

Green Climate Fund

Selection of the Executive Director

GCF/B.02-12/08

11 October 2012

Meeting of the Board

18-20 October 2012

Songdo, Republic of Korea

Agenda item 10

Recommended action of the Board

It is recommended that the Board:

Adopts the decisions contained in Annex I.

Selection of the Executive Director

I. Introduction

1. In accordance with the Governing Instrument for the Green Climate Fund, the Executive Director of the Fund will be appointed by, and be accountable to, the Board. The Executive Director will be responsible for managing the independent Secretariat of the Fund. The Executive Director will be selected through a merit-based, open and transparent process.

2. At its meeting in Geneva, Switzerland, on 23-25 August 2012, under agenda item 7, the Board considered documents GCF/B.01-12/05 and GCF/B.01-12/06, and, cognizant of timing issues, “agreed to initiate without undue delay the process of selecting the Executive Director of the independent Secretariat and requested the Interim Secretariat to prepare a working document addressing the criteria for, and the process of, selection of the Executive Director as well as the terms of reference for this position”.

3. This document is presented to the second meeting of the Board in response to that decision. It lays out a fully transparent and competitive process for the selection of the Executive Director, with the following elements:

- (a) Outline of the selection process (Annex II);
- (b) Terms of reference for the Executive Director, with clearly identified criteria for selection (Annex III); and
- (c) Terms of reference for the executive search firm (Annex IV).

4. The selection process outlined in Annex II includes the establishment of an Executive Director Selection Committee comprising six Board members to allow this matter to progress between Board meetings, noting that the ultimate decision on the appointment of the successful candidate remains with the Board.

5. The process also foresees the use of an executive search firm selected through a competitive bidding process. Executive search firms are commonly utilized in selection processes for senior executives. They bring expertise and efficiency to selection processes that would be difficult to source internally. In order to enable immediate action upon the request of the Board, and to ensure no time is lost in post facto procurement, the UNFCCC and GEF secretariats have identified, but not yet employed, an executive search firm through a competitive, fair and transparent procurement process.

6. The selection process presented in Annex II notes that the Board’s approval will be sought under agenda item 9, Status of resources and administrative budget, to allocate up to US\$ 200,000 for the services of the executive search firm and the costs relating to the Selection Committee (including travel of Committee members, Secretariat staff and candidates).

7. The selection process and its associated costs are consistent with recent processes undertaken to recruit senior executives in multilateral organizations, including:

- (a) The Chief Executive Officer/Chairperson of the Global Environment Facility: the process was overseen by the Selection and Review Committee, which was supported by an independent executive search firm. The total cost of the exercise was US\$ 273,000, including US\$ 200,000 for the executive search firm;
- (b) The Executive Director for the Global Fund to Fight AIDS, Tuberculosis and Malaria: the process was overseen by an Ad-Hoc Nominations Committee. It utilized the services of an executive search firm at a budgeted cost of between US\$ 100,000 and US\$ 130,000.

8. The terms of reference for the Executive Director presented in Annex III note that the initial term for the position will be three years. The Board may decide in future that subsequent terms for the Executive Director position will also be three years or any other period of time.

Annex I: Decisions of the Board

The Board:

- (a) Approved the selection process for the Executive Director set out in Annex II to document GCF/B.02-12/08;
- (b) Approved the terms of reference for the Executive Director set out in Annex III to document GCF/B.02-12/08;
- (c) Approved the terms of reference for the executive search firm set out in Annex IV to document GCF/B.02-12/08;
- (d) Decided to establish an Executive Director Selection Committee consisting of six Board members drawn equally from developing and developed countries that will oversee the selection process and make recommendations to the Board;
- (e) Elected *[Board members' names will be inserted here during the meeting, once appointed]* to serve on the Executive Director Selection Committee.

Annex II: Selection process for the Executive Director

The following steps are proposed for the selection of the Executive Director:

- (a) Approval by the Board of the selection process;
- (b) Approval by the Board of the terms of reference for the Executive Director as set out in Annex III;
- (c) Approval by the Board of the terms of reference for the executive search firm as set out in Annex IV;
- (d) Establishment by the Board of an Executive Director Selection Committee consisting of six Board members drawn equally from developing and developed countries that will oversee the selection process and make recommendations to the Board;
- (e) Approval by the Board under agenda item 9, Status of resources and administrative budget, of a proposal to allocate US\$ 200,000 to support the costs of undertaking the search for the Executive Director;
- (f) Engagement by the Interim Secretariat (upon approval by the Executive Director Selection Committee) of an executive search firm to assist the Committee in its work;
- (g) Issuance of an advertisement for the Executive Director position as soon as possible after the second Board meeting, which will be circulated as widely as possible, including through a notification to all Governments (through UNFCCC national focal points) and in leading international journals, with an application deadline of four weeks from the date of issuance of the advertisement;
- (h) Review of the applications by the Executive Director Selection Committee, with the support of the executive search firm, including: creation of a short list of six to eight candidates, interviews with the six to eight short list candidates, creation of a final list of three candidates, and second-round interviews with the three final list candidates;
- (i) Recommendation by the Executive Director Selection Committee of three final candidates to the Board at its third or a subsequent meeting, including a ranking by preference;
- (j) Consideration by the Board of the Committee's recommendations, including Board agreement of one candidate from among the final three candidates; and
- (k) The Board will make an offer to the selected candidate.

Annex III: Terms of reference for the Executive Director

I. Responsibilities

1. The Executive Director will report to the Board and, under its guidance, provide leadership for the Green Climate Fund and its Secretariat with the following broad responsibilities:
 - (a) Promote an international profile for the Fund appropriate to its objectives and potential;
 - (b) Pursue the vision and strategy for applying the Fund's financial and intellectual assets to support developing countries in effectively addressing climate change, as agreed by the Board;
 - (c) Lead the work of the Secretariat in supporting the Board, including through the provision of strategic advice to the Board on organizing and prioritizing its work;
 - (d) Establish and maintain effective relationships with the Fund's stakeholders in order to advance the objectives of the Fund, including its contributors and recipients, the UNFCCC, the Trustee, multilateral, bilateral and development agencies and other stakeholders;
 - (e) Lead successful resource mobilization for the Fund and the efficient and effective delivery of resources to developing countries;
 - (f) Manage the Fund's financial resources prudently and efficiently;
 - (g) Lead the work of the Secretariat in developing the Fund's strategic, operational and administrative policies and guidelines;
 - (h) Build and lead the Fund's Secretariat and recruit, retain and motivate staff of the highest quality and integrity;
 - (i) Report and provide advice to the Board on other matters relevant to the effective and efficient operation of the Fund and as otherwise requested by the Board.

II. Selection criteria

2. The Executive Director will have:
 - (a) Intellectual leadership, based on knowledge and experience of climate, development and/or financial issues;
 - (b) Demonstrated capability to apply sound political judgment and strategic thinking to complex problems as they relate to effective leadership of institutions;
 - (c) Communication and advocacy skills that can be applied to decision-makers at the highest level, including ministers and heads of other climate, development and finance agencies;
 - (d) Experience in managing large-scale programmes and projects;
 - (e) Experience managing a range of stakeholders in developing and developed countries;
 - (f) Experience in robust, accountable management of financial resources at a senior level, preferably in a development finance context;
 - (g) Experience in establishing and leading diverse teams with complex work programmes;
 - (h) Sensitivity to political and cultural factors;
 - (i) Degree in a relevant field, with an advanced degree highly desirable;

- (j) At least 20 years of relevant experience in a relevant field; and
- (k) Fluency in English, with knowledge of French or Spanish an advantage.

III. Level, contractual arrangements and term

3. It is proposed that the post of the Executive Director be established at a level comparable to that of a Vice President in a multilateral climate, development or finance organization.
4. Given that the appointment of the Executive Director will be effected prior to the formal launch of the independent Secretariat, transitional contracting arrangements may be needed. Further information on contractual options and related legal matters will be provided to the Board at its third meeting.
5. The term of the position will be three years.

Annex IV: Terms of reference for the executive search firm

I. Introduction

1. In accordance with the Governing Instrument for the Green Climate Fund, the Executive Director will be appointed by and be accountable to the Board. The Executive Director will be selected through a merit-based, open and transparent process.
2. The Executive Director will service and be accountable to the Board and is responsible for the day-to-day operations and recruitment of the independent Secretariat.
3. The independent Secretariat will provide technical, administrative and logistical support to the Board. The Interim Secretariat is providing these services until the independent Secretariat of the Fund is established in the host country selected by the Board. The services of the Interim Secretariat are expected to conclude not later than 31 December 2013.
4. The Executive Director Selection Committee established by the Board will oversee the recruitment process for the Executive Director and engage an executive search firm to provide advisory and administrative support. It is expected that the recruitment process would be completed within the first quarter of 2013.

II. Qualifications

- (a) The firm must have demonstrated experience in working with international/multilateral public and private organizations;
- (b) The firm must have a strong track record of advising and administering a selection process for senior executives within the context of a competitive and transparent process;
- (c) The firm must be knowledgeable about the skill set required to manage an international financial institution.

III. Activities to be undertaken by the firm under the guidance of the Executive Director Selection Committee

3.1 Phase I: Attracting applications and communicating with candidates

- (a) Review the responsibilities of the position and ensure that the selection criteria are properly formulated;
- (b) Develop a role specification for the position based on the terms of reference of the Executive Director and following guidance from the Selection Committee;
- (c) Assist in developing and advertising the vacancy announcement for the position in appropriate media (print media or by electronic means);
- (d) Receive and keep record of all applications;
- (e) Act as the contact point for those seeking information.

3.2 Phase II: Developing a shortlist of three candidates

3.2.1 Establishment of the first list of candidates (12 to 16)

- (a) Review all applications received;

- (b) Develop a first list of 12 to 16 candidates;
- (c) Collect relevant background information on the first list of candidates (only information that can be gathered without contacting the candidates);
- (d) Present to the Selection Committee for its approval a first list of 12 to 16 candidates with relevant background information;
- (e) Communicate, where directed, Committee decisions to candidates.

3.2.2 Establishment of the short list of candidates (six to eight)

- (a) Conduct appropriate reference checks and further screening of the first list candidates, including information gathering via telephone, videoconference, in person (where appropriate) and by other means;
- (b) Present a detailed report, including available background information, detailed CVs and references, to the Selection Committee;
- (c) Assist the Selection Committee in establishing the second list of candidates (six to eight) based on the detailed report;
- (d) Communicate, where directed, Committee decisions to candidates.

3.2.3 Establishment of the final list of candidates (three)

- (a) Facilitate interviews by the Selection Committee of the six to eight short list candidates, including drafting the questions for the Selection Committee;
- (b) Prepare a report on the interviews for consideration by the Selection Committee;
- (c) Assist the Selection Committee in establishing the final list of three candidates.

3.2.4 Ranking of the final list of candidates (three)

- (a) Facilitate in-depth, second-round interviews by the Selection Committee of the three candidates from the final list, including drafting questions for the Selection Committee and preparing a report;
 - (b) Prepare a report on the interviews for consideration by the Selection Committee;
 - (c) Assist the Selection Committee in preparing the detailed final report, with the final three candidates ranked by preference, for presentation to the Board for decision;
 - (d) Communicate, where directed, Committee decisions to candidates.
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