

**NORTH ATLANTIC TREATY ORGANISATION
GROUP OF NATIONAL DIRECTORS ON CODIFICATION
ALLIED COMMITTEE 135 (AC/135)**

HANDBOOK ON AIMS, ORGANISATION AND WORKING PROCEDURES



July 2013



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on behalf of
The Group of National Directors on Codification (AC/135)

CORRIGENDUM

Ref. #	Section/Para/Annex	Subject	Issued	Action #
03/01	5.4 to 5.6	AC/135 Financial Policy	Jul 2003	MG 81-39
03/02	Annex VII	AC/135 Financial Policy	Jul 2003	MG 81-39
03/03	App. B to Annex II	AC/135 Budget Committee - ToR	Jul 2003	MG 81-42
03/04	Annex VI	AC/135 Budget Cycle of Activities	Jul 2003	MG 81-43
03/05	7.1.4 and Annex V	AC/135 Representation Costs	Jul 2003	MG 82-26
03/06	Annex III	AC/135 Strategic Plan	Jul 2003	MG 82-38
04/07	Annex VII; point 10	AC/135 Financial Policy	Jan 2004	MG 84-23
04/08	2.1.3 to 3.8.3	Miscellaneous changes	Jul 2004	MG 85-11
05/09	Section 5	AC/135 Financial Policy	Jan 2005	MG 86-13
05/10	App B to Annex II	BSC Responsibilities	Jan 2005	MG 86-13
05/11	Former Annex V	Namsa Programme of Work deletion	Jan 2005	MG 86-13
05/12	Annex VII	AC/135 Financial Policy	Jan 2005	MG 86-13
06/01	App B to Annex II, §1	AC/135 Budget Committee - ToR	Jan 2006	MG 88-12
06/02	Annex V, § 2 + § 3	AC/135 Representation Costs	Jan 2006	MG 88-45
07/01	App. B to Annex I	Quality Charter (new)	Jan 2007	MG 89-06
07/02	4.2 to 4.4 & Annex III	AC/135 Strategic Map (new)	Jan 2007	MG 90-01
07/03	2.4 (new)	Departing/arriving AC/135 Directors	Jan 2007	MG 90-21
07/05	Annex III	Review of AC/135 Strategy Map	Jul 2007	MG 91-07
08/01	Annex VI	Review of AC135 Budget Cycle	Jan 2008	MG 92-29
08/02	New para 6.1.4	AC135 Sponsorship Programme	Jan 2008	MG 92-29
08/03	Various paragraphs	Editorial Amendments	Jan 2008	MG 92-29
08/04	Annex III	Revision : AC135 Strategic Map	Jul 2008	MG 93-04
08/05	2.2 (new)	BSC Committee of AC135	Jul 2008	MG 93-24
08/06	7.1.5 (new)	AC/135 Mementos	Jul 2008	MG 93-24
09/01	Annex III	AC/135 Strategic Map (removed)	Jan 2009	MG 94-05
09/02	App. A to ANNEX I	Tasks of Chairman AC/135 (revised)	Jan 2009	MG 94-35
10/01	Annex I	Terms of Reference AC/135 (new)	Jan 2010	MG 96-48
10/02	Annex IV (renumbered)	AC/135 Strategic Map (re-integrated)	Jan 2010	MG 96-08
10/03	Annex IV	AC/135 Strategy Map revision	Jul 2010	MG 97-08
10/04	1.2.3/1.2.4/2.2.2/1.1.1/4.3.1	Tier2 sponsored nations participation	Jul 2010	MG 97-09
11/01	2.2.1	BSC financial authority	Jul 2011	MG 99-03
10/02	1.2.4	Election of Chairmen	Jul 2011	MG 99-38
12/01	Annex IV revised	AC135 Strategy Map revision	Jan 2012	MG 99-19
12/02	4.2. to 4.4.	Vision, mission and key objectives	Jan 2012	MG 100-14
12/03	Annex IX (NEW)	5 Years IT Plan – Annual Cycle	Jul 2012	MG 101-08
12/04	Annex IV	Review of AC135 Strategy Map	Jul 2012	MG 101-22
12/05	Paragraph 6.1.4	Tier 1 attendance at meetings	Jul 2012	MG 101-34
12/06	Annex VII	Review of AC135 Budget Cycle	Jul 2012	MG 101-35

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1. GROUP OF NATIONAL DIRECTORS ON CODIFICATION (AC/135)

1.1. Scope

1.1.1. Scope of the Handbook

The Handbook establishes the structure of the Allied Committee 135 (AC/135), that is the Group of National Directors on Codification, including its products and all applicable procedures.

1.2. Structure

1.2.1. General

The North Atlantic Council at its meeting held on 5 December 1957 recognised the importance of NATO Codification as an essential tool in the Logistics area, and thus decided to establish a NATO Codification structure to enable unambiguous international Logistics communication and data exchange. The structure aspires to support Logistics operations and processes in national and international environment on an effective and efficient way. The NATO Codification process, producing unique NATO Stock Numbers (NSN) for materiel based on the "one item - one number" principle, plays an important role in the national Logistics concept of NATO, as well as non-NATO nations. Major elements of NATO Codification are the organisational structure, the collective National Codification Information Systems that manage NATO Stock Numbers and the equivalent working procedures which together comprise the NATO Codification System (NCS).

1.2.2. The Organisation

The NATO Codification organisational framework ensures an optimal international co-ordination between nations applying NATO Stock Numbers disciplines as a basis in their national Logistics concepts. The Group of National Directors on Codification is known as the AC/135 Main Group, and is the central body in the managerial structure. For consideration of general or specific problems requiring detailed and lengthy studies, Panel A is the subordinated working body to the Group of Directors.

1.2.3. Membership

The AC/135 Main Group and Panel A are constituted of one or more representatives of each NATO and sponsored country and NATO Support Agency (NSPA). Continuity of national representation is desirable. The representatives of NSPA participate in a full capacity on all subjects related to the tasks assigned to NSPA under the Memorandum of Understanding (MoU) 180 between AC/135 and NSPA, and on all matters related to NSPA execution of tasks associated with the operation of the NATO Codification System on behalf of all NATO agencies. They also participate in a consultative capacity on all other subjects.

1.2.4. Election of Chairmen

- a. The Chairman of AC/135 Main Group will be elected amongst the AC/135 NATO Members by nomination from one or more Directors and unanimous support of all NATO and Tier 2 members. In the event of more than one nomination a secret ballot will be held and the Chairman selected by majority of votes.
- b. The Chairman of Panel A will be elected in the same fashion and the nomination ratified by Main Group. Members of Tier 2 nations will also be eligible to serve as Chairman of Panel A.
- c. The Chairman of the AC/135 Budget and Strategic Planning Committee (BSC) will be elected by the members of the BSC and ratified by Main Group.

- d. Main Group, BSC and Panel A Chairmen will hold office for a period of two years with the possibility of re-election for a second term. In exceptional circumstances, Main Group, BSC and Panel A Chairmen may continue in office beyond four years when necessary, subject to review on a 12 monthly basis.
- e. Chairmen of other Working or Task Groups will be appointed by either Main Group or Panel A as appropriate and may also be drawn from NSPA staff when no AC/135 candidates are available.

2. AC/135 ORGANISATION AND RESPONSIBILITIES

2.1. AC/135 Main Group

2.1.1. The Group of National Directors on Codification is composed of the Directors of Codification Authorities from all NATO and Sponsored nations, and a representative from NSPA. AC/135 reports to the Conference of National Armament Directors (CNAD) chaired by the Assistant Secretary General for Defence Investment.

2.1.2. Terms of Reference

The AC/135 Terms of Reference define the area of responsibility, the mission, the tasks, the composition and organization, and the method of work of AC/135. They are stipulated in [ANNEX I – Terms of Reference for the Group of National Directors on Codification \(AC/135\)](#)

The Quality Charter (see [APPENDIX B TO ANNEX II](#)) and the Definitions of Sub-Ordinate Bodies (see [ANNEX III](#)) are detailed elements of these Terms of Reference.

For the tasks deriving from these Terms of Reference see [ANNEX II - TASKS OF AC/135 MAIN GROUP](#)

2.1.3. Chairmanship of AC/135 Main Group

The Chairman will preside over all meetings of the AC/135 Main Group and:

- a. ensure that Decision Sheets accurately reflect the outcome of the discussions;
- b. act as the official spokesman of the AC/135 Main Group;
- c. is responsible for progress reports to CNAD.

For the tasks deriving from the Chairmanship see [APPENDIX A TO ANNEX II - TASKS OF THE CHAIRMAN AC/135 MAIN GROUP](#)

2.2. Budget and Strategic Planning Committee (BSC)

To improve efficiency and to enable the Main Group to take its financial and strategic planning responsibilities, a Budget and Strategic Planning Committee has been set up to advise AC/135 on any issues related to the AC/135 Strategy Map and budgets matters. NSPA is de facto member of the AC/135 Budget and Strategic Planning Committee.

2.2.1. Terms of Reference of BSC

The Budget and Strategic Planning Committee:

- is responsible to advise the Main Group on any issues related to the AC/135 Strategy Map;
- is responsible to advise the Main Group on any issues related to the AC/135 Quality Programme;

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- is responsible to advise the Main Group on any changes required to the AC/135 Handbook on Aims, Organization and Working Procedures;
 - is responsible to advise the Main Group not later than 3 weeks preceding its meetings on relevant budget issues (acceptability/issues of special interest/ expectations etc);
 - shall participate with NSPA in the preparation and control phase of the budget process;
 - shall be timely informed by NSPA on the detailed financial data being the basis for the budget;
 - shall report immediately to the Main Group if for some reasons the work will be delayed;
 - is responsible to advise the Main Group on any other issues it may deem necessary;
 - works on the basis of recommendations to the AC/135 Main Group.
 - has authority to approve individual items of expenditure up to 10K€ with an annual ceiling of 25K€, and the requirement to inform the AC/135 Main Group.

2.2.2. Membership and Chairmanship of BSC

The Budget and Strategic Planning Committee will consist of no less than 3 and no more than 8 NATO member nations, plus a Tier 2 sponsored nation as observer. The Chairman of AC/135 will be copied of all BSC's documents and may participate in BSC meeting at his/her discretion. The composition of the BSC will be approved by the Main Group on the basis of volunteers from member nations. The BSC will be appointed every 2 years at the time of election of the Main Group Chairman. Chairman BSC will be elected among BSC members.

2.2.3. BSC meetings

BSC holds its meetings twice per year at least two months prior Main Group meeting allowing for comprehensive preparation for Main Group plenary. An additional meeting can be called by Chairman BSC upon specific requirements.

2.3. AC/135 Panel A

2.3.1. Terms of Reference of AC/135 Panel A

Panel A is responsible:

- a. for developing detailed technical procedures for the implementation of Codification policies;
- b. to assist the AC/135 Main Group in the preparation of Codification policies;
- c. to advise the AC/135 Main Group on technical matters;
- d. to establish, monitor and give guidance to Task Groups conducting studies and projects upon approval of the AC/135 Main Group. For definitions, see [ANNEX III - DEFINITIONS OF SUB-ORDINATE BODIES](#).

For the Tasks deriving from these Terms of Reference see [APPENDIX C TO ANNEX II - TASKS OF THE AC/135 PANEL A](#)

2.3.2. Chairmanship of AC/135 Panel A

The Chairman will preside over all meetings of the AC/135 Panel A and

- a. ensure that Decision Sheets accurately reflect the outcome of the discussions;
- b. act as the official spokesman of the AC/135 Panel A at Main Group meetings;

- c. is responsible for progress reports to AC/135 Main Group.

2.3.3. AC/135 Panel A meetings

The AC/135 Panel A shall normally hold its meetings twice per year at the NATO Support Agency (NSPA) located in Capellen, Luxembourg. Special meetings of the AC/135 Panel A may be called with the approval of the AC/135 Main Group.

2.4. Secretarial Support

2.4.1. Secretary and Secretarial Support Functions

In accordance with the terms of the Memorandum of Understanding (MoU), the NATO Support Agency (NSPA) will provide secretarial support to the AC/135 in the following areas:

- a. Permanent Secretary to AC/135 Main Group and AC/135 Panel A;
- b. Management of Agendas and briefs submitted by the members;
- c. Preparation of Decision Sheets and other official documents;
- d. NATO official documents are to be circulated in the two official NATO languages through the Defence Investment Division of NATO Headquarters;
- e. Administrative arrangements for AC/135 Main Group and Panel A meetings;
- f. Prepare the Annual Report to CNAD for approval by the AC/135 Main Group;
- g. Manage the NATO Automated Business System application. see [paragraph 3.8](#)

2.5. Departing/arriving AC/135 Directors and/or NCB Chiefs

- 2.5.1. Prior to an AC/135 Director and/or NCB Chief departing from their position, or after an AC/135 Director and/or NCB Chief arrives to their position, they will notify the Secretary of their departure/arrival date, including name, mailing address and e-mail address.
- 2.5.2. The Secretary will prepare/send a good-bye/welcome letter to the departing/arriving AC/135 Director and/or NCB Chief for the Chairman's signature.
- 2.5.3. The Secretary will notify all AC/135 Directors and/or NCB Chiefs of the departing/arriving AC/135 Director's and/or NCB Chief's effective date, name, mailing address and e-mail address.

3. WORKING PROCEDURES

3.1. Conduct of Business

- 3.1.1. To enable the workload of AC/135 to be executed effectively with the following guidelines applying:
 - Proposals should be clearly defined by submitting nations for open examination and discussion at AC/135 meetings;
 - New proposals are to be submitted at least six (6) weeks prior to meetings to enable adequate national consideration;
 - Comments on Agenda items should be submitted not later than three (3) weeks before the meeting occurs;
 - Action items required with their appropriate deadlines for completion should be clearly identified.

3.2. Processing of Proposals

3.2.1. Proposals for examination and discussion by AC/135 may be presented by:

- Any NATO country;
- NSPA;
- NATO Commands and other NATO Authorities/Agencies;
- NATO International Staff;
- AC/135 Sponsored nations.

3.2.2. Proposals should:

- clearly state the facts of the problem, including sufficient details to enable full comprehension;
- indicate the level of priority;
- outline the options to be considered with any arguments for and against;
- make clear recommendations for change.

3.3. Decisions and Recommendations

3.3.1. AC/135 Main Group

Decisions are reached by consensus after study and discussion. It is permissible for a member-nation to reserve its position pending consultation with national authorities. This reservation may be lifted verbally at a succeeding meeting, or by formally informing the AC/135 Main Group. If a reservation cannot be lifted, the relevant decision may be implemented by other nations. Nations not applying the agreed procedures will be clearly mentioned in the appropriate Allied Codification Publication. Decisions may require the sanction of a higher NATO Authority, or be of an advisory nature to National Authorities.

3.3.2. AC/135 Panel A

All Panel A decisions will take the form of recommendations to AC/135 Main Group.

3.3.3. Sub-Groups

Sub-Groups may decide on technical and supply matters within their Terms of Reference, and within the framework of general policy as defined by AC/135 Main Group. These decisions shall be binding only for those nations represented on the Sub-Group that has taken the decision.

3.4. The Silence Procedure

3.4.1. When a proposal or a decision has been outlined, and the final version has been circulated as a formal AC/135 document, the AC/135 Main Group or AC/135 Panel A may decide that the silence procedure be applied for obtaining approval and establish the deadline for raising objections.

3.4.2. Documents must clearly state the use of the silence procedure and their deadline which should normally be six (6) weeks. If the silence procedure is broken and re-circulation occurs, a new deadline of four (4) weeks should be stated. The re-circulated document must clearly mention: "This document is re-circulated under the Silence Procedure, and a reply is due before four (4) weeks"

3.4.3. A document will be considered accepted if no objections have been voiced within the established time period. A nation wanting to break the silence procedure must clearly state so.

- 3.4.4. The silence procedure shall not be applied if discussion by the AC/135 Main Group or AC/135 Panel A has not been completed or if a national representative has raised objections.

3.5 . Distribution of NATO Documents

- 3.5.1. All NATO documents in the AC/135 series (AC/135-A/..., -DS/..., -D/.. etc.), are distributed to Nations according to a National Distribution List supplied to NATO. AC/135 representatives are responsible for internal national distribution.
- 3.5.2. The following AC/135 documents are considered official NATO documents, and will be reproduced and distributed by NATO Headquarters in Brussels:
- Annual Report to CNAD;
 - Decision Sheets of AC/135 Main Group;
 - Handbook on Aims, Organisations and Working Procedures.
- 3.5.3. The Secretary AC/135 will prepare these documents and send them to NATO Headquarters for further processing.
- 3.5.4. All other AC/135 documents will be reproduced and distributed by the Secretary AC/135 under regular NSPA document numbers (e.g., LZ/01/AC135Sec/....., dated...).

3.6. Standard NATO Agreements (STANAGs) on Codification

- 3.6.1. AC/135 is responsible for the following STANAGs:
- STANAG 3150 Codification – Uniform System of Supply Classification.
 - STANAG 3151 Codification – Uniform System of Item Identification.
 - STANAG 4177 Codification – Uniform System of Data Acquisition.
 - STANAG 4199 Codification – Uniform System of Exchange of Material Management Data.
 - STANAG 4438 Codification – Uniform System of Dissemination of Data associated with NATO Stock Numbers.

The processing of STANAGs by AC/135 will follow the rules and procedures established by NATO Headquarters as outlined in document "AAP-3 (I) Directive for the Development and Production of NATO Standardization Agreements (STANAGs) and Allied Publications (APs)" dated February 2004.

3.6.2. Staffing of proposed STANAGs, Amendments and Updates to existing STANAGs

The following steps are to be followed:

- a. Secretary AC/135: Submits AC/135 proposed English/French STANAGs to the Chief Clerk (CC) of NSA (NATO Standardization Agency);
- b. CC of NSA: Assign a STANAG number and returns the file to the Secretary AC/135;
- c. Secretary AC/135: Forward file to NATO Headquarters, Defence Investment Division (DID);
- d. DID: Prepare cover note and send to NATO Nations for ratification;
- e. DID: Send ratification reports to Secretary AC/135;
- f. Secretary AC/135: Upon approval by AC/135 Main Group, prepare a consolidation paper, and forward the STANAG to NSA for promulgation;
- g. NSA: Promulgate the STANAG;

h. Secretary AC/135 Distribute STANAG to National Delegations in NATO HQ.

3.6.3. Review of STANAGs

Published STANAGs for which AC/135 is responsible will be reviewed every three years and revised if necessary. This is a standing task under the responsibility of AC/135 Panel A.

3.7. Publications and Maintenance

AC/135 develops and maintains the following Publications:

3.7.1. Allied Codification Publication No. 1 (ACodP-1)

ACodP-1 "NATO MANUAL ON CODIFICATION" provides the Principles, Responsibilities, Operating procedures and Automatic Data Processing (ADP) Regulations of the NATO Codification System. It is published in electronic format by NSPA on behalf of AC/135.

3.7.2. Allied Codification Publication No. 2 (ACodP-2)

ACodP-2 "NATO SUPPLY CLASSIFICATION (NSC) HANDBOOK" provides the classification structure of the NSC, by presenting all Groups and Classes listed in the arrangement of the four-digit NSC code-number system. It is based on the US/Federal Classification Handbook (H2) and is published in electronic format by the US NCB on behalf of AC/135.

3.7.3. Allied Codification Publication No. 3 (ACodP-3)

ACodP-3 "NATO ITEM NAME DIRECTORY" provides the Approved Item Names, Basic Names, their definitions and Colloquial Names, and also serves as the internationally agreed dictionary for the preparation of all item identifications. It is based on the US/Federal Item Name Directory for Supply Cataloguing (H6), and is published in electronic format by the US NCB on behalf of AC/135.

3.7.4. AC/135 Codification Support Publications (AC/135 CodSP)

AC/135 CodSP provides comprehensive and ad hoc information which, for technical reasons, is not included in ACodP-1 and is intended for streamlining international collaboration within NATO Codification. It is published in electronic format (HTML) by NSPA on behalf of AC/135.

3.7.5. "Handbook on Aims Organisation and Working Procedures"

The Handbook provides the Terms of Reference of the NATO Group of National Directors on Codification and describes the organisation of AC/135. This Handbook is published in electronic format by NSPA on behalf of AC/135.

3.7.6. "AC/135 Official Web Site" at <http://www.nato.int/codification>

The official AC/135 Web site contains some general and specific information about NATO Codification, the AC/135 and related Publications and products. It contains links to the Web sites of several national Codification Bureaux. It is managed and kept up-to-date by NSPA on behalf of AC/135.

3.7.7. "Guide to the NCS"

The Guide provides an explanation of the NATO Codification System for users of the system, procurement and management organisations, and is a useful reference for others with an interest in the system. It is published in hardcopy by the French NCB on behalf of AC/135.

3.7.8. "Brochure on the NCS"

The Brochure provides an introduction to the NATO Codification System. It is published in hardcopy by the French NCB on behalf of AC/135.

3.7.9. Maintenance

Updating of all Allied Codification Publications may be initiated by the AC/135 Main Group or by AC/135 Panel A on the basis of:

- a discussion paper or
- a NATO Codification System Change Request (NCSCR) or
- the international collaboration process for ACodP-2 and ACodP-3.

3.8. Exchanging and Managing AC/135 Correspondence - The NATO Automated Business System (NABS)

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- 3.8.1. The NATO Automated Business System (NABS), managed by NSPA, is the official means of exchanging and managing correspondence within AC/135 electronically.
- 3.8.2. The Secretary AC/135 receives documents and posts them in the Agenda with instant availability to all members.
- 3.8.3. NSPA ensures that the NABS is in conformance with NATO security regulations.

4. STRATEGY MAP

4.1. Introduction

- 4.1.1. AC/135 fully recognises that Codification provides a service to NATO and to national Defence Departments even of a wide range of participating nations beyond NATO. As a result, the prime responsibility for determining the Logistics requirements which Codification should meet or support, lies with the "customer", i.e. NATO staff (including SHAPE), and member nations working through the NATO committee structure (especially CNAD and the Senior National Logistics Conference (SNLC)). AC/135, and most particularly the Directors on Codification, have an important responsibility for ensuring that Logistics Policy staff are aware of the contribution which can be made through application of NCS disciplines.
- 4.1.2. The National development of Codification systems, particularly major changes, have to be planned well ahead. This is necessary to ensure the availability of resources, as well as to enable integration of NCS's development with changes to national Logistics management systems. In many cases, these wider considerations will dictate the opportunity for NCS development.
- 4.1.3. It is however noted that some form of system "freeze" may be necessary whenever major system changes are being made. AC/135 recognises that many national systems are in operation, and that it is unlikely that there will ever be a "window of opportunity" for all systems to be changed simultaneously.

4.2. Strategic vision

- 4.2.1. The vision of AC/135 is "One World - One Codification System – One Global Standard".

4.3. Mission statement

- 4.3.1. The AC/135 mission is to provide and promote the NATO Codification System as the primary means of materiel identification by Armed Forces, Government and Industry in support of interoperable and effective global logistics operations.

4.4. Key Objectives

- a. adapt the NCS to meet evolving Armed Forces requirements;
- b. promote NCS benefits to the defence community, industry and supranational organisations e.g. UN, EDA...;

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- c. embrace state-of-art data exchange technologies, to update NCS processes and reduce costs and time;
 - d. harmonise the NCS with international product identifiers e.g. (UID, RIC, CPV, GS1...) and facilitate the use of NCS for e-commerce;
 - e. improve data quality by developing and implementing a comprehensive quality plan with agreed metrics;
 - f. support and facilitate cooperative partnerships between defence and industry;
 - g. adapt NCS and national data structures to ensure compatibility with materiel management systems e.g. ERP...;
 - h. increase the number of member nations in AC/135 and their involvement in the decision making process;
 - i. continue improvement of NMCRL product including 100% functionality.

4.5. Perspectives

4.5.1. The following six perspectives derive from AC/135's vision:

1. Customer Perspective
2. Financial Perspective
3. Stakeholder Perspective
4. Partnership Perspective
5. Internal Perspective
6. Learning & Growth

4.5.2. In [ANNEX IV - AC/135 STRATEGY MAP](#) these are mapped together, in order to visualise the Strategic Plan and Tasks to be performed by AC/135.

4.6. Tasking Structure

4.6.1. The AC/135 tasking structure provides a means for the management of the AC/135 Strategy Map. This mechanism consists of a tasking structure, as well as a reporting and monitoring mechanism.

4.6.2. Tasking structure

The Strategy Map should be reviewed and updated after each AC/135 Main Group meeting by the Secretary and the Chairman AC/135. Each task stated in the Strategy Map should be registered on a Task Sheet (see [ANNEX V - AC/135 MANAGEMENT TASK SHEET](#)). All Task Sheet numbers will be standard references for Agenda items on the AC/135 Main Group Agenda. The Tasks Sheet indicates to which responsible body a certain task is assigned.

4.6.3. Reporting and monitoring technique

The Task Co-ordinator of the responsible body, will report in every AC/135 Main Group meeting on the progress of the Task under the relevant Agenda item.

5. CONTROL MECHANISM - TASKS ASSIGNED TO NSPA – AC/135 PROJECTS

5.1. Purpose

- 5.1.1. The purpose of this instruction is to:
- a. describe the process that leads to the approval of the Programme of Work, and related budget for AC/135 common and specific support;
 - b. define the AC/135 financial management policy;
 - c. describe the control mechanism by defining the responsibilities of all factors in that process.

5.2. Introduction

- 5.2.1. NSPA executes tasks on behalf of the Allied Committee AC/135. These tasks are either considered to benefit the whole of NATO (common tasks), and are thereby subject to common funding, or they benefit one or more NATO or non-NATO nations and organisations (specific tasks), and in this case are subject to specific funding.
- 5.2.2. Within the framework of its Strategy Map, the AC/135 can decide on the realization of projects, studies and/or special events requiring specific financing.
- 5.2.3. Related tasks and resources assigned to NSPA must carefully be prepared.

5.3. Process of definition and budget approval for common and specific support

5.3.1. General

The process of defining and executing tasks for common and specific support, as well as controlling allocated resources assigned to NSPA for their execution, involve both AC/135 Main Group advised by the Budget and Strategic Planning Committee and NSPA.

- 5.3.2. This process includes the following steps and elements on an annual basis:
- assignment of mission and tasks by AC/135 Main Group as described in the MoU;
 - workload forecast on the basis of mission assignment and tasks, subject to the approval of AC/135 Main Group;
 - preparation of the organisation and establishment proposal to execute the tasks, subject to the approval of AC/135 Main Group;
 - calculation of the administrative and operational costs associated with the execution of the assigned mission and tasks on the basis of the workload and associated organisation and establishment, subject to the approval of AC/135 Main Group;
 - after endorsement by AC/135 Main Group, budget presentation and approval for the coming year is requested;
 - budget forecast in accordance with [ANNEX VII](#);
 - budget and mission/tasks execution and control;
 - review of year-to-date expenditures and budget adjustments;
 - review of actual expenditures for the previous year.

5.3.3. Because of the large number of documents to be considered at each meeting, the AC/135 has defined a detailed cycle of review for all financial related documentation. This cycle is presented at [ANNEX VII - AC/135 BUDGET CYCLE OF ACTIVITIES](#).

5.3.4. **Assignment of mission and tasks**

The assignment of mission and tasks must be based on the Memorandum of Understanding 180. To this end, NSPA provides the AC/135 Main Group with an annual programme of work, a detailed tasks list and a costed workload forecast. This is reviewed by AC/135 Main Group for approval as the basis for the preliminary budget and publication of the list of tasks in ACodP-1.

5.3.5. If the approved programme of work impacts on the NSPA organisation, it may be necessary to present the results to the NAMSOC Committees in parallel.

5.3.6. Proposals which change the scope of work to be undertaken by NSPA must be the subject of change to the MoU and agreed by AC/135 Main Group and the NAMSOC Board of Directors.

5.4. AC/135 Financial Policy

5.4.1. The AC/135 shall establish an effective financial policy to promote and create conditions for a continuous implementation of the mission and related programs of work (POW). The basic objective of the financial policy is to provide a solid financial basis resulting in a well-balanced equilibrium between incomes and expenditures to guarantee continuation of AC/135 activities in the future.

5.4.2. The procedures for financial management, planning and control shall be transparent to enable nations to meet the national requirements for budget approval.

5.4.3. The AC/135 financial policy is detailed at [ANNEX VIII – AC/135 FINANCIAL POLICY](#).

5.5. Responsibility

5.5.1. AC/135 is responsible to ensure that financial management will occur in an appropriate way to ensure efficiency and justification.

5.5.2. The plenary meeting of AC/135 NATO members is the ultimate responsible body for all financial aspects.

5.5.3. **AC/135 Budget and Strategic Planning Committee (BSC)**

To improve efficiency and to enable the Main Group to take its financial and strategic planning responsibilities, a Budget and Strategic Planning Committee has been set up to advise AC/135 on any issues related to the AC/135 Strategy Map and related annual and special budgets. NSPA is de facto member of the AC/135 Budget and Strategic Planning Committee.

5.5.4. NSPA shall submit all financial data and applicable financial counting factors to the Main Group or its representatives to understand and verify the draft budget.

5.5.5. The Terms of References of the AC/135 Budget and Strategic Planning Committee are defined at [SUB-PARAGRAPH 2.2.1](#).

5.6. AC/135 Financial Planning Process

5.6.1. **Calculation of the administrative and operational costs**

On the basis of approved programme of work, as well as the requirements for administrative and ADP support, the administrative and operational costs will be calculated by the NSPA Finance Division for the execution of the assigned tasks. The preliminary budget will be presented to AC/135 Main Group for review at the Spring meeting. A finalised budget will be

presented at the Fall meeting for approval by the AC/135 Main Group. Any objections to the proposed budget are required to be submitted in writing by 31 December.

5.6.2. Budget execution and control

Once the budget is approved, NSPA will control the execution of the tasks related to the Programme of Work and manage the budget (revenues and expenses).

5.6.3. Review of Year-to-date expenditures and budget adjustments

In order to review the Year-to-date expenditures and budget adjustments, NSPA will provide AC/135 Main Group with a bi-annual report for discussion at its Spring and Fall meeting via the Budget and Strategic Planning Committee.

5.6.4. Review of actual expenditures for the previous year

NSPA will provide AC/135 Main Group with a report on the actual expenditures for the tasks executed via the Budget and Strategic Planning Committee. This report should be completed by June of the year following the year of operation. As the Spring meetings of AC/135 Main Group are in May/June, the report should be reviewed under an administrative procedure, and submitted for formal approval at the Fall meeting.

6. RELATIONSHIP WITH NON-NATO NATIONS

6.1. AC/135 Sponsorship Programme

6.1.1. AC/135 Main Group provides the opportunity for non-NATO nations to participate in the NCS through its Sponsorship Programme.

6.1.2. Requests for Sponsorship need to be unanimously agreed by all NATO AC/135 nations.

6.1.3. Sponsored nations agree to set up a single National Codification authority, as well as gradually utilise the principles and procedures of the NCS, when dealing with NATO nations and other AC/135 Sponsored nations. The detailed procedures of the AC/135 Sponsorship Programme can be found in Chapter I of ACodP-1.

6.1.4. AC/135 Main Group invites Tier 2 and Tier 1 Sponsored nations to participate at the Spring and the Fall meetings of Main Group. Due to the subject matter, the Chairman of Main Group can convene NATO Only assembly during the Main Group meeting that remains at his discretion.

6.2. Special Relationship with Partnership for Peace (PfP), Mediterranean Dialogue (MD) and the Istanbul Cooperation Initiative (ICI) Nations

6.2.1. At the invitation of CNAD, AC/135 Main Group has developed a number of initiatives to encourage and enhance better contacts with PfP, MD and ICI nations. The AC/135 Main Group encourages formal Sponsorship. However, it is recognised that this is not always possible for certain PfP, MD and ICI nations. AC/135 Main Group has therefore extended much of the privileges offered by Sponsorship to these nations, even if they don't formally seek a Sponsorship Agreement.

6.2.2. AC/135 Main Group has also developed a specific programme of assistance for Partner nations. This program is called the AC/135 BASELOG Programme (see [para 8.1: AC/135 BASELOG Programme](#)).

6.2.3. AC/135 Main Group invites PfP, MD and ICI nations to participate at the Spring meetings of Main Group, and at the Fall meetings of the AC/135 Panel A.

- 6.2.4. A number of AC/135 partnership activities have been entered on the NATO Partnership Work Programme. Details of these specific activities can be obtained from the Partnership Real-Time Information Management and Exchange (PRIME) System and from the Secretary AC/135.

7. REPRESENTATION OF THE AC/135 MAIN GROUP

- 7.1.1. Representation, in the context of this section, concerns those opportunities where AC/135 Main Group has officially been invited to attend a specific event outside the NATO community. This type of official representation requests should be discussed and individually approved by the AC/135 Main Group. If approval cannot be given by AC/135 Main Group due to time constraint, the Chairman is authorised to use his discretion and approve the request on behalf of AC/135 Main Group. AC/135 representation outside the NATO Alliance is a subject to CNAD approval in accordance with guidelines stipulated in the Council guidelines^{*}
- 7.1.2. Under normal circumstances, AC/135 Main Group will be represented by the Chairman, or in his absence, by national delegate(s) to be appointed by the AC/135 Main Group. From time to time, however, AC/135 Main Group will be required to provide a "staff response" that would include one or more AC/135 member nations, technical support by NSPA, and possible support from one or more AC/135 Sponsored nations.
- 7.1.3. The costs involved for AC/135 Main Group representation will be assumed by the AC/135 annual budget. The detailed procedure for recovering expenditures associated with representation of AC/135 can be found in [ANNEX VI - ADMINISTRATION AND CONTROL OF AC/135 REPRESENTATION COSTS](#). Unless specifically approved by the AC/135 Main Group, costs to be charged to the AC/135 budget will be limited to one person for official representation (Chairman or his representative), and two persons in case a "staff response" has to be provided.
- 7.1.4. In case the AC/135 is hosted or participates in an official activity, the members may want to express their gratitude with the presentation of a memento or keepsake. The cost of acquisition and/or production of such articles shall be charged to the AC/135 Budget Item related to Representation. Under normal circumstances, expenditures of this nature shall only occur after approval of the Main Group, or in exceptional circumstances, of the Chairman.
- 7.1.5. **AC/135 Mementos**
- AC/135 Main Group shall have sole and exclusive right to select, produce or arrange for production of mementos bearing the insignia of AC/135.
- AC/135 mementos shall be souvenirs of little intrinsic value to be presented by the Chairman of AC/135 Main Group in recognition of service in the area of NATO Codification. The mementos will typically be presented to departing members of Main Group, distinguished speakers and guests or individuals having made a significant contribution to the development of the NATO Codification System.

^{*} referenced as PO(2004)0076 dated 23 June 2004

8. PROJECTS

8.1. AC/135 BASELOG Programme

[←BACK](#)

- 8.1.1. The AC/135 BASELOG Programme developed to provide assistance to PfP nations has been extended to Sponsored and NATO nations. BASELOG is a comprehensive package of assistance in the form of Codification services, consultancy, training, data products and other services based on a cost recovery basis. The detailed procedures of the AC/135 BASELOG Programme can be found in Chapter I of ACodP-1.

ANNEX I

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TERMS OF REFERENCE FOR THE GROUP OF NATIONAL DIRECTORS ON CODIFICATION (AC/135)[«BACK](#)

1. The North Atlantic Council at its meeting on 5 December 1957⁽¹⁾ recognized the importance of NATO Codification as an essential tool in the Logistics discipline, and established a NATO Codification structure to enable unambiguous international logistics communication. The NATO Codification System (NCS) provides unique NATO Stock Numbers (NSN) for materiel based on the "one item - one number" principle and enables effective use of resources and interoperable capability for national and multinational logistics management systems and armed forces

AREA OF RESPONSIBILITY

2. As a Level One Main Group subordinate to the Conference of National Armaments Directors (CNAD), AC/135 is responsible for the policies, methods, procedures and outputs of the NATO Codification System (NCS).

MISSION

3. On behalf of CNAD, AC/135 provides and promotes the NATO Codification System as the primary means of materiel identification by Armed Forces, Government and Industry in support of interoperable and effective global logistics operations.

SCOPE OF WORK

4. All aspects of classification, item naming identification and NATO Stock Number assignment to materiel used by NATO and Sponsored countries.

TASKS

5. The tasks of AC/135 will reflect NATO and CNAD requirements and priorities as described in the annual CNAD Management Plan and other tasks and priorities collectively agreed by the nations in support of the AC135 mission.

6. AC/135 will develop and maintain NCS policy, procedures and agreements covering, but not limited to, the following:

- to promote the use and operation of the NCS worldwide i.a.w. NATO Objectives;
- to maximize the efficiency of Logistic Systems and avoid duplication of effort and resources;
- to enhance the effectiveness of the NATO and Coalition forces by providing a basis for interoperability;
- to enhance the effectiveness of cross-services within NATO and User nations;
- to construct and operate rules, procedures and programmes to ensure the maximum efficiency in operation of the NCS;

⁽¹⁾ C-R(57)74. item III

-
- to provide methods to achieve flexibility in interpretation and operation of the NCS;
 - to engage with Industry, International Standards, Agencies and other Stakeholders to enhance and promote the NCS methodology;
 - to promote the quality of Codification data i.a.w. the AC/135 Quality Charter.

COMPOSITIONS AND ORGANIZATION

7. AC/135 consists of the Directors of the Codification Authorities of all the NATO Member and Sponsored countries⁽²⁾ and a representative from NSPA. AC/135 establishes, monitors and gives guidance to its subordinate bodies.

Chairperson: Elected from national nominees for a term of two years.

Members: NATO and Sponsored Nation⁽³⁾'s representatives with the knowledge and authority to support the Group in meetings its responsibilities. They may be supported by additional staff and experts as required.

Observers: Representatives of Partner nations, other NATO Bodies, NATO Projects and Agencies that provide inputs to the Group's activities, and/or benefit from the outputs of the Group.

Secretarial and administrative support for the Group will be provided by NSPA in accordance with the MOU between AC/135 and NSPA.

METHOD OF WORK

8. The organization and working methods of AC/135 will be developed on the basis of the CNAD Management Plan and the decisions and guidelines of CNAD.

AC/135 will hold its meetings at least twice per year and will make a formal report annually to the CNAD. The Chairman of AC/135 Main Group will also attend the bi-annual CNAD meetings.

AC/135 will maintain information exchange with other NATO groups.

AC/135 Terms of Reference will be reviewed annually and changes incorporated as required.

⁽²⁾ See ACodP-1, Chapter 1, for "Rights and Privileges" of Sponsored Nations

⁽³⁾ AC/135 Sponsorship Programme ref PO(2001)225 dated 20-DEC-2001

ANNEX II

-

TASKS OF AC/135 MAIN GROUP[←BACK](#)**Tasks resulting from the responsibilities of AC/135 Main Group:**

The tasks resulting from the responsibility of AC/135 Main Group cover a wide range of management activities. Some main aspects are mentioned hereunder not pretending to be a complete listing. It is at AC/135 Main Group's discretion to define and initiate activities which are considered to the benefit of the NATO Codification community.

AC/135 Main Group tasks include:

1. Management of the policy making process (design, establishment and maintenance of policy) to enable effective and efficient Codification as a basis for Logistics support. Therefore AC/135 Main Group shall permanently investigate client's needs, as well as monitor the international technical development in general, and ADP domain in particular, for possible enhancement of the NCS.
2. Co-ordination of activities and evaluation of performances of the NCS to ensure its optimal technical and procedural condition and to guarantee the required level of quality for exchange of Logistics data referring to the Quality Charter.
3. Development and initiation of appropriate measures and activities to stimulate co-operation with non-NATO nations, thus facilitating their participation in the NCS. Contacts on any level will be promoted. Workshops, Symposia, Seminars, supporting programs (Sponsorship), special assistance etc. will be initiated to achieve the objective.
4. Permanent evaluation of objectives of the Strategy Map in terms of topicality, to ensure that its mission is on track. AC/135 Main Group will monitor the milestones to be achieved in respect to quality and time aspects and will take corrective actions when necessary.
5. Installation of sub-ordinated bodies when this is deemed necessary to assist or advise AC/135 Main Group in particular situations. Sub-ordinated bodies are governed by separate Terms of Reference (TOR) and a Statement of Work (SOW) as well as the "sunset clause". AC/135 Main Group will monitor and control its sub-ordinated bodies by means of the TOR and Statement of Work.
6. Monitoring and up-dating the MoU with NSPA, including the annual review of the tasks to be performed under the MoU.

Appendix A to ANNEX II

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TASKS OF THE CHAIRMAN AC/135 MAIN GROUP

[← BACK](#)

The Chairman of AC/135 Main Group - Roles and Responsibilities

The Chairman of AC/135 is directly responsible to the Group of National Directors on Codification and will represent the views of AC/135 at formal meetings, informal discussions or in correspondence with NATO and other authorities in relation to all aspects of NCS business.

The Chairman will be the official representative of AC/135 at the bi-annual meetings of CNAD and will engage with CNAD members and other NATO authorities as necessary to promote or present AC/135 and NCS requirements. In his/her absence, the Chairman may propose a member of AC/135 Main Group to act on his behalf or represent AC/135 at meetings.

The Chairman will keep AC/135 Directors advised of all such activities and contacts by means of a verbal report at each Main Group meeting.

As a matter of routine the Chairman will seek the views or agreement of AC/135 Directors on any particular issue prior to a formal response to NATO or other authorities. However if an urgent reply is required and timescales would preclude prior consultation with AC/135 Directors the Chairman will act on behalf of AC/135 but advise Directors as soon as possible of his/her actions and seek their endorsement as necessary.

Appendix B to ANNEX II

-

QUALITY CHARTER

[←BACK](#)

AC/135's responsibilities for maintaining and promoting the quality of codification data:

- All NCBs recognise the authority of AC135 Main Group to define and provide guidance on implementation of quality principles.
- NCBs are committed to support AC135 by providing available technical expertise.
- NCBs are committed to comply with the principles and procedures stipulated in ACodP-1.
- All NCBs to recommend and promote the inclusion of the Codification Contract Clause in contracts dealing with items of supply.
- Descriptive method of codification is the preferred identification type.
- NCBs additional quality requirements shall be a matter for national discretion.
- Codification tasks will be performed by qualified and trained personnel.
- Any new national codification tool will be qualified in accordance with AC135 systems compliance tests.

Appendix C to ANNEX II - TASKS OF THE AC/135 PANEL A

[←BACK](#)

Tasks resulting from the responsibilities of AC/135 Panel A:

AC/135 Panel A assists AC/135 Main Group in the implementation of the Codification policy. It advises AC/135 Main Group on all technical issues. It may therefore perform technical studies and analyses to improve the performance of the NCS in all its aspects. AC/135 Panel A will permanently investigate the optimisation and actualisation of Codification data elements, procedures and documentation like ACodP's, STANAGs etc. AC/135 Panel A will take the appropriate actions to prepare proposals and recommendations to AC/135 Main Group to achieve these objectives. It will also promote co-operation and provide technical assistance to Non-NATO nations in accordance with the instructions of AC/135 Main Group.

AC/135 Panel A is responsible to AC/135 Main Group and shall report on its activities at every AC/135 Main Group meeting.

ANNEX III

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DEFINITIONS OF SUBORDINATE BODIES[← BACK](#)**Definitions of Subordinate bodies:**

- a. The AC/135 Main Group is entitled to install subordinate bodies to assist accomplishing its mission. Establishment of any subordinate body requires certain Terms of Reference, which should be in turn approved by AC/135 Main Group. Subordinate bodies might be:
- b. **Sub-Groups.** Sub-Groups are working bodies set up as required by AC/135 Main Group in conjunction with the Project Procurement Management Office to co-ordinate the Codification of specific equipment and projects (in particular NATO or Common Projects). Common Projects are those where two or more nations share the production of an equipment. They may take decisions within the framework of the policy established by the Group of Directors. For the Terms of Reference see [APPENDIX A TO ANNEX III - AC/135 SUB GROUPS - TERMS OF REFERENCE](#).
- c. **Working Groups and Task Groups.** A Working Group is an ad hoc body set up by AC/135 Main Group, and a Task Group is an ad hoc body set up by AC/135 Panel A. Working Groups and Task Groups may be established for those tasks considered complex enough to justify one. The establishing authority will be responsible for clearly defining the problem, determining membership, preparing or approving the necessary Terms of Reference and, where practicable, establishing milestones and completion dates.
- d. **Pilot nations.** Where AC/135 Main Group or AC/135 Panel A task a particular country with progression of a specific project, this country will be known as the Pilot Nation. The latter should progress the task and report to all Members of the appropriate group, until this task is completed.

Appendix A to ANNEX III

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AC/135 SUB-GROUPS - TERMS OF REFERENCE[←BACK](#)**Subgroups specialising in co-ordination of Codification of equipment and projects:**

- a. Specialised Sub-Groups are created with the agreement of the Project Procurement Management Office, with a view to deal with specific NATO equipment, common equipment, or NATO/common projects. They will invariably receive direct authority and guidance instruction from the AC/135 Main Group, and will normally report back to that body. In the exceptional case where studies or questions are common to those of another specialised Sub-Group, reports to the AC/135 Main Group will be made through Panel A (for co-ordinating action).
- b. To identify nations and organisations concerned in the production or utilisation of the equipment.
- c. To establish in co-operation with all concerned organisations the procedures necessary for Codification of items of supply within the equipment in accordance with NCS disciplines, always within the framework of the AC/135 Main Group policy. Nevertheless, particular attention should be paid to:
 - the respective responsibilities of nations and organisations for execution of Codification operations;
 - the exchange of information and identification data;
 - any question of reproducer action;
 - modification of the items of supply within the equipment;
 - financial implication of the equipment's Codification.
- d. To co-ordinate Codification activities for the equipment within the framework of the established procedures.
- e. To co-operate, as required, with any NATO Command or Agency concerned with the management or supply of the project.
- f. To report to AC/135 Main Group or Panel A on objectives and progress of Codification operations.
- g. To request guidance from AC/135 Main Group or Panel A when:
 - an agreement cannot be reached;
 - it appears that the Sub-Group may be required to go beyond its Terms of Reference, or to deviate from the general policy laid down by AC/135 Main Group.

ANNEX IV
-
AC/135 STRATEGY MAP

[←BACK](#)




AC/135 Perspectives:

1. [Customer Perspective](#)
2. [Financial Perspective](#)
3. [Stakeholder Perspective](#)
4. [Partnership Perspective](#)
5. [Internal Perspective](#)
6. [Learning & Growth](#)

1. Customer Perspective: “What do our Customers expect of us”

[←BACK](#)

- Objectives :**
- Support to Current and Future Operations
 - Improved Data Quality
 - Improved Data Availability
 - Enlargement of the NCS Community
 - Greater Interoperability
 - Smart Defence

-  Indicates overall good progress
-  Requires monitoring, and corrective actions
-  Requires special attention, and actions to be implemented




No / Status	Objective	Stretch Target	Initiatives	Lead
C1	Continuous improvement in Data Quality	AC/135 Quality Plan	Developing a quality plan for NCS	NZL
		Identify other data quality targets for measurements by 2012	1. NSPA and Panel A to report targets to examine NMCRL data errors 2. To review ISO 8000 for potential adoption	NSPA / Panel A NCBs
C2	Continuous improvement in Data Availability	<ul style="list-style-type: none"> • Improve functionality of NMCRL product • Inclusion of volumetric data by 2012 • NSPA continues to collect bugs and to report on corrections 	1. Improve NMCRL DVD-ROM (completed) 2. Improve characteristics search module 3. Improve language availability (new DEU) 4. 5Y IT implementation (UID, DSS etc.) 5. Pilot Nations to test NMCRL and to identify issues	NSPA / Panel A
		Achieve 80% completion of LSAs within 60 days	1. ESR1 data programme 2. LSA process review	ALL NCBs Panel A
C3	Increased Number of Full Descriptions for common items (e.g. Screw, Bolt)	Number of fully described new NSN >75%	1. Establish Baseline Figures and definition of common items 2. Implement national corrective Action Programme 3. Improve characteristics data	NSPA / Panel A ALL NCBs TSG

No / Status	Objective	Stretch Target	Initiatives	Lead
C4	Increase overall Nations and Customers Awareness of NCS Benefits	<ul style="list-style-type: none"> Prepare a new questionnaire in time for 100th MG (completed) Completion and promulgation of NCS benefits study by 2012 	<ol style="list-style-type: none"> Customer Surveys 100th meeting Forum (achieved) NMCRL Marketing Plan ref C7 New NCS benefits study and assessment 	NSPA ALL NCBs HOST NCB(s) GBR & NSPA
C5	Increase Industry & Academic & European Defence Agency, UN Awareness of NCS Expertise & Capability; identify common objectives	<ul style="list-style-type: none"> AC/135 training curriculum AC/135 training inventory 	<ol style="list-style-type: none"> Identify target audience Create outreach programme Questionnaire (tailored for industry and defence) Presentation to NIAG, AC327 Training inventory on website (completed) Liaison with EDA, UN 	BSC ALL NCBs NSPA / BSC Chair / NSPA Panel A / NSPA NSPA
C6	Common codification processes	Develop common codification process	Defining common codification process for publication in ACodP-1	Panel A
C7	Revise NMCRL marketing plan	Increase subscriptions	<ol style="list-style-type: none"> Annual programme of Defence exhibition Marketing material (publication) Revised Plan by 2012 NMCRL marketing study 	NSPA & NCBs

2. Financial Perspective: “What do our Stakeholders expect of us”

[←BACK](#)

- Objectives :**
- Cost control and reduction
 - Protecting & Enhancing the Income Stream
 - Self-Funding




-  Indicates overall good progress
-  Requires monitoring, and corrective actions
-  Requires special attention, and actions to be implemented

No / Status	Objective	Stretch Target	Initiatives	Lead
F1	Maintain and increase Income Stream to support self funding model	<ul style="list-style-type: none"> • 2.5% Annual Increase national contributions • 5% annual increase in revenues from NMCRL sales in 2012 • New funding model for NATO and non-NATO countries 	<ol style="list-style-type: none"> 1. Annual Review of NMCRL Subscription Price Levels 2. Annual Review of NMCRL Marketing Plan (C7) 3. Funding review (identify options) 	<p>NSPA</p> <p>ALL NCBs</p> <p>BSC/ MG</p>
F2	Remain within Approved Budget Limits	<ul style="list-style-type: none"> • 75% - 120% of Global Capital Fund • Ensure all cost remain within AC135 approved budget 	<ol style="list-style-type: none"> 1. Close Monitoring of Spend & Future Commitments 2. Review of NSPA programme of work 	BSC/ MG & NSPA
F3	Reduce National Cost of Codification	Introduction of Codification at Source	<ol style="list-style-type: none"> 1. SSC Project 2. Codification benchmarking (completed) 3. Modernisation of NCS ontology 	<p>BSC / NCSMWG</p> <p>PACS</p> <p>USA</p>
F4	Implement new funding methodology for member nations	<ul style="list-style-type: none"> • Reduce AC135 budget reliance on NMCRL sales of over next 5 years • To Achieve a better balance between income streams 	<ol style="list-style-type: none"> 1. Detailed analysis of effects of reductions over 5 years (completed) 2. Funding review (identify options, define healthy balance between income streams) 	BSC/ MG/ NSPA
F5	Reduce costs	Identification of cost reductions	<ol style="list-style-type: none"> 1. Annual review of NSPA PoW and Budget 2. Review AC/135 administrative cost of NSPA 	BSC/ MG/ NSPA

3. Stakeholder Perspective : “What do our Stakeholders expect of us”

[←BACK](#)

- Objectives :**
- Increase Effectiveness and Efficiency of Global Logistics Systems and Operations for Participating Nations
 - Provide the Bridge necessary to facilitate Global Logistics Operations.

-  Indicates overall good progress
-  Requires monitoring, and corrective actions
-  Requires special attention, and actions to be implemented




No / Status	Objective	Stretch Target	Initiatives	Lead
S1	Achieve & Maintain One Item One Number Principle	Eliminate duplicates	1. Produce list of potential duplicate NSNs 2. Reduce number of duplicates per nation	NSPA, Panel A NCBs
S2	Increased liaison with Operational Logisticians & Industry	New Liaison by end 2012	Establish Liaison agreements with : - EDA (European Defence Agency) - WCO (World Custom Organisation) - OCCAR (Organisation Conjointe de Coopération en matière d'Armement) - NIAG (NATO Industrial Advisory Group) - NETMA (NATO Eurofighter and Tornado Management Agency) - NAHEMA	NSPA / Chairman MG

No / Status	Objective	Stretch Target	Initiatives	Lead
S3	Maintain liaison with Operational Logisticians & Industry	Improve current liaisons	<ul style="list-style-type: none"> - UNSPSC - AC/327 - NC3A, SHAPE - ASTWG - ISO TCs - ASD 2000M - LOG IMG - COMEDS - CPV - GS1 	NSPA / Chairman MG/ NCBs
S4	Enhance data Interoperability Capability of NATO	Modernize the NCS	<ol style="list-style-type: none"> 1. NCS taxonomy review 2. SSC 3. Codification services 4. XML for NCS 5. Auditing codification tools 	NCSTSG Panel A
S5	close cooperation on codification of common equipment	100% of NATO Stock Numbers assigned for common items	Common codification of commonly used equipment	TriCod, Panel A
S6	Lead in implementation of NCS methodology by Industry	Publication of ISO 22745	<ol style="list-style-type: none"> 1. Publication of IIG in XML 2. Support ISO 22745 through national standard organisations 	SSC Steering Group
S7	standardise common codification practices	Identify subset of processes that are done differently by nations	<ol style="list-style-type: none"> 1. NCS Quality plan 2. Nations to report examples to Panel A 	NCBs, Panel A

4. Partnership Perspective

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- Objectives :**
- Enhance Multi-National Approach
 - Achieve “Win-Win” Relations

-  Indicates overall good progress
-  Requires monitoring, and corrective actions
-  Requires special attention, and actions to be implemented




No / Status	Objective	Stretch Target	Initiatives	Lead
P1	Continue with AC/135 outreach Programme	64 nations (achived) All PfP, MD, ICI Nations	1. Participate in Foreign Workshops 2. Codification Training Offers to Sponsored and candidate Countries	NSPA & NCBs ALL
		Involvement of ISAF nations		
P2	Establish liaison with other countries	Increase contacts and/or visits to/by non-sponsored contact countries by end of 2012	1. NCS College 2. Continue and expand dialog with non-sponsored contact countries 3. Conduct training visits in non-sponsored contact countries 4. Bi-lateral arrangements 5. Codification workshops 6. Codification seminar to national representations at NATO HQ	CZE NSPA & NCBs NCBs
P3	Establish liaison with Mediterranean Dialogue (MD)	NCS Discussions with all MD Countries – end 2012	Establish Dialogue on NCS with: - Algeria - Mauritania - Tunisia	NSPA & Individual NCBs to lead
P4	Establish liaison with Istanbul Co-operation Initiative (ICI)	NCS Discussions with all ICI Countries – end 2012	Commence Dialogue on NCS with: - Bahrain - Qatar	NSPA & Individual NCBs to lead

No / Status	Objective	Stretch Target	Initiatives	Lead
P5	Promote activities with Russia and Ukraine	<ul style="list-style-type: none"> Encourage Tier 2 Capability by end of 2011 (achieved) Support enhancing Tier 1 capability in Ukraine 	<ol style="list-style-type: none"> Support Codification Workshops Offer NCS Training Attend Russian Codification Conferences Support Ukrainian development 	NSPA & Individual NCBs to lead NSPA
P6	Asia-Pacific Codification Group (formerly PACS)	<ul style="list-style-type: none"> Define a way forward for Pacific Area NCS user nations Develop liaison with China Increase NCS awareness among Pacific area members 	<ol style="list-style-type: none"> Enhance AC/135 Partnership with Asia-Pacific Codification Group Define new objectives and goals for Pacific Asia Area nations 	CH MG/ NCBs
P7	Sponsorship roadmap towards Tier 2	By the end of 2012	<ol style="list-style-type: none"> Review current details in ACodP-1 and NATO guidelines Establish clear requirements for Tier 2 	NSPA

5. Internal Perspective

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- Objectives :**
- Automate Codification
 - Improve NMCRL Product and increase Sales
 - Increase interoperability: Avoid Duplicates
 - Harness new communication technologies




-  Indicates overall good progress
-  Requires monitoring, and corrective actions
-  Requires special attention, and actions to be implemented

No / Status	Objective	Stretch Target	Initiatives	Lead
IP1	Codification capability via electronic data exchange	<ul style="list-style-type: none"> • Modernization of the NCS • Codification at Source 	<ol style="list-style-type: none"> 1. Codification at Source - phase 4 2. Other national initiatives e.g. automation of national procedures 3. Upgrade and improve NMBS & NABS(achieved NABS 2) 4. XML for NCS 	NCSTSG NCBs NSPA TSG
IP2	Implement a comprehensive Codification database with improved functionality	In place by end 2014	NACOMS	NSPA
IP3	Activate use of AC135 Forum for exchange of information	Use AC135 Forum for communication	Proboards, Facebook, NCS Community Board	TSG
IP4	Refine NCB business case	Benefits study to be presented in time for 101 st MG	Benefits study	GBR / NSPA
IP5	Leverage modern networking technologies	Review NCS website by 2012	<ol style="list-style-type: none"> 1. Revise design end content of AC135 website 2. VTC for AC135 3. Ease access to AC135 through website 	NSPA

6. Learning & Growth: “In order to execute our Internal Processes with what Skills and Tools must we equip our people”

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- Objectives :**
- Fully Trained and Competent Codification Staff
 - Comprehensive and Up-To-Date Information and Documentation

-  Indicates overall good progress
-  Requires monitoring, and corrective actions
-  Requires special attention, and actions to be implemented

No / Status	Objective	Stretch Target	Initiatives	Lead
O1	Ensure new staff have sufficient training in basic NCS Procedures	All new Staff to have Codification Training within 3 months of entry	<ol style="list-style-type: none"> 1. NCB external and internal training programmes 2. Standard codification curriculum 3. Consider Codification E-learning 	NCBs Panel A KOR
O2	Ensure all staff and NCBs are familiar with Codification and Logistics Developments	AC/135 Workshops to be held as required	<ol style="list-style-type: none"> 1. Liaison with AC327, ISO TC4, ECCMA 2. Attendance in NATO meetings and conferences 3. Symposium type activities 4. Codification workshops in conjunction with MG and PA meetings 	NSPA/ NCBs NCBs
O3	Update codification procedural publications and informational material	To maintain accuracy and completeness at all times	<ol style="list-style-type: none"> 1. Review of NCS guide 2. Web-Site reviewed and updated as required 3. Review publications available from AC135 website 	NSPA
O4	Ensure relevant staff competent on NMBS/NABS procedures	All staff trained within 3 months	<ol style="list-style-type: none"> 1. NSPA Seminar in September 2012 2. NMBS/NABS training in conjunction with PA 3. NMBS/NABS Helpdesk 	NSPA / NCBs

ANNEX V

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AC/135 MANAGEMENT TASK SHEET

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NATO CODIFICATION SYSTEM - SYSTÈME OTAN DE CODIFICATION			
AC/135 MANAGEMENT TASK SHEET			
1	SHORT TITLE		2
		<i>Chairman AC/135 to participate in periodic meetings of Chairmen CNAD Cadre Groups</i>	TASK NO.
			<i>1.1.1</i>
3	DATE	5	RESPONSIBLE BODY
	<i>9 November 2000</i>		<input type="checkbox"/> AC/135 MAIN GROUP <input type="checkbox"/> AC/135 PANEL A <input type="checkbox"/> WORKING GROUP <input type="checkbox"/> TASK GROUP
		7	TARGET DATE
			<i>Continuous</i>
4	DECISION	6	CO-ORDINATOR
	<i>78th AC/135 meeting</i>		<i>Chairman AC/135</i>
8	TASK DESCRIPTION		
	<i>Chairman AC/135 to participate in the periodic meetings of the Chairmen of the CNAD Partnership Groups (CPG) and the NATO CALS Management Board (NCMB) with a view to present the AC/135 position, and promote Codification services for support of NATO, as well as multinational Logistics operations.</i>		
9	ACTIVITIES / MILESTONES		
10	REPORT TO	11	REPORT FREQUENCY
	<i>1. AC/135 Main Group 2. CNAD</i>		<i>1. every meeting 2. yearly with Report to CNAD</i>
12	REPORT DATES		
	<i>77th AC/135 Meeting</i>		
13	COMPLETION DATE		

ANNEX VI

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ADMINISTRATION AND CONTROL OF AC/135 REPRESENTATION COSTS

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1. The budget is determined at the beginning of the year.
2. AC/135 Representation costs are available if necessary for specific activities including:
 - a) participation of member nations in AC/135 workshops and seminars for sponsorship purposes.
 - b) participation as lecturer(s) in codification training activities for example “NCB College
3. Any countries requesting such support from AC/135 funds should provide details in the first instance to Secretary AC/135, for submitting the ‘AC/135 Representation – Request / Approval’ form for AC/135 Chairman’s approval (see [APPENDIX A TO ANNEX VI - AC/135 REPRESENTATION COSTS - REQUEST / APPROVAL](#)).
4. Upon approval, the Chairman AC/135 forwards the approved request to NSPA Finance Division for commitment of funds. NSPA Finance Division commits the funds and informs the requestor.
5. Upon completion of duty the requestor submits the ‘AC/135 Representation - Request for Reimbursement’ form to NSPA Finance Division along with all supporting documents (see [APPENDIX B TO ANNEX VI - AC/135 REPRESENTATION COSTS - REQUEST FOR REIMBURSEMENT](#)).
6. NSPA Finance Division calculates the amount of the reimbursement, pays the requestor (or the organization concerned) and informs NSPA Codification Services Branch and the Chairman of AC/135 Main Group of the costs.
7. In case of acquisition and or production of mementos, the amount approved by the Main Group will be added to the AC/135 Budget and earmarked for that purpose. In case of emergency acquisition of a memento (on approval of the Chairman), reimbursement will be effected by NSPA on presentation of the proper receipt(s).
8. At the end of each financial year the NSPA Finance Division reports AC/135 representation costs and provides a breakdown of the expenditures incurred to the AC/135 Main Group.

Appendix A to ANNEX VI

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AC/135 REPRESENTATION COSTS - REQUEST / APPROVAL

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AC/135 REPRESENTATION COSTS – REQUEST / APPROVAL	
Name:	
Address:	
Tel.:	
Fax:	
E-mail:	
Bank Name:	
Address:	
Bank Account No.:	
Purpose of Representation:	
Period of Representation (including Travel)	
From (Date/Time):	
To (Date/Time):	
Mode of Transport:	
From:	
To:	
Estimated Costs (other than subsistence):	
Amount of Advance requested:	
Remarks:	
<ol style="list-style-type: none"> 1. For air travel please indicate the cost. 2. For travel by privately owned vehicle please indicate the number of km. 3. For other mode of travel please list all costs (Ferry, taxis, car rental etc.). 4. Except for privately owned vehicle travel, all receipts must be provided at the time the claim is submitted for reimbursement. 	
Signature of applicant:	Date:
Request is: <input type="checkbox"/> Approved <input type="checkbox"/> Denied	
Chairman's Signature or Minute of AC/135 Committee Meeting:	
Finance Office:	
Authorization No.:	
Amount:	
Advance paid:	
Date:	Signature:

Appendix B to ANNEX VI
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AC/135 REPRESENTATION COSTS - REQUEST FOR REIMBURSEMENT

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AC/135 REPRESENTATION COSTS – REQUEST FOR REIMBURSEMENT	
To:	<i>NATO Support Agency (NSPA) Attn: Finance Division FF-A L-8302 Capellen Luxembourg</i>
Name:	
Address:	
Tel.:	
Fax:	
E-mail:	
Bank Name	
Address:	
Bank Account No.:	
Authorization No.:	
Period of Representation (including Travel)	
From (Date/Time):	
To (Date/Time):	
Mode of Transport:	
From:	
To:	
If a private car was used, number of km:	
List of other expenses incurred: 	
Remarks: <ol style="list-style-type: none"> 1. For air travel please indicate the cost and attach the airline tickets receipts/invoice. 2. For travel by privately owned vehicle please indicate the number of km travelled. 3. For other mode of travel please list all costs (Ferry, taxis, car rental etc.) and attach receipts. 4. Except for privately owned vehicle travel, all receipts must be provided. 	
I certify that the expenditures listed above are legitimate	
Signature:	Date:

ANNEX VII
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AC/135 BUDGET CYCLE OF ACTIVITIES

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Cycle of activities:

- 8 weeks before MG meeting NSPA submits to BSC
- 6 weeks before MG meeting BSC comments to NSPA in BSC meeting
- 4 weeks before MG meeting NSPA & BSC submit proposals / Recommendations to MG

The AC/135 Approved Budget, Program of Work and the Current year actual expenditure for a respective year, are available in Financial folder of NABS

	BSC Meeting	BSC Action	MG Meeting	MG Action
Final Actual Expenditure CY-1	Summer	To note	Fall	To note
CY Forecast vs. Approved Budget	Summer	To review / comment	Spring & Fall	To note
Review PoW / List of Tasks CY+1	Spring	To review / comment	Fall	To approve
Requested Budget CY+1	Fall	To review / comment	Fall	To approve

Note: CY stands for Current Year

ANNEX VIII

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AC/135 FINANCIAL POLICY

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1. General

The objective of the financial policy is to balance income and costs related to AC/135 activities to ensure continuation in the future. The financial policy shall be the reference for strategic financial decision in relation to AC/135 mission area and related activities. The policy includes the development and application of permanent and/or temporary actions/tools/measures directed to income increase and efficiency improvements resulting to costs decrease. All these measures shall be approved by the Main Group.

2. Revenues

The income of AC/135 consists of two major components being:

- income from sales of products and services;
- annual national contribution of member nations.

2.1 Services and products sales

Sale of products and services shall be promoted to government and civilian users. Annually AC/135 will approve the supplement to be applied. AC/135 shall continuously be aware of market and customers' requirements and trends to actualise NCS products and service packages.

2.2 Annual national contribution

The annual national contribution is based on the approved integral budget and the applicable sharing key. AC/135 policy is aimed to keep the increase of the national annual contribution not more than the annual inflation rate established at NATO level.

3. Costs

The AC/135 budget has two main headings :

- the operating costs essentially related to the Program of Work assigned to NSPA by AC/135
- the exceptional costs related to specific projects decided by AC/135 within its Strategy Map

Each project leading to exceptional costs will be studied/examined specifically by the AC/135 in order to define its financing

Operating costs essentially related to the Program of Work assigned to NSPA, although subject to AC/135 's approval, must meet the following requirements :

3.1 Cost control

NSPA shall develop, stimulate and support measures and initiatives directed to efficiency improving business results and along these lines to less operational costs.

3.2 Actual costs

In case actual costs of each section differ significantly from the approved budget figures or developments of any kind are indicating so, the reasons have to be explained by NSPA. Depending on this the MG may decide to corrective actions for the current budget + 1 at the Fall meeting.

3.3 Inflation rate

The inflation rate applicable to the nation's contribution will follow the inflation rate of the Grand Duchy of Luxemburg. The salary increase will be in accordance to that approved by the North Atlantic Council. If projects are financed by the AC/135 budget the cost inflation rate shall follow the inflation rate in the country of production unless the project is under a fixed price contract.

4. Budget

The preliminary budget shall be drafted by NSPA following the economic principle (income vs. expenditures) and based on the approved POW. To illustrate the trend of the financial components the preliminary budget shall be accompanied by annexes including graphs indicating the following:

- comparison of costs and incomes to illustrate the trend of operating costs and incomes over the last 4 years
- budget balancing resources indicating the adjustment of the budget from the global fund;
- costs.

NSPA elaborates the preliminary budget in close cooperation with the Budget and Strategic Planning Committee. The Budget and Strategic Planning Committee presents the preliminary budget and their recommendations to the AC/135 Main Group.

In the preliminary budget, the annual expenditures related to implementation of the program of work shall in principle not exceed the sum of annual income from sales etc. and the indexed national contribution. Prioritisation of tasks to be performed should be considered if this principle could not be met. Supplementing from the GCF to financially balance the budget is the ultimate corrective option.

4.1 Balancing

In case income is lower than the predicted expenditures, financial balancing from the GCF will occur to meet the allowed increase of national annual contribution. In the other case positive surplus will be booked to the global fund as a reservation.

4.1.1 The global capital fund (GCF)

The global capital fund has the following objectives:

- to keep the annual national contribution within the annual inflation rate stated by NATO HQ;
- to finance special AC/135 projects, for example Codification Symposium.

4.1.2 Limits of the global fund

In principle the global fund shall not drop under 75% and shall not exceed over 120% of the average of the approved last three annual budgets. If the Global Capital Fund deviates from these limits the Main Group shall take appropriate actions to correct the situation.

The Main Group can decide at any time to identify in the budget a certain percentage of their annual contribution to the Global Capital Fund.

4.2 Budget adjustments

Once the AC/135 Budget has been approved, the separate budgets per line item shall be respected. NSPA is however permitted to shift money within the following AC/135 Budget items: travel, training communication services, printing and reproduction and AC/135 representation if required. Funds can only be shifted if such transfers do not affect the total amount for these items. Should transfers be required in/out of other budget items, NSPA is to seek prior approval from AC/135 Main Group. In no way should such transfers lead to future replenishment.

ANNEX IX
5 YEARS IT PLAN – ANNUAL CYCLE OF ACTIVITIES

CALENDAR YEAR	ACTION	LEAD	TIME
	NSPA to consolidate requirements into CY+1 IT Plan	NSPA	Spring PA
	Panel A to seek nations opinion, assign priorities	Panel A	Spring MG
	NSPA to present provisional CY+1 IT plan, seek nations' opinions	NSPA	Spring MG
	to evaluate funds available, review Panel A and Main Group priorities, review entire 5 year IT Plan	BSC	Summer BSC
	to note project priorities, to propose CY+2 IT projects	Panel A	Fall PA
	to approve CY+1 IT plan, to note 5YIT plan	Main Group	Fall MG

Note: CY stands for Current Year

