



**GREEN
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Status of staffing of the Secretariat – a progress report

Summary

The Board is faced with capacity challenges within the Secretariat, with regard to a number of interrelated issues. At its twelfth meeting, the Board authorized the recruitment of new staff aiming at filling approximately 100 positions by December 2016. Appropriate measures have been taken to fill these positions as soon as possible, while continuing to implement the work plan for this year, using available resources. By 21 June 2016, 45 positions were filled, with 34 in the recruitment pipeline and the selection process is well under way. It is envisaged that the number of staff will increase to approximately 80 by the end of September, putting the Secretariat on track for the 100 positions to be filled by the end of the year.

This effort has further brought to light challenges related to compensation. There has been no adjustment to GCF pay scales since 2014, including to account for inflation. As a result, the GCF cannot offer a competitive compensation package for new recruits, and existing staff have seen the real value of their pay decrease.

This document focuses on addressing the recruitment and retention challenges related to the lack of a competitive compensation package. It is recommended to adjust the salary scales so as to allow salary progression based on rigorous performance assessment. In addition, the Budget Committee recommends considering other measures to strengthen Secretariat capacity and bringing recommendations to the Board at its fourteenth meeting.

I. Introduction

1. The Board, by its decision B.12/27, paragraph (g), requested “the Secretariat to provide a revised version of the annual presentation of the staffing structure to inform the Budget Committee, in its review and recommendations on budget implications for 2017 and 2018, by the thirteenth meeting of the Board”.
2. By the same decision, the Board noted that the staffing of the Secretariat will reach an approximate of 100 filled positions by 31 December 2016, taking into consideration the ability of the Secretariat to recruit and absorb the increasing staff numbers, following the appropriate process.
3. The aim of this document is, firstly, to offer a progress report on recruitment, including the results achieved by 21 June 2016; and secondly, to inform the Board of challenges in recruiting and retaining staff, related to the compensation package, and to recommend a way forward to resolve these challenges.

II. Progress report on recruitment

2.1 Approach and steps taken

4. As a first step, division directors and heads of offices identified areas of work that must be given priority in the next six months and developed job descriptions of 43 new positions, aiming to reach the 100 positions approved by the Board to be filled at the end of this year. Delays were encountered in securing internal clearance and approval of a number of job descriptions, due to the need to confirm the appropriate alignment of the work within the approved structure.
5. In the light of the small size of the Human Resources team within the Secretariat, it has been decided to strengthen the team by engaging a recruitment firm to assist in the future hiring of some of the mid-level and senior specialists. The procurement process to engage a recruitment firm is concluded and two recruitment firms will be recommended for approval.
6. As at 21 June 2016, with the cooperation of relevant divisions and offices of the Secretariat, 34 vacancies were advertised, attracting thus far approximately 920 candidates whose applications are in the selection process pipeline. Two selection processes are complete and offers have been made, including to one internal candidate.
7. Following the Board’s guidance, individuals who have been working as full-time consultants have been encouraged to apply for the positions. As a result, 15 consultants are currently being considered for vacant positions.

2.2 Staff by area of activity

8. As indicated in table 1 below, by 21 June 2016, 45 (35 International/Professional staff and 10 Administrative/Support staff positions were filled. Recruitment is in progress, for another 54 positions, 34 of which are in the pipeline.
9. In the meantime, the Secretariat has an additional 15 international and 28 local full-time consultants to carry out its work as defined in the work plan for 2016.

Table 1. Staffing by area of work

Areas of activity	Current staff	Pipeline	Total
Executive direction and management, including communications and outreach	3	1	4
Country and accredited entity relationship management and Readiness and Preparatory Support Programme	10	10	20
Portfolio development and management	9	2	11
Institutional, legal and financial/administrative support	23	16	39
Risk management, compliance and audit	0	5	5
Total	45	34	79

2.3 Staff by gender and geography

10. Table 2 below provides information on the geographical and gender distribution of staff as at 21 June 2016.

Table 2. Geographical and gender distribution among appointed staff

Filled positions		Geographical distribution		Gender balance	
Level	Headcount	Developed	Developing	Male	Female
IS-level	35	15	20	25	10
AS-level	10	0	10	2	8
Total	45	15	30	27	18
Percentage (%)	100%	33%	67%	60%	40%

Abbreviations: AS = [Administrative/Support Staff], IS = [International/Professional Staff].

III. Recruitment and retention challenges

11. The Administrative guidelines on Human Resources (hereinafter referred to as the Guidelines) sets out the Principles of staff employment which state that: “The Fund’s recruitment guideline shall be to endeavour to attract staff members of the highest calibre appropriate to job requirements under employment terms and conditions that are responsive to both the Fund’s needs and the staff member’s well-being”.¹

12. The GCF is a new entity with a critical mandate, significant expectations from the international community, a heavy workload, and unrelenting pace. However, attracting candidates with the right skill sets has proven increasingly challenging for the Secretariat, and the GCF is facing real difficulties in the effort to live by the principles set out in the Guidelines.

13. The experience and skill set necessary is mostly found in individuals that work in international organizations with similar business models to the GCF. The main causes cited relate to the provision of a competitive compensation package (in some instances selected candidates have declined job offers after realizing that their salaries would be less than their

¹ GCF/B.08/26

peers in similar organizations in lower-cost duty stations) and overcoming cultural and language barriers for staff and families moving to Songdo, Incheon, Republic of Korea.

14. With regard to the latter case, the Secretariat has implemented a number of initiatives to assist staff to address cultural and language challenges, and continues to make efforts to further improve the situation. Such initiatives include spousal employment opportunities, a family working group, language training, flexible working arrangements, negotiating terms with international schools, etc. The Secretariat also takes regular surveys to gauge the staff morale and satisfaction, and takes appropriate measures to address recommendations.

15. At the same time, the compensation challenge remains. The GCF is still offering salaries based on Asian Development Bank (ADB) and the World Bank Group Korea Office scales of January 2014. Current staff are also affected by this situation, none of whom have benefited from a pay increment since joining the GCF (many in 2014).

16. During this time, inflation has increased by at least 2 per cent and ADB has adjusted its scale twice since then using a calculation that considers inflation and other factors.² Therefore, most staff pay is below the minimum point of the ADB salary grade with no prospect of pay progression. In a recent survey, only 25 per cent of staff said they believe that they are fairly remunerated for the work they perform.

17. Exacerbating this situation is the fact that Songdo has limited opportunities for spousal employment, it has language barriers and the cost of living is relatively high compared with, for example, Manila, the Philippines, and Washington, the United States of America.

IV. Proposed way forward

18. To be competitive in the recruitment market, and to ensure that the GCF can hire high calibre staff, it must offer salaries that are appropriate to their qualifications, skills and experience. It must also offer salary progression, keeping in line with inflation, and rewarding good performance. In practice, this means keeping in line with the salary scales of the Asian Development Bank (for international staff) and the World Bank Group Korea Office (for administrative/support staff), and negotiating more flexibly, if necessary, beyond the minimum level of the salary structure.

19. Salary progression for current staff should be applied fairly and transparently, supported by a strong performance management system. The Guidelines also call for a systematic performance review and reward as stipulated in Principle 06 Compensation (6.2).³

20. Accordingly, the Secretariat has developed a performance management and development system. All staff follow the process of setting annual objectives which outline their contribution to organizational goals; identifying their professional development plan; and undergoing a comprehensive assessment of their performance which looks at achievement of

² At ADB, salary adjustments from one year to the next are not only linked to the cost of living or consumer price index movements. These indices are reflected implicitly in the market movement of salaries in the global or local market settings, which are also influenced by labour market conditions (e.g. supply versus demand for specific skills, global economic fluctuations and domestic fiscal conditions).

³ The Guidelines, section 6.2: (1) 'Establish and periodically review the general levels of staff compensation and adjust such levels, as appropriate'; (2) 'Institute and maintain programmes which permit the Fund to reward staff members according to their performance and contribution to the Fund's objectives'; and (3) 'In view of the importance to the Fund of attracting international staff and with due consideration of the significant uprooting of themselves and their families, establish competitive programmes for expatriate staff members designed to assist them and their families to maintain their cultural, professional and personal links with their home countries....'

objectives, demonstration of core competencies and fulfilment of development plans. The validated ratings from this entire process can be used as the basis for performance –based pay. This system will also facilitate the decision process on confirmation of employment after the probationary period.⁴

V. Implications

21. The proposed decision would allow the adoption of the 2016 salary scales (ADB and the World Bank Group Korea Office); allow GCF scales to follow these scales in the future upon review by the Board of the related budget implications; and provide a framework to position new and current staff at the appropriate point of the applicable salary scale based on qualifications, experience and performance.

22. This will significantly improve the ability of the GCF to attract, hire and retain the high performing workforce it needs to achieve its objectives.

23. There is no implication for the current administrative budget as the approved budget has already been designed to absorb the additional costs of aligning the salary scales. The cost implications of new positions for 2016 are shown in table 3 below.

Table 3. Financial costs of new positions in 2016 (in USD)

	Number of staff	2016	
		Approved at B.12	Approved at B.13
Current staff	56	11,359,464	11,359,464
New positions	44	-	4,351,993
Total	100	11,359,464	15,711,457*

***Note:**

- The approved budget for current staff *includes an amount of USD 361,599 which represents the cost of moving staff to the 2016 ADB salary scale* and an element for performance-related pay increase.
- The approved budget for new positions assumes the recruitment of 44 staff in a phased manner during the remainder of 2016 and that IS staff will be recruited at the 2016 ADB salary scale and AS positions at the 2016 WB scale.

Abbreviations: ADB = Asian Development Bank, AS = [Administrative/Support Staff], B.12 = twelfth meeting of the Board, B.13 = thirteenth meeting of the Board, IS = [International/Professional Staff], WB = World Bank.

VI. Additional considerations

24. Staffing and compensation are one part of the solution to the broader capacity issue. For example, the Secretariat accepts secondments and similar placements of professionals in important areas where it may not have sufficient capacity. Other measures should be explored as part of an ongoing process to strengthen Secretariat capacity.

⁴ As at 21 June 2016, there are 25 staff members who completed their probationary period and are awaiting confirmation.

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.13/20 titled “Update on staffing of the Secretariat – a progress report”,

- (a) Takes note of the report;
 - (b) Agrees that the salary scales of the International/Professional staff in the Secretariat be updated regularly in accordance with the salary scales of the Asian Development Bank;
 - (c) Also agrees that the salary scales of the Administrative/Support staff in the Secretariat be updated regularly in accordance with those of the World Bank Group Korea Office;
 - (d) Further agrees that any budgetary implications resulting from salary adjustments be referred to the Board for its consideration of the budget;
 - (e) Authorizes the Secretariat to offer salary progression, based on an annual review of performance; and
 - (f) Requests the Budget Committee, in consultation with the Secretariat, to present to the Board at its fourteenth meeting, additional measures to strengthen Secretariat capacity.
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