

INTERNATIONAL CIVIL SERVICE
COMMISSIONCOMMISSION DE LA FONCTION
PUBLIQUE INTERNATIONALE

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Office of the Chair

Bureau du Président

REFERENCE: ICSC 60

31 March 2020

Dear Colleagues,

I am writing in response to your letter of 20 March 2020, in which you requested that I take urgent post adjustment measures, including the adoption by the Commission, by electronic means, of the report of the working group on operational rules, to protect group II duty stations from possible negative effects of COVID-19 on staff remuneration.

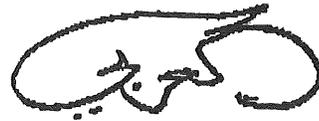
I would like to state from the outset that it is too early to make any objective assessment of the impact of COVID-19 on economic conditions in the various duty stations. As you know, post adjustment multipliers are adjusted over time based on the updating of post adjustment indices with inflation figures (consumer price indices obtained from the national statistics offices) and exchange-rate movements (obtained from the United Nations Treasury). None of these indicators showed any ominous trends as of the last updating occasion, about two weeks ago. While exchange rates just published by the UN Treasury (30 March 2020) do indeed indicate widespread devaluations of currencies in both group I and group II duty stations, these do not have any immediate impact on net take-home pay of staff. Under the existing system of operational rules, net take-home pay will not change between March and July 2020 for group II duty stations, and is, in any case, held stable, regardless of monthly exchange-rate movements, until February 2021, for group I duty stations.

I would like to assure you that any consequential volatility that may occur in the future due to the effects of COVID-19 can be effectively addressed by the current system of operational rules. It is worth remembering that these same rules effectively mitigated the effects of the global financial crisis from 2008 to 2010. Furthermore, it is within my delegated authority to have special measures implemented, if necessary. Such measures have, in fact, been taken for several duty stations, including Iraq, Syria, Venezuela and Zimbabwe. While there is no objective information on economic trends even for group II duty stations to warrant the pre-emptive implementation of extraordinary measures at this point, rest assured that we will keep the possible impact of COVID-19 under constant monitoring; and will act to protect staff remuneration from undue impacts if, and when necessary.

Mr. Ian Richards, CCISUA President
Mr. Brett Fitzgerald, FICSA Acting President
Mr. Stephen Towler, UNISERV President

Finally, I agree with you that the proposals contained in the report of the working group on operational rules represent a major improvement of the current system, in terms of protection of staff remuneration, from adverse macro-economic conditions. As envisaged throughout the ongoing post adjustment system review process, the revised system of operational rules will be considered for approval by the Commission in tandem with the new statistical methodology for compiling the post adjustment index, as part of a package that will be applied in the next round of surveys.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Larbi Djacta', enclosed within a large, irregular oval shape.

Larbi Djacta

cc: Mr. Michael Rosetz, HR Network/CEB
CCISUA, FICSA, UNISERV