

Green Climate Fund

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# Administrative Policies of the Independent Secretariat

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**GCF/B.01-13/04**

20 February 2013

**Meeting of the Board**

13-15 March 2013

Berlin, Germany

Agenda item 8 (c)

## Recommended action by the Board

It is recommended that the Board:

- (a) Takes note of the information presented in document GCF/B.01-13/04 *Administrative Policies of the Independent Secretariat*;
- (b) Provides guidance on the policy matters and options regarding the administrative policies of the independent Secretariat; and
- (c) Adopts the decision presented in Annex I to this document.

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# Administrative Policies of the Independent Secretariat

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## I. Introduction

1. At its second meeting in Songdo, Republic of Korea, in October 2012, the Board approved a list of documents to be prepared for the first Board meeting in 2013 (GCF/B.02-12/12, annex VI). On the establishment of the independent Secretariat, the list provided for a document to address the matters relating to:

- (a) Selection of the Executive Director;
- (b) Review of staffing of the Interim Secretariat; and
- (c) Guidance on administrative policies of the independent Secretariat.

This document addresses sub-item (c). A progress report on the work of the Executive Director Selection Committee is contained in document GCF/B.01-13/05 and a separate document addresses the staffing of the Interim Secretariat (GCF/B.01-13/Inf.04).

2. At the same meeting, the Board decided by consensus to select Songdo, Incheon City, Republic of Korea, as the host city of the Fund (decision B.01-12/04). This decision was endorsed by the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC) at its eighteenth session in Doha, Qatar, in December 2012. The independent Secretariat is to be established in Songdo, Republic of Korea, no later than December 2013 and will be headed by an Executive Director (ED), under the terms of reference approved by the Board. The Interim Secretariat is providing technical, administrative and logistical support to the Board until the independent Secretariat is established.

3. This document builds on the document *Establishment of the Independent Secretariat* presented to the second Board meeting (GCF/B.02-12/07) and comments by the Board members received on that document at the Board meeting and subsequently. It outlines options and matters for consideration by the Board, taking as a starting point the provisions of the Governing Instrument and relevant guidance from the COP.

4. The Board is expected to consider the options on the administrative framework of the independent Secretariat and take a decision on the system to be developed. It is proposed that the ED will establish the administrative rules and regulations based on the selected system, appropriately customized to serve the needs of the Fund and its Secretariat.

## II. Areas of work to establish the independent Secretariat

5. At the broadest level, the Board will need to take decisions concerning the following elements to establish the independent Secretariat without any delays by December 2013:

- (a) Options for the administrative framework for the independent Secretariat;
- (b) Legal framework for the operations of the independent Secretariat;
- (c) Administrative policies of the Fund/Secretariat; and,
- (d) Transition from the Interim to the independent Secretariat.

6. Following the Board's decision on the administrative system to be followed by the Fund,

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detailed documents will be prepared on that basis and presented to the Board.

7. An important immediate task is the recruitment of the ED as approved by the Board. Once appointed, the ED will start filling the critical positions using the approved administrative guidelines and lead the Fund in its transition to independence. To this end, the Board is expected to request the ED to take all necessary actions to promulgate the detailed rules and regulations that would govern the operations of the independent Secretariat.

## 2.1 Options for the administrative framework for the independent Secretariat

8. The Governing Instrument defines a number of aspects of the Fund's business model framework and the role of the independent Secretariat. It clearly provides that the operations of the Fund will be implemented by a "fully independent" Secretariat, that is, not be influenced or controlled by entities other than the Fund's Board. This independence will be implemented through an administrative framework that will support the operations of the Fund.

9. The Board's selected administrative framework will need to support the goals of independence while meeting three criteria:

- (a) Flexibility in the application of terms and conditions for the recruitment and employment of staff;
- (b) Cost efficiency, for example, by taking advantage of existing systems as opposed to the more expensive option of building an entirely new administrative framework; and
- (c) Ease of establishment in order to complete the process expeditiously and be ready to start operations by December 2013.

Once appointed by the Board, it is proposed that the ED would lead the work on all of the administrative policies, including human resources (HR), financial management, information technology (IT), procurement and travel that comply with best international practice and effectively support the Fund's operations.

10. A key challenge for the independent Secretariat will be the early establishment of HR policies and procedures that comply with best international practice and attract qualified staff, with solid technical knowledge, but diverse, motivated and able to work in a multicultural environment in Asia. The Fund will compete with the World Bank, the regional development banks (RDBs) and other international financial institutions (IFIs) for the expertise and skills required. A competitive and flexible compensation and benefits package will need to be established. The recruitment package needs to be in place in the next months so that the ED can start recruitment.

11. It is important to recognize that the overall cost of different options of administrative policies is not likely to vary greatly. The different options discussed below differ in the emphasis they place on various aspects of the remuneration packages, for instance, the level of salaries versus the supplementary benefits, but in terms of the overall human resource cost, the differences are not significant. A comprehensive cost assessment is not possible since it would require more information on the size and structure of the envisaged organization.

12. Based on the three selection criteria, the options for the administrative framework are:

- (a) United Nations (UN) common system administration;
- (b) Multilateral development bank (MDB)-type administration; or
- (c) Non-UN/MDB administration.

The advantages and disadvantages of these options are discussed below.

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### 2.1.1. Option 1: United Nations common system administration

13. The UN, its subsidiary bodies, thirteen of its specialized agencies<sup>1</sup> and one related body (International Atomic Energy Agency (IAEA)) are part of the UN common system of salaries, allowances, and benefits administered by the International Civil Service Commission (ICSC). This is an independent expert body established by the UN General Assembly to regulate and coordinate the conditions of service of staff in the UN common system, which has well-established pay scales and salary adjustments for the UN's two categories of staff (professional and general service).

14. Most, but not all, of the members of the UN system are part of the common system. The Bretton Woods institutions (that is, the World Bank Group and the International Monetary Fund (IMF)) are notable exceptions. These organizations are part of the UN system and enjoy some of the benefits, such as the privileges and immunities and the entitlement of their staff to a UN laissez-passer (see also Chapter III below), but they have a different administrative system, as discussed in Sub-section 2.1.2). There are also some international organizations that are not part of the UN system but chose to apply the policies of the common system in whole or in part. These include the International Renewable Energy Agency (IRENA), which chose the UN common system for its compensation package, although its staff are not entitled to a UN laissez-passer.

15. The UN common system was intended to prevent competition among the UN organizations in staff recruitment and to facilitate exchange of staff. There is a central maintenance of salary scales and allowances which follow a uniform approach and permit comparable terms and conditions of employment across all UN organizations. The salaries are set in relation to the highest-paying national civil service. The salary scales for the Professional and higher categories are based on five professional grades (P-1 to P-5), two director levels (D-1 and D-2) as well as the levels of Assistant Secretary-General and Under Secretary-General. The scales are applied uniformly worldwide, by all organizations in the UN common system, adjusted, in some cases significantly, to cover the differences in the cost of living at different duty stations. A major benefit of choosing the UN common system is that salary scale and rules and regulations are kept under review by the ICSC, hence, the Board would not have to establish its own system to perform that function.

16. Staff members of the UN are provided with various benefits and allowances that are part of the terms and conditions of service, established by the Secretary-General in accordance with the UN Staff Rules and Regulations. The benefits and allowances are family-oriented (assignment grant, dependency allowance, education grant, home leave, mobility and hardship scheme, separation payments, travel allowance). If, however, the Fund's recruitment of staff and consultants would be linked to the remuneration scales of the UN, there would be a limited opportunity for adjustment to market rates. At present, there is a 40 % salary differential between a middle-level officer hired by the MDBs compared to the UN.

17. The UN is a career organization which offers security, subject to satisfactory performance and availability of funded positions, and a pension at the end of a career. Thus, its administrative framework supports this vision and attracts staff who prefer job security and will choose to remain as a UN staff throughout their careers and collect a monthly pension at the end of their employment. The UN system is less attractive to experts who prefer flexibility and portability of benefits. In some cases, a shorter contract with portable pension may be more advantageous. The UN system might be more attractive to candidates who will have to move

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<sup>1</sup> International Labour Organization (ILO), Food and Agriculture Organization of the United Nations (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Health Organization (WHO), International Civil Aviation Organization (ICAO), Universal Postal Union (UPU), International Telecommunication Union (ITU), World Meteorological Organization (WMO), International Maritime Organization (IMO), World Intellectual Property Organization (WIPO), International Fund for Agricultural Development (IFAD), United Nations Industrial Development Organization (UNIDO) and United Nations World Tourism Organization (UNWTO).

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with their families to Asia and will consider an assignment with the Fund as a stepping stone in their careers.

18. By avoiding the use of the UN common system, the Fund would gain on flexibility in the design of its own salary scales, allowances and benefits, but it would lose the benefits of a framework that is comparable to national civil service benefits and is kept up-to-date through a well-established system maintained by the International Civil Service Commission.

### 2.1.2 Option 2: Multilateral development bank-type administration

19. The multilateral development banks' (for example, the World Bank Group/IMF) rules and regulations and their compensation system were built to serve the purposes of a financial institution, recruiting staff from all over the world, working globally. The system is based on a 'one staff principle' (no different salary tables for professional and general service staff). While linked to the UN as a specialized agency, the World Bank Group has independent administrative rules and policies with flexibility in the duration of its contracts. An initial two- or three-year appointment can be renewed for up to five years at a time, without limit, depending on performance. Education and home leave benefits are no longer paid separately. They have been replaced by a "mobility premium" as a 10-year decreasing amount to be paid to non-United States citizens recruited from abroad to travel to Washington, D.C.

20. The Asian Development Bank (ADB) has an internationally competitive remuneration system similar to that of the World Bank Group but, because of its location, its benefits are more family-oriented to attract staff to the Philippines. The ADB has a comprehensive expatriate benefits package that includes housing subsidies, education subsidies for children, worldwide medical insurance for staff and dependents, pension plan, life and disability insurance, home country travel and education travel for internationally recruited staff. It also provides education subsidies for children of internationally recruited staff in international schools.

21. Like the UN common system, the MDBs' compensation system is also readily available with differentiated benefits and adjustments depending on the duty station. This system is based on salaries paid on competitive markets and provides a very solid base for recruitment. The MDBs' administrative policies have benefitted from lessons of experience over decades. The Fund would have the opportunity to customize these policies to the benefit of the independent Secretariat. The ADB approach has been successful in recruiting and retaining staff in Manila and could be applicable in another Asian location such as Songdo.

22. One of the marked differences between the UN and the MDBs is that the latter's staff assignments are based on a particular term as opposed to an open ended assignment. For example, contracts at the World Bank Group are typically for five years, renewable; staff is offered provident fund rather than a pension scheme. This may be a less desirable option to candidates who are already enrolled in the UN Joint Staff Pension Fund. Current UN staff who would like to move to the Green Climate Fund would have to be prepared to discontinue the pension scheme of the UN common system. It should, however, be noted that both options would have the same financial implication on the administrative budget of the Fund.

### 2.1.3 Option 3: Non United Nations/multilateral development bank administration

23. The third option would be to apply an administrative system that is independent from any other organization. This has been used by institutions created with their own legal personality, separate from the United Nations, such as the Global Fund to Fight Aids, Tuberculosis and Malaria (the Global Fund) in its post-WHO phase and the Global Alliance for Vaccines and Immunisation (GAVI). The main attraction of this option is that it provides maximum flexibility in determining the compensation and benefits scheme and in the design and use of own internal policies and procedures. They can be changed over time as the organization evolves.

24. However, re-creating an entire administrative system, separate and distinct, is very time-consuming as there are a number of details to consider. The Global Fund initiated its separation from the WHO in January 2007 and terminated its administrative services agreement effective 1 January 2009. The process of separation took two years and required the presence of a consulting firm that consulted with the staff and wrote policies and procedures and manuals for every aspect of administration. Notwithstanding the time involved in the separation, the process has yet to reach stability. Separating the IT systems was a very difficult challenge as all of the Global Fund's data were within the WHO's systems. On becoming an administratively autonomous organization, the Global Fund separated from the UN family. Staff were required to move out of the UN system, forego their laissez-passers and enter the private sector. The Global Fund is incorporated as a foundation under Swiss law and operates as an international organization.

25. Similar to the Global Fund, the GAVI originally had an administrative service agreement with the United Nations Children's Fund (UNICEF), a UN organization. The GAVI left its base at the UNICEF and became an independent foundation under Swiss law, and operates as an international organization. Today, the GAVI has a unified governance system and legal identity, which allows for clearer accountability and the creation of an integrated business plan. The GAVI increased its salary structure to compensate staff who left the UN system, its benefits and laissez-passers, and to attract new staff from the private sector and from the MDBs. As a public-private partnership, which brings together donors, countries, industry and others, the GAVI capitalizes on the sum of its partners' comparative advantages to carry out its work in the field. It works with the WHO as an implementing partner, with UNICEF, as the world's largest buyer and supplier of vaccines for developing countries, and with the World Bank that brings development assistance expertise.

26. Under Option 3, a series of policies would need to be prepared and submitted to the Board on each item considered in Chapter IV below. This would then have to be followed up by drafting the detailed rules and regulations, as further explained below. This is not a cost efficient option and would be complex to pursue.

### **III. Legal framework for the operations of the independent Secretariat**

27. The Board will need to give high priority to matters pertaining to the legal status of the Fund, in particular its juridical personality, its legal capacity and the privileges and immunities of the Fund and its staff. The legal framework will be a critical element of the establishment of the institutional, administrative and operational framework of the Fund and will have a significant impact on the effectiveness and efficiency of the operations of the independent Secretariat. These matters will be addressed in the draft headquarters agreement between the Republic of Korea and the Green Climate Fund, discussed separately by the Board (see document GCF/B.01-13/03).

28. The Board will have to make sure that arrangements are in place to ensure the necessary privileges and immunities in the Republic of Korea and in other countries where it operates. As such, the Fund and its governing bodies, staff and experts will need to enjoy immunity of legal process, as appropriate. Moreover, to enable the Fund to operate effectively, privileges and immunities similar to those granted to international organizations need to be extended to the Fund and its staff, including, but not limited to, inviolability of premises, immunity of archives, freedom of assets from restrictions, ability to adopt rules and regulations, exemption of immigration restrictions and tax exemptions.

29. In the context of this document, it is important to highlight the benefits provided through the UN global privileges and immunities and the fact that its staff members are entitled to a laissez-passer which does not mention the staff member's nationality. As such, the staff can enter and exit programme countries and operate freely as neutral international civil servants accountable only to the head of the organization. This provides an important prerequisite for the creation of an organization with a broad geographic spread of staff. For an organization that does not enjoy the option of a laissez-passer for its staff, there is a risk that recruitment would give priority to staff with nationalities that have less problems with international travel, thereby undermining the principle of geographic balance. The benefits of a laissez-passer system are very clear and apply independently from the focus of operations to both UN agencies and MDBs.

30. For example, the IFAD, a specialized agency of the UN, operates under the leadership of its Governing Council and Executive Board and is managed by the Office of the President and Vice-President, with departments covering financial operations, corporate services, strategy and knowledge management, and programme management. Although IFAD is independent from any other UN fund and programme, its institutional linkage allows its secretariat to enjoy global privileges and immunities similar to that of the UN. Its staff make use of the UN laissez-passer to facilitate their missions, particularly in developing countries.

31. Such access to global immunity is currently enjoyed by the UN and the World Bank Group as specialized agencies of the United Nations. Without such institutional linkage, the Fund would need to enter into host agreements with each of the countries in which immunities and protections for its staff are needed. Concluding similar agreements with a multitude of countries would be time-consuming and administratively burdensome.

#### **IV. Administrative policies of the Fund/Secretariat**

32. The agreed work plan for 2013 indicates that guidance to the ED will be needed on independent Secretariat matters such as: HR policies and practices, recruitment, financial management policies and practices, facility management and general administration, IT, procurement and travel. These areas are presented in Annex III below and will need to be expanded upon once the Board has selected the preferred option for the Fund's administrative framework. It is important to note that, before any recruitment can take place, the necessary administrative rules and regulations including HR policies, recruitment procedures and benefits package will have to have been developed and promulgated and this, in turn, requires the Board to approve the preferred framework as the basis for developing these administrative rules and regulations.

#### **V. Transition**

33. A series of detailed documents will need to be prepared on each of the items presented above. The documents could be prepared either by a series of individual consultants working for the Interim Secretariat or alternatively by a consulting company working with the Interim Secretariat on a cohesive set of documents outlining the administrative framework which will support the Fund's operations. Typically, operationalizing an organization is a challenging



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process that takes about a year or 18 months to complete, once the Board has given guidance on the organization's direction. Given the urgency to transition to the independent Secretariat by the end of December 2013, the Board will need to provide clear guidance on the administrative approach of the Fund at its meeting in March 2013. Decisions regarding the Fund's structure need to be taken by the Board at its meeting in June. A proposed timetable is presented in Annex II.

34. Initially, staff of the Interim Secretariat were seconded from the UNFCCC secretariat and additional cross-support was provided by other staff of the Global Environment Facility and the UNFCCC secretariats. Additional full-time staff for the Interim Secretariat are being recruited for the period up to the end of 2013 following UNFCCC rules. Staff for the independent Secretariat could only be hired once an ED is in place and the Fund's compensation and benefits package is decided. The UNFCCC secretariat is institutionally linked to the UN and administered under UN Rules and Regulations without being integrated in any programme. In establishing the independent Secretariat, the Board would need to consider whether some staff of the Interim Secretariat should be transferred to the independent Secretariat and under what conditions, to ensure smooth and timely transition from the Interim Secretariat to the independent Secretariat.

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**Annex I: Draft decision of the Board**

The Board, having reviewed document GCF/B.01-13/04 *Administrative Policies of the Independent Secretariat*, and subject to comments and amendments made at the meeting:

- (a) Decides to use Option [XX] as the basis for the administrative framework for the independent Secretariat and requests the Interim Secretariat to use this option as the model for its further work on this matter;
- (b) Requests the Executive Director to establish the administrative rules and regulations based on the selected system consistent with the Executive Director Terms of Reference;
- (c) Decides that all necessary documents to this effect will be commissioned in line with the timetable set out in Annex II to document GCF/B.01-13/04 to ensure the transition from the Interim Secretariat to the independent Secretariat by December 2013.

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**Annex II: Draft timetable**

The suggested timetable for consideration of matters relating to the establishment of the independent Secretariat by the Board is as follows:

(a) **Board meeting in March 2013:**

- Headquarters agreement adopted
- Guidance provided on the administrative framework of the Fund's independent Secretariat
- Progress report by the ED Selection Committee

(b) **Board meeting in June 2013:**

- Human resource policies and procedures presented
- Financial management and procurement policies and procedures presented
- Facility management, travel and general administration policies and procedures presented
- Information technology policies and procedures presented
- Final report by the ED Selection Committee and appointment decision by the Board
- Guidance provided on the policies and procedures listed above, as necessary, and on the transition arrangement from the Interim Secretariat to the independent Secretariat

(c) **Board meeting in September 2013:**

- Further guidance provided to the Executive Director on administrative policies and procedures, including a general staffing strategy for the independent Secretariat
- Further guidance provided relating to the transition from the Interim Secretariat to the independent Secretariat

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## Annex III: Administrative policies of the Fund/Secretariat

1. The agreed work plan for 2013 indicates that guidance to the ED will be needed on independent Secretariat matters such as: HR policies and practices, financial management policies and practices, facility management and general administration, IT, procurement and travel. Work to be completed in these areas is briefly outlined below and will need to be expanded upon once the Board has selected the preferred option for the Fund's administrative framework.

### I. Human resource policies and practices

2. The most critical aspect of HR policies before undertaking recruitment is the establishment of the compensation system, that is, a salary pay scale. As the determination of the pay scale will influence the status and competitive position of the operations, these decisions are important and are usually based on one of three methods:

- (a) Comparative pay scales based on other similar operations;
- (b) Pay scales determined by several factors (for example, level of complexity of particular jobs and level of education needed, which are required to grade and classify all positions); or
- (c) Broad banding, that is, groupings of several related jobs, such as all administrative functions. A pay range is assigned to that band irrespective of the job title, obviating the need for grades or job classification.

Related decisions involve the currency of payment of salaries, the inclusion of adjustments to the cost of living in the Fund's location and the inclusion or exclusion of taxes in the base salary. Normally, a base salary is net of tax, exclusive of allowances and paid in monthly arrears in the currency of the host country or in hard currency.

3. The benefit package that would accompany the compensation pay scales would include at least the following:

- (a) Annual leave and official holidays;
- (b) Health care insurance benefits;
- (c) Pension or a retirement scheme;
- (d) Education grants;
- (e) Expatriate premiums;
- (f) Child allowance;
- (g) Tax treatment in the host country.

4. The Fund could start operations in December 2013 with the recruitment of experienced managers for three main areas of administrative support services:

- (a) Legal Advisor or General Legal Counsel;
- (b) Chief Financial Officer (finance, procurement, risk control); and,
- (c) Director of Corporate Services (HR, IT, travel, facilities and general administration).

These three individuals would be members of the executive management team that would support the ED in the day-to-day management of the Secretariat. In addition, executive management teams in other funds and financial organizations include managers for country programmes and external relations and a secretary to the Board.

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## II. Financial management policies and practices

5. The purpose of financial management is to fulfil the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders and staff. To support this goal, the finance unit needs to provide accurate and complete financial data for internal and external use by both the ED and the Board. Initially, only the independent Secretariat's operating and capital budgets (annual) as well as financial forecasts (the norm is five years) will need to be prepared, submitted to the Board and monitored throughout the year. However, as soon as the Fund starts operating, the finance unit would handle all disbursements, report to the Board on the Fund's external operations, establish a fiduciary control framework, manage the financial aspects of resource mobilization and be the central point for audit management. This function is normally based on clearly defined financial rules and regulations, including a well-structured unit to monitor financial flows, establish internal and external controls, maintain clear and transparent accounts and respond to audit reports.

6. To this end, the independent Secretariat would benefit from established and tested financial systems that have already demonstrated reliability and flexibility in supporting global operations. Both the UN common system and the MDBs have acquired such financial systems that could be customized to the specific needs of the Fund and its Secretariat.

## III. Facility management and general administration

7. The Republic of Korea has offered office space in Songdo. The Fund will need to complete arrangements relating to general administration such as insurance (for premises and other Fund assets, for staff travel) and evacuation coverage to meet travel risks. Work on country programming would need to be closely linked to this in order to assess the extent of insurance coverage needed.

8. Logistical aspects of meeting services and conference arrangements are an important component of general administration. Due to the sensitive nature of the function, which entails dealing with Board members, national authorities and intergovernmental and non-governmental organizations, the responsibility is normally placed under the responsibility of the Secretary. Planning, organizing and supervising all aspects of conference logistic services to support participants will require staff with relevant experience in an international work environment and should follow best practices in the UN and other international organizations.

## IV. Information technology

9. The risk of losing data, documents, information and knowledge generated in the course of the establishment of the independent Secretariat is a critical operational risk. To minimize the risk, an early consideration of the discipline of business continuity management, standard risk management and good corporate governance practices is needed. Additionally, the Interim Secretariat will need to explore further the time and effort involved in selecting an appropriate ERP (enterprise resource planning) system, or, alternatively, using an existing ERP system through an administrative agreement with another organization or taking an off-the-shelf package and adjusting it to the needs of the Fund. The task would be simplified if the Board would decide that the administrative rules of the UN common system or MDBs would apply to the Fund. Effective review of these options and the choice of an appropriate system would help the seamless transition from the Interim Secretariat to the independent Secretariat.

10. Also to be discussed is whether IT would be handled internally or outsourced, for example, to a developing country. The evaluation of these options is time-consuming and requires detailed assessments which need to follow the completion of discussions regarding the Fund's operational and financial processes. These will include, inter alia, screening of proposals,

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funding approval, fund disbursement and implementation of performance-based funding. While such decisions would be finalized by the ED, IT decisions by the Interim Secretariat will have to take into account the options at hand.

## **V. Procurement and fiduciary standards**

11. The Fund will need to develop rules and procedures for procurement of goods and services and rules and procedures for recruitment of consultants. These guidelines will govern the Fund's procurement of goods (furniture, office equipment and supplies) and external expertise (individual consultants and institutions). The procurement guidelines and any guidelines for the selection and employment of consultants by the Fund would need to be comprehensive and include details on the eligibility requirements of the independent Secretariat (for example, particular countries or nationalities of potential vendors/suppliers/contractors; ceilings for procurement actions, compliance with the United Nations Security Council resolutions).

12. Once the business model is defined, the Fund will need to consider its role in procurement and supply management of goods and services in Fund-funded projects. Attention will need to be paid to economy and efficiency in the procurement processes of its operations. Accordingly, the Fund might prefer the most open competitive procedures and transparency for procurement of goods, works and services. In elaborating these procurement rules, lessons learned from recent evaluation of other agencies raise the importance of ensuring that appropriate measures will be taken to fight corruption. A whistle-blower protection policy and guidelines for internal administrative investigation will need to be in place before the start of the Fund's operations.

## **VI. Travel**

13. A consistent travel policy is essential to support the operational travel of the Fund. All operation travel is to be carried out under the same standardized travel arrangements. These include approving travel for staff and non-staff members, booking travel, assessing visa and vaccination requirements and providing security clearance for all staff travelling to countries where staff's security may be at risk. The processes of requesting travel approval (travel request) for staff and non-staff members, booking all operational travel through a competitively selected travel agent, purchasing a ticket (purchase order) and obtaining security clearance will need to be completed so that the Fund's ERP system can support efficiently operational travel with the appropriate approval work flows and necessary forms.

14. The travel policy would be complemented by the HR compensation and benefits regulations covering recruitment and repatriation and insurance coverage for the costs associated with repatriation, evacuation, and death and disability due to accident.

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