U N I T E D   N A T I O N S **N A T I O N S   U N I E S**

INTERNATIONAL CIVIL SERVICE COMMISSION **COMMISSION DE LA FONCTION PUBLIQUE INTERNATIONALE**

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ICSC-PADJ-0620-01

DATE: 29 May 2020

TO: Recipients of Post Adjustment Classification Memo

THROUGH: Mr. Larbi Djacta
Chairman, ICSC

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

SUBJECT: Post adjustment classification memo for June 2020

1. I am pleased to send you the post adjustment multipliers for June 2020. Note that only duty stations with changes in post adjustment multipliers are listed.

Group I Duty Stations

2. Given that the ICSC has suspended its survey programme as a result of the disruptions in global markets, and the attendant lockdowns, both legally established and de facto, due to the impact of the COVID-19 pandemic, the ICSC Chair has decided, under his delegated authority, to approve the promulgation of a special measure for group I duty stations where staff incur a significant share of local expenditures in non-local currencies, with effect from 1 June 2020, until further notice. This measure entails a modification of the 0.5 percent rule, to guarantee stability of each of two separate portions of the net take-home pay (NTP), one set in local currency and the

other in US dollars. The proportions of the two NTP components are based on the proportions of local expenditures incurred in local and non-local currencies, as measured with the most recent place-to-place survey at the duty station. See document ICSC/CIRC/GEN/06/2020 for details. **Please note that this special measure was found to be applicable in four of the five eligible duty stations.**

3. The post adjustment multipliers, applicable to group I duty stations, as a result of the operation of the 0.5 per cent rule under conditions of currency depreciation/appreciation relative to the US dollar, with effect from 1 June 2020, are given in Table 1.

Table 1. Changes to post adjustment multipliers for group I duty stations – June 2020

DUTY STATION	MULTIPLIER	DUTY STATION	MULTIPLIER
Australia	29.3	Greece	23.8
Austria	42.2	Iceland	23.7
Belgium	37.9	Ireland	43.7
Bulgaria	15.9	Italy, Brindisi	23.9
Canada, Montreal	36.8	Italy, Rome	29.8
Canada, Ottawa	45.7	Japan, Hiroshima	62.7
Canada, Toronto	53.0	Japan, Tokyo	86.6
Cyprus	20.5	Luxembourg	43.8
Czech Republic	32.1	Malta	28.4
Denmark	58.6	Monaco	45.2
Finland	36.8	Netherlands	40.0
France, Lyon and Elsewhere	41.8	Norway	34.0
France, Paris	45.2	Portugal, Guimaraes	4.6
French Guiana	33.7	Portugal, Lisbon	27.4
Germany, Berlin	34.7	Slovakia Republic	23.2
Germany, Bonn	29.3	Slovenia, Republic of	32.6
Germany, Dresden	29.3	Spain	27.7
Germany, Hamburg	36.3	Sweden	40.4
Germany, Munich	40.1	Switzerland	71.3
Gibraltar	55.0	United Kingdom	55.0

4. In accordance to the ICSC/CIRC/GEN/06/2020, the post adjustment multipliers applicable for the following group I duty stations, with effect from 1 June 2020, are given in Table 2.

Table 2. Post adjustment multipliers for group I duty stations as an application of the special measure – June 2020

DUTY STATION	MULTIPLIER
Croatia, Republic of	35.9
Hungary	25.3
Poland	16.2
Romania	13.0

Group II duty stations

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

Table 3. Revised post adjustment multipliers as a result of cost-of-living surveys – June 2020

DUTY STATION	MULTIPLIER
Iran	44.1
Maldives	53.3
Nicaragua	34.3

6. Cost-of-living survey results did not trigger a change in multiplier for **China, Macao (SAR).**

7. The gap closure measure is applicable for **Maldives**. The personal transitional allowance **(PTA)** is **3.2**. In accordance with the **ICSC/CIRC/GEN/05/2020**, the **PTA** is applicable to both newly assigned staff and existing staff (staff already in the duty station before 1 June 2020), and will **not be revised** until the **special measure is lifted**.

8. 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 4 below, are effective 1 June 2020.

Table 4. Group II duty station with revised rental subsidy thresholds

DUTY STATION	**RENTAL SUBSIDY THRESHOLDS (PER CENT)**	
	With Spouse/Single Parent Allowance	**Without Spouse/Single Parent Allowance**
Iran	30	32
Maldives	23	24
Nicaragua	25	27

cc. Mr. Aldo Mantovani
Mr. Omar Abdi

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INTERNATIONAL CIVIL SERVICE COMMISSION

COMMISSION DE LA FONCTION PUBLIQUE INTERNATIONALE

ICSC/CIRC/GEN/06/2020 **29 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 I duty stations**

1. The inevitable disruptions in global markets, and the attendant lockdowns, 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 in ICSC/CIRC/GEN/05/2020 of 11 May 2020.

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, on which the determination of post adjustment multipliers for group I duty stations depends. The ICSC secretariat has indeed observed some negative effects, manifested mainly via depreciation of local currencies of some group I duty stations.

3. Considering that the operational rules of the post adjustment system (PAS) are designed to maintain stability of net take-home pay (NTP) established in local currency, staff at those duty stations where there are significantly higher Local commitments in non-local currencies, typically in US dollars or Euros, may experience some erosion of purchasing power, usually in the short term, when the local currency depreciates significantly from its value at the last PAC review.

4. The current Commission-approved remedy for the above-referenced problem, since the 2010 round of surveys, has been the conduct of more frequent cost-of-living surveys. However, such surveys have been suspended since April 2020, due to the effects of the pandemic. Consequently, the ICSC Chair has decided, under his delegated authority, to institute the following special measure **with effect from 1 June 2020, until further notice**. This special measure entails a modification of the 0.5 percent rule, designed to stabilize each of two separate NTP components, one in local currency and the other in US dollars, when the share of local expenditures, as measured with the last place-to-place survey, is 15 percent or higher, and when the post adjustment multiplier (PAM) based on this modification, is higher than that based on the normal 0.5 percent rule.

5. The duty stations that have been identified as meeting the above-referenced criteria, and hence, eligible for application of this special measure, are **Bulgaria, Croatia, Hungary, Poland and Romania**. The measure provides better protection of the purchasing power of the overall NTP in local currency than the existing operational rule (0.5 percent rule), but only in the event of significant devaluations of local currencies. It could lead to increases in NTP in local currency significantly higher than 0.5 percent of the benchmark level, contrary to the underlying principle of the 0.5 percent rule. However, it is being implemented only in the context of a special measure to provide more NTP in local currency, hence more purchasing power, to deal with significant expenditures incurred in non-local currency, on a temporary basis. A methodologically consistent modification of the 0.5 percent rule would require a more in-depth analysis and consideration of several technical issues, and should be a subject for further studies, as instructed by the Commission at its eighty-first session (see paragraph 62 of A/70/30). It is expected that the normal operation of the 0.5 percent rule, as well as more frequent surveys for these duty stations, will resume upon the lifting of the special measures, until a methodologically consistent modification of the rule is found.

Modification of the 0.5 percent rule

6. This modification provides for using the share of local expenditures incurred in non-local currencies, as measured with the last place-to-place survey, to determine a corresponding share of the NTP as set at the last PAC review date to be kept constant in US dollars. The remaining share of the NTP, corresponding to In-Area expenditures incurred in local currency, is stabilized in accordance with the normal 0.5 percent rule. The PAM is then determined as usual but replacing the NTP in local currency with the sum of two NTP components: that maintained in US dollars; and that maintained in local currency, after conversion in US dollars using the prevailing operational rate of exchange. The monthly PAM based on this modification is compared with that based on the normal 0.5 percent rule and the higher of the two prevails. The differences between the operations of the normal 0.5 percent rule and its modification for this special measure are shown in the following table.

Table: Modification of the 0.5 percent rule

Current arrangements	*What changes?*
• The whole net take-home pay (NTP) is kept stable in local currency	• The NTP is split in two components, with proportions as measured with the last place-to-place survey: o One component is kept stable in local currency, o The other component is kept stable in US dollars
• The monthly NTP expressed in local currency is kept stable within a range of plus/minus 0.5% around the benchmark level of NTP, as set during the last PAC review, until the next PAC review or an update of the level of pension contribution	• The monthly level of NTP expressed in local currency may exceed by more than 0.5% the benchmark level of NTP, as set during the last PAC review, until the next PAC review or an update of the level of pension contribution