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**CAPACITY AND ORGANIZATIONAL EFFICIENCY STUDY
OF THE GEF SECRETARIAT**

Recommended Council Decision

The Council, having reviewed document GEF/C.19/15, *Capacity and Organizational Efficiency Study of the GEF Secretariat*, agrees, consistent with the recommendations of the Independent Study, to the establishment of three new posts within the GEF Secretariat and the upgrading of the budget officer post to that of Controller. The Council approves an additional amount of US\$900,000 to be added to the corporate budget for FY03 to cover the additional resources associated with these positions.



Global Environment Facility Secretariat
Capacity & Organizational Efficiency
Enhancement Study

March 2002

Prepared for:

Global Environment Facility Secretariat
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Background

In 1997, PDI conducted a study at the request of the Global Environment Facility, with the purpose of improving the Secretariat's organizational structure and enhancing performance. As a result of the study, several recommendations were made, including organization of the Secretariat into teams around the focal areas. The teams were designed to pool technical experts around their area of competence. The study also recommended conducting regular communication meetings intended to provide more information to the team members.

In the five years since that study was conducted, there have been several environmental changes that have impacted the GEF. In addition to the three Implementing Agencies that the GEF currently deals with, there are seven additional Executing Agencies acting under expanded opportunities that are beginning to interface with the authority. The GEF has also been asked to assume responsibility for one additional convention (POPs). Both of these issues will mean that the Secretariat will be asked to take on additional as well as different types of activities.

An Overall Performance Study (OPS2) conducted in November 2001 indicated that the Secretariat needs to take a more active role in monitoring projects in the field to ensure quality and results, improve the Secretariat's relations with the private sector, and open up dialog at the country level through the establishment of a country support team.

Moreover, there have been several less tangible signs of organizational issues that could potentially impair good performance of the Secretariat. Employees have resigned due to the stress from long hours and extremely high expectations. Other employees have expressed concern about the excessive workload and the stress that it is causing. Twelve-hour days, six-day workweeks are no longer the exception.

Terms of Reference

Because of these significant issues, the Secretariat asked PDI to conduct another organizational analysis and develop recommendations for changes. The terms of reference conveyed to PDI are as follows:

The consultant will review documents, interview staff, and apply an appropriate organizational model in order to assess and make recommendations concerning the capacity and organizational efficiency of the Secretariat.

1. Given the new mandates, conventions, focal areas, and executing agencies with which it has to deal, the **capacity** (including future staffing needs) of the Secretariat to carry out its functions of project review, strategy development, financial control, and coordination of country dialogue workshops.
2. Recognizing that the Secretariat comes under the administrative control of the World Bank personnel system and the externally driven nature and timing of workload

demands, the **organizational efficiency** of the Secretariat, including adequacy of existing management systems and coordination of work plans.

The Analysis Process

A number of interviews were conducted in February- March 2002. These interviewed were:

Mohamed El-Ashry, CEO
Ken King, Assistant CEO
Patricia A. Bliss-Guest, Team Leader Corporate Affairs
Boon-Tiong Tay, Corporate Finance Manager
Herbert K. Acquay, Team Leader Land and Water Resources Program
Hutton G. Archer, Senior External Relations Coordinator
Alan Miller, Team Leader Climate Change and Ozone Depletion
Leif Christoffersen, Team Leader Second Study of GEF's Overall Performance
Ramesh Ramankutty, Monitoring and Evaluation Specialist
Elizabeth George, Monitoring and Evaluation Specialist
Juha I. Uitto, Senior Monitoring and Evaluation Specialist
Claudio R. Volonte, Senior Monitoring and Evaluation Specialist
Ton Bon Von Ochsee, Country Relations Manager
Saima Qadir, Environmental Specialist Private Sector Development

Almost all of the interviews were conducted one-on-one, although one interview was conducted with a small group. The purpose of the interview was explained to each of the participants, who were given the opportunity to keep any issues in confidence. It is interesting to note that this option was exercised very infrequently; most people felt free to express their concerns and showed no fear of recrimination. Most of the interviewees were asked some standard questions:

- What obstacles get in the way of the work that your team is completing?
- What percentage of time do you spend in managing others?
- What do you see as the biggest challenges facing your team (or organization)?
- What skills are lacking in your team that are needed to complete the team's (or organization's) mission?
- What redundancies do you see in getting in the way of the work of your team performs?
- Does your team interface effectively with other teams both within and outside GEF? How could it be improved?
- What work sometimes falls through the cracks?

In addition to the interview process, I reviewed several reports and booklets that were intended to provide background material. These included:

- Second Overall Performance Study of the GEF (OPS2)
- Valuing the Global Environment

- Monitoring and Evaluation Policies and Procedures January 2002
- Relations with Conventions (GEF/C.17/3)
- Driving for Results in the GEF: Streamlining and Balancing Project Cycle Management (GEF/C.16/5)
- Corporate Business Plan FY02-FY04 (GEF/C.16/8)
- Overall Structure, Processes and Procedures of the GEF (GEF/C.18.8)

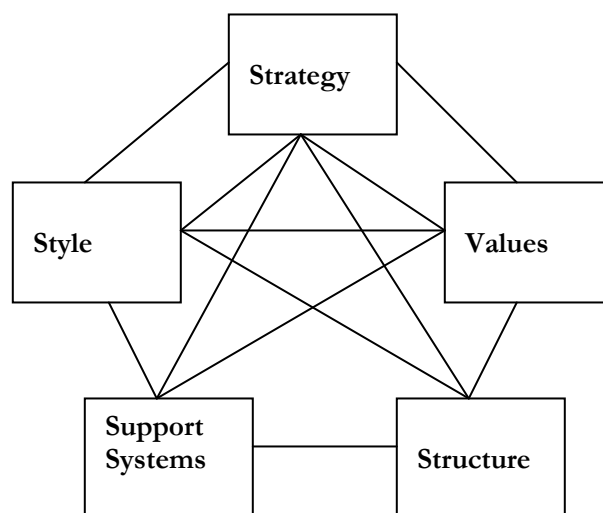
In order to collect more data from a broader base of employees, a survey was sent to all GEF employees. They were asked to respond anonymously to the questions and were provided with an opportunity to support their responses with written comments. Thirteen employees sent responses back.

The Organizational Alignment Model

An organization is made up of many sub-systems that need to be in alignment in order for an organization to maximize effectiveness. In order to create and sustain change, each of these sub-systems must be changed simultaneously. If they are not, the unchanged sub-systems will conflict with the changed, causing an eventual failure.

These sub-systems are:

- Values- The beliefs and assumptions that drive organizational behavior
- Strategy- An integrated set of actions aimed at delivering superior value to customers
- Style- The way that people behave toward each other
- Structure- The integrated process required to deliver customer output
- Support Systems- A process whose output enables the core processes to be effective



This model was used in the data collection process, analysis and the development of the recommendations that are contained in the next section.

Issues and Recommendations

Issue One: Team Responsibilities

The workload is not always evenly distributed, leaving some people overburdened while others are underutilized. This can damage morale and cause turnover. Moreover, it could mean that the GEF is not maximizing its effectiveness by deploying all available resources to face its challenges. In addition, team leaders are occasionally given assignments that cross functional boundaries into the domain of another team.

- **Recommendation: Hire a Program Manager to strengthen project coordination**

A new program manager (project coordination) should be hired to facilitate the allocation of work. This individual would be responsible for assigning projects to individuals based on the skills required to work the issue and according to the current workload of team members. The program manager would assign this work after consulting with the appropriate team leader. This role is not intended to be an extra “step” in the project process. Rather, it is to facilitate the smooth assignment of work and more equitable distribution of workload. The program manager would act in a facilitative capacity to ensure the smooth flow of projects to the right individuals who should be reviewing it. Moreover, the program manager would assist the other program managers in ensuring that they have the resources that they need to be effective. The program manager can also step in and perform program management duties if circumstances warrant it.

The program manager should be hired from within the GEF, since the position would require an intimate knowledge of the focal areas, executing and implementing agencies, as well as familiarity with the capabilities of the various team members. This position would report directly to the Assistant CEO.

- **Recommendation: Revise Format of Weekly Meeting on Operations**

The format for the weekly meeting on operations needs to be revised to promote the effective assignment of project review work and more horizontal communication. This meeting should be attended by team leaders in the focal areas (or their designates) and the rest of the senior staff. The objectives of this meeting should include:

- Assigning new projects that the Secretariat has been asked to study
- Reviewing the progress on current projects
- Sharing learnings (this will be discussed in more detail in a later recommendation)

The program manager (project coordination) would conduct the meeting, sharing the new projects with the rest of the group. Collectively, the group would agree on how to best assign the project, taking into account the skills needed for its completion and the current workload of team members. After the assignment of new projects, the program manager would turn the meeting over to each team leader, who would then review the status of work-in-progress. If necessary, the group would adjust the work-in-progress by adding or removing resources. It is important to note that the role of the program manager is not to make decisions for the group, but rather to facilitate the decision-making process. The group should make decisions collaboratively.

- **Recommendation: Hire a “Floating” Program Manager**

I recommend that the Secretariat add one additional program manager with expertise in multiple focal areas, so that this individual could be utilized on several teams.

- **Recommendation: Hire Intern Students**

The above recommendation will not deal with the excessive workload by itself. However, some of the work of program managers can be given to intern students to perform. The use of these individuals is a win for the students because they are able to gain valuable experience in an area of interest to them. It is a win for the Secretariat because it is able to obtain a highly motivated individual for a fraction of the cost of a consultant or another GEF headcount. Moreover, interns are a good source of future employees. I would recommend that the Secretariat hire at least one intern each semester to assist the teams. The situation should be monitored to ensure that these individuals are truly being utilized. If they are, then the Secretariat should consider employing one for each team.

Issue Two: Strategy Development

Seven of the ten agencies that the Secretariat interfaces with are new. This creates issues in regard to the integration of policies and procedures between GEF and these agencies. Moreover, business plans will have to be developed for GEF that target the strategic priorities of these agencies. In addition, the Secretariat's workload is not constant, with peaks occurring prior to Council meetings that create more organizational stress than normally exists. Employees who are already putting in large amounts of overtime are expected to put in even more time, which impacts morale and could affect the quality of work performed.

- **Recommendation: Hire One Strategic Operational Planner**

The Strategic Operational Planner would propose the necessary operational policies and procedures within GEF that would be in compliance with the operational policies and procedures of all executing and implementing agencies and would build business plans for strategic priorities. The strategic operational planner would assist in the preparation of criteria and priorities for programmatic approaches for the Council. In addition, this position could assist other GEF staff in other "mission critical" operational policy issues for Council review. The position could review progress and consistency of proposed programmatic approaches through the project cycle to ensure compliance to agreed upon criteria, standards and priorities. The position could also provide assistance in strengthening country relations.

The strategic operational planner should report to the Assistant CEO. If this position is filled from within the ranks of the GEF, as it should be, the vacancy that it creates should be backfilled.

Issue Three: Staffing to Meet Future Demands

The authority must be flexible in order to meet the demands of the future, in light of the fact that new projects may cross team boundaries. New members of the land and water resources and the biodiversity teams need to have a broader base of *skills* so that they are able to address projects supporting multiple conventions. Moreover, they must have the *motivation* to work on projects that may be outside of their primary expertise.

- **Recommendation: Revise Hiring Practices**

When conducting future job searches for team members, seek out individuals who possess the skills to work on projects relating to multiple conventions and who are motivated to do so. In order to conduct a thorough talent assessment, each team leader should actively participate in the selection process. Since this new employee could work with any of team leaders, the hiring decision should be reached by the consensus of all team leaders and the Assistant CEO.

We also recommend that everyone involved in the selection process be trained in conducting a Situation Behavior Outcome (SBO) interview that is designed to effectively assess a candidate's skill and motivation.

The World Bank Human Resources department or PDI could provide this training.

Issue Four: Institutionalize Learnings to Increase Productivity

Because of the increased workload, teams need to continually look for ways to increase their productivity. Although the individuals and locations may change from project to project, the underlying process to conduct a study rarely changes, which creates a degree of repetition in the work performed. Therefore, it is valuable to study each project after its completion to understand what could be improved for the next time. Moreover, these learnings should be shared between teams so that everyone could benefit from them.

- **Recommendation: Conduct After-Action-Reviews After Each Series of Project and Concept Review meetings**

The After-Action Review (AAR) is a simple process used after an event to help a team or an organization understand what it has learned. Such events could include project and concept implementation review meetings, country dialog workshops, the implementation of a new procedure, working with a new “customer” from one of the implementing or executing agencies or work on a concept that has crossed team boundaries. AAR’s are conducted by the individuals directly involved with that project or concept. The AAR answers the questions:

- What was our objective?
- Did we accomplish that objective?
- If so, what did we do right? If not, what did we do wrong?
- What should we do differently next time?

AAR’s should be conducted whenever two or more people are involved in a project or concept. The individuals involved in the AAR should determine whether the learnings would add value if they were shared with others in the authority. If they would, these learnings would be conveyed to the team leader and brought up at the next weekly meeting.

Once the organization determines that they are not obtaining any new learnings, AAR’s should only be performed on projects with new variables such as a new country, type of project, agency contact, etc.

You may also consider conducting training classes for all employees in the AAR process. I would be happy to provide this service for you.

Issue Five: Skill Development Processes

Some employees mentioned that they are not provided adequate development opportunities while others felt satisfied with their development. A solid skill development effort is needed for two reasons. First, it builds capacity. The only way that the Secretariat can continue to fulfill its charter in the face of ever increasing demands is to build the capacity of all employees to produce more and higher quality results. Second, failing to develop skills causes low morale. The number one reason that people leave an organization is that they aren't being developed. As I mentioned already, there is employee concern about the workload and the stress that it causes. Coupling this with a lack of development opportunities could mean increased turnover in the future.

- **Recommendation: Development Planning Process For All GEF Employees**

All employees participate in the annual Development Action Planning process. Annually, the Assistant CEO should review the development plans of all Secretariat employees with their supervisor. Each supervisor should demonstrate that he has conducted a development discussion with each of his employees that took into account the needs of both the organization and the individual. Development planning should not just consist of sending people to training classes and conferences. It should also include coaching, feedback, developmental experiences and self-study.

Each team leader should be expected to articulate how they have developed the capacity of each of their team members over the previous year. Part of their appraisal rating should be as a result of this effort.

The World Bank Human Resources Department or PDI could provide training to employees in how to understand:

- Development goals
- Strengths
- Development needs
- Appropriate ways to develop skills

Issue Six: Financial Control Systems

The financial infrastructure has not been able to keep pace with the increased level of responsibility that has been placed upon the Secretariat. The Assistant CEO has to manage numerous budgets (i.e. M&E, External Affairs, or special budgets that are set up for council meetings) in addition to the Secretariat's main operating budget. To ensure compliance to budgets, the Assistant CEO is forced to perform tasks that in most organizations are delegated to a Controller. This pulls him away from strategic duties that are needed, especially in a time of organizational transformation such as what the GEF is undergoing.

- **Recommendation: Upgrade the Open Budget Officer Position**

There is an open position for a Budget Officer. This position should be upgraded to that of Financial Controller/Planner. This position would have the same signature authority as the Assistant CEO and be able to perform the same financial functions that he performs today. These responsibilities would include: ensuring compliance to budgets, making disbursements, approving travel, keeping the GEF's financial management system up-to-date, and establishing special budgets such as those for the Assembly activities.

Issue Seven: All Staff Communication Meetings

One of the recommendations from the 1997 study was to implement a monthly communication meeting that was intended to ensure full and consistent communication regarding important Secretariat priorities and matters of interest to all staff. GEF employees from the CEO to individual team members have expressed concern that the monthly communication meeting is not working as well as it should. The meetings are frequently cancelled. When they are held, they turn out to be “monologues” with little staff interaction. These meetings are just as important as they were five years ago; people need to understand the organization’s priorities if they are going to perform at peak levels.

- **Recommendation: Ensure Consistent and Participative Staff Meetings**

More attention needs to be paid to regular meetings. The meetings should be scheduled six months in advance. This will help to ensure that they won’t be cancelled. The Assistant CEO could chair the meeting if the CEO is unable to attend. Each meeting should have a long-term component as well as a short-term one. This long-term component should consist of a review of the strategy or other strategic issues that have a bearing on the staff. The short-term component of the meeting should include information from the country dialog workshops or current projects, especially ones that involve something different such as a new concept or new region. The long and short-term components, through the diversity of topics, will create more interest and should stimulate dialog. This would more effectively ensure that they are serving the purpose for which they were intended.

Asking other members of the senior staff to provide quick updates could stimulate more participation. These mini-presentations should be from five to ten minutes in duration. One way to do this would be to rotate this among the teams. For example, one month you could ask the Biodiversity team to report out. The report outs should be simple so that the team does not need to devote a lot of time to prepare. These report outs would provide information about what the team is currently doing and what they will be doing in the future.

Issue Eight: Country Dialog Workshops

The Second Overall Performance Study indicated that the GEF's in-country understanding is in need of improvement. The primary vehicle of obtaining this understanding is through country dialog workshops. The current schedule for these workshops is torturous, averaging one workshop every three weeks. Simply attending these meetings is only part of the challenge of this function. There needs to be a transfer of the learning from these workshops back to the Secretariat and Implementing Agencies so that projects and policy can be developed. Since only one GEF employee is currently involved in this process, there is little time to deal with the deficiency pointed out in OPS2. In addition, the Secretariat assists when requested, with constituency meetings organized by council members to understand the needs of their constituents.

- **Recommendation: Add Staff to Support Country Dialog Effort**

The current staffing level is insufficient to meet the requirement. Therefore, one additional individual should be added to work on country relations, in particular the country dialogs, and on streamlining constituencies.

The country relations staff would be primarily responsible for transferring information from these workshops back to the Secretariat and Implementing Agencies for the purposes of GEF policy and project formulation. The Strategic Operational Planner, in addition to performing other duties, would also work with the country relations staff in strengthening country relations.

Issue Nine: Private Sector Focus

The Second Overall Performance Study pointed out that although the GEF has made some progress in engaging the private sector, there is still room for improvement. The study recommends that individuals with private sector experience should be seconded to the GEF.

- **Recommendation: Backfill Positions with Individuals With Private Sector Experience**

As previously stated, the positions of Project and Strategic Planning Coordinator should be filled from the ranks of the teams and their vacant positions (backfilled). I recommend that an individual with private sector experience staff one of those positions. This individual could assist the Environmental Specialist Private Sector Development in researching the organizations with which GEF should partner.

It appears that private sector development should be conducted directly by GEF and not through the Implementing Agencies. Therefore, more resources should be supplied to this effort, at least on a part-time basis.

Summary

Here is a summary of the actions that are contained in this report:

1. Staffing New Positions
 - a. Program Manager (Project Coordination)- Person who would facilitate the assignment of projects at weekly staff meeting and assist the Secretariat in preparing for large events.
 - b. Strategic Operational Planner- Person who would assist in operational policy development and strengthening country relations.
 - c. Country Relations Officer- Person to contribute to ensuring adequate coverage and management of all country dialog workshops.
 - d. “Floating” Program Manager- Person who would handle the additional workload for the teams working in multiple focal areas.
2. Change format of weekly meeting on operations to include the assignment of projects by the Program Manager for project Coordination.
3. Provide a student intern to assist the teams.
4. Backfill open positions with employees who have private industry experience and who can work on projects in multiple focal areas.
5. Revise hiring practices so that more senior management individuals are involved in the process. Provide training for them so that they can be skilled in making hiring decisions.
6. Conduct After-Action-Reviews (AAR’s) to facilitate organizational learning and therefore capacity.
7. Increase the emphasis on the Development Action Planning process to facilitate the building of individual capacity.
8. Upgrade the open position of Budget Office to that of Financial Controller/Planner so that this position could take some of the administrative burden from the Assistant CEO.
9. Create more participative staff meetings through engaging the other members of the senior staff in presenting updates and focusing on the long term, as well as the short term.