



GEF/C.40/15
May 25, 2011

GEF Council Meeting
May 24-26, 2011
Washington, D.C.

Agenda Item 12

PREPARING TO LAUNCH AN EXECUTIVE SEARCH FOR THE GEF CEO/CHAIRPERSON

Recommended Council Decision

The Council, having reviewed document GEF/C.40/06, *Preparing to Launch an Executive Search for the GEF CEO/Chairperson*, authorizes the Selection and Review Committee:

- (i) to revise the terms of reference for the executive search firm in light of Council comments to be provided in writing to the SRC Secretary and SRC Chair by June 30, 2011;
- (ii) to select an executive search firm in advance of the November 2011 Council meeting;
- (iii) to revise the terms of reference for the GEF CEO/Chairperson in light of Council comments to be provided in writing to the SRC Secretary and SRC Chair by June 30, 2011 and to bring the revised terms of reference back to the November 2011 Council meeting for final Council approval.

INTRODUCTION

1. As noted in paragraph 21 of the GEF Instrument, as amended: “The CEO shall be appointed to serve for four years on a full time basis by the Council.” The current GEF CEO/Chairperson will step down as of July 31, 2012.
2. At its meeting in June 2009, the Council authorized the establishment of a Selection and Review Committee (SRC) to, “...oversee the processes for appointing and reappointing the GEF CEO/Chairperson and the Director of the GEF Evaluation Office” The Council further decided that as part of “the process for selecting the CEO, [the SRC] will consult with different stakeholders, in particular the Implementing and Executing Agencies (document GEF/C.35/9/Rev.2).”
3. This note provides background information and recommendations for moving forward as the SRC looks to launch an executive search for the appointment of the GEF CEO/Chairperson in anticipation of the completion of the current CEO/Chairperson’s term.
4. This note presents the newly approved process for selecting a CEO/Chairperson and provides in annexes the terms of reference (ToRs) that were used during the last CEO/Chairperson executive search for: (i) the CEO/Chairperson; (ii) the executive search firm that was hired to assist in the executive search; as well as a recommended budget to support the selection process.
5. Attached to the second annex is an appendix containing suggested additions from the SRC to the ToR for the executive search firm employed for the CEO/Chairperson executive search in 2005.

PROCESS FOR THE APPOINTMENT OF THE CEO

6. Because paragraph 21 of the GEF Instrument did not articulate a comprehensive process for the appointment or reappointment of the GEF CEO/Chairperson, the Council in June 2009 adopted the following process for appointing or reappointing the GEF CEO/Chairperson:
 - (a) At the Council meeting at least six months prior to the expiration of the term of the CEO, Council decides either: (i) to reappoint the incumbent CEO, if another term is permitted; or (ii) to start the process for selection of a new CEO;
 - (b) If a new CEO is to be selected, at the same Council meeting, the Council will approve a ToR for the position, the ToR for an independent consulting firm (executive search firm), and the budget to support the process. The SRC will oversee the recruitment process including the process for advertising the position;
 - (c) An independent executive search firm will be selected by the Secretariat, using the ToR supplied by Council;
 - (d) Position will be advertised. Furthermore, Council Members and participant governments may suggest candidates directly to the search firm;

- (e) Initial screening to prepare a list of all applicants meeting criteria/qualifications will be done by the outside consulting firm with advice of the Selection Committee. The firm will screen all applicants and recommend those who meet the criteria/qualifications specified in the TOR;
- (f) Selection and Review Committee prepares preliminary short list of up to ten candidates;
- (g) Selection and Review Committee to consult with Council Members on the preliminary short list;
- (h) Selection and Review Committee prepares a final short list of candidates to be interviewed, interviews candidates, and consults with Council Members;
- (i) Based on its interviews and consultations, the Selection and Review Committee, makes a recommendation to the Council of three candidates, in order of preference, for the Council's final consideration and decision;
- (j) The Council appoints the CEO at the Council meeting just prior to the expiration of the term of the incumbent CEO."

RECOMMENDED ACTION

7. The Council meeting to be held at least six months prior to the expiration of the term of the CEO/Chairperson will be the November 2011 Council meeting. The Council meeting to be held just prior to the expiration of the term of the incumbent CEO will be the spring 2012 Council meeting.

8. The SRC is bringing to the Council's attention for discussion at the May 2011 Council meeting ToRs for: (i) the CEO/Chairperson; and (ii) the executive search firm that is to be hired to assist in the process. The SRC is also presenting a suggested budget to support the executive search.

9. The ToRs presented are exactly those that were used during the previous CEO/Chairperson executive search for: (i) the CEO/Chairperson; and (ii) the executive search firm that is to be hired to assist in the process. However, based on SRC discussions and the advice of the World Bank human resource experts, the SRC has provided, in an appendix to Annex II, additional provisions that the SRC recommends adding to the ToR of the executive search firm.

10. The budget recommended by the SRC is based on the budget that was approved for the CEO/Chairperson search in 2005. However, the Human Resources Unit of the World Bank advised the SRC that the costs of the executive search firms used regularly by the World Bank for similar executive searches ranged between \$150,000 and \$250,000, including their travel expenses. The SRC decided, therefore, to increase the budget line for the cost of contracting an executive services firm to \$200,000 (from \$150,000). In addition, the 2005 budget did not

provide a line for travel costs to bring final short-listed candidates in for SRC interviews. The recommended budget includes such costs, as well.

CONCLUSION

11. The SRC requests the Council to provide its views on the ToRs and recommended budget, and requests the Council to authorize the SRC: (i) to revise the ToR for the executive search firm in light of Council comments and to select an executive search firm in advance of the November 2011 Council meeting; and (ii) to revise the ToR for the CEO/Chairperson in light of Council comments and to bring the revised ToR back to the November 2011 Council meeting for final Council approval. The GEF Secretariat has included the SRC recommended budget to support the executive search in the GEF FY12 corporate budget document. A final Council decision on the recommended budget will take place in the context of the overall decision on the budget.

TERMS OF REFERENCE FOR THE CEO/CHAIRPERSON OF THE FACILITY

DESCRIPTION OF THE GEF

1. The Global Environment Facility (GEF) is a multilateral financial mechanism created in 1991 to forge international cooperation and to provide grant and concessional funds to recipient countries for projects and activities that address biodiversity loss, climate change, and degradation of international waters, land degradation, ozone depletion and persistent organic pollutants within the framework of sustainable development. GEF is open to universal membership, and currently 182 countries are members.
2. The GEF is governed by a Council comprising 32 Members appointed by constituencies of GEF member countries. An Assembly of all member countries meets every four years at the ministerial level. The GEF Trust Fund is replenished every four years.
3. GEF is the designated financial mechanism for three international conventions: the United Nations Convention on Biological Diversity, the United Nations Framework Convention on Climate Change, and the Stockholm Convention on Persistent Organic Pollutants (POPs). GEF financing also supports countries to meet the objectives of the Convention to Combat Desertification.
4. Since its inception as a pilot facility in 1991, GEF has committed \$9.2 billion in grants to over 2700 projects in more than 165 developing countries and transitional economies.
5. GEF operations are implemented through a partnership of the United Nations Development Programme, the United Nations Environment Programme, and the World Bank.
6. The GEF is administratively supported by, but is functionally independent of, the World Bank.
7. Ten agencies are principally accountable for the execution of GEF projects: the U.N. Development Programme (UNDP), U.N. Environment Programme (UNEP), the World Bank (IBRD/IFC), the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Food and Agriculture Organization of the United Nations (FAO), the Inter-American Development Bank (IDB), the International Fund for Agricultural Development (IFAD), and the U.N. Industrial Development Organization (UNIDO).
8. The GEF Secretariat itself, construed for administrative purposes as a VPU within the World Bank, has an annual administrative budget of over \$XX million, and a staff complement of professional and ACS staff of approximately XX.

JOB CONTENT

9. The broad responsibilities of the GEF CEO/Chairperson are to:
 - (a) lead the Council in developing, adopting and evaluating the operational policies and programs for GEF-financed activities that respond to the objectives and priorities of the global environmental conventions and agreements;
 - (b) provide leadership in shaping strategic directions of the GEF and strengthening collaboration at the highest levels with GEF member countries and partners;
 - (c) manage the functions assigned to the Secretariat including:
 - (i) implementing Council and Assembly decisions;
 - (ii) implementing operational policies;
 - (iii) ensuring the adequacy of arrangements with the Implementing Agencies;
 - (iv) co-ordinating with the Secretariats of other relevant institutional bodies.
 - (d) Promote collaboration and communication among the Implementing Agencies, as well as promote cooperation with other bodies to advance the objectives of the GEF.

10. In exercising these responsibilities, the CEO/Chairperson represents the GEF and its Council in global fora for sustainable development and the environment, and leads the interaction with different Secretariats of the global conventions. The CEO/Chairperson is accountable to the Council for the performance of the Secretariat.

TERMS OF REFERENCE FOR EXECUTIVE SEARCH FIRM

QUALIFICATIONS

- (e) The firm must have demonstrated experience in working with international public and private and multilateral organizations.
- b) The firm must have the ability to advice on a selection process for senior executives within the context of a competitive and transparent process.
- c) The firm must be knowledgeable about the skills-set required to manage an institution involved in environmentally sustainable development and international development assistance.

ACTIVITIES TO BE UNDERTAKEN BY THE FIRM

Phase I- Initial Response List to First Cut List

- i. Assist in developing the advertisement copy.
- ii. Schedule and attend two search kick-off meetings: Support Team and Search Committee (via videoconference).
- iii. Provide advice and support to ensure that the “net is cast widely” in order for the Committee to attract the most suitable candidate for the job.
- iv. Engage in background discussions with several GEF partners.
- v. Set-up advertising response technology and receive and acknowledge all advertising responses and applications/expressions of interest.
- vi. Review all advertisement applications, as well as applications forwarded through the Implementing Agencies or the GEF.
- vii. Identify applicants who do not merit further consideration, establish a first cut list, and respond to regretted candidates as soon as possible.

Phase II- First Cut List to Shortlist

- viii. Evaluate and assess all individuals on the First Cut List. Conduct interviews via telephone, videoconference, or in person (where appropriate); including informal referencing.
- ix. Present the Long-list candidates to the Search Committee with appropriate background information (written assessment, detailed CV's, informal referencing).
- x. Assist Search Committee in prioritizing the Long-list and help Search Committee establish which candidates they will shortlist.

Phase III- Shortlist to Finalist

- xi. Facilitate client interviews of Short-list candidates.
- xii. Debrief Short-list candidates and provide Search Committee with relevant feedback; meet with Search Committee to discuss relevant reactions to short-list candidates.
- xiii. Conduct appropriate reference checks on all Short-list candidates and present Search Committee with verbal and written comments.
- xiv. Formally inform all Long-list and Short-list candidates of their status via telephone, e-mail or regular mail.

**SELECTION AND REVIEW COMMITTEE RECOMMENDED MODIFICATIONS TO THE
TERMS OF REFERENCE FOR THE EXECUTIVE SEARCH FIRM**

1. On April 8, 2011, the Selection and Review Committee (SRC) held a meeting in Washington D.C. to discuss preparations for the selection of the new CEO/Chairperson of GEF. They invited the Human Resources Unit of the World Bank to advise them on standard practices for such searches. Based on the SRC discussions and the advice of the World Bank human resource experts, the SRC recommends to the Council the following modifications to the ToR that were used in 2005 to select the Executive Search Firm that assisted in the search for the current CEO/Chairperson. The following modifications are recommended:
 - A. At the very top of the document prior to the ‘Qualifications’ heading, a brief paragraph would be added to clarify that the executive search firm will be hired by and responsive to the SRC of the GEF Council, and that the GEF Secretariat will support the SRC in its effort to select the executive search firm.
 - B. At the very end of the document, provisions would be added to request the executive search firm to respect the following protocol to ensure impartiality in the CEO/Chairperson selection process, in particular, a recusal option and a requirement of full transparency with regard to relationships between SRC members and candidates:
 - C. Throughout the document additional edits would be made to reflect Council decision of June 2009 establishing the search process and the advice of the human resources expert of the World Bank and thoughts of the SRC members.
2. The recommended changes are reflected in the track changes text below:

TERMS OF REFERENCE FOR EXECUTIVE SEARCH FIRM

BACKGROUND

The Global Environment Facility (GEF) is a multilateral financial mechanism created in 1991 to finance the agreed incremental costs of measures to achieve global environmental benefits. The GEF operates under the direction of a Council composed of 32 Members representing constituencies of governments, which is ultimately responsible for appointing the GEF CEO. The term of the current CEO/Chairperson of the GEF expires on July 31, 2012. The GEF Council has authorized its Selection and Review Committee (SRC) to oversee the recruitment process of a new CEO/Chairperson and to engage an executive search firm to assist the SRC throughout the process. The SRC Secretary will support the SRC in its effort to select an executive search firm and throughout the process, as directed by the SRC and the Council.

QUALIFICATIONS

- (a) The firm must have demonstrated experience in working with international public and private and multilateral organizations.
- (b) The firm must have the ability to advise on 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 institution involved in environmentally sustainable development and international development assistance.

ACTIVITIES TO BE UNDERTAKEN BY THE FIRM UNDER THE DIRECTION OF THE SRC

PHASE I- INITIAL RESPONSE LIST TO FIRST CUT LIST

- i. Assist in developing the advertisement copy.
- ii. Schedule and attend two search kick-off meetings: Support Team Search Firm and SR Search Committee (via videoconference).
- iii. ~~Provide advice and support to e~~Ensure that the “net is cast widely” in order for the Committee search to attract the most suitable candidates for the job.
- iv. Engage in background discussions with several GEF partners.
- v. Set-up advertising responses and applications/expressions of interest. Undertake best efforts
- vi. Undertake best efforts and use all the tools at their disposal to identify other potential candidates, including by soliciting ideas from current and former Council Members, current and former GEF CEOs, and others who might be able to recommend people.
- ~~vi.~~vii. Review all advertisement applications, ~~as well as~~ applications or names forwarded through the governments or the Implementing GEF Agencies, as well as individuals identified through efforts of the search firm or the GEF.
- ~~vii.~~viii. Identify applicants who do not merit further consideration, establish fFirst eCut list of 15-25 candidates, ~~and respond to regretted candidates ASAP.~~ Where necessary, gather appropriate background information (that can be gathered without contacting the potential candidate) on the 15-25 candidates.

PHASE II- FIRST CUT LIST TO SHORTLIST

- ~~viii.~~ Evaluate and assess all individuals on First Cut List. Conduct interviews via telephone, videoconference, or in person (where appropriate); including informal referencing.
- ~~ix-viii.~~ Present list of every individual considered by the search firm, as well as information on the First Cut Long List candidates to the SRCeareh Committee with including appropriate available background information (~~written assessment, detailed CV's, informal referencing~~).
- ~~x-ix.~~ Assist SRCeareh Committee in prioritizing the Long list and help Search Committee to establish which a Long List of candidates (approximately 10) that will be evaluated further they will shortlist.
- x. Informally evaluate and assess all individuals on Long List, including referencing, interviews via telephone, videoconference, or in person (where appropriate) and other means.
- xi. Assist SRC to establish a Short-list of 5-6 candidates to interview.
- ~~xi-xii.~~ Formally inform all applicants who do not merit further consideration, as well as Short-list candidates of their status via telephone, e-mail or regular mail, as appropriate.

PHASE III- SHORTLIST TO FINALIST

- ~~xii-xiii.~~ Facilitate ~~client-SRC~~ interviews of Short-list candidates.
- ~~xiii-xiv.~~ Debrief Short-list candidates and provide ~~SRCeareh-Committee~~ with relevant feedback;
- ~~xiv-xv.~~ ~~meet with Search Committee to discuss relevant reactions to shortlist candidates.~~
- ~~xv-xvi.~~ Conduct appropriate reference checks and, if requested by SRC, further screening on all Short-list candidates and present ~~SRCeareh-Committee~~ with verbal and written comments.
- ~~xvi-xvii.~~ Meet with SRC to discuss relevant reactions to Short-list candidates. Advise SRC as it prepares its recommendations of candidates to the GEF Council.
- ~~xvii-xviii.~~ Formally inform all Long-list and Short-list candidates of their status via telephone, e-mail or regular mail.

ASSURANCE OF IMPARTIALITY AND TRANSPARENCY

The firm will be aware as it performs its duties of an SRC protocol to avoid bias or the appearance of bias in the CEO selection process. A bias or perception of bias could arise when the personal interests of an SRC member interfere or have the potential to interfere in any way with the interests of GEF, such as when an SRC member takes actions or has interests that make it difficult to perform his or her work objectively and impartially, or when a SRC Member intentionally takes actions that result or could result in benefits to that SRC Member.

- i. SRC Members shall avoid any situation involving an actual or apparent bias or personal benefit in the review and selection of the candidates.
- ii. Any SRC member may nominate a candidate. All nominations should be sent by email directly to the firm for processing, with a copy to the SRC Chair and Secretary. If a candidate nominated by an SRC member is discussed at an SRC meeting or between SRC members, the nominating SRC member should disclose to the other SRC member(s) the fact that he/she nominated that candidate. To protect the objectivity of the process, the nominating SRC member should withhold comments until other members have spoken.
- iii. If there exists any other reason why an SRC member could have or appear to have a personal interest in, or could receive or appear to receive a benefit from, the successful candidacy of any candidate under consideration, the SRC member in question should disclose to the other SRC member(s) this fact. To protect the integrity and impartiality of the process, the SRC will determine how best to address the potential for bias or the appearance of bias among its members, and may decide to request the SRC member in question to withhold comments until other members have spoken or even to recuse his or her self from the deliberations on that candidate, among other options.

GEF CEO/CHAIRPERSON SELECTION PROCESS RECOMMENDED BUDGET

1. In anticipation of the completion of the final term of the current GEF CEO/Chairperson, the GEF Council will launch in November of 2011 an executive search for the new GEF CEO/Chairperson in accordance with the June 2009 Council decision establishing a CEO/Chairperson appointment process. The SRC of the GEF Council will oversee the recruitment process, including engaging and overseeing the work of an independent recruitment services firm to assist in the initial screening of applicants and in the preparation of a “long list” and “short list” of qualified candidates. The SRC will also arrange for advertising the position in suitable media like ‘The Economist’. To secure guidance from the Council, agencies and other stakeholders the process should include some audio/video teleconferencing.
2. The World Bank, acting as the Trustee of GEF funds, will administer the necessary contractual arrangements.
3. The following budget mirrors the budget that was approved for the CEO/Chairperson search in 2005, but, after consultation with the World Bank Human Resources Unit, the following changes were made: (i) the line item for the contracting of the recruitment services firm was increased from \$150,000 to \$200,000 to reflect current costs for such services, including the travel costs for the firm; and (ii) a line item for the travel costs associated with interviewing the short listed candidates was added:

Contract for recruitment services firm (includes travel expenses)	\$200,000
Advertisement	\$20,000
Telecommunication for audio/ videoconferencing	\$10,000
Travel expenses for short listed candidate interviews	\$43,000
Total	\$273,000