



SECRETARY GENERAL
LE SECRÉTAIRE GÉNÉRAL
Jens Stoltenberg

SG(2017)0046

13 February 2017

Dear Mr. Guidetti,

Thank you for your letter dated 30 January 2017 concerning the remuneration adjustment method and the coordinated pension scheme.

I have taken note of the points that the Confederation of NATO Retired Civilian Staff Associations has made and the alignment with the Confederation of NATO Civilian Staff Committees concerning the October 20, 2016 letter signed by nine Permanent Representatives commenting on the 244th report of the Coordinating Committee on Remuneration.

I attach a copy of my reply (SG(2016)0372) to the letter by the nine Permanent Representatives for ease of reference.

As you are aware, discussions will continue on both topics at the level of the Coordinating Committee on Remuneration on 7-9 March 2017 where the interests of the retired staff are represented by the Association of Pensioned Staff of the Coordinated Organizations.

I understand that Executive Management, NATO IS aims to provide a progress update at the Joint Consultative Board meeting on 31 March 2017. It is important that the views of the retired staff remain available to NATO and other Coordinated Organizations, and I trust that your support and active involvement on these topics will continue.

Yours sincerely,

Jens Stoltenberg

Annex: SG(2016)0372

Mr Olivier Guidetti
Chairman
Confederation of NATO Retired Civilian Staff Associations
Bd Leopold III
B-1110 Bruxelles

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SECRETARY GENERAL
LE SECRÉTAIRE GÉNÉRAL
Jens Stoltenberg

SG(2016)0372

14 December 2016

To: Permanent Representatives of Belgium, Canada, France, Italy, the Netherlands, Portugal, Spain, the United Kingdom, the United States

REMUNERATION ADJUSTMENT METHOD

1. I acknowledge receipt of your letter of 20 October 2016 concerning the 244th Report of the Coordinating Committee on Remuneration (CCR) that was approved by Council under PO(2016)0612. I take note of your comments underlining the importance of supporting the recommendation at paragraph 5(ii) of the CCR report regarding the adoption of an Addendum to the remuneration adjustment method to resolve the divergence in salary adjustments between the application of the calculation method and that of the national civil servants.

2. I have tasked my representative in the CRSG to address this issue in a way that responds to Nations' expectations while preserving the fundamental pillars of the remuneration adjustment method, in particular parallelism with the reference national civil services and equivalence of purchasing power among staff. Indeed this principle of parallelism is essential to ensure stable, foreseeable and objective results, and to maintain our ability to employ personnel from all NATO nations. I trust that discussions in the tripartite forum in the CCR will allow Nations, Management and Staff to exchange views with the objective of producing stable, foreseeable, objective and transparent remuneration adjustment results. I note, however, that an OECD study has shown that the existing adjustment mechanism has actually produced average annual real remuneration growth of 0.2% over the past 17 years, which is below median remuneration growth of the eight reference countries.

3. I note that the Addendum to the 244th CCR report will be considered as part of the CCR's 2017 work programme with the objective of agreeing to it by no later than June 2017. It is important for the CCR to find a solution that will not reduce our ability to attract staff from 28 Member States of the Alliance in line with the NATO-wide HR Strategy.


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4. In this context, I am encouraged that the International Staff proposal to introduce a single salary spine structure is under active consideration by the Deputy Permanent Representatives Committee. This initiative launched at NATO is unique amongst the Co-ordinated Organizations and has been highly supported by the CCR. The proposed structure is aimed at addressing specific recruitment, retention and staff mobility difficulties, which in large part are caused by inconsistencies in the current remuneration structure. The single salary spine is also an important project for controlling growth in employment costs over time.

5. I also acknowledge your concern regarding the coordinated pension scheme and I note that this will be discussed in the CCR in 2017. I recall that Nations' concern about the long term cost of the coordinated pension scheme was a major factor behind the decision to close the coordinated scheme to new entrants and to affiliate all new recruits to a funded defined contribution pension scheme since July 2005, which, unlike the coordinated scheme, is fully funded in advance through contributions by Nations and by staff.

6. In the interest of transparency, I am circulating a copy of this letter to your colleagues on the Council.



Jens Stoltenberg

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