



Geneva, 20 March 2020

Subject: Urgent post adjustment measures to protect Group 2 duty stations from the current economic volatility

Dear Mr. Djacta,

We would like to thank you for holding the recent session of the Working Group on Operational Rules last month in Paris.

We believe important progress was made and we were particularly heartened by proposals (the modification of the four-month and ten-point rules) that would bring greater stability to field (Group 2) duty stations, protecting staff from the inadvertent impacts on post adjustment of sudden currency devaluations and other shocks.

As you may be aware, the impact of COVID-19 has now brought about just such a situation. Many developing countries are facing a sudden economic and currency shock brought about by a strengthening dollar, high public debt and falling oil prices, to an extent unprecedented in recent history.

The Commission acted correctly in cancelling its spring session. However, the outcome is that the locations that most need protection from the current volatility, through the proposed changes to the rules, are now left exposed.

For this reason, we are asking you to urgently consider measures in your power to have these proposals adopted, including adoption by electronic means. This would be a much-needed first line of protection.

.../...

Mr. Larbi Djacta
Chairman, ICSC
International Civil Service Commission
United Nations (10th Floor)
Two United Nations Plaza
New York, NY 10017, USA

We also urge you to convene ACPAQ by video conference in order to implement the second line of protection, namely the proposed technical changes to the methodology as agreed by the technical task force.

We are entering uncertain and fast-moving times. Your rapid and determined leadership will make a difference for staff on the ground.

We hope you will be able to give serious consideration to our request.

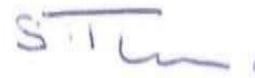
Sincerely yours,



Ian Richards
CCISUA President



Brett Fitzgerald
FICSA Acting President



Stephen Towler
UNISERV President

Cc: CEB, Michael Rosetz
FICSA, CCISUA, UNISERV

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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



Geneva, 22 April 2020

Subject: Urgent mitigation measures to protect duty stations from the current negative economic impacts of COVID-19

Dear Mr Djacta,

We hope that this message finds you and your loved ones in good health despite the difficult times.

We refer to your letter of 31 March 2020 regarding the possible negative effects of COVID-19 on staff remuneration.

In your letter you assured us that it was within your delegated authority to have, if necessary, special measures implemented. In light of this, we would like to draw to your attention that we have received numerous reports from our members in group II duty stations regarding the negative impact of COVID-19 on the take-home pay of staff in those duty stations. Please see the attached report from a FICSA member which clearly illustrates the concerns of staff in one duty station, as an example. In addition, the staff federations are seeing many cases of a substantial increase in the cost of living across the board with many staff noting a considerable disparity in the cost of the “basket of goods” in recent weeks.

We count on your understanding and look forward to hearing from you, at your earliest convenience, as to how the ICSC intends to deploy special measures in affected duty stations to mitigate the negative impacts of COVID-19 on staff remuneration. In order to facilitate this, we would like to suggest an informal meeting in the coming week to allow us to present the issues more broadly and to brainstorm possible immediate solutions to this growing concern.

.../...

Mr Larbi Djacta
Chairman, ICSC
International Civil Service Commission
United Nations (10th Floor)
Two United Nations Plaza
New York, NY 10017, USA

All three Staff Federations, representing thousands of international civil servants worldwide, remain available to discuss this matter with you and the ICSC secretariat and provide additional information as necessary.

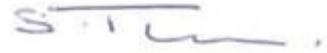
Sincerely yours,



Mr Stefan Brezina
CCISUA President



Ms Tanya Quinn-Maguire
FICSA President



Mr Stephen Towler
UNISERV President

Annex: 1

Cc. FICSA members
UNISERV
CCISUA

REPORT FROM FICSA MEMBERS BASED IN NAIROBI – COVID-19 NEW SITUATION

FICSA has received a request from IP UN staff based in Nairobi explaining the current situation.

In light of the report below, and considering that international terrorism is still a concrete threat in this country, we do not consider Nairobi to retain the minimum requirements to be still classified as a “family” duty station and hardship class B. The hardship that staff and their families are facing, and which are likely to deteriorate further over the coming months are not to be neglected and calls for immediate consideration and actions by the UN. Therefore, we would kindly request an immediate (out-of-cycle) review of the hardship level of Nairobi and a clear communication to the UN staff regarding the scenario that would lead to an evacuation of dependents and non-essential/critical staff.

In consultation with the ICSC, we would like careful consideration of the above cited factors that affect, health, security, local conditions and isolation based on the following:

- Health risks and difficulty of access to health care facilities;
- Inaccessibility of schooling facilities;
- Unsuitable living conditions;
- Deteriorating security situation;
- Deteriorating physical and mental health;
- Other factors that have social and psychological impact on families such as limited movements, imposed curfew and impossibility of leaving the country in the short and medium term.

Since the confirmation of several cases of COVID-19 infections in Kenya, we have seen a sharp deterioration in the living conditions in Nairobi for internationally recruited staff and their families. As of today, our lives have been severely impacted by the measures put in place to contain the spreading of the virus.

On 15 March 2020, President Kenyatta announced that all learning institutions were to close, with immediate effect due to the recent, confirmed cases of COVID-19 in Kenya. Schools have introduced a remote teaching and learning plan to continue the children’s education, which in all cases required close parental/guardian/adult support. While this is a condition prevailing in most countries around the world, it exposes children to high level of stress being confined in the house and depending on parents for their entertainment. The situation is clearly further exacerbated by the fact that children are locked down in a foreign country. Furthermore, this has put parents under tremendous pressure and stress to support the children in their assigned tasks in order not to fall behind with the teaching programme, but more importantly, in order to maintain morale and enthusiasm that is so important for child wellbeing. Those parents who could not support their children (e.g. because both are employed) had to find (at the last minute) a tutor or a baby sitter to stay with the children while the parents would be at work, obviously not being able to count on the support of other family members because of the status of an expatriate away from the home country.

Stress levels are bound to increase exponentially as the pandemic gets closer to our doorsteps and its brunt is hitting the families and communities of the staff members in their own country of origin, who are incapacitated to return to their home stations to provide support to their loved ones.

As of Thursday 26 March, all international incoming and outgoing flights have been suspended. Staff members are now de facto locked in the country with no possibilities for themselves or their dependents of returning home. This has huge psychological repercussions and is a reason for further anxiety and stress on staff and their families. Food and medicaments stockpiling have been encouraged by the UN which increases the fear of supply chain disruptions in the country. Stress is further exacerbated by the impossibility to return to the respective home stations; meaning that parents who might fall sick, would have no social capital (family, friends, community) to rely on for the care of their underage children. Withstanding the absolute weakness of the national health services and therefore the high probability of lack of ICU facilities when the pandemic will eventually diffuse in Kenya.

As of Friday 27 March, the President of Kenya imposed a curfew from 7 pm to 5 am. While the measure seems geared towards a reduction of crime and break-ins, it reduces the window of access to basic services, concentrating access to supermarkets and health care facilities in a more limited number of hours, again increasing the likelihood of contamination.

In **Uganda**, further restrictive measures are expected, such as a total ban to use private vehicles imposed by the President of Uganda for a duration of 14 days. This is adding further stress to staff members and families who are deployed in Uganda.

As of today, the security services (UNDSS) have remained surprisingly silent regarding possible scenarios of social unrest and turmoil, in spite of the recent curfew-related clashes between civilians and law enforcement and possible shortages of basic commodities resulting from international travel bans. The UN staff remain uncertain as to whether the UN system is prepared to face a sudden escalation of violence, looting and petty crime in view of the following likely scenario: the sudden rise in unemployment amongst Kenyans, who were relying on tourism, business and trade, could lead to social unrests and local riots and violence.

Moreover, the recently reported price hike on basic commodities (anecdotal observations refer of a 10% to 20% increase), may increase the risk of social tension and turmoil.

Furthermore, in the event of COVID-19 expanded infections, the national private and public health care systems do not have the capacity to manage the rising numbers of infected patients. Different figures have been circulated, from tens to just less than hundred ICU functional units. Even in the best estimates they will not be able to handle a situation with less than 10,000 positive cases of COVID-19. In addition, owing to the prevailing situation, UN staff members and families have become increasingly hesitant to seek medical attention out of fear of being contaminated.

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ICSC-PADJ-0520-02

DATE: 14 May 2020

TO: Recipients of Post Adjustment
Classification Memo

THROUGH: Mr. Larbi Djacta
Chairman, ICSC

A stylized signature in black ink, appearing to be 'L. Djacta', written over a circular scribble.

FROM: Ibrahim S. Yansaneh
Chief, Cost-of-Living Division

A cursive signature in black ink, appearing to be 'Ibrahim S. Yansaneh', written over a horizontal line.

SUBJECT: Mid-month post adjustment classification memo for May 2020

1. I am pleased to send you the post adjustment multipliers for May 2020. Note that **only duty stations with changes in post adjustment multipliers** as compared to the previous memo ICSCPADJ-0520-01 are listed.

2. Given the extraordinary circumstances being experienced by United Nations common system staff in Professional and higher categories serving around the world due to the impact of the COVID-19 pandemic, the ICSC Chair, under his delegated authority, has decided to approve the promulgation of some special measures for group II duty stations, designed to ensure that there is no reduction in net take-home pay (NTP) until further notice. See document ICSC/CIRC/GEN/05/2020 for details. **Please note that none of these special measures was warranted for the two group II duty stations for which post adjustment multipliers are reported in this memorandum.**

Group II duty stations

3. Based on the results of the most recent cost-of-living surveys for group II duty stations, the revised post adjustment multiplier listed in Table 1 is applicable effective 1 May 2020.

Table 1. Revised post adjustment multiplier as a result of cost-of-living surveys – May 2020

DUTY STATION	MULTIPLIER
Guyana	44.2

4. Cost-of-living survey results did not trigger a change in multiplier for **Kazakhstan**.

5. Based on the results of the most recent cost-of-living surveys for group II duty stations, the revised applicable rental subsidy thresholds listed in Table 2 below, are effective 1 May 2020.

Table 2. Group II duty station with revised rental subsidy thresholds

DUTY STATION	RENTAL SUBSIDY THRESHOLDS (PER CENT)	
	With Spouse/Single Parent Allowance	<u>Without Spouse/Single Parent Allowance</u>
Guyana	22	23

6. The waiver of the 40 per cent of rent limit on rental subsidies **is no longer applicable** for **Kazakhstan** effective 1 May 2020.

cc. Mr. Aldo Mantovani
Ms. Genet Amdeberhan

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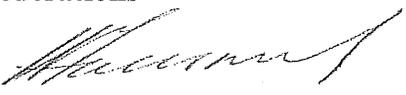
COMMISSION DE LA FONCTION
PUBLIQUE INTERNATIONALE

ICSC/CIRC/GEN/05/2020

11 May 2020

ICSC 60-2

TO: Human Resources Managers of Participating Organizations
Representatives of Staff Federations

FROM: Ibrahim Yansaneh, Chief 
Cost-of-Living Division

SUBJECT: Special measures to mitigate the negative impact of the COVID-19 global pandemic on post adjustment classifications of group II duty stations

1. The inevitable disruptions in global markets, and the attendant lockdowns, both legally established or de facto, due to the impact of the COVID-19 pandemic, have made it impracticable to do any data collection for purposes of cost-of-living comparisons across duty stations. As a result, the ICSC suspended its survey programme, as of April 2020, until further notice. Surveys that were already completed before the advent of COVID-19 are being processed in accordance with the Commission-approved methodology but will be implemented in accordance with the provisions stipulated by the relevant special measures, as specified below.

2. It should be noted that the pandemic negatively affects not just the conduct of comprehensive cost-of-living surveys, but also the macro-economic indicators, such as local currency exchange rates and consumer price indices, on which the determination of post adjustment multipliers depends. The ICSC secretariat has indeed observed some negative effects, manifested mainly in widespread depreciation of local currencies, especially in field duty stations. For the time being, these impacts can be effectively addressed by the existing operational rules. For instance, thanks to the Four Month Review (FMR) cycle, the net take-home pay (NTP) of staff in field duty stations will not change, no matter the local macro-economic conditions, until July 2020, the scheduled date of the next post adjustment classification (PAC) review, unless a cost-of-living survey is to be implemented.

3. However, a sustained and severe negative impact on the above-referenced indicators may indeed lead to significant negative adjustments of post adjustment multipliers, which, without the possibility of conducting cost-of-living surveys, may not be sufficiently mitigated by the existing operational rules. Given the extraordinary circumstances being experienced by United Nations common system staff in Professional and higher categories serving around the world, the ICSC Chair, under his delegated authority, has decided to institute the following special measures, designed to ensure that there is no reduction in NTP until further notice.

4. The proposed special measures are designed to address any situations that might lead to reductions in NTP. They are even more favorable to staff than the recommendations of the Working Group on operational rules, which have found favor with both organization and staff representatives. Such special measures would prevent the reduction of NTP (in some cases, even increase the NTP) for eligible staff, no matter what the economic circumstances of the duty station, and, at the same time, grant increases in NTP, if warranted by the results of surveys or interim adjustments based on inflation and exchange-rate movements.

Duty station with active special measures

5. Special measures are already in place to protect the NTP of eligible staff from specific local macro-economic circumstances (not related to the COVID-19 global pandemic) faced by a number of duty stations, including Zimbabwe, Venezuela, Iraq and Syria.

Duty stations with pending implementation of survey results

6. For surveys that are already conducted, with results pending implementation, new post adjustment multipliers (PAMs) will be:

- (a) Implemented, in an unrestricted manner, as usual, if they lead to NTP increases;
- (b) Frozen, if they lead to decreases of less than 3 percent; and
- (c) Determined by application of a revised gap closure measure if the decrease is 3 or more per cent.

Modification of the gap closure measure (GCM)

7. This modification provides for:

- (a) The usual augmentation of the survey-based post adjustment index (PAI) by 3 per cent that would form the basis for the applicable PAM;
- (b) The calculation of a personal transitional allowance (PTA) that would be applied to all staff, both existing and new;
- (c) Keeping the PTA fixed and not revised until the special measures are lifted, at which point the regular PTA revision cycle would begin to apply, adding 6 further months of stable PTA and subsequent downward revisions every 4 months until PTAs are phased out;
- (d) Applying consolidation to the PTAs whenever triggered by new base/floor salary scales, in order to avoid undue increases in remuneration levels.

Duty stations with ongoing PTAs

8. There are, currently, four duty stations in which PTAs are currently being paid, following earlier implementation of gap closure measures. These are shown in the table below, along with their PTAs and review dates. For these duty stations, there will be no further downward adjustment of PTA during the period of application of the COVID-19 special measures. The PTA revision cycle will be frozen as of 1 April 2020 and will resume its regular course upon the lifting of the special measures. Furthermore, the existing PTA will be applied to new staff as well.

Duty Station	PTA starting date	Existing PTA	Next Revision date
Qatar	Oct-19	11.1	Aug-20
Russia	Oct-19	3.0	Aug-20
Zimbabwe	Feb-20	22.5	Aug-20
Angola	Mar-20	9.1	Sep-20

Modification of the Four-month Review (FMR) rule

9. The four-month review rule will be implemented extremely asymmetrically to protect NTP of eligible staff. In other words:

- (a) New PAMs will be implemented only if they lead to salary increases;
- (b) Otherwise they are frozen at the prevailing levels, no matter the size of the warranted decrease, until the special measures are lifted, meaning that the 10-Point rule is effectively suspended;
- (c) The regular operation of the FMR rule will resume on the first statutory date after the lifting of the special measures.

Implications of the special measures for the post adjustment system

10. It must be noted that these special measures represent the most significant departure from the principle of purchasing power parity of net remuneration, the bedrock principle underpinning the post adjustment system. In fact, they have a much stronger protection of NTP than the recommendations of the Working Group on operational rules that were recently submitted to the Commission. Their overall impact is to increase the gap between post adjustment and pay indices, which will impede NTP increases based on interim adjustments in the future, as these will be absorbed by more frequent phasing out of the PTAs.

11. Heads of Human Resources are hereby requested to alert the payroll offices of their organizations about these special measures, as their implementation would require a change in some established procedures, such as the management of the PTA, now held fixed and applied to all staff (both existing and newly assigned). The accompanying annex provides a side-by-side comparison of current arrangements in the application of the existing operational rules for determination of the applicable PAM, versus the changes stipulated by the special measures.

12. I am at your disposal for any questions you may have, or any clarifications you may need.

Annex

Simplified summary of changes

Implementation of survey results	
<i>Current arrangements</i>	<i>What changes?</i>
<ul style="list-style-type: none"> • Surveys resulting in positive results or no-change are implemented; Severely negative results are implemented under the regular gap closure measure (GCM) 	<ul style="list-style-type: none"> • Surveys resulting in severely negative results are implemented according to a modified GCM.
Newly implemented Gap Closure Measure (GCM)	
<i>Current arrangements</i>	<i>What changes?</i>
<ul style="list-style-type: none"> • Augmentation by 3% of survey results and payment of Personal Transitional Allowance (PTA) to existing staff 	<ul style="list-style-type: none"> • Augmentation by 3% of survey results and payment of PTA to all staff (including new staff assigned to the duty station after the date of implementation of survey results) until the special measures are lifted.
<ul style="list-style-type: none"> • PTA revised 6 months from implementation date of survey results; every 4 months afterwards 	<ul style="list-style-type: none"> • The PTA revision cycles are frozen until the special measures are lifted.
<ul style="list-style-type: none"> • The PTA is maintained upon implementation of higher base/floor salary scale 	<ul style="list-style-type: none"> • The PTA is consolidated upon implementation of higher base/floor salary scale
Ongoing PTAs	
<i>Current arrangements</i>	<i>What changes?</i>
<ul style="list-style-type: none"> • PTA is paid only to existing staff, already on post on the date of the implementation of survey results 	<ul style="list-style-type: none"> • PTA is paid to all staff, including to new staff assigned to the duty station after the date of implementation of survey results
<p>The PTA revised 6 months from implementation date of survey results; every 4 months afterwards</p>	<ul style="list-style-type: none"> • The PTA revision cycles are frozen until the special measures are lifted.
<ul style="list-style-type: none"> • The PTA is maintained upon implementation of higher base/floor salary scale 	<ul style="list-style-type: none"> • The PTA is consolidated upon implementation of higher base/floor salary scale
Four-Month Review (FMR) rule	
<i>Current arrangements</i>	<i>What changes?</i>
<ul style="list-style-type: none"> • If a decrease in PAM of 10 points or less is due according to FMR calculations, it is implemented; otherwise, the 10-point rule is triggered 	<p>If a PAM decrease is due according to FMR calculations, the new lower PAM is not implemented; the existing PAM is maintained, no matter how large the decrease from the FMR calculations; the 10-Point rule is effectively suspended.</p>