Council

DRAFT DECISION ON ADJUSTMENT OF REMUNERATION OF STAFF FOR 2009

(Note by the Executive Committee)
Background

1. On 29 October 2008, following the 190th Report of the CCR, the Secretary-General submitted a document to Council on the remuneration adjustment of the staff of coordinated organisations [CE(2008)23]. This document proposed that the remuneration be adjusted as of 1 January 2009 in line with the adjustment indices set out in Annex 2 to this document. An addendum was also submitted to the Executive Committee dealing with the potential application of Article 11 of the remuneration adjustment procedure (171st Report) and with the CCR recommendation in this respect [CE(2008)23/ADD1/REV1].

2. The Executive Committee examined the issue of remuneration adjustment at its meetings of 19 November and 3 December and suspended its session of 10 December without an agreement on the Secretary-General’s proposal to follow the recommendation of the CCR with respect to the remuneration adjustment for the year 2009.

3. In parallel, difficult budgetary discussions took place in the Budget Committee. To find a way out of the deadlock which the Committee faced, its President was led to make two successive proposals with a view to find agreement on the budget of the Organisation. At the end of its discussions, the Budget Committee identified a remaining budget shortfall of 850000 EUR and invited the Secretary-General to find a solution to bridge this gap, in particular through the phase-in of the salary adjustment for 2009.

4. It is in this context that the Secretary-General contacted the Staff Association to seek elements of a solution with a view to avoid serious consequences for the Organisation and its staff. Following preliminary discussions with the Staff Association, the Secretary-General proposed to it a scenario aiming at the implementation in two steps of the remuneration adjustment recommended by the CCR. More precisely, this scenario would involve the granting of two-thirds of the adjustment as of 1 January 2009, the remainder being granted on 1 August 2009. For France, this would mean that, given the CCR recommended adjustment of +3%, the scale would be adjusted by +2% on 1 January 2009, with the remainder of +1% being granted on 1 August 2009. The adjustment of remuneration in other countries would be done applying the same proportions and calendar.

5. The Staff Association was open-minded with respect to this proposal but indicated that it wished to address directly the Executive Committee on this issue. Accordingly, it was invited to intervene at the resumption of the Executive Committee meeting on 17 December.

6. The Council draft conclusions set out in the following paragraph reflect the agreement reached in the Executive Committee. Some elements have been included to address the issue of the adjustment of salary scales when, in application of the indices recommended by the CCR, the level of these scales would decrease. This concerns countries in respect of which special adjustments were implemented in 2008 and in respect of which the level of the scales as of 31 December 2008 is greater than that resulting for the relevant adjustment indices for 2009. Four countries are affected: Mexico, Spain, Turkey and the USA.

Proposed Action

7. In the light of the preceding, the Executive Committee invites the Council to adopt the following draft conclusions:

THE COUNCIL

a) noted document C(2008)219, as well as CE(2008)23 and its ADD1/REV1 concerning the 190th Report of the Co-ordinating Committee on Remuneration;
b) noted the outcome of the budgetary discussions in the Budget Committee and the report of its President;

c) noted the Secretary-General’s proposal to fully fund the Organisation’s budget for the 2009-2010 biennium, which has an impact on the salary adjustment for 2009;

d) noted the discussions in the Executive Committee regarding the salary adjustment for 2009, and welcomed the position expressed by the Staff Association before it;

e) approved the adjustment of the salary scales resulting from the application of the adjustment indices for the year 2009, as set out in Annex 2 of document CE(2008)23, with the following modalities:

   i) subject to subparagraph ii), the salary scales shall be adjusted by two-thirds of the relevant adjustment index at 1 January 2009, these scales being further adjusted by the remaining third at 1 August 2009;

   ii) the salary scales which, as a result of the application of the adjustment indices for the year 2009, would be lower than those in force as of 31 December 2008 shall be adjusted downwards with effect at 1 January 2009;

f) noted that, in accordance with Article 5 of the remuneration adjustment procedure [Annex I to the Staff Regulations and 171st CCR Report], any special adjustment made in 2008 shall be deducted from the adjustment of the scales mentioned under paragraph e) and that the negative effects of such deduction shall not be suspended in light of Article 11 of the said procedure;

g) approved, with effect at 1 January 2009, the amounts of allowances fixed in absolute value, adjusted in accordance with the procedure and set out in Annex 5 of the document CE(2008)23;

h) noted that, in pursuance of Article 36 of the 132nd Report by the CCR, pensions provided for under the Rules of the Co-ordinated Organisations Pension scheme shall be adjusted in the same proportions and at the same date as the salary of staff in relation to which they are calculated;

i) noted that, in accordance with the interpretation given to paragraph 3 of the 34th Report by the CCG [CCG(65)5] dated 25 October 1965, at its 77th Session on 29 June 1966 [cf. CCG/M(66)6], the salary of auxiliary staff serving in the Co-ordinated Organisations shall be adjusted in the same proportions as that of permanent staff.