



**ПОСОЛЬСТВО
РОССИЙСКОЙ ФЕДЕРАЦИИ
В КОРОЛЕВСТВЕ НИДЕРЛАНДОВ**

**EMBASSY
OF THE RUSSIAN FEDERATION
IN THE KINGDOM OF THE NETHERLANDS**

№ 534

Encl.
2 p.p.

The Embassy of the Russian Federation in the Kingdom of the Netherlands presents its compliments to the Permanent Bureau of the Hague Conference on Private International Law and with reference to the intervention of the Russian delegation during the meeting of the Council on General Affairs and Policy (the Hague, 5-8 March) under Agenda item VI (11) (A) has the honour to convey the comments of the Russian Federation on the draft Budget and Explanatory Notes for financial year 1 July 2019 – 30 June 2020 (FY 65).

The Embassy would highly appreciate it if the Permanent Bureau could convey the contents of this Note Verbale to the attention of the Members of the Hague Conference.

The Embassy avails itself of this opportunity to renew to the Permanent Bureau the assurances of its highest consideration.

ASH
The Hague, "ASH" March 2019



**HAGUE CONFERENCE ON
PRIVATE INTERNATIONAL LAW
- Permanent Bureau -**

The Hague

**Comments of the Russian Federation
on the draft Budget and Explanatory Notes
for financial year 1 July 2019 – 30 June 2020 (FY 65)**

1. The Russian Federation adheres to the principle of “zero nominal growth” in all the international organisations. Therefore total increase of the HCCH budget by 0,86 % (1,65% per unit) in the light of the envisaged inflation rate in the Netherlands is considered to be acceptable. The Russian side welcomes all the efforts of the Permanent Bureau to further optimize the expenses of the HCCH and to better justify the increase of specific budget lines.

2. Explanations of the Permanent Bureau on the necessity to increase expenses in the linguistic area “due to increasing workload” (Article 1a) are not clear. According to Explanatory Notes to Article 6 internal translators in general can complete most translation work. In light of the aforesaid the Russian side suggests that the Permanent Bureau could consider appropriate decrease of this budget line. It is also desirable to get a comprehensive statistical information on a number of documents translated yearly and on a corresponding dynamics

3. Total personnel costs in international organisations usually amount to 65-70% of the regular budget. In the HCCH a relative figure is 81% which provides for opportunity to improve budget policy by decreasing a corresponding part of expenses.

In the light of the above we would like to draw attention to the following. Article 1a “Salaries and Allowances” provides for salary adjustment (para. 12 of the Explanatory Notes) according to Remuneration Adjustment Method (RAM). The estimated RAM rate is 2% which includes both expected inflation for the Netherlands and the recommendation of the Coordinating Committee on Remuneration. We would kindly ask the Permanent Bureau to clarify the two aforementioned components of the RAM rate. As far as we know, inflation for other international organisations in Europe is envisaged to be within the limits of 1,5 - 1,7%.

It should be taken into account that most of international organisations which use recommendations of the Coordinating Committee on Remuneration (European Space Agency, NATO, Council of Europe, etc.) have a special provision in their financial

regulations (a so-called “affordability clause”) in regard to automatic increase of salaries in the light of the recommendations of the Committee. It means that Members can decide whether to follow the recommendations and increase the salaries of the personnel fully or partially, or not to increase them at all. This approach can also be used in this Organisation.

4. In Article 1e (increase by 7,500 euro) use of service of external HR experts is mentioned. In our understanding such an expense is redundant unless it is well-justified. In order to save money we could also suggest review of the schedule of corporate events.

5. With regard to Article 7 (PB missions) we kindly request the Permanent Bureau to provide a draft plan of business trips of the PB experts for the next financial year approved by the Secretary-General. In our understanding further cuts can be made. We also suggest to consider possibility of decreasing the expenses on representation (Article 9) which cover, inter alia, costs of international meetings.

6. In Part B of the draft Budget a considerable increase is envisaged for interpretation costs. We would like to kindly request the Permanent Bureau to provide information on market prices of interpretation and technical support for the meetings of the kind.

7. Arguments in favour of increase of expenses under Article 15 (Retirement or Survivors Pensions) are not convincing. We would like to kindly request a more comprehensive argumentation, inter alia, from a financial point of view. In particular, in order to make a proper decision the Members should possess reliable information on profitability of investments of the Pension Reserve Fund.

The Russian side would highly appreciate it if the Permanent Bureau could provide further clarifications and answers to the aforementioned questions, as well as all the requested additional information in writing and bring it to the attention of all the Members of the HCCH.