



Governing Body

334th Session, Geneva, 25 October–8 November 2018

GB.334/PFA/13(Rev.)

Programme, Financial and Administrative Section
Personnel Segment

PFA

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THIRTEENTH ITEM ON THE AGENDA

Other personnel questions

Update on matters relating to the review of the post adjustment system by the International Civil Service Commission (ICSC), and the implementation of the revised post adjustment index for Geneva

Purpose of the document

To inform the Governing Body about the latest developments regarding matters related to the implementation of the revised post adjustment multipliers for Geneva and the ongoing ICSC review of the post adjustment methodology and review of the consultative process and working arrangements of the ICSC.

The Governing Body is invited to take note of the information presented in this document and to request the Director-General to continue to actively engage in the comprehensive review of the post adjustment methodology and review of the consultative process and working arrangements of the ICSC (see the draft decision in paragraph 10).

Relevant strategic objective: None.

Main relevant outcome/cross-cutting policy driver: None.

Policy implications: None.

Legal implications: The application of the revised post adjustment as decided by the ICSC is being legally challenged by ILO staff through the internal justice system.

Financial implications: Financial implications resulting from formal legal challenges before the Administrative Tribunal of the International Labour Organization, with a risk of further costs resulting from any successful appeals before the Tribunal.

Follow-up action required: Active collaboration of the Office with the ICSC and its secretariat in the context of the ongoing review of the post adjustment methodology and the review of the consultative process and working arrangements of the ICSC.

Author unit: Human Resources Development Department (HRD).

Related documents: GB.332/PFA/11; GB.332/PFA/INF/6; GB.331/PFA/16(Rev.).

1. At its 332nd Session (March 2018), the Governing Body took note of the legal issues, risks and shortcomings associated with the implementation of the results of the 2016 cost-of-living survey carried out by the ICSC in respect of the duty station Geneva. The Governing Body requested the Office to continue to actively engage with the ICSC with the objective of reforming the post adjustment and other salary survey methodologies, noting that this reform process should guarantee the full involvement of the United Nations (UN) workers' federations and respect basic principles of social dialogue. ¹
2. Effective 1 April 2018, the Office has implemented the revised post adjustment multipliers resulting from the 2016 survey round for all officials of the Professional and higher level categories at the duty station Geneva. Following the phasing out of the personal transitional allowance (PTA) at the end of May 2018, the implementation of the revised post adjustment multipliers has resulted in a reduction of net take home pay of concerned officials by about 5.2 per cent as of June 2018.
3. To date, organizations of the UN common system have received more than a thousand requests, within their respective administrative review processes, challenging the lawfulness of their decisions to implement the reduced post adjustment multipliers. Some 300 ILO officials have challenged the implementation of the revised post adjustment multipliers through the Office's formal conflict resolution system. In addition, a number of other officials have informed the Office that they are refraining from filing a formal complaint only in light of the Office's assurance of 9 May 2018 that the application of any decision taken by the Administrative Tribunal of the International Labour Organization (ILOAT) on the matter would be extended in good faith to all colleagues in the same situation.
4. Organizations have informed the Chairperson of the ICSC of these submissions and have requested his support with regard to any specific requests for comprehensive information and contributions that organizations may require in the context of responding to the aforementioned complaints if and when they will be filed with the ILOAT.
5. The financial and general resource implications resulting from the formal legal challenges submitted to the Office by its staff are already accumulating. Additional costs are expected to result from subsequent appeals before the ILOAT, with a risk of yet further considerable costs resulting from any successful appeals before the Tribunal. In view of the uncertain outcome and costs of the ongoing legal challenges, the Office has not redeployed savings accruing from the implementation of the ICSC decision.
6. In line with the recommendations of the Advisory Committee on Post Adjustment Questions (ACPAQ) at its 40th Session, the ICSC at its 86th Session in March 2018 mandated a comprehensive review of the post adjustment system to be carried out through its secretariat, with a view to assessing the fitness for purpose of the post adjustment methodology and to identify areas for its improvement. A status report on the matter was presented at the 87th ICSC Session in July 2018, when the Commission approved the project management plan for the ongoing review of the post adjustment system. The plan covers a broad range of aspects considered by stakeholders to be priority areas for review in preparing for the next round of surveys, scheduled to begin in 2021. The areas for review include, inter alia, the conceptual basis for the post adjustment index, the housing component, the system of operational rules, documentation, as well as data collection procedures and guidelines. ²

¹ [GB.332/PV](#), para. 778.

² ICSC/87/R.13.

7. Following the Governing Body's decision at its 332nd Session, the ILO continues to play a key role, actively and fully cooperating and engaging with the Commission and its secretariat in the course of this ongoing review to ensure that the necessary improvements be reflected in a revised methodology for the determination of post adjustment and its operational rules. While the nature of the post adjustment system is very technical, its review needs to take into account the broader context within which the system operates, in order for the system to be fit for purpose to provide the stability of salaries in either direction required to ensure the recruitment and retention of qualified staff, and to support their mobility and career development. In the context of this review, the Office has nominated a senior statistician to participate in a task force established to review the conceptual framework of the post adjustment index backed by the strong commitment of senior management given the implication for the common system. The report of this task force will be submitted to ACPAQ for review at its 41st Session in spring 2019 and for recommendations to the Commission for consideration at its 89th Session in summer 2019.
8. Furthermore, it was agreed between representatives of organizations, staff federations and members of the Commission on the occasion of the 87th Session of the ICSC in July 2018 to review the consultative process and working arrangements of the ICSC, taking into account the concerns of organizations, staff federations and commission members, with a view to strengthening collaboration among all stakeholders. The phased review process, involving representatives of the Commission, the organizations and staff federations, held its first meeting on 10 October 2018 in Paris. The ILO's Deputy Director-General for Management and Reform, in his capacity as member of the UN System High-Level Committee on Management (HLCM) Strategic Group, participated in the meeting as did the Director of the ILO's Human Resources Development Department in his capacity as Co-chair of the UN System Chief Executives Board for Coordination (CEB) HR Network.
9. The key areas for review from the organizations' perspective included the composition and functioning of the ICSC Secretariat; the ways of working and efficiency potential in the work of the Commission; the need to review ACPAQ and its advisory role, with a general focus to enhance internal control and oversight; improvements in the collaboration with organizations and staff federations; ways to ensure that the ICSC is an enabler of HR reform; and the need to ensure that managerial, operational and legal issues that are of importance to organizations be adequately reflected in the ICSC deliberations and decisions. Furthermore, the organizations proposed that the decisions emanating from prior review initiatives should be fully implemented. Following a constructive discussion it was agreed by the organizations, staff federations and commissioners to hold another meeting before the end of 2018 and an additional meeting in early 2019 to pursue a review of the consultative process and working arrangements of the ICSC based on the items listed above.

Draft decision

10. *The Governing Body:*

- (a) *took note of the information presented in document GB.334/PFA/13(Rev.); and*
- (b) *requested the Director-General to continue to actively engage in the review of the consultative process and working arrangements of the International Civil Service Commission (ICSC) and in the comprehensive review of the post adjustment methodology.*