

Questions on the draft Budget of 8 March 2017

Article	Question	Response
Article 1a: Salaries and allowances	Several Members requested more information on the cost of living adjustment used for the salary line.	<p>The <i>inflation</i> rate for goods and services is the rate for the Netherlands as established by the Dutch Central Bank; while the rate applied to the salaries is a <i>cost of living adjustment</i> to the salary scales as established for Co-ordinated and associated organisations located in the Netherlands. The cost of living adjustment includes, but is not limited to, an inflation component; the adjustment is determined by the International Service for Remunerations and Pensions (ISRP) and approved by the Co-ordinated Committee for Remunerations as well as the governing bodies of the Co-ordinated and associated organisations. The salary scales enter into force on 1 January of each calendar year, and the cost of living adjustment can represent an increase or a decrease (as happened in the past). The PB will prepare a short memo clarifying this issue for Members in advance of the CDR.</p> <p>The inflation rate for the Netherlands between December 2015 and December 2016 was 1% (see http://www.inflation.eu/inflation-rates/the-netherlands/historic-inflation/cpi-inflation-the-netherlands-2016.aspx).</p>
	Serbia requested more information on the plans for the recruitment of additional Diplomat Lawyers	The SG notes that it is his intention to bring staffing back in line with the Statute, but due to ongoing developments he cannot be more specific about plans in that area.
Article 1d: Staff Rules	Several Members requested a breakdown of the expenses envisaged under this line	The draft Budget envisages € 50,000 for expenses in this line, divided as follows: € 25,000 for dispute resolution procedures (including CoE), € 15,000 for a possible payment of an indemnity for loss of employment, and € 10,000 for staff development. It is the PB's intention to keep some flexibility – for example if more than € 25,000 were required for dispute resolution, the expenses for staff development could be reduced.
	Germany requested more detailed information on the progress of setting up a fund for the indemnity for loss of	The fund for the indemnity for loss of employment will be treated the same as the other funds in the draft Budget (relocation, collection of Conventions, etc.)

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	employment as envisaged under the new Staff Rules	
Article 1g: Consultants	Several Members requested more information about the expenses contained in this line	In the 8 March version of the draft Budget, the following expenses were included under Article 1g: Consultants: Accountant, Publications Consultant, part of the expenses for the staff in the Regional Office for the Asia Pacific.
Article 2: Costs relating to the office building	Several Members requested more information on the inflation rate used in this line	This will be included in the memo on inflation which is currently under preparation.
Article 14: Pensions	China asked for more information about the system for Pensions at the Permanent Bureau.	The PB notes that all the documents relating to the work on the pension file is available on a hidden webpage at https://assets.hcch.net/upload/hidden/fin2011/pensions2011.html . This includes documents spanning the time period 2004 (when the SG first raised the issue of the sustainability of the pensions) to 2015 (when the decision to sell the building at Scheveningseweg 6 was discussed).
Various	Japan asked for the implementation rate for the Budget for the current Financial Year.	Bookkeeping is currently being carried out for March 2017, after which the PB will be able to issue the implementation rate figure.
Various	Japan asked for plans for a possible surplus	In keeping with the Financial Regulations, any surplus would first be used to reinforce the Revolving Fund. The next priority for a surplus is to reinforce the Pension Reserve Fund.
Various	Russian asked for an alternative draft Budget for the eventuality that the Staff Rules would not enter into force in the current Financial Year	Given other urgent matters, the PB does not have the bandwidth to prepare an alternative draft Budget.