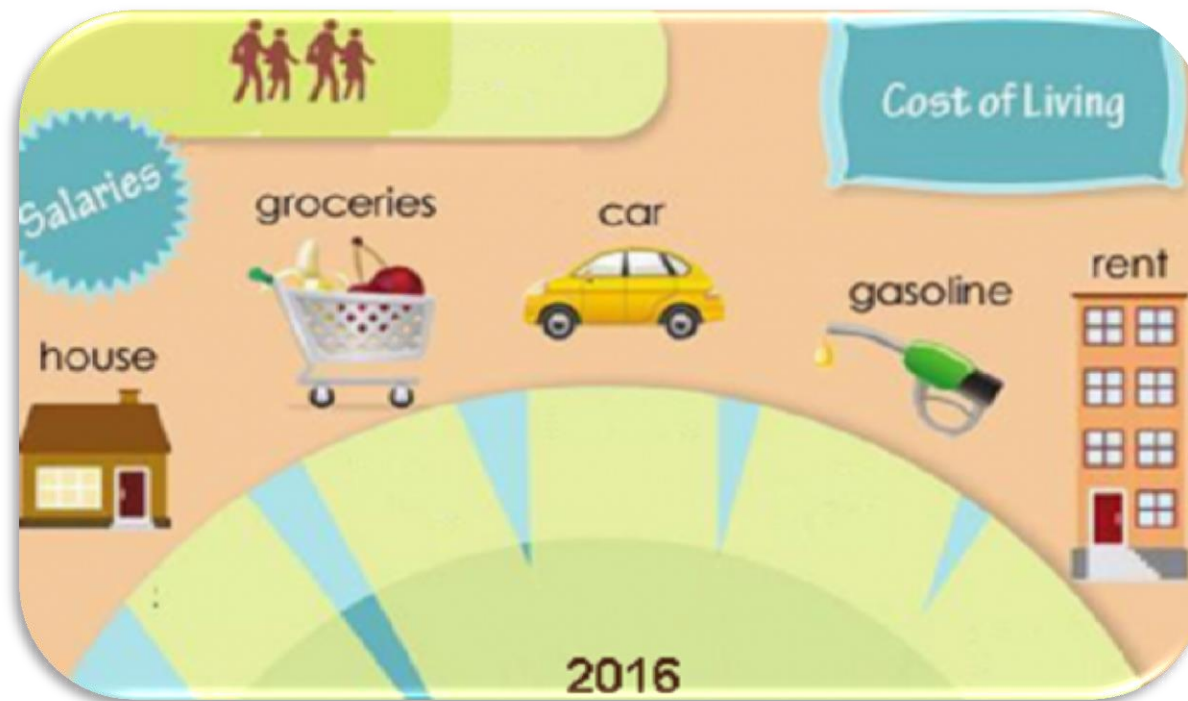


2016 Baseline Surveys at HQ Duty Stations

Briefing for Consultants representing Duty Stations



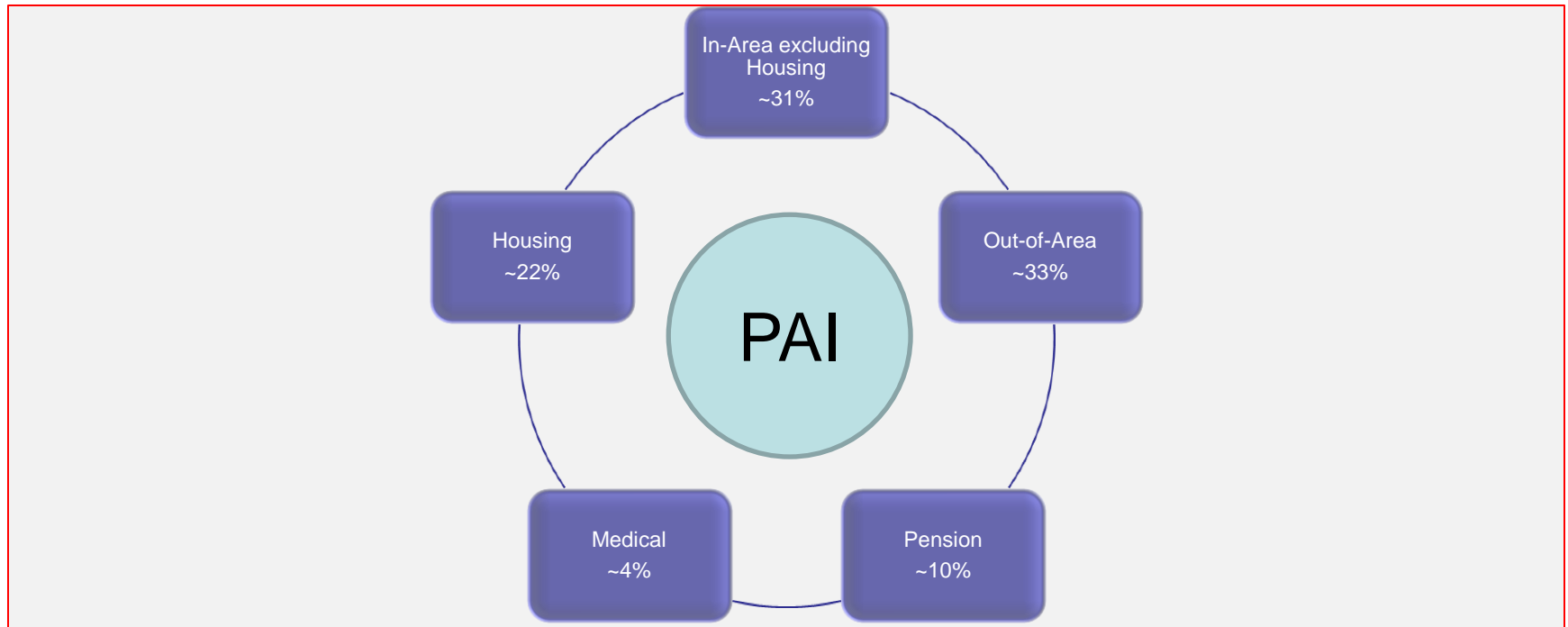
Calculation of the Post Adjustment Index

- PAI is an index that measures the cost of living of a given duty station relative to New York, the base of the system
- The index is calculated as a weighted average of price and cost relativities, via a hierarchy of steps
- The PAI is converted to the Post Adjustment Multiplier(PAM), also called Post Adjust Classification(PAC), via a set of operational rules as set by the Commission

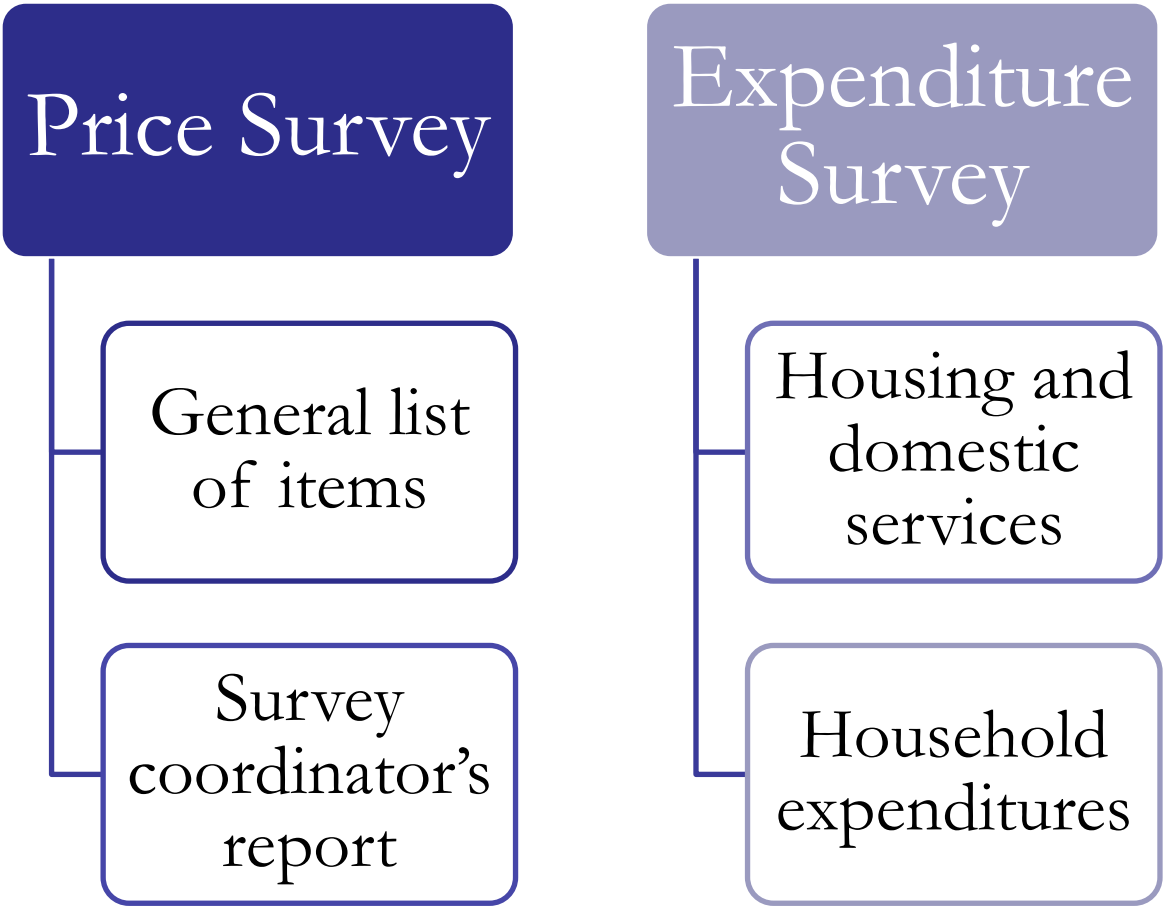


Calculation of the Post Adjustment Index

Major components of PAI



Components of Cost-of-Living Survey



Calculation of the Post Adjustment Index

Aggregation of the PAI, examples

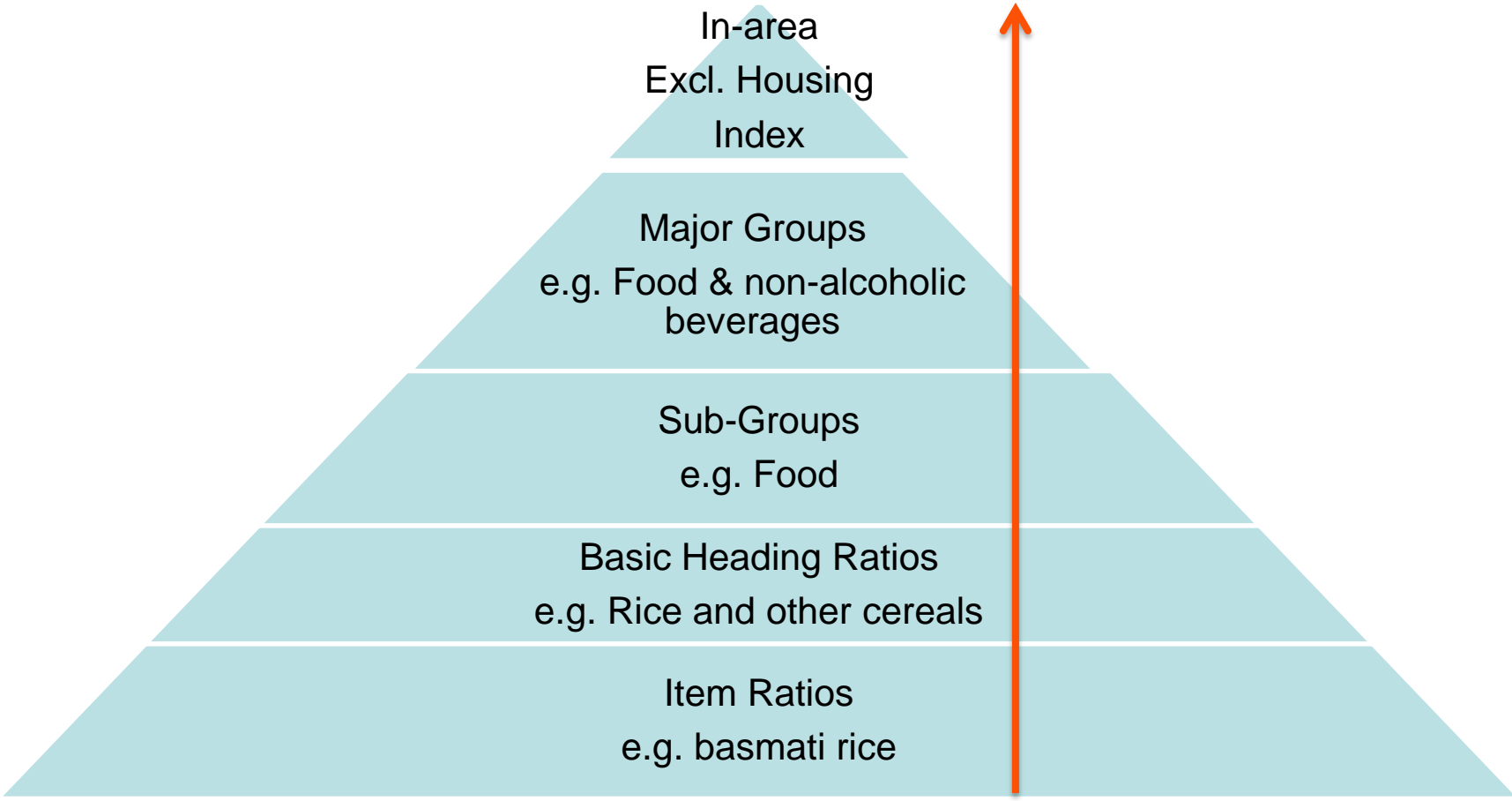
Updated PAI - January 2016	France- Paris	
Expenditure Group	P/P % Weight	Updated Index
Total	100.00	91.34
Total Excluding housing	75.16	97.19
Total in-area	61.65	89.35
Total in-area excluding housing	36.31	99.95
Food and non-alcoholic beverages	5.78	100.03
Alcoholic beverages and tobacco	0.92	78.60
Clothing and footwear	3.19	117.12
Housing, water, electricity, gas and fuels	24.84	73.65
Household equipment and routine maintenance of the	3.93	92.65
	1.72	75.99
Transport	6.85	100.65
Communication	1.38	92.64
Recreation and culture	4.63	92.64
Education	2.56	92.64
Restaurants and hotels	3.74	92.64
Miscellaneous goods and services	2.10	92.64
Pension contribution	9.90	92.64
Medical Insurance	5.22	70.15
Out of Area	23.23	95.68
PAI		139.08

The sub-components of the PAI are indented to show its hierarchical structure. The index and weight for each sub-component are also shown

The sum of all weights in percentage terms is 100%; where as the sum of all weights in US dollar terms is the net remuneration for a P4, step VI at the dependency rate

Calculation of the Post Adjustment Index

In-area (excluding Housing) component



Common Expenditure Weights

- ❖ Derived from expenditure survey
- ❖ Expenditure shares estimated for each grade level for each duty station
 - ❑ Averaged across grade level for each duty station; weighted by number of staff
 - ❑ Averaged across all duty stations; weighted by number of staff



Baseline Cost-of-Living Surveys at HQ Duty Stations - Staff Participation Rates



Duty Station	Survey month	Total staff	Target	No. of Submissions	Participation Rate*	
					As % of population	As % of Target
London	September 2016	198	163	154	78%	94%
Madrid	September 2016	40	40	39	98%	98%
New York	September 2016	5,543	2,145	2,518	45%	117%
Paris	September 2016	715	567	418	58%	74%
Washington D.C.	September 2016	354	309	293	83%	95%
Lyon	September 2016	119	98	86	72%	88%
Vienna	October 2016	2,191	1,118	1,246	57%	111%
Rome	October 2016	1,672	1,134	1,108	66%	98%
Geneva	October 2016	6,965	2,315	2,769	40%	120%
Montreal	October 2016	335	300	319	95%	106%
Brindisi	October 2016	139	139	117	84%	84%
Ottawa, Toronto	October 2016	8	8	8	100%	100%

*Not accounting for questionnaires that may be excluded from the analysis for various reasons

Country weights for OA index

Country	Weight	Rank
	2012	2012
France	21.51	1
United States	17.99	2
United Kingdom	8.76	3
Canada	6.44	4
Kenya	4.35	5
Italy	4.09	6
Australia	3.34	7
Germany	3.17	8
Spain	2.74	9
Switzerland	2.73	10
India	2.70	11
Belgium	2.44	12
South Africa	2.38	13
Philippines	2.13	14
Japan	1.58	15
Netherlands	1.58	16
Thailand	1.53	17
Senegal	1.44	18
Austria	1.38	19
China	1.36	20
Ghana	1.14	21
Denmark	1.14	22
Brazil	1.12	23
Russia	1.03	24
Nigeria	1.01	25
Sweden	0.83	26

System of bands for OA weight

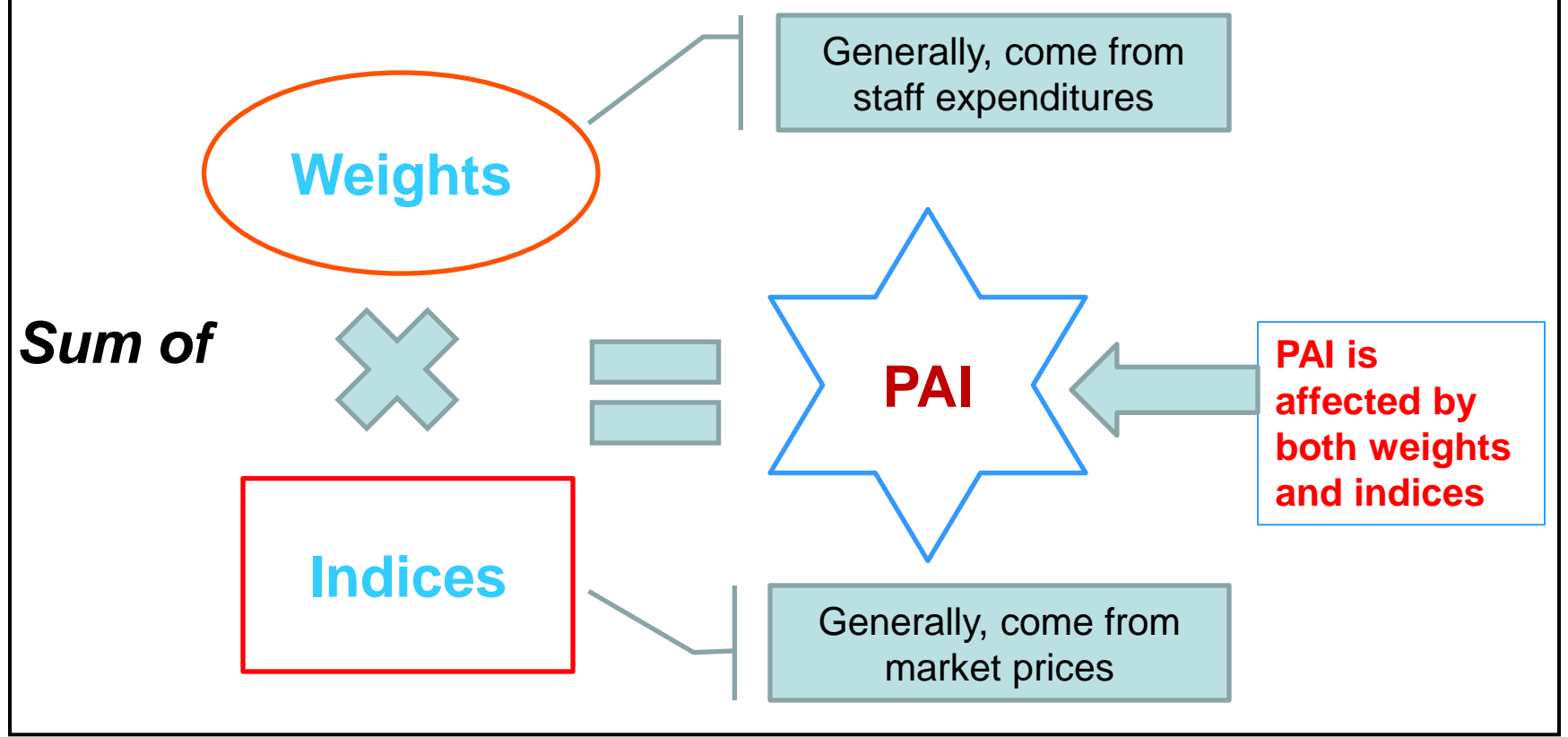
Actual OA weight derived from the Expenditure Survey Data

Actual OA weight	Applicable OA weight
<15%	10
>=15% and <25%	20
>=25% and <35%	30
>=35% and <45%	40
>=45% and <55%	50
>=55% and <65%	60
>=65% and <75%	70
>=75%	80

Calculation of the Post Adjustment Index

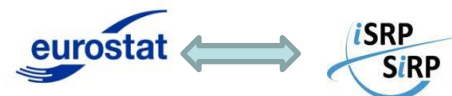
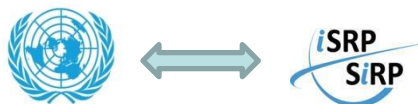
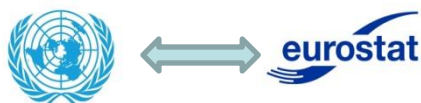
Aggregation of the PAI

- Interaction between weights and indices



Cooperation with partner Organizations

- A tripartite Memorandum of understanding (MOU) was signed with Eurostat and ISRP in 2009;
- The MOU spelled out the framework for the exchange, reproduction, and dissemination of statistical data;
- All three organizations wish to strengthen cooperation, e.g., by harmonizing survey instruments, to ease the exchange of data;



Organization of cost-of-living surveys

Role of Key Players

<p>list of items/survey instruments</p> <ul style="list-style-type: none"> • ICSC secretariat • ACPAQ • Organizations & Staff federations 	<p>List of outlets</p> <ul style="list-style-type: none"> • Survey coordinator/Local survey committee • ICSC secretariat • Chairman 	<p>Pre-survey consultations</p> <ul style="list-style-type: none"> • Survey coordinator/Local survey committee • ICSC secretariat
<p>Price data collection</p> <ul style="list-style-type: none"> • Survey coordinator/Local survey committee • ICSC secretariat • Duty station observers/Consultants • Eurostat 	<p>Housing/household info.</p> <ul style="list-style-type: none"> • Survey coordinator/Local survey committee • ICSC secretariat • Eligible staff members 	<p>Price data review</p> <ul style="list-style-type: none"> • ICSC secretariat • Duty station observers/Consultants
<p>Data processing</p> <ul style="list-style-type: none"> • ICSC secretariat 	<p>Review & recommendations</p> <ul style="list-style-type: none"> • ACPAQ • Organizations & Staff federations 	<p>Approval & Implementation</p> <ul style="list-style-type: none"> • Commission • ICSC secretariat

List of items and specifications

- Common basket of 300+ goods and services
- Revision of 2010 list → 2016 list
- Most significant change: use of European Comparison Program (ECP) average price data
- Group I duty stations not covered by ECP: Geneva, Montreal, New York and Washington D.C.
- Some items (UN-specific, Real-Time Price Comparison items) added to streamlined list for local survey coordinator

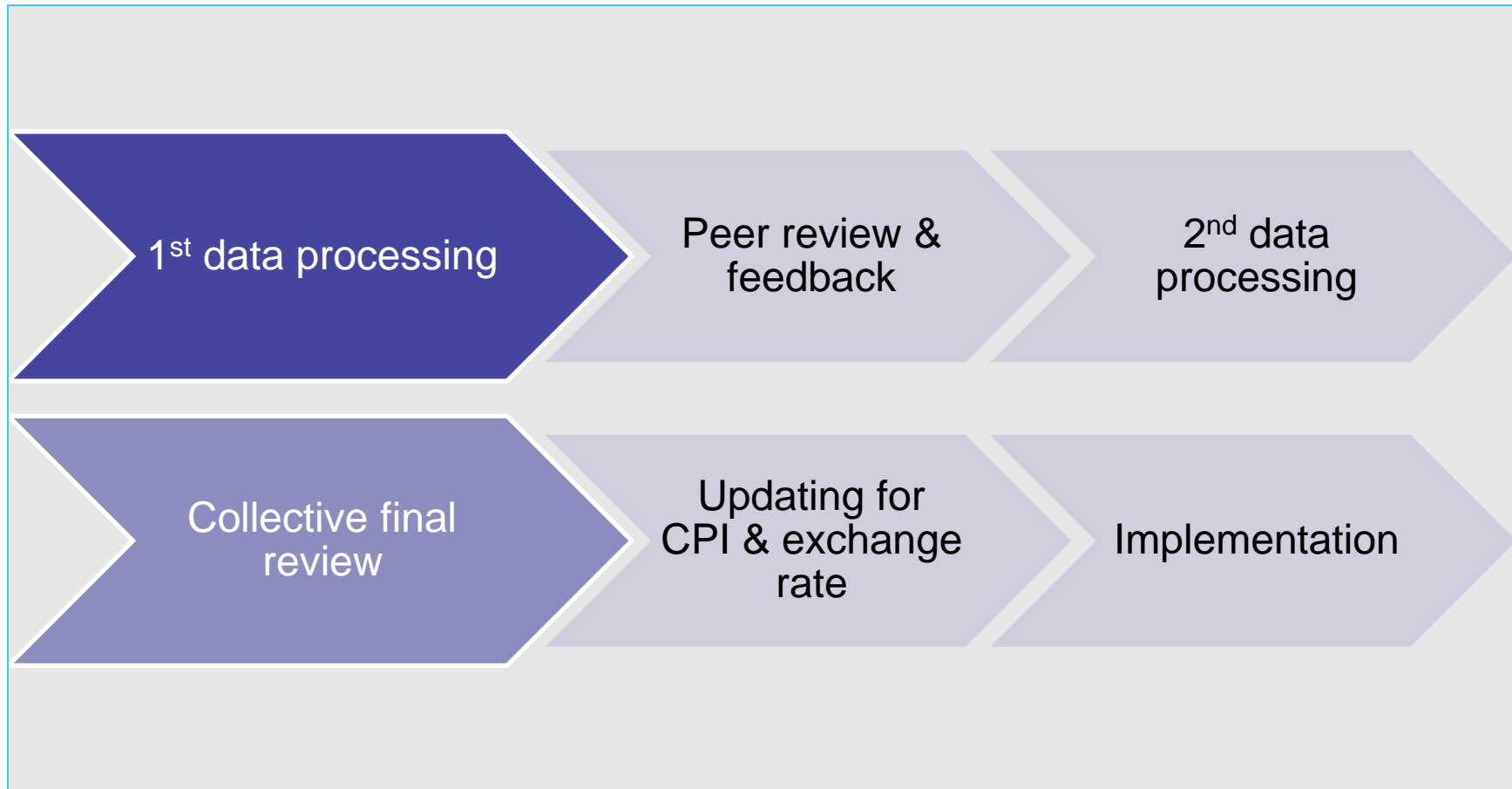
Source of Price Data

Duty Station	On-site price data collection	ECP price data
New York	Yes	No
Geneva	Yes	No
Montreal	Yes	No
Washington, D.C.	Yes	No
London*	No	Yes
Paris*	No	Yes
Madrid*	No	Yes
Rome*	No	Yes
Vienna*	No	Yes

* For ECP countries (London, Paris, Madrid, Rome, and Vienna), prices of some items (RTPC & items in CR) are collected on site.

The Production of PA Multipliers

Summary of remaining major steps



Schedule of remaining tasks to be accomplished

- December 2016: Finalization of data analysis and processing by ICSC secretariat;
- December 2016: Review of survey results by experts representing the respective duty stations;
- February 2017: Review of survey results, and final recommendations by ACPAQ;
- March 2017: Approval of the results by the Commission;
- TBD: Implementation of survey results.

Thank You!



Your feedback is welcome!