



COMMUNICATION 17/19

FICSA intervention on ICSC agenda item 5 (c) ACPAQ – Review of post adjustment methodology

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

Geneva, 5 August 2019

From: Brett Fitzgerald, FICSA President

Dear Colleagues,

To keep you updated on the on-going discussions at the 89th session of the ICSC regarding the review of the post adjustment methodology, please see below the intervention made by FICSA on this matter.

We will keep you informed on any further developments.

Mr. Chairman,

I will be speaking on behalf of both FICSA and UNISERV on this agenda item.

We thank the secretariat for the preparation and presentation of document R.7, and we would like to express our appreciation to all the statisticians and other persons who participated in and contributed to the extensive work undertaken by the Task Force which reviewed the post adjustment methodology as well as to those who subsequently contributed to the work in ACPAQ. Having participated in the ACPAQ session myself, I noted with appreciation the collaborative spirit in which this work took place.

Our staff federations were represented by statisticians in the Task Force who subsequently participated in the ACPAQ session, together with officers of two staff federations (FICSA and UNISERV).

Mr. Chairman,

FICSA and UNISERV fully align themselves with the previous speakers from the HR Network and ILO.

We also have a concern with the wording of paragraph 41 (a) of document R.7. Paragraph 41 reads that ACPAQ decided to recommend to the Commission that the Törnqvist index formula be used for the calculation of the in-area (excluding housing) index of the post adjustment index while, at the same time, makes such a recommendation contingent upon further elaboration of several aspects. This seems to put the cart before the horse. It was our understanding in the ACPAQ discussions that the further elaboration would be conducted first, prior to making such a recommendation to the Commission. We believe that these issues require further examination.

Furthermore, as was stated during the ACPAQ session and again by the ICSC Secretariat this morning when speaking about the index formula, should there be a move from the modified Walsh to a superlative index such as Törnqvist in respect of a certain element of post adjustment, the resulting index would be lower than the current cost-of-living index. Therefore, and bearing in mind that staff should not suffer negative consequences in their net remuneration when it is solely due to a change in methodology, FICSA and UNISERV would not be in a position to support such changes before seeing how the compensatory mechanism or recalibration factor would be put into place either at the conceptual level or at the level of the operational rules. We look forward to further discussions in this respect.

UNISERV and FICSA expressed during the ACPAQ session the need that whatever methodology results from this review, it must be fit-for-purpose, predictable, transparent and easily understandable by staff, and we believe that all of these issues require further examination by ACPAQ, the expert technical body in respect of post adjustment issues, prior to submitting the issues to the Commission for decision.

Lastly, Mr. Chairman, having listened to the intervention of the HR Network a few minutes ago in which it was proposed that the Task Force continue its work in examining all the relevant issues in order to further advance this review prior to submitting any recommendations to the Commission for decision, FICSA and UNISERV fully support the HR Network's proposal.

Thank you.