

# FICSA CIRCULAR



FICSA/CIRC/1271/Rev.1

Geneva, 24 July 2017

Ref: Sal/prof/acpaq  
Offorg/icsc

To: Chairs, Member Associations/Unions  
Members of the Executive Committee  
Chairs, Members with Associate Status  
Chairs, Associations with Consultative Status  
Presidents, Federations with Observer Status  
Chairs and Vice-Chairs of Standing Committees

From: Gemma Vestal, General Secretary

**\*\*\* REVISION \*\*\***

## **FICSA UPDATE**

### **ON THE RESULTS OF THE COST-OF-LIVING SURVEYS IN HEADQUARTERS DUTY STATIONS AS DISCUSSED DURING THE 85<sup>TH</sup> SESSION OF THE ICSC**

Vienna, 13 to 18 July 2017

*Submitted by the FICSA Executive Committee*

Following the marked campaign of staff associations/unions in Geneva and their respective staff federations, together with the position of the Geneva-based organizations, to not implement the earlier decision of the International Civil Service Commission (ICSC) to cut remuneration through a reduced post adjustment index for Geneva-based staff in the Professional and higher categories, the ICSC had agreed to reopen discussions on this matter at its eighty-fifth session which is currently being held in Vienna (10 to 21 July 2017).

When the ICSC agenda item concerning cost-of-living surveys conducted in 2016 for headquarters duty stations (Geneva, London, Madrid, Paris, Rome and Vienna) was opened for deliberation on 13 July, staff federations as well as senior management from some of the Geneva-based organizations were there in large numbers to defend staff salaries. The expert statisticians, who had been appointed by the HR Network to conduct the organizations' independent review of the surveys, were also present and actively participated in the meeting.

Intense discussions ensued from 13 to 18 July 2017, following which the ICSC decided:

- To affirm its decision that the 2016 baseline cost-of-living surveys were carried out in accordance with the approved methodology;
- To take note of the findings of the HR Network's team of statisticians as well as the subsequent response from the ICSC secretariat, and to refer all findings and responses to ACPAQ for evaluation;

- To request ACPAQ to continue work on improving the methodology;
- That the results of the surveys for London, Madrid, Paris, Rome and Vienna be implemented on 1 August 2017, taking into account inflation and exchange rate fluctuations between the survey date and the date of implementation;
- To change the implementation date of the new post adjustment index for Geneva from 1 May 2017 to 1 August 2017;
- For these headquarter duty stations where the survey results were significantly lower than the prevailing pay indices (Geneva, Madrid and Rome), to bump up the lower new post adjustment index (updated to the month of implementation to reflect inflation and exchange rate fluctuations) by 3 per cent to help close the gap between this and the higher current pay index;
- That the new post adjustment indices will be applicable to all staff in the Professional and higher categories. However, existing staff recruited prior to the date of implementation will receive a personal transitional allowance;
- That the initial duration of the personal transitional allowance ensuring no reduction in pay will be for a six-month period following the implementation date of the decision (that is from 1 August 2017 to 1 February 2018). After that period, the transitional allowance would be adjusted downwards every four months until it is phased out.

In summary this means that, although the decisions are to be implemented on 1 August 2017, existing staff in the Professional and higher categories will not see a reduction in take-home pay until 1 February 2018, and the amount of the reduction will be less than what was initially announced. The gap closure measure (bumping up of the new post adjustment indices by 3 per cent) will help limit the amount of the reduction in take-home pay. Furthermore, it was mentioned during the meeting that the comparator (the US Federal Civil Service) for purposes of establishing our salaries, may provide its staff with a pay increase effective 1 January 2018. As this increment will be factored in, it could help to further limit the amount of the reduction in take-home pay. The delayed date of implementation (from 1 May 2017 to 1 August 2017) of the decisions could also have a positive impact for staff provided that inflation rates continue to rise in the duty stations affected by these decisions and exchange rates remain stable.

Without you, the staff, the associations/unions and staff federations would not have been able to have achieved the above-listed changes. We therefore take this opportunity to warmly express our sincere appreciation and gratitude for your mobilization and actions of support. We want to thank the organizations as well for their solidarity and unwavering support to staff, for their strong reaction in questioning the recommendations of the ICSC and exercising due diligence to ensure that the ICSC decision is sound, and the methodology is fit for purpose.

At the same time, given the remaining uncertainties and the fact that there will still be a reduction in take-home pay, albeit effective 1 February 2018 for existing staff in this category, our actions must not stop here. The ICSC still refuses to accept that its methodology and application are flawed, as highlighted in the report of the HR Network expert statisticians. The ICSC and its subsidiary committee, ACPAQ, both of which are technical bodies, have still not provided any technical explanation for having fixed the gap closure measure at 3 per cent instead of the former 5 per cent.

In light of the above, it will be essential that a maximum number of staff seek legal redress in accordance with the staff regulations and rules in force in each participating organization once your respective organization has announced its decisions related to this matter. For this purpose, FICSA's roadmap for litigation will be issued in early August, and it will provide member Staff

Associations and Unions with the relevant guidance to pursue concerted legal action on behalf of their members.

