idea – but one that obviously remains unsaid – is to find a compromise in which the CCR's points of view account, let's say, for about 70% (this is just an estimate), while the CRSG's points of view account for the remaining 30%.

We can see an example of this “*Yalta Conference on Co-ordination*” – if you will pardon me the expression – in the process that led up to the unspeakably painful re-

form of family allowances. The CRSG presented a proposal along the lines recommended by the CCR (and probably explained to the CRSG by the CCR in their bilateral meetings – although this is merely supposition on my part). The CCR, for its part, adjusted certain aspects of the proposal that it felt were too generous, but at the same time sought to make a few concessions to the CRSG.

While this spirit of compromise might be seen as praiseworthy, it was couched in the form of a creative fantasy that was capable of producing **monsters**. The most striking example of a bureaucratic and legal monstrosity which ensued is the degressive nature of family allowances. According to international case law, the purpose of any family allowance is to maintain equality among officials by allowing those who have family responsibilities to cope with them. It is therefore normal to grant an allowance to those who have family responsibilities and to withdraw that allowance once those responsibilities cease. What is not normal is for this allowance to decrease over time or to cease while an official continues to bear family responsibilities. This is what will happen in the new system, for example, to residents, who will lose all their family allowances after five years even though their family responsibilities are exactly the same if not greater.

To be perfectly clear, I would like to draw a distinction between the degressive nature of the expatriation allowance and that of family allowances. The degressive nature of the expatriation allowance is predicated on the argument that the inconveniences relating to expatriation decline over time. This is a contention that is not shared by staff but one which is, so to speak, “*arguable*”. Whereas here, in the case of family allowances, the degressive nature or cessation of the so-called “*basic*” family allowance has no rational or logical justification. The only reply we have been given is that “*it's a compromise*”, as though searching for a compromise was sufficient grounds to defy all logic or desire for consistency. I think that the Co-ordination system and not just the rights of staff have much to fear from this kind of “*slippage*”, which appears to be the outcome of a collective bout of sunstroke rather than an objective study of the dossier.

You may say “*and where is the CSR in all that?*” Firstly, I think it's fair to say that the CSR has spoken out on all issues and has in some cases provided national delegations with invaluable information for which it has been, and I believe sincerely, thanked. This was the case, for example, for the pensions workshop we organised in 2013 in Brussels (NATO). The proceedings we published provided national delegations with first-hand information on certain issues such as the tax adjustment or the setting of rates of contribution to the co-ordinated pension scheme on which they are called upon to deliberate. I get the impression that these written documents have influenced the course of the discussions on these issues that are of such importance to us.

However, we must not forget that the CSR also possesses what I would call “*nuisance power*”. This power lies firstly in the possibility for the CSR to take action to overturn a decision taken formally by the Secretaries-General, but in reality by Councils at the recommendation of the CCR, and therefore to knock a hole, so to speak, in the edifice carefully built up over so many years. One need look no further than the archetypal example of the manifestation of this nuisance power in the decision by the Council of Europe’s Appeals Board which in 1983 ruled the “*special crisis levy*” to be illegal. Had it not handed down this decision that levy would still be in place on our salaries.

The second aspect of this nuisance power is the possibility afforded to staff representatives to mobilise their colleagues in defence of the rights and interests of staff. The Organisations cannot function properly if working conditions are tense. In the case of the reform of family allowances, the CSR made it clear to the other parties that the staff were both concerned and mobilised. The respect shown by the CCR, at the recommendation of the CRSG, for acquired rights was what was needed to allay this social unrest, which was ready to explode.

I hope that this brief analysis of working relations within the Co-ordination system gives you an insight into what I consider to be the current topical issues and perhaps future developments. We should also bear in mind Petronius’ maxim to the effect that “*Mundus universus exercet histrionam*” (“*The whole world plays a part*”). In other words, Co-ordination also involves playing a role, which is part of its interest and, for some people, part of its charm.

But how can we resist the temptation to discuss some substantive dossiers? I shall attempt to remove two thorns from my side. The first is marked “*made by the CCR*”. The second bears the hallmark of the CRSG.

First there are the **studies** on the three recruitment pools. These studies are the only instrument that can compare the levels of salary paid by the Co-ordinated Organisations. In the early 1990s, the results were not to the CCR’s liking because they demonstrated that the salaries of officials of the Co-ordinated Organisations, particularly non-resident officials, did not compare favourably to salaries in the private sector, the expatriate civil service and several international Organisations. Successive studies carried out at 5-yearly intervals indicated on two later occasions that the situation was worsening significantly. This type of finding undoubtedly played a part in the CCR’s decision not to carry on performing these studies. It is like a patient who, faced with a thermometer reading telling him he has a fever, decides that it would be better to get rid of the thermometer in the belief that this will also get rid of his fever. Alas, it is once again possible in the CRR or in Councils to stonily and baselessly state that the salaries of officials of the Co-ordinated Organisations are too generous. The studies have even been purged from the – selective – memories of the representatives of

the Member countries. The CCR has thereby taken a step towards greater subjectivity and a large dose of arbitrariness.

The other thorn can be summed up in two words: **legal protection**. The Secretaries-General replied in the negative to our request for the creation of an appeals system for officials of the Co-ordinated Organisations. I know that this is an issue that is particularly close to the heart of AAPOCAD. I would just like to mention one of the arguments advanced to us. We were told that: “*The French Court of Appeals has stated that our judicial system meets the requirements of the European Convention on Human Rights*”. It’s just as well that it did! The ECHR is not the omega of the protection of the rights of the individual, but the alpha, that is to say simply a starting point, the lowest common denominator. The founding fathers of the Convention certainly did not set out to eternally set in stone the level of protection afforded to individuals, but simply to specify the basis for further improvements. Consequently, if we can understand the joy that the Ugandan government or that of Lesotho might feel on the day they grant their citizens the same rights as those guaranteed under the European Convention, the Co-ordinated Organisations cannot content themselves with ensuring the strict minimum in a world, that of the Western nations, that is constantly refining its legal arsenal and the guarantees afforded its citizens.

I would again like to stress how important the work on the next salary adjustment method is going to be. The Secretary-General of the OECD personally addressed the CCR last November and did not mince his words regarding the concerns he had about maintaining the competitiveness of the OECD with regard to the other international organisations that recruit in the same “pools”. More generally for all the Co-ordinated Organisations, the pressing need to be remain competitive, to motivate its managers and to be able to retain the best employees are all crucially important issues. For the first time, the Secretary-General of a major Organisation addressed the three Co-ordination Committees. I hope that the national delegations in the CCR paid heed to his words.

I would like to conclude by emphasising that for the past few years the AAPOCAD General Assembly has afforded a unique opportunity for the Chairs of the three Committees to see each other outside the Co-ordination meetings and to present their point of view on the same given subject, namely recent Co-ordination activities. It is a sign that AAPOCAD is now playing with the big boys. It is also down to the personalities, which are particularly open to dialogue, of Chairmen Franz Cede and Patrice Billaud.

I would also like to take this opportunity to wish my successor to the Chair of the CSR, and friend, Jean-Pierre Cusse to establish the CSR as an essential party in discussions on all issues relating to the future of the officials of the six Organisations. I am sure that, like me, he will take pleasure in fulfilling the duties of Chair, even though the

pleasure is not always unalloyed but often tinged with concerns. What matters above all “*at the end of the day*” is the satisfaction in having provided a service. It only remains to me now to thank you for your attention and patience.

Giovanni Palmieri

Mr. Jean-François Poels²

*Head of International Service for Remuneration
and Pensions (ISRP)*

After thanking APOCAD for having invited him, and after welcoming Mr. Jean-Pierre Cusse as the new CSR Chair, Mr. Poels’ speech focused on two topics.

1. Co-ordination

Co-ordination is a complex process that cannot be reduced to a stereotype which would only leave it open to criticism. Despite the current turbulence, which is by no means new, it is a process worth maintaining.

A comparison drawn with the European Union would reveal a similar breakdown of arguments for and against such a process. The arguments for are: maintenance of good labour relations; dialogue; cohesion; freedom. Those against are: complexity; inertia; technocracy.

The criticisms levelled against the Co-ordination process and the positive comments in its favour are all of the same tenor. Moreover, within the Co-ordination process, there are intrinsic differences not only between the three Committees but also within each Committee, namely a reforming tendency, which should recognise that not everything should be changed, and a conservative tendency, which should admit the need for change. Mr. Poels called on the wisdom and experience of the AAPOCAD Chair to raise the awareness of the three Committee Chairs of the need to strike a balance between the two tendencies, given that AAPOCAD, representing 7,300 pensioners, carries more weight than any individual Organisation.

2. The ISRP

The ISRP manages the pensions of 4,000 pensioners and its Unit 2 at NATO the pensions of a further 3 300 pensioners. Furthermore, the ISRP provides services for 1,850 pensioners from other Organisations whose status is comparable to that of the Co-ordinated Organisations.

Mr. Poels concluded his speech by wishing the General Assembly well for the rest of its programme.

Jean-François Poels

2. Summary based on notes taken during Mr. Poels’ speech.



Annex 2 - Election Results for the Governing Board

All votes cast by correspondence and electronically were counted on 7 May 2014 by the designated tellers (Mrs. Cachin, Leguillier, L'Helgoualch, Lindner, Poincloux), under the Chairmanship of Mr. Potter.

The election results are the following:

- Number of votes cast: 789
- Blank and void bulletins: 37
- Valid votes cast: 752 (of which 388 electronically)

There is no vacancy this year for ECMWF or WEU and no nomination was received for the position available for EUMETSAT.

The declared candidates obtained the following numbers of votes:

1) NATO/OTAN (3 vacant posts)

Mauro CORBELLINI	203
André DEUCHE	236
Peter EMMETT	387
Robert GOYENS	168
Rüdiger NEITZEL	340
Ida PAVESI	150
William RODEN	280

2) OECD/OCDE (2 vacant posts)

Michel GARROUSTE	491
Bernard HUGONNIER	230
Bernard WACQUEZ	484

3) ESA/ASE (2 vacant posts)

Jean LE BER	556
Robert VELDHUYZEN	531

4) CoE (1 vacant post)

Mélina BABOCSAY	289
Giovanni PALMIERI	293

Are therefore declared elected or re-elected*:

NATO:	Mr. Emmett*, Neitzel* and Roden*
OECD:	Mr. Garrouste* and Wacquez*
ESA:	Mr. Le Ber* and Veldhuyzen*
CoE:	Mr. Palmieri

These results are certified consistent with the count performed by the scrutineers,
Established in Paris, on 7 May 2014,
Certified by the Executive Secretary,

Stephen Potter





Annex 3 - Composition of the Governing Board

AAPOCAD BUREAU CONSEIL D'ADMINISTRATION / GOVERNING BOARD 2014

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Annex 4 - Financial Situation and Budget 2013 – 2015

Financial situation at 31st December 2013

In 2011 we recorded an historical deficit of 38 500 €. This was due in part to exceptional causes, such as the expenses for the General Assembly in Izmir, but also to new structural spending linked to the functioning of the Association, which was previously covered by the OECD (printing and postage).

In 2013, the efforts made during the last two years to reduce these new expenses have been effective. Contrary to our initial outlook, the deficit was limited to 3024 €. This quite satisfactory result is due in part to the increase in membership fees and for the other part to the reduction of expenses such as printing and posting of documents, and to the absence of substantial costs of studies and appeals. On the other hand, expenses for the secretariat increased last year due to the change of secretary (payment of untaken leave to the departing secretary). Finally, the complete renewal of the website has increased expenditure under “office supplies, computer and telephone”.

Revised budget for 2014 and draft budget for 2015

The outcome of the 2013 budget allows us to revise the outlook for 2014 in such a way as to consolidate the progress achieved so far. Income from subscriptions at the same level as 2013 and expenses, which should not increase significantly, will permit us to achieve a balanced budget.

For 2015, we expect a similar budget, the only foreseeable increase in spending being for the General Assembly, which will take place outside of Paris.

Under the assumption of such a budget result, the net assets of the Association should remain relatively stable, around 230 000 €.

AAPOCAD

TABLE I
 INCOME AND EXPENDITURE 2012-2013 AND DRAFT BUDGET FOR 2014-2015
 (Euros)

	2012	2013		2014		2015
	Outturn	Revised budget (a)	Outturn	Initial budget (a)	Revised budget	Initial Budget
INCOME						
Subscriptions	99,561.80	120,000.00	134,881.45	120,000.00	135,000.00	135,000.00
Interests / Capital gains or losses	5,510.95	5,000.00	3,781.28	5,000.00	4,000.00	4,000.00
	<u>105,072.75</u>	<u>125,000.00</u>	<u>138,662.73</u>	<u>125,000.00</u>	<u>139,000.00</u>	<u>139,000.00</u>
EXPENDITURE						
General Assembly: a) reception	810.00	800.00	375.78	800.00	800.00	800.00
b) other (room rental, interpretation)	705.42	7,000.00	5,554.48	1,000.00	1,000.00	5,000.00
	<u>1,515.42</u>	<u>7,800.00</u>	<u>5,930.26</u>	<u>1,800.00</u>	<u>1,800.00</u>	<u>5,800.00</u>
Travel - Coordination missions	6,809.70	7,000.00	9,032.98	7,000.00	8,000.00	8,000.00
- Governing Board	23,534.38	30,000.00	29,130.02	25,000.00	25,000.00	25,000.00
	<u>30,344.08</u>	<u>37,000.00</u>	<u>38,163.00</u>	<u>32,000.00</u>	<u>33,000.00</u>	<u>33,000.00</u>
Experts/consultants/CRP	2,674.28	7,500.00	1,750.85	7,500.00	5,000.00	5,000.00
Miscellaneous	1,571.23	2,000.00	622.58	2,000.00	1,500.00	1,500.00
Representation	0.00	500.00	0.00	500.00	500.00	500.00
Secretariat (salary)	57,833.35	65,000.00	70,770.70	65,000.00	68,000.00	70,000.00
Office supplies, computer, telephone	5,141.68	6,500.00	11,138.85	6,500.00	10,000.00	7,000.00
Document printing	757.06	2,000.00	0.00	2,000.00	1,000.00	2,000.00
Packaging and postage	9,509.42	15,000.00	13,086.61	15,000.00	13,000.00	13,000.00
Regional delegates	428.90	500.00	224.14	500.00	500.00	500.00
Assistance and participation in appeals	0.00	4,000.00	0.00	4,000.00	4,000.00	4,000.00
Reimbursements	0.00	0.00	0.00	0.00	0.00	0.00
	<u>77,915.92</u>	<u>103,000.00</u>	<u>97,593.73</u>	<u>103,000.00</u>	<u>103,500.00</u>	<u>103,500.00</u>
Total expenditure	<u>109,775.42</u>	<u>147,800.00</u>	<u>141,686.99</u>	<u>136,800.00</u>	<u>138,300.00</u>	<u>142,300.00</u>
BALANCE (surplus+/deficit-)	-4,702.67	-22,800.00	-3,024.26	-11,800.00	700.00	-3,300.00

(a) approved at the General Assembly in 2013

A.A.P.O.C.A.D.						
Table 2						
FINANCIAL SITUATION 2009 - 2013						
(Euros)						
		2009	2010	2011	2012	2013
<u>Income</u>		95,756.84	101,821.91	99,787.05	105,072.75	138,662.73
<u>Expenditure</u>		96,817.93	104,763.64	138,322.37	109,775.42	141,686.99
<u>Surplus / Deficit</u>		-1,061.09	-2,941.73	-38,535.32	-4,702.67	-3,024.26
<u>Net assets</u>						
at 1st January		284,855.73	283,794.70	280,852.97	241,317.64	236,614.97
at 31st December		283,794.70	280,852.97	241,317.64	236,614.97	233,590.71
presented by						
<u>Assets</u>						
Amounts receivable		100.00	100.00	45.00	5,545.00	0.00
Investments		274,029.02	275,149.32	245,368.14	240,879.09	224,660.37
Bank		23,161.57	22,151.63	10,583.31	8,249.75	22,367.07
Cash		0.00	10.60	10.60	10.60	31.72
Reimbursement of advance						5,500.00
Total		297,290.59	297,411.55	256,007.05	254,684.44	252,559.16
<u>Liabilities</u>						
Amounts payable		13,495.89	16,558.58	14,689.41	18,069.47	18,968.45
Total (net)		283,794.70	280,852.97	241,317.64	236,614.97	233,590.71

Certified exact

E. Lindner

Elfriede LINDNER

Treasurer

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