

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

# **HANDBOOK ON AIMS, ORGANISATION AND WORKING PROCEDURES**



**July 2018**



Issued by the  
NATO Support and Procurement Agency (NSPA)  
on behalf of  
The Group of National Directors on Codification (AC/135)

**CORRIGENDA**

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	<a href="#">Annex I</a>	Terms of Reference AC/135 (new)	Jan 2010	MG 96-48
10/02	<a href="#">Annex IV (renumbered)</a>	AC/135 Strategic Map (re-integrated)	Jan 2010	MG 96-08
10/03	<a href="#">Annex IV</a>	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	<a href="#">2.2.1</a>	BSC financial authority	Jul 2011	MG 99-03

Ref. #	Section/Para/Annex	Subject	Issued	Action #
10/02	<a href="#">1.2.4</a>	Election of Chairmen	Jul 2011	MG 99-38
12/01	<a href="#">Annex IV revised</a>	AC135 Strategy Map revision	Jan 2012	MG 99-19
12/02	<a href="#">4.2. to 4.4.</a>	Vision, mission and key objectives	Jan 2012	MG100-14
12/03	<a href="#">Annex IX (NEW)</a>	5 Years IT Plan – Annual Cycle	Jul 2012	MG101-08
12/04	<a href="#">Annex IV</a>	Review of AC135 Strategy Map	Jul 2012	MG101-22
12/05	<a href="#">Paragraph 6.1.4</a>	Tier 1 attendance at meetings	Jul 2012	MG101-34
12/06	<a href="#">Annex VII</a>	Review of AC135 Budget Cycle	Jul 2012	MG101-35
14/01	<a href="#">3.9 (new)</a>	AC/135 travel approval procedure	Jan 2014	MG104-34
15/01	<a href="#">2.2.1 (del)</a>	AC/135 BSC – Terms of Reference	Jan 2015	MG106-01
15/02	<a href="#">Annex X (new)</a>	AC/135 BSC – Terms of Reference	Jan 2015	MG106-01
15/03	<a href="#">3.2.3 (new)</a>	New Proposals - Lacking supporting documentation procedure	Jan 2015	MG106-31
16/01	<a href="#">3.9</a>	NATO TDY regulation add	Jan 2016	MG108
16/02	<a href="#">4.2 to 4.5 deletion</a>	Deletion of “Strategy Map” Section	Jan 2016	MG108-29
16/03	<a href="#">Annex IV revised</a>	Management Plan 2015-2017	Jan 2016	MG108-29
16/04	<a href="#">Annex XI (new)</a>	AC/135 TSWG – Terms of Reference	Jul 2016	MG109-13
17/01	<a href="#">6.3</a>	NMCRL license to non-Sponsored non-NATO	Jan 2017	MG110-44
17/02	Annex V	Retirement of task sheet	Jan 2017	MG109
17/03	<a href="#">3.10</a>	Industry Participation in AC135 meetings	Jan 2017	MG110-27
18/01	<a href="#">Annex IV, para. 3</a>	Management Plan, Tasks and Activities 2018-2020	Jan 2018	MG112-31
18/02	<a href="#">Para. 3.11 (new)</a>	Participation in AC/135 Meetings	Jan 2018	MG112-49
18/03	<a href="#">Annex VII, para. 2.2</a>	Annual national contribution	Jul 2018	MG113-07
18/04	<a href="#">Paragraph 3.9</a>	Travel Approval Procedure	Jul 2018	MG113-09 MG113-30
18/05	<a href="#">Annex VI, Chart</a>	AC/135 Budget Cycle of Activities	Jul 2018	MG113

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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 and Procurement 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) No. 1901 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.

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- 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 Sub-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 Armaments 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 –The Group of National Directors on Codification \(AC/135\) – Terms of Reference](#)

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 Sub-Committee (BSC)

To improve efficiency and to enable the Main Group to take its financial and strategic planning responsibilities, a Budget and Strategic Planning Sub-Committee (BSC) 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 Sub-Committee (BSC).

### 2.2.1. Terms of Reference of BSC

The Terms of Reference define the area of responsibility, the mission, the tasks, the composition and organization, and the method of work of BSC. They are stipulated in [ANNEX IX – AC/135 Budget and Strategic Planning Sub-Committee - Terms of Reference](#)

## 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 and Procurement 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.

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## 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 and Procurement 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.

3.2.3. Any proposal lacking supporting documentation will be postponed until presented by the originator

## **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 NSO (NATO Standardization Office);
- b. CC of NSO: 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 NSO for promulgation;
- g. NSO: 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 MULTILINGUAL 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 online at <https://eportal.nspa.nato.int/ac135public/>

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

ACodP-3 "NATO MULTILINGUAL 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 online at <https://eportal.nspa.nato.int/ac135public/>

**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)

[←BACK](#)

- 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.

## 3.9. Travel approval procedure

- The AC/135 Budget covers travel on duty (TDY) by the Chairman of Main Group in support of AC/135 i.a.w. NATO Travel on Duty (TDY) regulations;
- The representation travel of other AC/135 chairmen (Panel A, BSC and Transformation Steering WG and other temporary chairmen designated by the BSC and approved by Main Group) is covered by the representation line of the AC/135 budget. The AC/135 budget will cover per diem i.a.w. NATO TDY regulations (but not travel expenses) for meetings chaired by these chairmen and for meetings at which these chairmen report. The cost of these chairmen's flights and other means of travel is to be borne by their respective nations. AC/135 chairpersons may request the reimbursement of travel expenses in lieu of per diem allowances where national rules require them to do so.
- The AC/135 Budget covers TDY by AC/135 representatives in support of AC/135 (such as training).
- The Secretary, in cooperation with the Chairman of Main Group and the Chairman of BSC, consolidates travel requirements into the AC135 travel plan for the following six months;
- Main Group reviews and approves the travel plan for the following six months at its meeting;
- The Secretary and NSPA coordinate with NATO HQ arrangements for any meeting or Travel on Duty (TDY) outside NATO countries;
- The traveller submits requests to the Secretary on NATO Form AC/135-No 35 "AC/135 Representation-Request", and claims costs on NATO Form AC/135-No 36 "AC/135 Representation-Claim", available from NABS folder "Forms AC135";
  - The traveller must submit the Representation-request a minimum of four weeks prior to travel

- The traveller must submit the Representation-Claim within a maximum of four weeks after the trip.
- Exceptions can be made but only on an emergency basis and subject to approval by the BSC and MG Chairmen.
- The Chairman BSC controls and NSPA reports on funds budgeted and paid;
- In the event of any travel required but not previously approved by Main Group, the Chairman of Main Group may approve such ad hoc travel, with the concurrence of the Chairman of BSC that AC/135 funding is available for this requested travel, and will then report such approval(s) at the next Main Group meeting.

#### Travel periods covered

- AC/135 follows the rules provided by NATO and covers 24-hour periods of travel using the same time zone as that in which the journey starts and finishes. Travel begins at the time the individual leaves their work/residence to arrive at the venue of the meeting at least one day prior to the meeting to allow for acclimatisation.
  - Travel ends at the time the individual arrives back at work/residence, after leaving the venue of the meeting the day after the meeting at the latest.
  - Travel includes a reasonable check-in timeframe at the airport if necessary.
  - For personnel flying Economy Class only, an overnight rest period may be programmed into itineraries when the period of travel exceeds nine hours actual flying time for any leg of travel. The purpose of a rest period is to allow for recovery prior to commencement of duty or the next leg of travel. Approval of rest periods is at the discretion of officers and managers authorised to approve overseas travel.
  - When approved, the rest period should give personnel approximately 12 hours clear recovery time, though this may at times be longer in order to achieve an overnight rest.
  - A 'travel leg' includes the cumulative actual flying time of all flights taken prior to commencing a rest period. Upon taking an overnight rest period, a further nine hours actual flying time is to be accrued before a further overnight rest period may be approved.
  - AC/135 will not cover per diem for a rest period at the home location.
  - Over nine hours flying time, measured in total flying time irrespective of the number of legs, an individual is entitled to an overnight rest period
  - After each nine hour flying time, an individual is entitled to further rest periods
    - Example 1: Wellington to Luxembourg:
      - Wellington to Singapore (10.5 hours total flying)
      - Rest period
      - Singapore to Luxembourg (13 hours flying)
      - Rest period (probably the whole next day if the arrival at the destination is late in the afternoon/evening)
      - Commence work
    - Example 2: Wellington to Ottawa:
      - Wellington to Vancouver (12 hours flying)
      - Rest Period
      - Vancouver to Toronto (4.5 hours flying)
      - Toronto to Ottawa (2 hours flying)



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- Commence work (probably the next morning following the day of arrival)
    - If an individual has to attend two meetings separated by less than 5 days, AC/135 will cover the costs for the period between the two meetings, at the location of the meetings, where it is not possible for the individual to return to their home within a reasonable period and return later to the following meeting.
    - Chairman within 4 hours (driving time) of home will not be covered over the period between meetings.
  - Personnel are entitled to reimbursement of accommodation and meal expenses during rest periods. A Service member and dependants, during stopovers and prior to arrival at the overseas destination, are entitled to applicable daily allowances and expenses incurred in transit in accordance with the provisions of the regulations.
    - With regards to weekends or breaks between meetings, this is normally a matter of command judgement. As long as it is not contrived, if an individual has business either side of the weekend, then the weekend should be treated normally.
    - Individuals receiving AC/135 funds are required to attend optional meetings (i.e. BSC, MIS, NABS and NMBS Training or NMCRL Pilot Nations meetings) to support AC/135.
    - AC/135 reserves the right to challenge locations and time frames.
    - If a traveller chooses to extend their trip for non-AC/135 meetings or for leave, AC/135 will only reimburse for the equivalent time spent traveling back to the home location from the venue of the meeting and not additional days.
  - Exceptions may be authorised by the Chairmen of the Main Group and of the BSC.
    - ~~The representation travel of the other Chairmen of AC/135 (Panel A, BSC and Transformation Steering WG) is covered by the representation line of AC/135 budget. The AC/135 budget will cover per diem i.a.w. NATO TDY regulations (but not travel expenses) concerning the meeting chaired, as well as the meeting they report to;~~
    - ~~The Secretary, in cooperation with the Chairman of Main Group and the Chairman of BSC, consolidates travel requirements into the AC135 travel plan for the following six months;~~
    - ~~Main Group reviews and approves the travel plan for the following six months at the meeting;~~
    - ~~The Secretary and NSPA coordinate with NATO HQ arrangements for any meeting or Travel on Duty (TDY) outside NATO countries;~~
    - ~~The traveller submits requests to the Secretary on NATO Form AC/135-No 35 "AC/135 Representation Request", and claims costs on NATO Form AC/135-No 36 "AC/135 Representation Claim", available from NABS folder "Forms AC135";~~
    - ~~The Chairman BSC controls and NSPA reports on funds budgeted and paid;~~
    - ~~In the event of any travel required, but not previously approved by Main Group, the Chairman of Main Group may approve such ad hoc travel, with the concurrence of the Chairman of BSC that AC135 funding is available for this requested travel, and will then report such approval(s) at the next Main Group meeting.~~

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### 3.10. Industry Participation in AC/135 Meetings

3.10.1. The inclusion of industry in discussions within the AC/135 community has the potential to provide access to research on new technologies, technical advancements, industry standardization practices and to a deeper technical understanding of many aspects of codification than might otherwise be available. Industry is also able to provide information on hardware, software or services that will benefit National Codification Bureaux (NCBs) and AC/135.

3.10.2. Whilst industry participation is an opportunity to be embraced, AC/135 clearly needs to manage the risk that this presents to ensure that intellectual property aspects and commercial interests are duly taken into account and that equal & impartial treatment of industry is achieved.

3.10.3. **Types of Industries concerned.** Participation by industry can be divided into four categories:

1. Cataloging Software Providers, i.e. private companies holding active contracts with one or more NCBs or countries;
2. NCB Codification contractors employed via a private company rather than directly by the NCB / Government (e.g. UK, Spain, etc.);
3. Industry representatives working for private companies who are not currently contracted by an NCB;
4. Consultants employed by an NCB to assist in its establishment or operation.

#### 3.10.4. Industry Attendance at Meetings

1. Budget and Strategic Planning Committee
  - a. There is no routine requirement for industry to be involved in the BSC.
  - b. Any attendance by industry will be requested for the purposes of a specific agenda item and will be at the discretion of the BSC Chairman, who may choose to consult with the Chairman of the Main Group and the BSC members.
2. Main Group, Panel A and Working Groups
  - a. Whilst industry will not be included in most meetings, it is recognized that in some instances an NCB may wish to request that either a Codification Contractor or a Consultant attend a meeting to discuss / address specific topics when invited to do so and subject to the approval of the Chairman of the Main Group and of the relevant Panel/WG Chairman.
  - b. The request for industry participation should be provided to the Chairman at least 45 days in advance of the meeting to be attended (in order to provide sufficient time to obtain visas if necessary).
  - c. As Committee/Panel/WG chairpersons may not be aware of all business relations inside an individual country, the director of the contractor's home nation NCB will be required to vet its participation in the meeting.
  - d. All members (whether in attendance or absent) of the concerned AC/135 Committee/Panel/WG must be made aware of industry's presence in a meeting and of the purpose of their engagement in order to allow for the prior resolution of any issues.

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3. Transformation Steering Working Group (TSWG)
- a. AC/135's main interface with industry will be the TSWG, whose mandate is to assess the different stakeholders' perspectives in order to analyse and advise on the future direction of the NCS.
  - b. The TSWG's standing participants are:
    - i. NCB directly employed staff
    - ii. NSPA staff
    - iii. Cataloging Software Providers holding active contracts with one or more NCBs or countries
      - 1. The rationale for this is to benefit from the service providers' knowledge and to allow for discussions on the impact on current systems. Consequently all current Cataloging Software Providers are included as de facto members of the TSWG and are allowed to participate for the whole duration of meetings.
  - c. Invitations may also be extended to the following and as follows:
    - i. NCB Codification Contractors employed via a private company rather than directly by the NCB / Government (e.g. UK, Spain, etc.).
      - 1. At the request of the director of the NCB concerned;
      - 2. Subject to prior approval by the Chairman of the TSWG, after consultation if required;
      - 3. The invitation may be limited to specific agenda items, as identified by the NCB director and by the TSWG Chairman / members;
    - ii. Industry representatives working for private companies who are not currently contracted by an NCB
      - 1. Subject to prior approval by the Chairman of the TSWG and of the MG Chairman at least 45 days before the meeting;
      - 2. Attendance will be authorized on an as-needed basis and is likely to be limited to specific agenda items agreed in advance of the meeting and covering specific technologies that are being researched;
      - 3. In such cases, a notice will be posted on the AC/135 web site to announce that the meeting will be open to industry (so as to avoid being accused by companies who choose not to attend of providing insider knowledge).
      - 4. For administrative reasons, industry needs to respond to the invitation 30 days prior to the meeting.
      - 5. Industry representatives are not allowed to attend the parts of the meeting dealing with administrative, internal or official matters not specific to the discussion topics for which they have been invited.
    - iii. Consultants employed by an NCB to assist in its establishment or operation
      - 1. Subject to prior approval by the Chairman of the TSWG, after consultation with other members if required.

### 3.10.5. Symposiums and other events:

- a. AC/135 organizes forums for all other types of industry on an ad hoc basis.
- b. NCS Symposiums should be open to all industry.
- c. Topics at these symposiums should specifically target industry interests and concerns, including adaptation to industry standards and understanding the benefits of codification.
- d. Additionally, the NATO Industrial Advisory Group (NIAG) is specifically aimed at cooperating with industry and listening to their voice. This makes it possible to share AC/135 initiatives openly with industry while meeting the NATO/CNAD objectives.

### 3.11. Participation in AC/135 Meetings

The AC/135 has grown significantly over the years and now includes 63 active nations. As participation grows, the increased attendance complicates the organization of the meetings. Engagement by all nations is actively encouraged; however, this becomes difficult with large numbers. With the increase in participation, there are some concerns including finding the appropriate sized room and the cost of the room. It has also become difficult to determine the official spokesperson for an NCB.

To address these issues, the following recommendations are provided for the Main Group Directors consideration:

- Limit participation to 2 delegates per nation.
  - Exceptions can be made by an NCB requesting approval from the committee chair in advance.
    - Examples of this include, but are not limited to:
      - Additional delegates for Tier 2 signing,
      - First time attendee at an AC/135 meeting,
      - Hosting nations wishing to expose their team to the process.
    - Nations that are currently chairing a meeting may have 2 delegates in addition to the chair.
- The NCB Director is recognised by the AC/135 as the official representative for Main Group. The NCB Director can designate a spokesperson on their behalf:
  - When there is a language barrier,
  - When the representative is more knowledgeable on a topic.
- NCB Director will identify the official Panel A representative. There can be one additional representative
  - Exceptions can be made by an NCB requesting approval from the Chair in advance of the meeting.

Additionally, a number of NCBs have hired consultants to assist their NCB. However, it has been noted that private companies also employ these same consultants. This provides an unfair advantage to that company by attending the Panel A and Main Group meetings. The

goal of AC/135 is not to support one countries contractor base over others. Therefore, to assist in the identification of consultants representing multiple companies, we would ask that the NCB Director require their consultant to fill out a "Conflict of Interest" form to identify any affiliation with companies that have had a past or present engagement with an NCB or AC/135. Furthermore, the AC/135 requires that NCB Directors do not bring individuals with these affiliations to the AC/135 meetings unless previously agreed with the Chair of the meeting at least 2 months in advance of the meeting.

## 4. MANAGEMENT PLAN

### 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. Tasks and Activities

- 4.2.1. See [ANNEX IV – MANAGEMENT PLAN](#) to visualise the Tasks an Activities to be performed by AC/135 according to CNAD Management Plan and AC/135 Terms of Reference.

### 4.3. Tasking Structure

- 4.3.1. The AC/135 tasking structure provides a means for the management of the AC/135 Management Plan. This mechanism consists of a tasking structure, as well as a reporting and monitoring mechanism.

#### 4.3.2. Tasking structure

The Management Plan 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 Management Plan should be registered on a Task Sheet (see [NATO Form AC/135-No 32](#)). 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.

#### 4.3.3. 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 Sub-Committee (BSC) 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;

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- 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 VI](#);
  - 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 VI - 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 No. 1901. 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 NSPO 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 NSPO Agency Supervisory Board (ASB).

### 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 VII – AC/135 FINANCIAL POLICY](#).

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## 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 Sub-Committee (BSC)**
- To improve efficiency and to enable the Main Group to take its financial and strategic planning responsibilities, a Budget and Strategic Planning Sub-Committee (BSC) 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 Sub-Committee (BSC).
- 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 Sub-Committee (BSC) are defined at [ANNEX IX](#).

## 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 Sub-Committee (BSC).

### 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 Sub-Committee (BSC). 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.

### 6.3. NATO Master Catalogue of References for Logistics (NMCRL) Licensing

- 6.3.1. AC/135 licenses governmental and industrial entities from the following countries to access NMCRL:
  - a. Tier 2 sponsored in the NCS,
  - b. Tier 1 sponsored in the NCS,
  - c. Partnership for Peace (PfP),

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- d. Mediterranean Dialogue (MD),
  - e. Istanbul Cooperation Initiative (ICI),
  - f. Interoperability Platform (IP),
  - g. Partners across the Globe.
- 6.3.2. The complete list of countries entitled to purchase licenses to access NMCRL is maintained by the Secretary AC/135 on NABS. If the country is not listed, the following applies:
- 6.3.3. Secretary AC/135 informs the NATO HQ Defence Investment Division (DI) and consults it on how to proceed concerning an application for a license to access NMCRL from a non-listed country. In parallel, the Secretary AC/135 submits the application to AC/135 Main Group for approval under silence (three weeks). Break of silence by NATO States halts the process due to lack of consensus and, in that case, the application is rejected.
- 6.3.4. In the event of AC/135 Main Group approval, the Secretary AC/135 then submits the application to CNAD with supporting justification showing advantages to both AC/135 and the Alliance and asks for endorsement of the application to be considered. CNAD considers the application and, if approved, then forwards it to the Partnerships and Cooperative Security Committee for final endorsement. The Secretary AC/135 shall notify the Main Group and the applying country should the application be rejected at this stage.
- 6.3.5. The procedure shall be reviewed every 24 months to determine if any adjustments are warranted.

## 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 V - 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.

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\* referenced as PO(2004)0076 dated 23 June 2004

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.

AC135 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.

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

1. The North Atlantic Council at its meeting on 5 December 1957<sup>(1)</sup> 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;

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<sup>(1)</sup> C-R(57)74. item III

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- to construct and operate rules, procedures and programmes to ensure the maximum efficiency in operation of the NCS;
  - 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<sup>(2)</sup> 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<sup>(3)</sup>'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.

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

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

**ANNEX II**

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**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.

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**Appendix A to ANNEX II**  
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**TASKS OF THE CHAIRMAN AC/135 MAIN GROUP**

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

1. 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.
2. 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.
3. 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.
4. 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.

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## Appendix B to ANNEX II

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## QUALITY CHARTER

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### **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

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### 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

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## MANAGEMENT PLAN

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### 1. Conference of National Armaments Directors (CNAD) - Management Plan

- 1.1 **Mission** – “The mission of the CNAD is to enable multinational cooperation on delivery of interoperable military capabilities to improve NATO forces’ effectiveness over the whole spectrum of current and future operations.”
- 1.2 CNAD provides guidance to its substructure through the Main Group and Project Groups through its Terms of References, Management Plans, and Decision Sheets. The entire CNAD sup-substructure activities shall support the following objectives, as reflected in the CNAD Strategy<sup>(1)</sup>, including:
- a) Advise the NAC on armaments matters (through the NADREPs);
  - b) Identify and promote cost-effective multinational capabilities consistent with outputs of the NATO Defence Planning Process (NDPP) (MGs);
  - c) Promote the fielding of interoperable solutions, including through materiel standardisation (MGs);
  - d) Enhance defence, technological, and industrial cooperation, including the trans-Atlantic link (NATO Industrial Advisory Group (NIAG));
  - e) Build and share experience, understanding and joint practices in multinational armaments cooperation to harmonise national requirements and strengthen the ability of Allies to operate collectively (MGs);
  - f) Take advantage of new technologies, concepts, doctrines and procedures in support of capability development (MGs in cooperation with the Science and Technology Organisation (STO));
  - g) Continue the development of a capability-based culture in the CNAD sub-structure in coordination with other capability stakeholders (MGs).
- 1.3 Facilitating multinational cooperation and interoperability are at the core of the CNAD’s work, as articulated in the CNAD mission statement. These CNAD deliveries are harmonised with initiatives such as Smart Defence (SD) and the Connected Forces (CFI). The focus of this work will be guided by the outputs of NATO processes and political objectives such as the NDPP. When urgent operational requirements occur, the CNAD and its sub-structure will rapidly mobilize their resources to address them. The CNAD sub-structure will align its management and work plans with the CNAD Management Plan, developing roadmaps, including concrete deliverables, timelines, required resources, and formulating measurable objectives. The focus will be on output rather than on processes.

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<sup>(1)</sup> AC/259-D(2013)0042(PFP)

**2. Group of National Directors on Codification (GNDC) - Terms of Reference<sup>(2)</sup>**

2.1 **Mission** – On behalf of the CNAD, AC/135 provides and promotes the NCS as the primary means of codification used by Armed Forces, Government, and Industry in support of interoperable and effective global logistics operations. Through codification, AC/135 manages all aspects of classification, item identification, and NATO Stock Numbers for materiel used by NATO and Sponsored nations.

2.2 **Vision** – “One World - One Codification System – One Global Standard”

**2.3 Objectives**

- a) Provide codification data and continuously adapt the NCS to meet the evolving requirements of the Armed Forces of AC/135 members;
- b) Promote NCS benefits to the defence and industry communities, and support and facilitate cooperative partnerships between defence and industry;
- c) Take advantage of new technologies, concepts, doctrines and procedures in support of capability development to reduce cost and increase the effectiveness of the NCS;
- d) Promote stronger cooperation and interoperability between NATO and partner nations;
- e) Manage the budget to ensure the stability of AC/135 and cost effective use of AC/135 resources.

**3. Tasks and Activities 2018-2020**

Task/Initiative	Deliverable	Owner	Status	Metrics
<b>Objective 1:</b> Provide codification data and continuously adapt the NCS to meet the evolving requirements of the Armed Forces of AC/135 members				
Implement Data Quality Initiatives	Data Quality Manual	BSC	To be reviewed yearly	N/A
	MIS – Data Quality	Panel A / Country	Ongoing each month	See MIS portal, Data Quality. Thresholds KPIs to be set by MG.
	MIS - ESR	Main Group	Ongoing each month	See MIS portal, ESR. Thresholds ESR1 and ESR2 to be set by MG.

<sup>(2)</sup> AC/259-D(2014)0035

Task/Initiative	Deliverable	Owner	Status	Metrics
	MIS – Item Statistics	Panel A MIS Working Group	Ongoing each month	See MIS portal, Item Statistics.  Thresholds to be set by MG.
Auditing codification tools	Automatic compliance and acceptance testing tool	Panel A / NSPA	In process	Testing IAW ACodP-1
Define codification compliance policy	System capability matrix (nations should submit form 4 bilaterally, without result, forward to Panel A)	Panel A	2018 / Ongoing	Identify the specific process for defining and analysing data
	Collect any additional data, if necessary	MIS	Ongoing	
	Policy to initiate accountability based on compliance document	Main Group	Ongoing	
Standardise codification processes	Reference Numbers Codes review	Panel A	2017	Ongoing
Link the NCS with international product identifiers	Integration of (LOGFS), UNSPSC, ATC with NCS (Pharmacopeia)	Main Group, Panel A	Ongoing	UID completed 2016  RIC in 2018  UNSPSC / ATC TBD
	NMCRL marketing study survey	NSPA	2015	Survey Complete. Metrics to be identified by Marketing staff
Data Enhancement	Volumetric data	Main Group	In process	Spain/UK will complete analysis of Segment W and report back at next BSC

Task/Initiative	Deliverable	Owner	Status	Metrics
<b>Objective 2:</b> Promote NCS benefits to the defence and industry communities, and support and facilitate cooperative partnerships between defence and industry				
Provide NCS education and Increase Awareness of NCS Benefits	Training curriculum	France (assistance from Bel, ROK, Canada, USA)	Yearly	Minimum of 10 students/maximum of 20
	AC/135 NCB College	NSPA		
	Establish NSPA as the Point of Contact for training			
Promoting NCS to industry	Marketing events	Nations	Ongoing	Increase NMCRL sales by 25 subscriptions yearly. Coordinate with Marketing Hire
	NMCRL Lite	NSPA	NMCRL Lite is being programmed	
	Participation to the NSPA Industry Days	NSPA + CHMG	Authorised by NSPA	WCF (World Codification Forum)
To increase awareness and use of NMCRL, NABS, and NMBS	NMCRL marketing study, NMCRL marketing plan, systems training	MG, NSPA	Ongoing	TBD by the Marketing staff
Organize AC/135 Forums for exchange of information	NCS communication network	NSPA, Nations	2017	Every three to four years
<b>Objective 3:</b> Take advantage of new technologies, concepts, doctrines and procedures in support of capability development to reduce cost and increase the effectiveness of the NCS				
Enhance data Interoperability Capability of NATO	NCS taxonomy review, XML for NCS	NCS TSWG	Ongoing	Implement by 2022
	Liaise with AC/327	AC/135 Rep	Participation to Life Cycle Management (LCM) Meeting	Status report to MG

Task/Initiative	Deliverable	Owner	Status	Metrics
	Investigate Commit Support Partnership Committee (CPC) partnership (to include ECAT1 and NATO Logistics Stock Exchange (NLSE))	NSPA / UK	initiate contact	Invite CPC to brief at BSC 2017 with updates yearly
Standardization with industry for data exchange	Investigate link with GS1 Bar Code to improve NCS	BSC	Review after WCF	WCF brief
Promote Web services use and subscriptions	NMCRL Update Marketing plan	NSPA Marketing	Awaiting Marketing Hire	6 months after hire
<b>Objective 4:</b> Promote stronger cooperation and interoperability between NATO and partner nations				
Continue AC/135 outreach Programme	Sponsorship checklist for Tier 2 candidate nations, marketing events	NSPA, BSC	2017	Being reviewed at BSC Sept 2017
	Participation in NATO International Staff (IS) outreach teams	NSPA	Ongoing	Regular briefings to MG
Provide codification training and guidance to AC/135 members and candidate countries	Participation in foreign workshops and training events, NCB college	NSPA, Nations	2017	Establish yearly trend and report to MG
	Create strategy for improving sponsorship process and increase countries which would meet NATO criteria	BSC / Marketing Manager	Ongoing	Establish ROI based on NMCRL sales Collect information on adding sponsored countries



Task/Initiative	Deliverable	Owner	Status	Metrics
<b>Objective 5:</b> Manage the budget to ensure the stability of AC/135 and cost effective use of AC/135 resources				
Maintain and increase Income stream to support self-funding model	Funding review, NMCRL marketing	MG, BSC	Yearly	Review NATO sharing key and revise contribution according to new process
Continue improvement and increase subscriptions of NMCRL products.	NMCRL subscriptions	NSPA, NCB	Ongoing	Waiting for marketing input
Manage the GCF	Maintain between the approved metric	BSC / NSPA	Ongoing	Report status to MG

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## ANNEX V

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# ADMINISTRATION AND CONTROL OF AC/135 REPRESENTATION COSTS

[←BACK](#)

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 [paragraph 3.9](#)).
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 [paragraph 3.9](#)).
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.

**ANNEX VI**  
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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

	REVIEW	NOTATION	APPROVAL
BSC March meeting	Sharing Key CY+2		
	Draft Actuals vs. Approved Budget CY-1		
MG May		CY Forecast vs. Approved Budget	
BSC September	Actuals CY-1		
	Draft PoW CY+1		
	Requested Budget/ credits CY+1		
MG November		CY Forecast vs. Approved Budget	Sharing Key CY+2
		Final Actuals CY-1	PoW CY+1
			Requested Budget/ Credits CY+1

Note: CY stands for Current Year

## ANNEX VII

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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.

The AC/135 funding method establishes fair cost sharing among NATO countries and sponsored nations according to their responsibilities. The AC/135 Main Group approved the method as per §6.1 of the Decision Sheet of its 105<sup>th</sup> meeting. Consequently, the sharing key used to determine annual national contributions is updated by NSPA on a biennial basis.

Any change to the status of a country (e.g. Tier 1 to Tier 2, or sponsored country to NATO member) will have an effect on sharing keys from 1<sup>st</sup> January of the following calendar year.

#### 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

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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 Sub-Committee (BSC). The Budget and Strategic Planning Sub-Committee (BSC) 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.

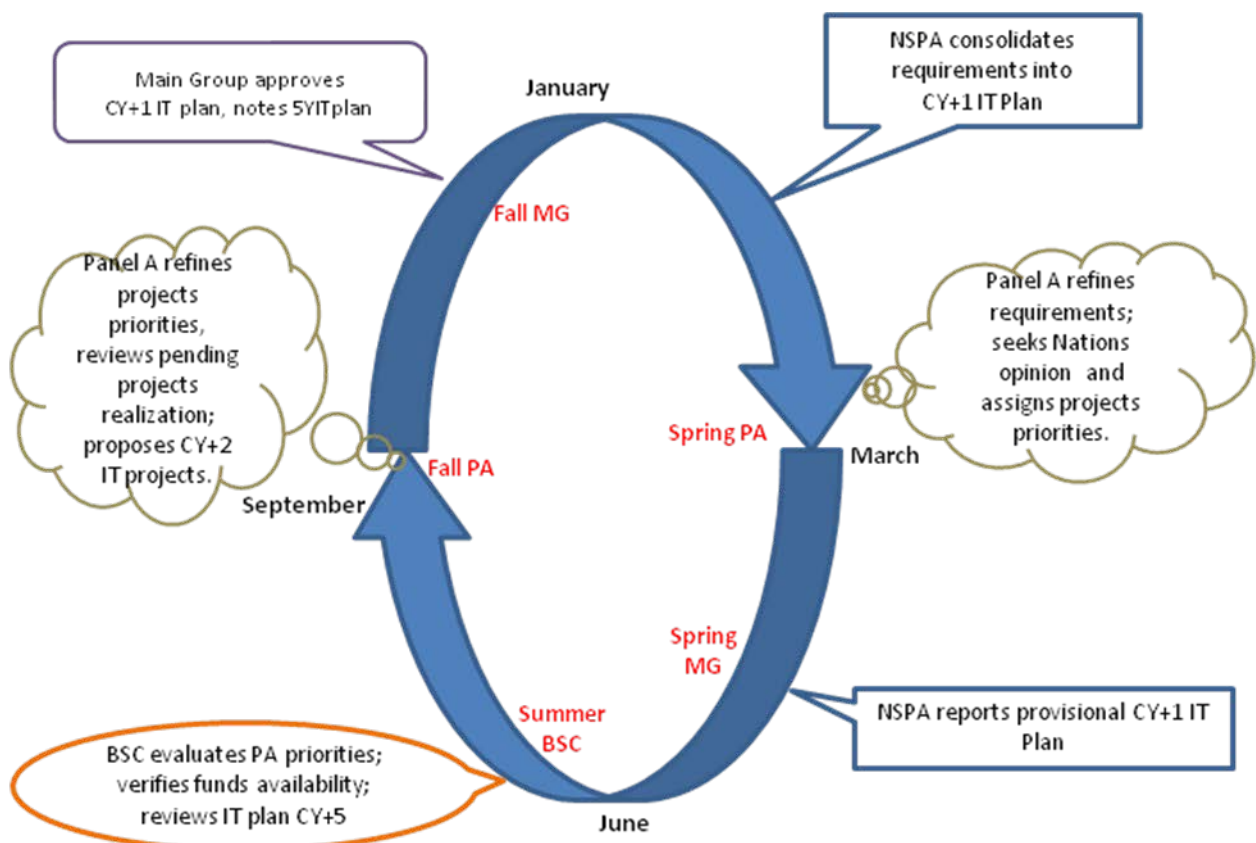
## 4.2 Budget adjustments

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 VIII**  
**5 YEARS IT PLAN – ANNUAL CYCLE OF ACTIVITIES**

CALENDAR YEAR	ACTION	LEAD	TIME
CALENDAR YEAR	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



## ANNEX IX

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# AC/135 BUDGET AND STRATEGIC PLANNING SUB-COMMITTEE - TERMS OF REFERENCE

[←BACK](#)

### AREA OF RESPONSIBILITY

1. Budget and Strategic Planning Sub-Committee (BSC) advises AC/135 Main Group concerning financial and strategic planning responsibilities related to the execution of the AC/135 Budget and Management Plan.

### TASKS

2. The tasks of BSC reflect AC135 requirements and priorities as described in the CNAD Management Plan and other tasks and priorities collectively agreed by the nations in support of the AC135 mission, in particular BSC is responsible:
  - to advise the Main Group on any issues related to the AC/135 Management Plan;
  - to advise the Main Group on any issues related to the AC/135 Quality Programme;
  - to advise the Main Group on any changes required to the AC/135 Handbook on Aims, Organization and Working Procedures;
  - to advise the Main Group not later than 3 weeks preceding its meetings on relevant budget issues (acceptability/issues of special interest/ expectations etc);
  - to participate with NSPA in the preparation and control phase of the budget process;
  - to be timely informed by NSPA on the detailed financial data being the basis for the budget;
  - to report immediately to the Main Group if for some reasons the work will be delayed;
  - to advise the Main Group on any other issues it may deem necessary;
  - to work on the basis of recommendations to the AC/135 Main Group;
  - 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.

### COMPOSITIONS AND ORGANIZATION

3. BSC consists of:
  - Chairperson: Elected from NATO Member of the BSC, and endorsed by the Main Group; Act as Chairman Main Group if this position is vacant.



- **Mandate:** The mandate of the Chairperson is two years, with the possibility of extension for a second two-year term if confirmed by the AC/135 Main Group through consensus. On exceptional basis, the AC/135 Main Group may approve the further extension of the mandate of the Chairperson for an additional year.
- **Members:** maximum of eight NATO nations and three Sponsored Tier 2 Nation<sup>(1)</sup>'s representatives with each nation undertaking a two year membership; NSPA, Chairman of the Main Group will be copied of all BSC documents and may participate at his/her discretion. Any another nations wished to join the BSC, this would be handled with an election at the time of term expiry.

#### **METHOD OF WORK**

4. BSC reports to the Main Group. BSC will hold its meetings twice per year at least two months prior and on the day preceding the Main Group meetings. An additional meeting can be called by Chairman BSC upon specific requirements. BSC Terms of Reference will be reviewed at the time of BSC Chairman appointment and changes incorporated as required.

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<sup>(1)</sup> AC/135 Sponsorship Programme ref. PO(2001)225 dated 20-DEC-2001

**ANNEX X**

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**AC/135 NATO CODIFICATION SYSTEM TRANSFORMATION  
STEERING WORKING GROUP (TSWG) - TERMS OF REFERENCE****AREA OF RESPONSIBILITY**

1. To act as a research and discussion forum of topics assigned by Main Group with the focus on the impact of such changes on the operation and sustainability of the NCS with particular emphasis on data reliability and interoperability with partner organisations either within the NCS or externally. The TSWG is a research and project execution group. Its purpose is to make recommendations to Main Group but is not authorized to make decisions nor is it authorised to task any other group or organisation with undertaking work on its behalf.

**TASKS**

2. The tasks of the NCSTSWG include examine, study and elaborate on possible modernization/transformation projects with the aim of presenting a selection of comprehensive options on the way forward for Main Group (MG) decision. Once MG has agreed or approved a direction for a transformation project, it will determine the next steps which may include transference to Panel A, the appointment of an external consultant or any other such activity as deemed appropriate. Approval to hire an external consultant requires approval from the Main Group to obligate funds.

The number of tasks actively being worked on and their relative priority and time-frames will be determined by Main Group in consultation with the TSWG, based on resources available. New topics may only be authorised by Main Group but may be suggested from within the TSWG for Main Group approval. Specific tasks include:

- Provide the Main Group an update on assigned technical issues related to the NCS;
- Create technical recommendations for the Main Group consideration based on assigned tasks
- Present business case analysis (cost/benefit analysis) with recommendations
- Maintain a full list of current NCSTSWG work streams in the TSWG site to include a full list of tasks approved by Main Group:
  - Access to the TSWG folders/sub-folders should be used in conjunction with each project
  - Access to these sub-folders should be limited to the concerned persons (NSPA will analyse the feasibility of this) within industry sponsored by an NCB. NSPA will maintain list of sponsored names
  - Recommend to Main Group transfer implementation of approved projects to Panel A
- Identify to MG which tasks will require changes within National Codification Bureau (NCB) systems.
- Make recommendations to MG on potential enhancements

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**COMPOSITIONS AND ORGANIZATION**

## 3. TSWG consists of:

- Chairperson: Elected from NATO/Tier 2 members of the TSWG, and endorsed by Main Group. Responsibilities include:
  - Ensure that Recommendation Sheets accurately reflect the outcome of the discussions
  - Acts as the official spokesman of the AC/135 TSWG during Main Group and Panel A meetings
  - Reports to the AC/135 Main Group
- Mandate: The mandate of the Chairperson is two years, with the possibility of extension for a second two-year term if confirmed by the AC/135 Main Group through consensus. On exceptional basis, the AC/135 Main Group may approve the further extension of the mandate of the Chairperson for an additional year.
- Members:

The NCSTSWG is an expert group, the recommendations it makes are critical to the long term structure and organisation of the NCS. Accordingly, national representation at the NCSTSWG must be at a very experienced level irrespective of rank.

The NCSTWG will comprise:

- volunteer representatives of the National Codification Bureaux (NCBs);
- the chairperson of Panel A or his/her designated representative;
- NSPA IT and Codification Functional Support staff.

NCB representation will include a mix of the following:

- NATO nations
- Tier Two nations
- Emerging nations both NATO and Tier One as participating observers
- NCB Software providers with the approval of the NCB
- Industry representation may be requested for a specific topic when open to all of industry. The industry representative be vetted from their countries NCB Director following AC/135 Industry Participation rules.

The size of the group shall be limited to ensure that detailed discussions can be conducted fruitfully. The chairperson will determine, based on the topics, the most appropriate mix of attendees. The number of nations represented shall not exceed 15 in numbers, not including the chairman, NSPA, host nation attendees, and NCB software providers, not exceeding more than 1 representative per participating nation and NCB software provider, unless agreed differently by the chairperson or as requested by Main Group. The chairperson of the NCSTSWG may approach any AC/135 nation and request specific (additional) representation (by skillset not name) on a certain topic/project.

#### **METHOD OF WORK**

4. TSWG is a “steering” group that reports to the Main Group. The TSWG is to hold a minimum of two regular meetings per year, preceding the Panel A meetings in March and September plus any other ad hoc meetings as may be deemed necessary and approved by Main Group.

The creation of a project will require the production of a problem/opportunity statement. This may be raised by anyone in AC/135 or Industry and will require a sponsor from within MG in order to be presented to MG. This will be submitted to Main Group for approval and tasking of the TSWG. Projects must be studied by sub-groups, composed of specialists who may not necessarily be members of the TSWG

Main Group shall task TSWG in a document (meeting minutes are acceptable) in which the tasking is clearly described in terms of concise direction expectations about outcome and time-frames.

Following approval, the TSWG is to develop a concept paper confirming the scope of the project, possible solutions and an estimate of the amount of work/steps involved and a cost/benefit statement. This concept paper will go back to Main Group for confirmation that the understanding of the problem/opportunity is correct, and that the intended direction is in line with AC/135 priorities and the strategic plan. Once the concept paper has been confirmed, a new work stream/project will be established by the TSWG. The project plan is to detail the project leader, outcome statement and milestones.