



**GREEN
CLIMATE
FUND**

Meeting of the Board
2 – 5 November 2015
Livingstone, Republic of Zambia
Agenda Item 20*

GCF/B.11/13

2 November 2015

Comparison of salary levels for comparable positions at other specialized global funds for the Heads of the Accountability

Summary

The Board through decision B.10/05 endorsed the selection process for the Heads of the Accountability Units, and decided that their remuneration levels will be comparable to the salary levels of equivalent roles in other specialized global funds. The Board likewise, requested the Secretariat to provide a comparison of salary levels for comparable positions at other specialized global funds.

Research on six entities which undertake similar work revealed that each organization approaches the task of accountability differently. Some have appointed heads at various levels with salaries differing widely, while others handle these tasks through a committee or a unit within the organization.

* The agenda item number will be determined when the final sequence of items in the provisional agenda is confirmed by Co-Chairs.

Table of Contents

I.	Introduction	1
II.	Comparison with similar entities	1
III.	Conclusion	4
IV.	Recommendations of the Appointment Committee	4
	Annex I: Draft decision of the Board	5
	Annex II: Summary of accountability units	6
	Annex III: GCF organizational structure	16

I. Introduction

1. The Appointment Committee, with the assistance of the Secretariat, provided the Board at its tenth meeting, with recommendations on the recruitment process and terms of reference for the Heads of the Accountability Units.
2. Subsequently, the Board adopted the decision B.10/05 as follows:
"The Board having taken note of the information presented in document GCF/B.10/09 Selection Process and Terms of Reference of the Heads of the Accountability Units: Recommendations of the Appointment Committee:
...
 - (f) *Decides that the remuneration levels of the heads of the three accountability units will be comparable to the salary levels of equivalent roles in other specialized global funds;*
 - (g) *Requests the Secretariat to provide a comparison of salary levels for comparable positions at other specialized global funds;*
 - (h) *Also requests the Appointment Committee to provide additional recommendations on the salary levels for consideration by the Board at its eleventh meeting;*..."
3. Based on this decision, the Secretariat conducted a benchmarking study of similar roles and salary levels of comparable positions at other specialized global funds for the Appointment Committee in order to take this information into account for its recommendations to the Board.
4. The organizational structure of the GCF that includes the three Accountability Units is contained in annex III below.

II. Comparison with similar entities

5. For the purpose of comparison, the study presents Global specialized funds, namely: the Multilateral Fund secretariat (MFS), the Global Environment Facility (GEF), the Climate Investment Funds (CIFs), the Adaptation Fund (AF), and the Global Fund. These five entities were selected due to their similarity with the Green Climate Fund (GCF) in size and nature. These five entities all have significant similarities with the Green Climate Fund (GCF) in their business model and global reach. GAVI was also contacted but so far there was no reply.
6. In addition, following a request received from the Appointment Committee on 30 September 2015, the Asian Development Bank (ADB) was added as the example of reference within the MDBs. It should however be noted, that the ADB has a different size and business model than the GCF which is a Fund that deploys its resources through Accredited Entities and whereas the operational work is largely undertaken by the Accredited Entities themselves. Moreover, the ADB's total headcount is approximately 3000, in contrast with the currently approved 55 staff positions for the GCF.
7. To view the detailed comparison, see annex II.

2.1.1 Evaluation unit

- A. Specialized Global Funds

8. The Global Fund: the Technical Evaluation Reference Group (TERG) of the Global Fund was established in 2003, one year after the foundation of the Global Fund. TERG is appointed by the Board of the Global Fund and is composed of 15 members who meet periodically. The members of TERG are non-paid staff; they claim travel expenses and per diems in accordance with Global Fund policies. TERG voting members may also be granted an honorarium. The amount and modalities of which are determined in accordance with any framework recommended by the Finance and Operational Performance Committee and adopted by the Board of the Global Fund.

9. The GEF: the Independent Evaluation Office of the GEF which reports to the GEF Council was established in July 2003. The Head of this office is based at GEF headquarters and is remunerated at grade H with an annual salary which ranges from a minimum of USD 144,000 to a maximum of USD 267,400, comparable to IS-6 to IS-8 in the GCF salary structure.

10. The AF: the AF was previously evaluated by the Independent Evaluation Office of the GEF when it was assigned by the Board of the AF to carry out the interim function in 2011. In 2014, the involvement of the Independent Evaluation Office of the GEF as the primary evaluating function of the AF was discontinued. Subsequently, the Board of the AF appointed three members of the Independent Review Panel. Members of the independent review panel provide part-time, non-paid and remote services.

11. CIFs: no independent evaluation unit relevant for comparison exists within CIFs. Instead, two to three full-time staff of the CIFs secretariat and several part-time consultants are assigned to undertake annual monitoring and reporting rounds.

12. MFS: the MFS was founded in 1991 and its Monitoring and Evaluation Unit has been in operation for the last five years. A full-time staff position is based at MFS headquarters and is appointed at professional staff grade 5 (P5) level in the United Nations system with a base salary ranging from USD 108,148 to USD 135,329, comparable to IS-5 at the GCF. The head is supported by a local staff member and consultants, with a modest budget.

B. MDB example: the ADB

13. ADB: the ADB is evaluated by the Independent Evaluation Department. The Director General of this department, who is supported by two full-time directors, is based at ADB headquarters and reports to the Board of Directors of ADB through the Development Effectiveness Committee. Each Director has a team of full-time evaluation specialists, officers, analysts and assistants.

2.1.2 Integrity unit

A. Specialized Global Funds

14. The Global Fund: the Office of the Inspector General of the Global Fund is an independent yet integral part of the organization. The office is independent of the Global Fund secretariat and reports directly to the Board of the Global Fund through its Audit and Ethics Committee. The office is staffed by 40 investigators, auditors and other professionals. It also has a new Intelligence and Operational Excellence Team to screen complaints by assigning cases based on the gravity of the allegation and the associated risk to the mission of the Global Fund. It is currently in its tenth year of operation. The head of the office, the Inspector General (IG) who works full time at the Global Fund headquarters, was appointed in 2014 and holds a six-year term with an annual salary above 245,000 Swiss Francs (CHF) but not exceeding CHF 310,000 (approximately between USD 252,854 and USD 319,937). This is equivalent to IS-9/10 at the Global Fund.

15. The GEF: there is no independent investigative unit within the GEF, however, integrity-related issues are covered by the respective units at the World Bank.
16. The AF: there is no comparable investigative unit within the AF.
17. CIFs: CIFs relies on the accountability, integrity and anti-corruption mechanisms of the multilateral development banks. Concerns relating to the misconduct of the CIFs Administrative Unit staff are raised and handled through the World Bank complaint mechanism.
18. MFS: there is no comparable investigative unit within MFS.

B. MDB example: the ADB

19. ADB: the Office of Anticorruption and Integrity (OAI) ensures that the development funds of ADB are not misused as result of fraud and corruption. It conducts project procurement-related reviews, provides advice on integrity due diligence and advances awareness of the anticorruption policy of ADB. The Head of OAI is a full-time staff member based at ADB headquarters who reports directly to the President of ADB and through the President of ADB to the Audit Committee of the Board of Directors on the activities and outcomes of OAI. There are a total of 23 full-time staff members in OAI, including the Head.

2.1.3 **Redress mechanism**

A. Specialized Global Funds

20. The Global Fund: there is no comparable redress mechanism unit at the Global Fund.
21. The GEF: the Conflict Resolution Commissioner at the GEF secretariat works directly with member countries and agencies to help to resolve disputes and address complaints related to GEF operations. A full-time staff member, the Commissioner, reports directly to the GEF Chief Executive Officer and is based at GEF headquarters in Washington, D.C., the United States of America. The Commissioner is appointed at grade H with an annual salary which ranges from a minimum of USD 144,000 to a maximum of USD 267,400, comparable to IS-6 to IS-8 in the salary structure of the GCF which ranges from minimum USD 145,300 to maximum USD 274,800.
22. The AF: the Head of the Complaint Handling Mechanism at the AF is an appointed full-time Manager at grade H of the World Bank with an annual salary which ranges from a minimum of USD 144,000 to a maximum of USD 267,400, comparable to IS-6 to IS-8 in the salary structure of the GCF which ranges from minimum USD 145,300 to maximum USD 274,800. The Manager is based at AF headquarters and is assisted by a legal counsel from the World Bank as and when required.
23. CIFs: there is no separate redress mechanism unit at CIFs. Grievances are handled by a dedicated staff member within the national executing agencies and can be escalated to the National Steering Committee and finally to the Global Steering Committee.
24. MFS: there is no comparable unit at MFS.

B. MDB example: the ADB

25. ADB: the compliance review function of the Accountability Mechanism of ADB is undertaken by the Compliance Review Panel and serves as a fact-finding body on behalf of the Board of Directors of ADB. The panel is composed of three members, one of whom serves as Chair. The Chair of the Compliance Review Panel works full-time and is based at ADB headquarters. The other two members provide part-time-services and are called upon when

required. The Office of the Compliance Review Panel has a full-time Adviser, a Compliance Review Officer and an Associate Compliance Review Coordinator.

III. Conclusion

26. As can be observed from the above analysis, each organization approaches the tasks of accountability in different ways. The size of the units, their mandate and structure differ from those of the GCF.

27. Having said that, the benchmarking study of similar roles and salary levels of comparable positions at other specialized global funds conducted by the Secretariat, suggests that a range between IS-6 to IS-7 would be a reasonable indicator for these positions. Furthermore, the Secretariat has so far, recruited Head of Units with comparable responsibilities at the levels of IS-5 or IS-6. The possibility of using IS-7 has so far been reserved for candidates with exceptional calibre, or as part of the professional growth of high performing Unit Heads.

IV. Additional recommendations of the Appointment Committee

28. Some members of the Appointment Committee after considering the benchmarking study suggested the following recommendations:

29. Recommendation sent by Mr. Zaheer Fakir on 15 October 2015 with ADB's Annual Review of Salary and Benefits for International Staff, National Staff, and Administrative Staff:¹

30. "In terms of the recommendation for the draft decision, it is my view that as a minimum the Heads of the Independent Units, and to ensure high quality candidates are attracted to these positions, should all start at the lower end of the IS-8 level, which we understand as being comparable salary level internally to the GCF with the directors of other divisions/units."

31. The full description of Mr. Zaheer Fakir's comment is contained in Annex IV of this document.

32. Recommendation sent by Mr. Jan Cedergren on 18 October 2015:

33. *"The positions should be made clear in the Secretariats organizational chart;*

Salary levels should be commensurate with other equivalent/comparable posts in the Secretariat and not only be based on comparisons with external organizations

It should be the Boards responsibility to establish a proper and sustainable organizational structure of the Secretariat including the discussed positions. Salary levels should be consistent within that structure to avoid internal conflicts."

¹ See <<http://www.adb.org/sites/default/files/institutional-document/149435/salary-benefits-review-2014.pdf>>.

Annex I: Draft decision of the Board

The Board having considered document GCF/B.11/13 titled “Comparison of salary levels for comparable positions at other specialized global funds for the Heads of Accountability Units”:

- (a) Takes note of the information on the comparison of salary levels for comparable positions at other specialized global funds; and
- (b) Decides that the appointment level for the Heads of Accountability Units will [range from IS-X to IS-Y] taking into account the candidate’s work experience, current position and educational background.

Annex II: Summary of accountability units

Table 1. Comparative table of accountability units in other specialized global funds

Particulars	Evaluation unit					
	Global Fund	GEF	AF	CIFs	MFS	ADB
About the unit	<p>Technical Evaluation Reference Group (TERG) is an independent evaluation advisory group, accountable to the Board of the Global Fund for ensuring the independent evaluation of the Global Fund business model, investments and impact. It is a body of independent experts appointed by the Board of the Global Fund which meets periodically</p>	<p>The mission of the Independent Evaluation Office of the GEF (GEFIEO) is to enhance operation through excellence, independence, and partnership in monitoring and evaluation</p>	<p><u>Background:</u> the former Director of GEFIEO decided to withdraw GEFIEO as an independent evaluation function of the AF in 2014 <u>Current status:</u> the Board of the AF decided to appoint three members to the Independent Review Panel for overall evaluation by the AF</p>	<p>No evaluation unit exists within CIFs. Evaluation is done through the Independent Evaluation Group in the case of IBRD and independent evaluation units/departments in the case of other multilateral development banks</p>	<p>The Monitoring and Evaluation Unit serves as an independent unit</p>	<p>The Independent Evaluation Department (IED) independently and systematically evaluates ADB policies, strategies, operations, and special concerns related to organizational and operational effectiveness</p>

Particulars	Evaluation unit					
	Global Fund	GEF	AF	CIFs	MFS	ADB
Number of years unit has operated	Established in 2003 (The Global Fund was founded in 2002)	Established by GEF Council decision in July 2003 (The GEF was founded in 1991)	GEFIEO was assigned the interim evaluation function in 2011 for approximately three years and then withdrawn; the current Independent Review Panel was founded less than one year ago (The AF was founded in 2001)	Not applicable (CIFs was founded in 2008)	Established in 2010 (MFS was founded in 1991)	Established in 1978 (ADB was founded in 1966) Originally known as the Post-Evaluation Office, IED was established in 1978. Over the years, IED has undergone several organizational changes, culminating in the establishment, on 1 January 2004, of an independent department reporting to the Board of Directors of ADB through the Development Effectiveness Committee. In 2008, about five years after IED became independent, a further review of IED was undertaken. Following the review, Operations Evaluation Department was renamed IED to reflect its enhanced independent status

Particulars	Evaluation unit					
	Global Fund	GEF	AF	CIFs	MFS	ADB
Funded activities and projects	Concluded the five-year evaluation of the Global Fund; Contributed to the evaluation strategy for 2012-2016 of the Global Fund; and Will support the ten-year evaluation	Conducted terminal evaluation of 202 projects by 2014	48 projects/programmes have been approved by the Board of the AF to date; in addition, two South- South grants have been approved	Not applicable	700 active projects (range of USD 10,000 to USD 25 million)	
Head of Unit contractual status and duty station	Part-time Remote	Full-time staff Headquarters	Part-time Remote		Full-time staff Headquarters	Full-time staff Headquarters
Level and salary	Unpaid TERG members claim travel expenses and per diems in accordance with Global Fund policies. TERG voting members may also be granted an honorarium. The amount and detailed modalities of which are determined in accordance with any framework recommended for adoption by the Board	Grade H Minimum USD 144,000 Maximum USD 267,400	Unpaid		Professional staff grade 5 (P5) in the United Nations system Minimum: USD 108,148 Maximum: USD 135,329	

Particulars	Evaluation unit					
	Global Fund	GEF	AF	CIFs	MFS	ADB
Number of staff in unit	<p>15 members, including:</p> <ul style="list-style-type: none"> a. Nine voting members serving in their personal capacity; b. One non-voting member, representing the monitoring and evaluation function or reference panels of organizations (UNAIDS, Roll Back Malaria, etc.) c. The monitoring and evaluation focal point among the membership of the Strategy Investment and Impact Committee; and d. The TERG focal point in the Secretariat 	<p>19 staff members, including five full-time consultants; and Short-term consultants ranging from 10 to 50 depending on the GEF replenishment cycle</p>	<p>Three members</p>	<p>Two to three full-time staff; and Two to three part-time consultants to undertake annual monitoring and reporting rounds</p>	<p>One local staff member; and A limited budget for consultants</p>	<p>Two full-time directors reporting directly to the Director General, each has a large team of full-time evaluation specialists, evaluation officers, evaluation analysts and evaluation assistants</p>

Particulars	Integrity Unit					
	Global Fund	GEF	AF	CIFs	MFS	ADB
About the unit	The Office of the Inspector General works through audits, investigations, oversight and consultancy work to promote good practice, reduce risk and report on abuse. It is an independent yet integral part of the Global Fund. It is accountable to the Board of the Global Fund through its Audit and Ethics Committee	There is no specific investigative function within the GEF but integrity-related issues are covered by the respective unit at the World Bank	No separate unit	CIFs relies on the accountability, integrity and anti-corruption mechanisms of the multilateral development banks. Concerns relating to the misconduct of CIFs Administrative Unit staff are raised and handled through the World Bank complaint mechanism	No separate unit	The Office of Anticorruption and Integrity is tasked to ensure that the development funds entrusted to ADB are not misused as a result of fraud and corruption, the Office of Anticorruption and Integrity relies on close collaboration with internal and external partners and stakeholders to fulfill its mandate

<p>Number of years unit has operated</p>	<p>10 years (2005)</p>	<p>Not applicable</p>	<p>The anti-corruption policy of ADB was approved by the Board of ADB in July 1998. Subsequently, the functions of the former Office of the General Auditor were realigned in August 1999 with the creation of an anticorruption unit to focus on new activities relating to the implementation of the anti-corruption policy. In December 2004, the Anti-corruption Unit was upgraded to an Integrity Division with expanded functions to cope with the growth in volume of and complexity in investigations of fraud and corruption. On 1 October 2009, the Integrity Division was upgraded to the Office of Anticorruption and Integrity under the supervision of the Head of the Office of Anticorruption and Integrity</p>
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Number of Funded Activities	Every year, the office publishes on average 25 reports, each available in full to the public	Not applicable	The total number to date is known. In 2014, 241 complaints were received of which 87% were related to integrity violations in ADB projects and the remaining 13% related to complaints about ADB staff
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Particulars	Integrity unit					
	Global Fund	GEF	AF	CIFs	MFS	ADB
Head of Unit contractual status and duty station	Full-time Headquarters Inspector General was newly appointed in 2014 for a six-year term					Full-time Headquarters
Level and salary	Same grade level as the Executive Director of the Global Fund Inspector General annual salary range is above CHF 245,000 and does not exceed CHF 310,000 (approximately between USD 252,854 and USD 319,937)			Not applicable		
Number of staff in the unit	Over 40 investigators, auditors and other professionals					23, including Head

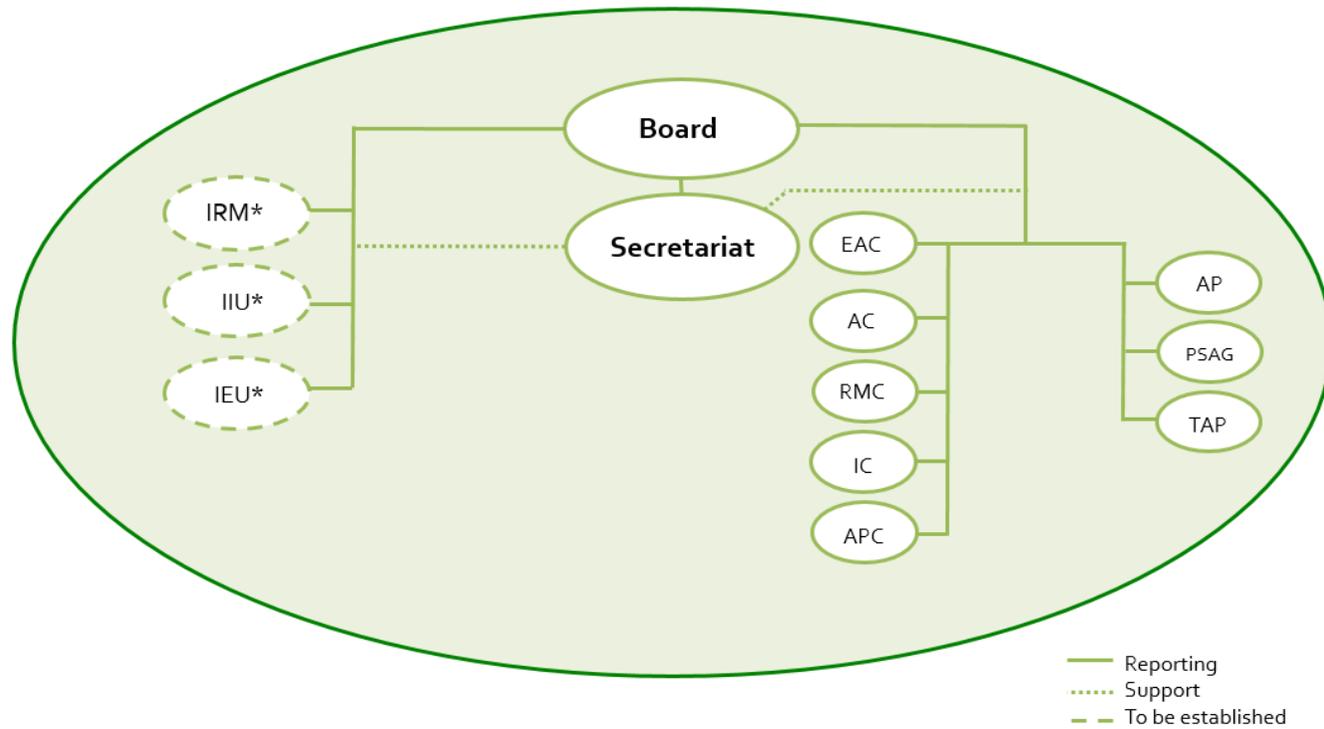
Particulars	Redress mechanism					
	Global Fund	GEF	AF	CIFs	MFS	ADB
About the unit	No separate unit	The Conflict Resolution Commissioner, in the GEF secretariat Front Office, works directly with member countries and agencies to help resolve disputes and address complaints. The Commissioner reports directly to the Chief Executive Officer of the GEF. GEF implementing agencies must also have their own grievance response system	A staff member at the manager level is in charge of handling the Complaint Mechanism	No separate unit Grievances are handled by a dedicated staff member within the national executing agencies and can be escalated to the National Steering Committee and finally to the Global Steering Committee	No separate unit	The Compliance Review Panel investigates alleged non-compliance by ADB with its operational policies and procedures that have caused, or are likely to cause, direct and material harm to project-affected people
Number of years the unit has operated	Not applicable		Established March 2012	Not applicable	Not applicable	
Head of Unit contractual status and duty station		Full-time staff Headquarters	Full-time staff Headquarters			Full-time staff Headquarters
Level and salary		Grade H Minimum USD 144,000 Maximum USD 267,400	Grade H Minimum USD 144,000 Maximum USD 267,400			

Particulars	Redress mechanism					
	Global Fund	GEF	AF	CIFs	MFS	ADB
Number of staff in unit	Not applicable		Part-time support from a legal counsel at the World Bank	Not applicable	Not applicable	Two part-time panel members from regional member countries; and The Office of the Compliance Review Panel has a full-time Adviser, a Compliance Review Officer and an Associate Compliance Review Coordinator

Abbreviations: ADB = Asian Development Bank, AF = Adaptation Fund, CIFs = Climate Investment Funds, GEF = Global Environment Facility, MFS = Multilateral Fund secretariat.

Annex III: GCF organizational structure

Figure 1. GCF organizational structure with the Accountability Units



* In respect of certain overhead functions such as information technology, legal, human resources, etc., the units will receive the support of the Secretariat.

Annex IV: Mr. Zaheer Fakir's comment received on 15 October

1. Comments on the Salary Scales of the Heads of the Independent Units
2. For oversight purposes and to accurately assess the comparisons, it would be useful to see the Terms of Reference (ToR) for this piece of work- it would be useful to understand the direction and mandate given to the relevant member undertaking this analysis.
3. The analysis is extremely thin on providing the Board with a detailed comparative analysis, thus making the determination of the salary scale more complicated.
4. There are a number of inconsistencies with the recommendation for the IS-5-7 salary scale as presented in the document and the Secretariat's document (B.11/11) on staffing, in particular paragraph 9, where a number of concerns regarding the matter of attracting high quality competent staff to Songdo are highlighted. If this is the case, I still do not understand the Secretariat's view that the Heads should have starting salaries that are not internally comparable to other Director positions.
5. In terms of the approved ToRs for the Heads of Units, there needs to be an internal comparison of their position in the Secretariat in order to determine the appropriate salary levels for both the Heads but also technical and specialist positions they may require. In our assessment of the current salary scale, the Heads of the Units would be placed in the upper managerial level of the Fund levels IS-7 to IS-10¹ and more likely at the starting level of the IS-8 range.
6. What were the reasons for not having access to the salary levels of the relevant ADB Unit Heads?
7. It is also not clear that the comparison of World Bank Salary Levels (H) is done in comparison to the ADB, which for the 2015 year would be equivalent in range to IS-7/8. This is based on reviewing the ADB document on the Annual Review of the Salary and Benefits October 2014.
8. In relation to the assessment of the salary scale of the Head of the Evaluation Unit there is yet no comparative assessment to provide a reason that the Head should not be at the same level of other directors in the Secretariat.
9. In relation to the assessment of the salary scale of the Head of the Integrity Unit, only one comparison with a salary scale has been presented namely that of the GFTAM, which is presented as an equivalent to IS-9/10. No information is provided on the salary scale of the ADB. Given the funding size and outreach of the GFTAM- this may indeed be a comparable salary for the GCF Board to consider, however it is slightly higher than the Director positions of other Units in the Secretariat, but is higher than the IS-5/7 recommendation.
10. In relation to the assessment of the salary scale of the Head of the Redress Mechanism only two comparisons provide details on salary levels and no information is forthcoming on the ADB levels. In relation to the GEF and AF, the scale of overall funding is significantly lower than expected by the GCF and as such the salary scales of IS-6/7 may be a rate lower than what is required for the purpose of the GCF.
11. The presentation of the information could be presented in a user-friendlier manner to enable the board's assessment of the salary levels.
12. In terms of the recommendation for the draft decision, it is my view that as a minimum the Heads of the Independent Units, and to ensure high quality candidates are attracted to these

¹ Reference to level of managerial positions, footnote 1, Annex II, GCF/B.06/18.

positions, should all start at the lower end of the IS-8 level, which we understand as being comparable salary level internally to the GCF with the directors of other divisions/units.
