



Investing in our future

**The Global Fund**

To Fight AIDS, Tuberculosis and Malaria

**Eleventh Board Meeting  
Geneva, 28-30 September 2005**

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**GF/B11/14  
Information Only**

### **SECRETARIAT UPDATE**

**Outline:** This document contains the report of the Deputy Executive Director of The Global Fund to Fight AIDS, Tuberculosis and Malaria to the Eleventh Board Meeting.

## **Part 1: Introduction**

1. On 1st June I began working at the Global Fund as Deputy Executive Director. This is a newly created position, and one of my core responsibilities is the performance and management of the Secretariat. This responsibility is linked to one of the Board endorsed corporate priorities for 2005 – “Build a cost-efficient, high performing, diverse and motivated Secretariat”. To equip me to take on this responsibility, in the four months that I have been with the Fund, I have spent a considerable amount of time talking with staff from across the Secretariat and at different levels, individually and in work groups and topic specific groups. These discussions have focused on developing an understanding of the work that staff are engaged in and what their key priorities and challenges are in relation to their work. I also asked for any comments or concerns they might wish to raise with me in relation to the organization as a whole and, more specifically, what areas they would like to see me give priority to in this newly created deputy position. In addition, I have spoken with a range of external stakeholders, who included Board members, people in partner organizations and former staff members, about their experience and perception of the Secretariat. I have enquired into Secretariat processes and procedures and reviewed documentation in relation to these processes and procedures. I have also reviewed and analyzed staff surveys and human resources data. Finally, I have also attempted to do some benchmarking of Secretariat staff profiles and turnover by comparing the Global Fund with data obtained from other organizations.
2. In late July 2005 the Chair and Vice-Chair of the Board received a memo from Bernard Rivers, Executive Director of AIDSPAN, containing allegations with respect to the Secretariat. The allegations related to contracting practices, recruitment, involvement of a family member, and staff turnover and organizational culture.
3. All four allegations related to Secretariat management and development. The decision was made by the Chair, Vice-Chair and the Executive Director to refer the first three allegations to the WHO Office of Internal Oversight Services (IOS) for an independent review. The fourth allegation was judged to be within my area of responsibility and was referred to me. It was in the context of that allegation that the Chair of the Board asked me to provide a progress report to the September 2005 Board meeting on organizational development within the Secretariat.
4. This report is based on a combination of hard data, where it exists, and more qualitative information based on the sources described above. Its aim is to provide a better understanding of the strengths and challenges of the Secretariat at this stage in its development and to identify areas for priority action that will help address existing concerns, in order to provide a basis for “taking the Secretariat from good to excellent”.

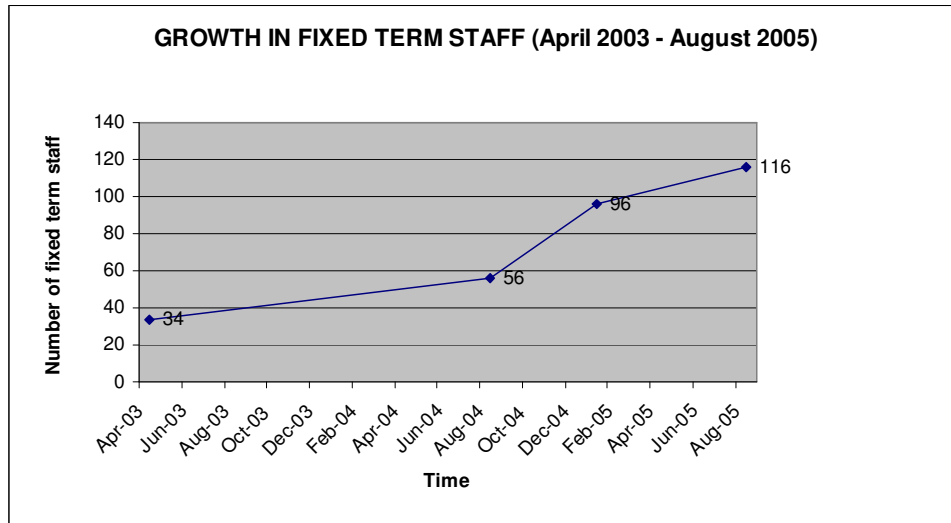
## **Part 2: Background**

1. The Global Fund Secretariat began operating in January 2002. It has grown from thirty four fixed term staff in April 2003 to one hundred and sixteen in August 2005, for a total growth rate of 241% and 107% growth over the last year<sup>1</sup> (see graph on next page). The initial focus of activity was on the urgency of the situation created by the three pandemics and the need for a rapid take-off in terms of disbursing grants. As described to me, the emphasis within the Secretariat was to “just get on and do it”. The organization is now not quite four years old. It is still a young organization, but it is no longer a small start-up that can depend on the corporate memory of a few key people, the extraordinary dedication and unrelenting hard work of staff and the tolerance of donors and country partners if there are, at times, inconsistencies in approaches, delays in decision making or communication glitches. Moving to a more mature organization with an established framework of policies, processes and procedures is made more difficult by the

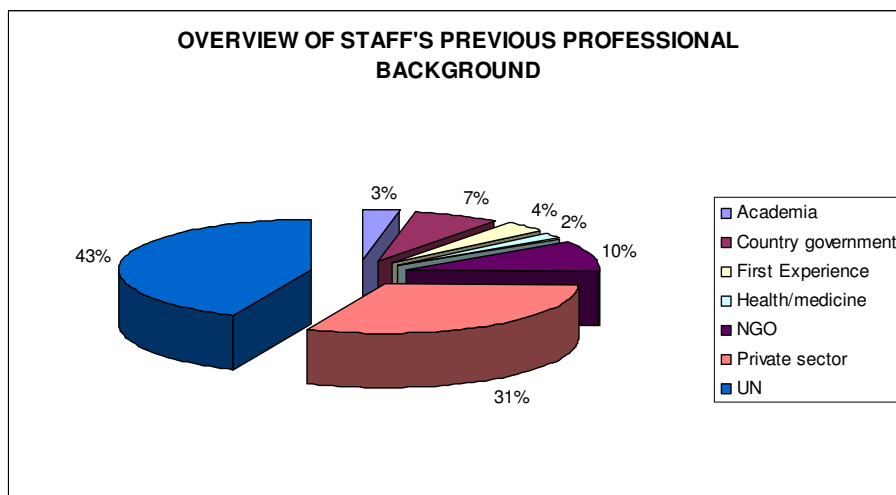
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<sup>1</sup> In contrast WHO grew by 9% and WTO by 3% of fixed term staff in the same period.

absence of an explicit strategy and the fact that translating the eight overarching principles of the Global Fund into practice is still an evolving process. Part of this evolution has involved an increased focus by Board members, particularly donor members, on accountability and the demonstration of results, which has put additional pressure on the Secretariat in relation to documentation and monitoring and evaluation.



2. There is a vast literature on “organizational culture” but it is not, in practice, an exact science. A key factor in any high performing organization is a strong management team who have a shared vision and who lead by example. Strong commitment to an organization – to a manager and to a team – is the key to high performance and retention of staff. Understanding how to do one’s job and belief in its importance are also critical elements in driving this effort. At the Global Fund, staff commitment to the overarching vision of the Fund is extremely high, therefore enabling us to have a strong foundation for attracting and retaining excellent staff. However, there are also the challenges of melding the many different expectations of the Fund, both internal and external, and the diverse backgrounds and experiences that staff bring with them. Described as a public-private partnership, 43% of staff come from the United Nations system, 10% from NGOs, 31% from the private sector, 7% from governments, 3% from academia, 2% from a health professional background and 4% have the Global Fund as their first experience.

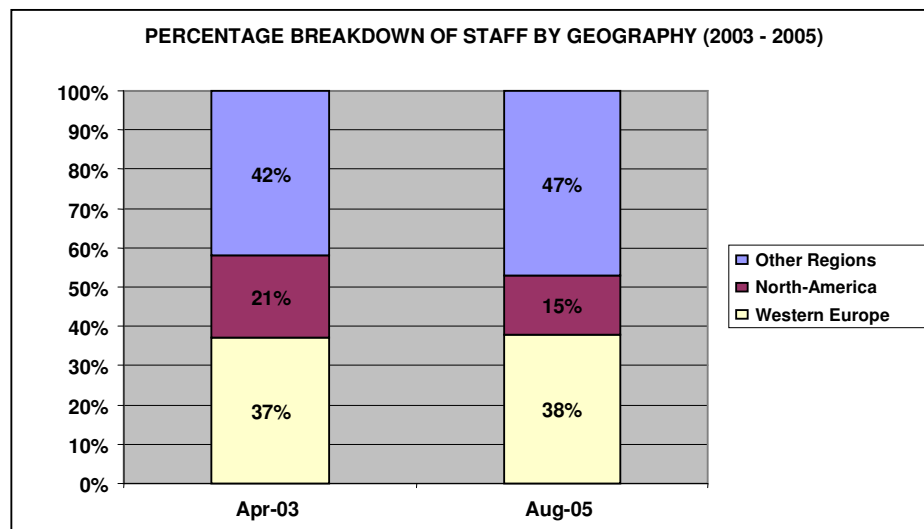
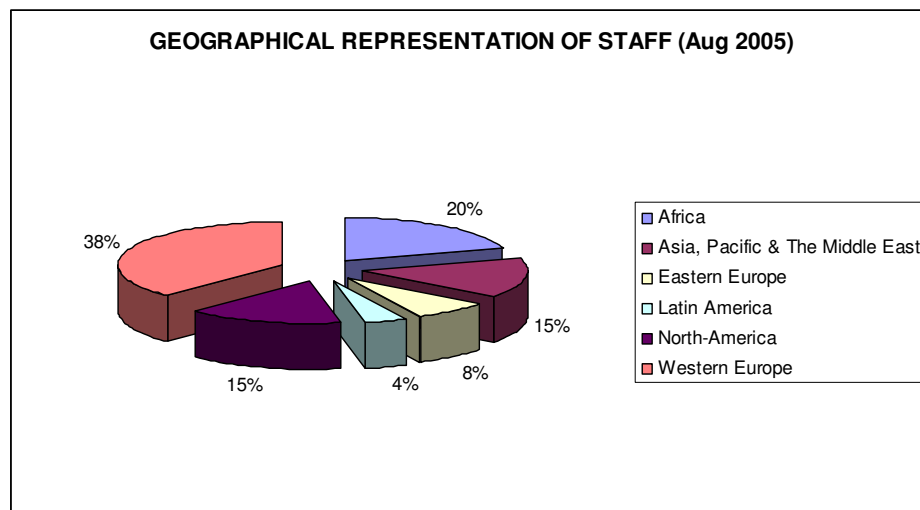


3. In January 2005 a Global Fund staff retreat (“the Indaba”) vigorously debated the question of how to progress toward a positive organizational culture. Arising out of the “Indaba”, four staff theme working groups were established to progress issues identified as high priority for organizational development. These themes were “living the values”, “strengthening cohesion and communication”, “managing performance and professional development” and “improving work processes and systems”. Annex 1 contains a summary of the proposed initiative under each of these headings and actions taken to date, which have been quite significant. One of the key initiatives, a staff council, is in its final stages of development after a thorough and inclusive consultation process. This staff body will provide staff with a recognized forum for the expression and resolution of their aspirations and concerns.

**Part 3: What does the staff data tell us and what are staff saying?**

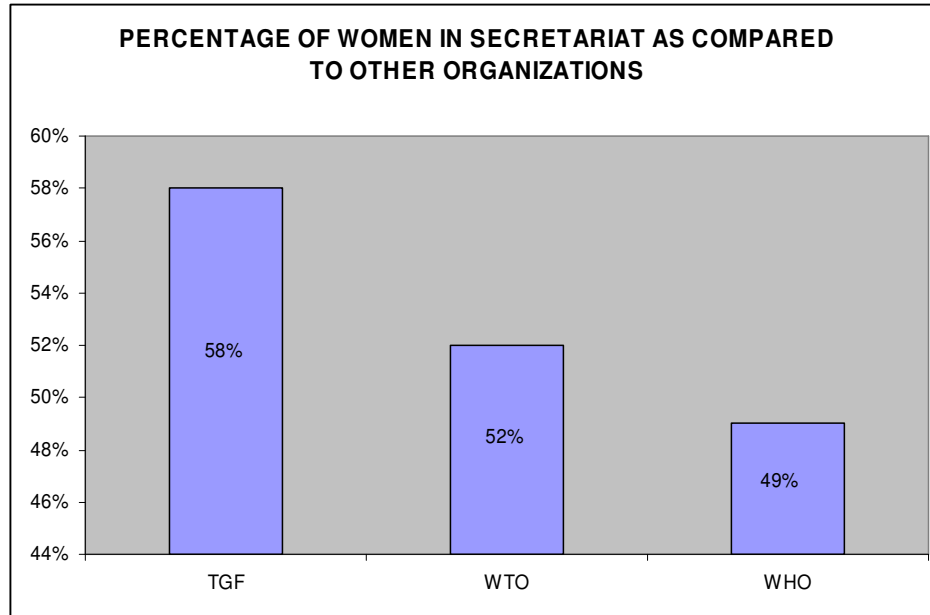
Diversity

1. In relation to geographic diversity and regional representation: North America/Western Europe representation has decreased. Today almost half (47%) of Global Fund employees come from outside these regions, a 5 point increase from April 2003.

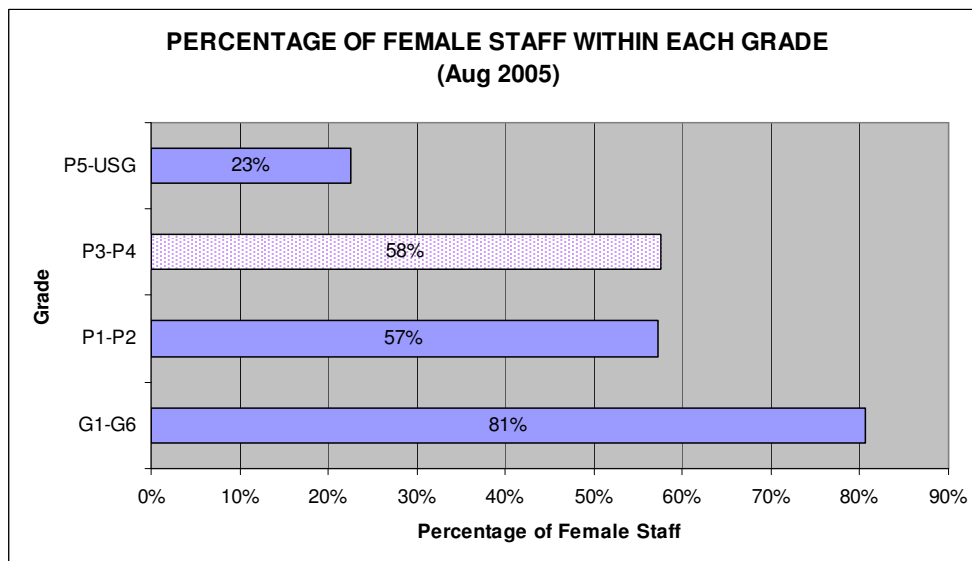


2. The Global Fund is more geographically diverse than WTO (14% of staff from outside North America/Western Europe), but less diverse than WHO (83% of staff from outside North America/Western Europe). However, the latter, unlike the Global Fund, has country offices and locally recruited staff.

3. With regard to gender representation, women make up a majority of Global Fund staff (currently 58%). This is above both WTO and WHO.

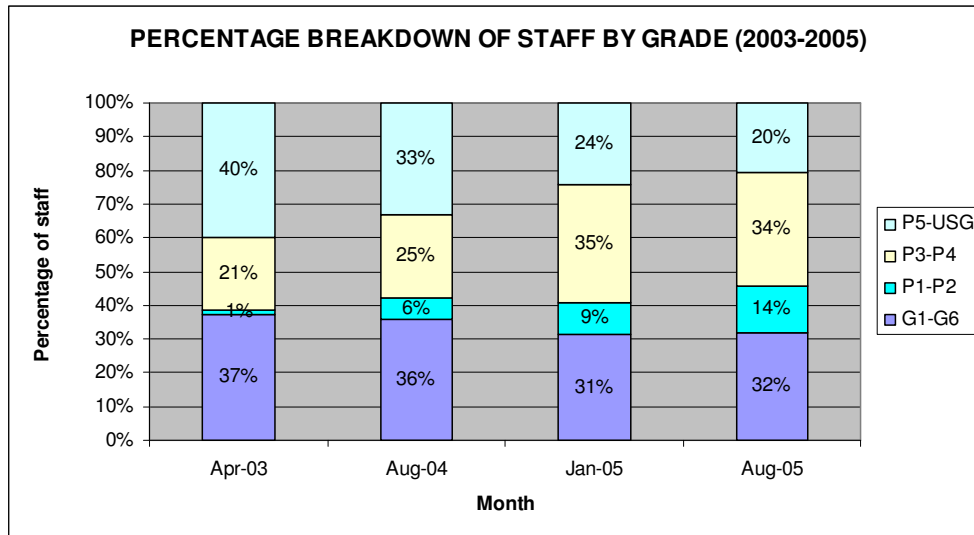


4. However, women currently make up only 23% of senior management (P5 and above). The target set by the Executive Director and approved by the Board is 40% by the end of 2007. However, progress has been made in increasing female representation in P-level positions. The increase has been particularly dramatic in middle management, with an increase from 40% women in P3-P4 positions in April 2003 to 58% in August 2005.



Composition across levels

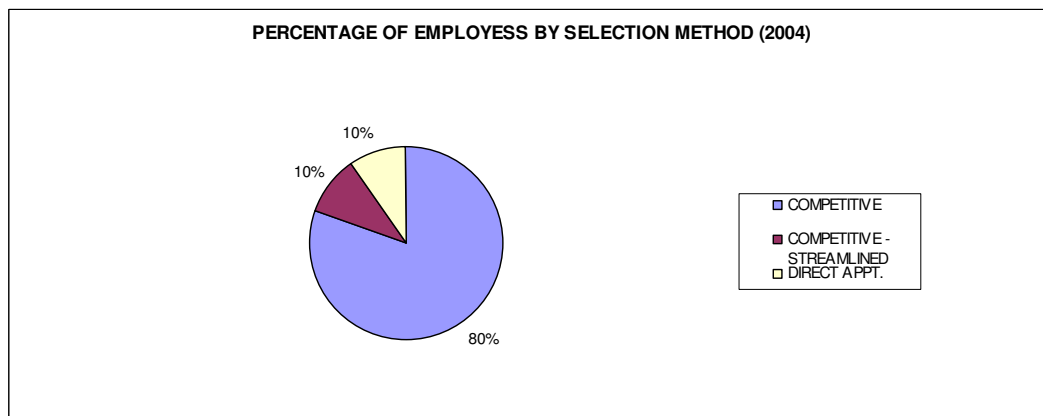
5. The Global Fund has become a less “top-heavy” organization. It has gone from 40% of its employees at/above P5 in April 2003 to 20% today.



Recruitment Practices/Selection of New Employees

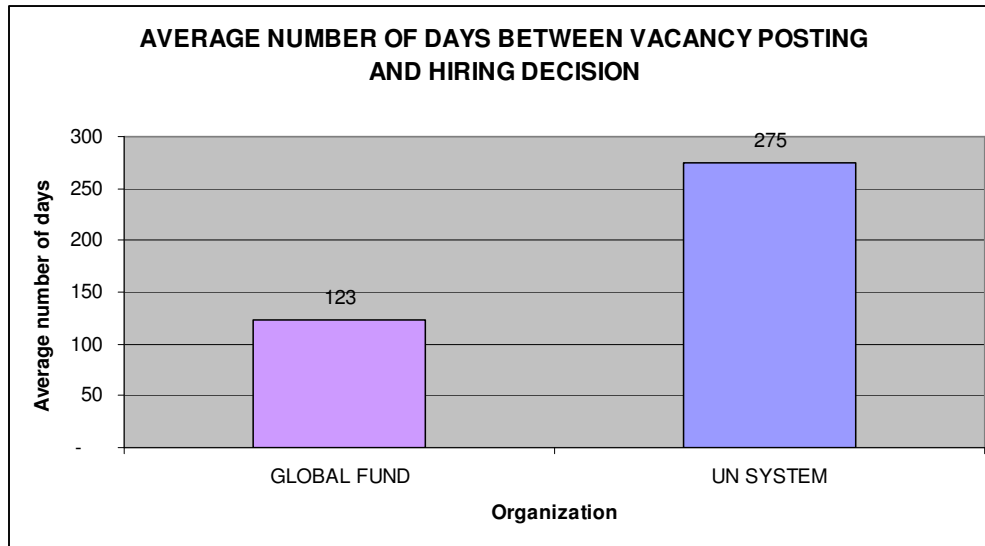
6. An overwhelming majority of recruitments (90%) are carried out on a competitive basis and hiring happens much faster than at the UN.

7. Ninety percent of employees recruited in 2004 (61 in number) were competitively selected, and of these only 10% were classified as “streamlined (internal to WHO system advertising only) competitive recruitments”.



8. Ten per cent of staff were directly appointed without a competitive process for reasons of urgency and/or particular expertise.

9. Currently, the average time between vacancy posting and decision is 123 days with a majority of hiring decisions being made in less than 120 days. This is a major improvement over the UN system's average of 275 days from vacancy posting to decision.

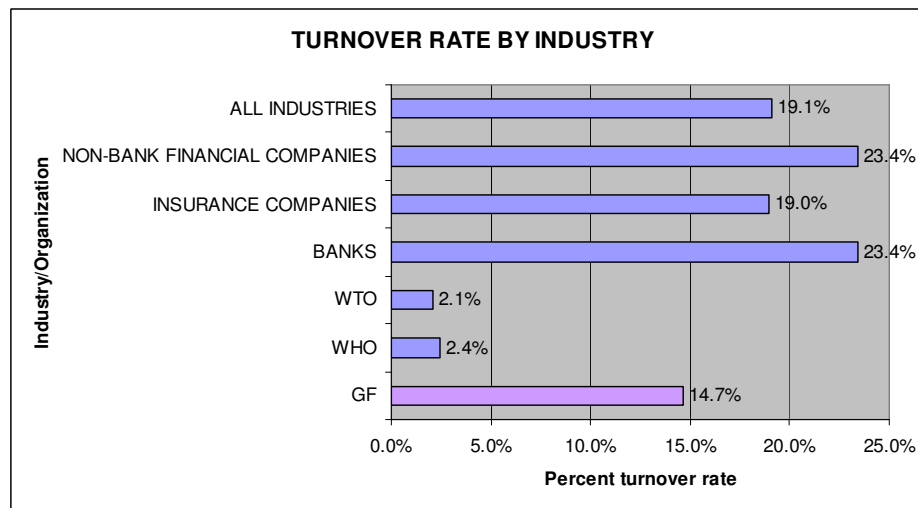


Source: United Nations Human Resources Management Reform: Report of the Secretary-General, 2000.

Turnover and Tenure

10. The Global Fund's turnover rate was approximately 15% per year in 2004-2005.

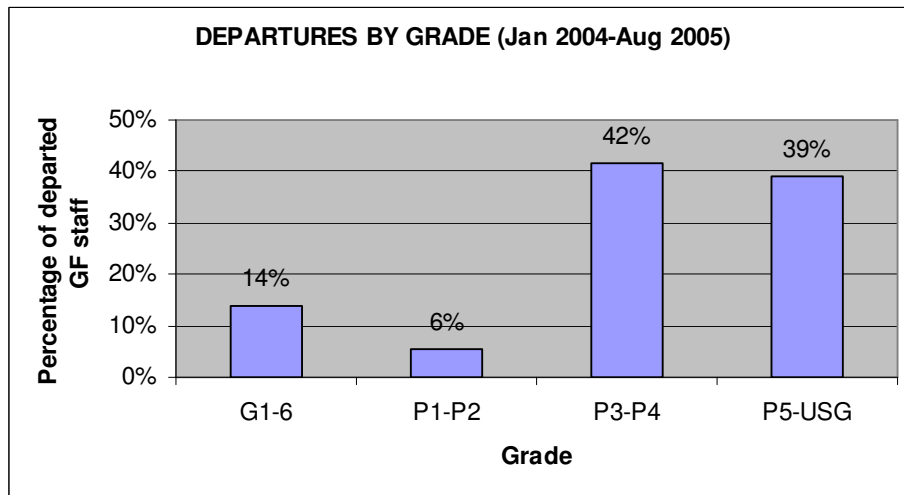
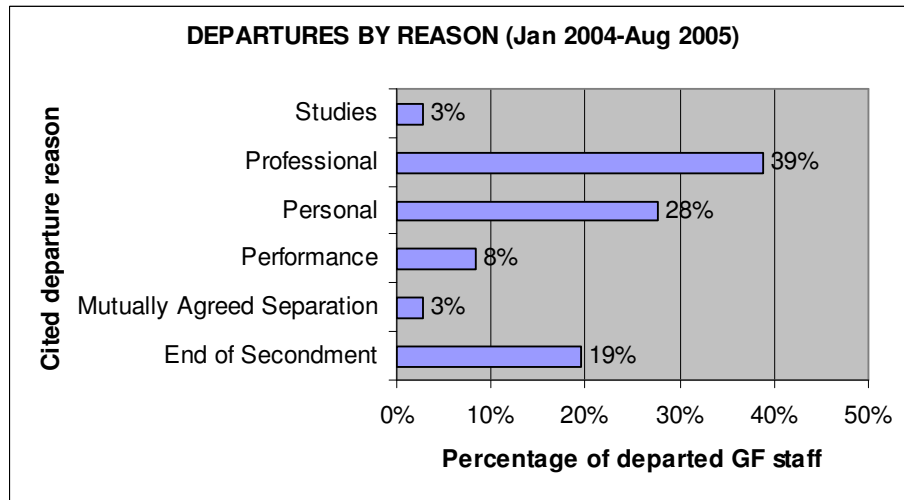
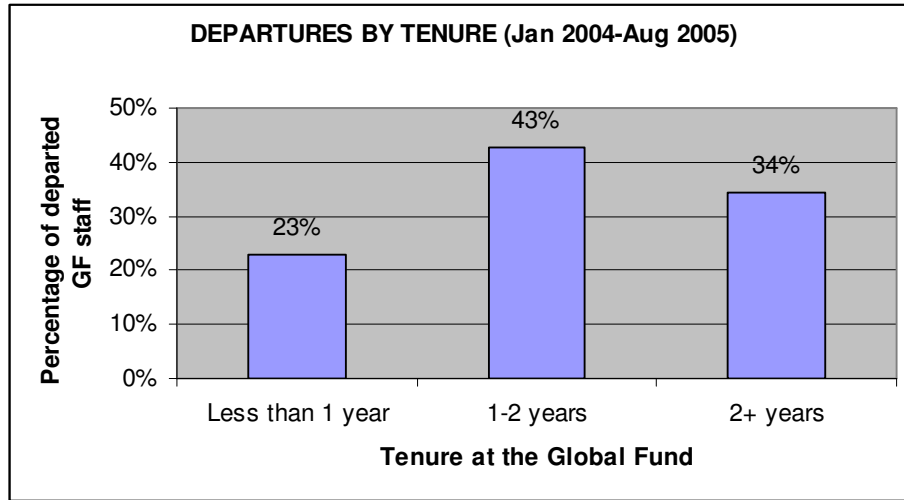
11. This is a higher annual rate than that of older, more established international organizations like WHO (2-2.5%) and the WTO (2-4.3%) but it is lower than most private sector financial services companies, whose turnover rate ranges from 19-23+ %.



Source: Accenture Human Capital Report 2001; WHO and WTO Human Resources Departments

12. Of those who have left the organization, 34% of staff had been with the Global Fund for two years or more. Standardized exit interviews have only been introduced very recently, but the data we do have for 2004-05 suggests that 39% left for professional reasons (and at least half of those involved a promotion), 28% left for personal reasons, 19% left at the end of their secondment,

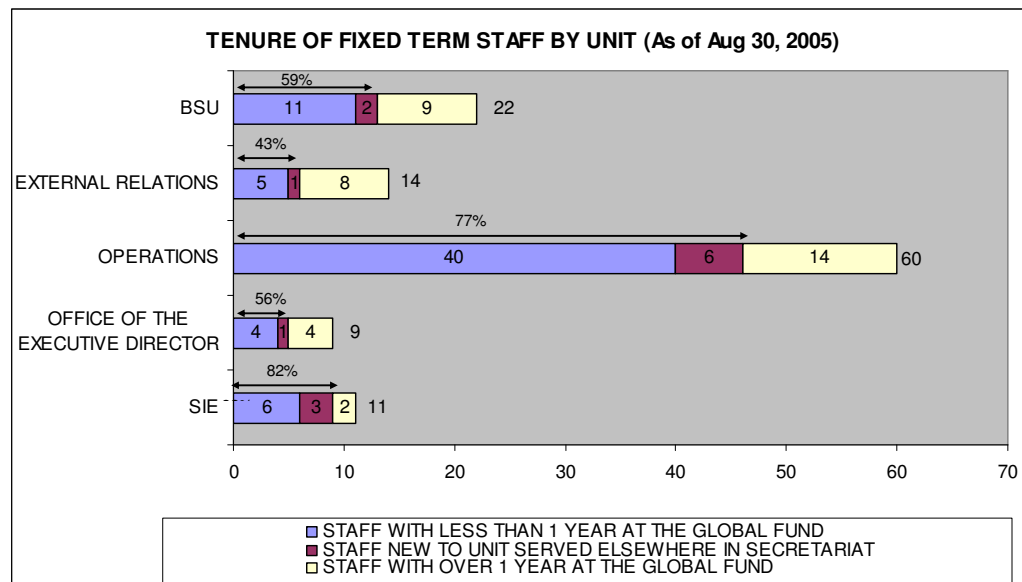
11% left for performance related issues and 3% to continue studies. However, in terms of staff development, it is encouraging to note that 12% (24 in number) of Global Fund staff have been promoted within the organization since November 2003.





13. The turnover and length of tenure described above can and should improve as the organization settles but is not of major concern at this transitional stage in the Fund's development. However, of greater concern is the fact that 39% of those leaving were in senior management positions. When this is combined with the 107% increase in staff numbers in the last year (i.e., new people into the organization) this requires pro-active provision of intensive orientation and support for new staff to ensure integration into the organization and consistency in approaches and decision making.

14. The combination of turnover and high recruitment has affected some teams within the Secretariat more than others. The graph below shows a breakdown by tenure at the Global Fund of the fixed term employees in each team.



15. In my discussions with staff, a few key themes emerged across a wide cross-section of both long-term and newly arrived staff members. These themes were essentially consistent with the information coming out of the staff survey and of the staff retreats.

- Most people had proactively sought to work at the Global Fund and were very strongly committed to the goals of the organization, and proud of what the Fund had achieved to date. Many expressed respect and admiration for their colleagues who were similarly committed.
- Many felt that their work would benefit from greater clarity around their particular roles and responsibilities, and sharper lines of authority and decision making within the Secretariat.
- High priority should be given to reviewing and documenting processes and procedures.
- Initial orientation into the Global Fund, training in processes and procedures and professional development opportunities were seen as essential but not resourced well enough, given budget and staff constraints.
- Infrastructure was regularly cited as needing further improvement, both physical and in relation to IT systems.
- Workloads were generally felt to be too heavy, and that the very long hours, including weekends, were not sustainable. This problem could possibly be mitigated if some of the organizational issues listed above were resolved and forward planning was improved.
- However, the issue of unrealistic expectations set by the Board and managers was also mentioned frequently.

## Part 4: Conclusions

1. The extraordinary achievements of the Global Fund in its very short life span have been well documented. These are in large measure attributable to the high quality and commitment of the staff that have worked in the Secretariat.

2. Staff are rightly very proud of these achievements and of the transparency and integrity of the organization. The allegations of Bernard Rivers, the resulting external investigation and rumors surrounding these allegations, combined with uncertainty about the implications for staff employment conditions of the transition out of the service agreement with WHO, and areas of dissatisfaction with our new accommodation, are currently having a negative impact on staff morale.

3. It is not unusual that in the start-up phase of any organization – particularly one that has as its key objectives the rapid disbursement of funds, evidenced-based outcome assessments and the minimization of resources spent on administrative overhead – that the focus on deliverables and getting the job done have taken precedence over organizational development. In the 2005 budget process high priority was given to strengthening the Operations Unit, and resources to improve training and development were deferred. If the Global Fund is to continue to deliver on its mandate in a sustainable and high quality way, appropriate resources must now also be allocated to support broader Secretariat development. Only if we do this will we be able to bring about the changes that are critical to moving the Secretariat from good to excellent.

4. Senior management has a clear commitment to action in the following areas, identified at the “Indaba”, but has not yet adequately pursued these due to competing work priorities and scarce resources:

- Building a strong and aligned senior management team and building a culture of line management accountability for the progress and development of teams, and for coaching on-the-job training and succession planning.
- Clarification of roles and responsibilities and implementing rigorous performance management systems for ourselves and our teams, so we can systematically and coherently identify skill gaps and develop strategies to address these.
- Allocating sufficient resources for development and training – a comprehensive draft development and learning program has been prepared (see Annex 2). However, to date only a limited part of the program has been implemented due to lack of resources.
- Strengthening, streamlining, simplifying and documenting our internal systems, processes and procedures (including IM/IT capability & resources) to ensure we can move fast and flexibly, innovating as necessary, as the Global Fund strategy and business model evolves.

5. These organizational issues are all amenable to resolution and are not surprising at this point, but the need to proactively address them is urgent. If they are specifically resourced and addressed now, along the lines recommended above, they will ensure that the Global Fund continues to live up to its full potential in this next phase of its development.

This document is part of an internal deliberative process of the Fund and as such cannot be made public. Please refer to the Global Fund’s documents policy for further guidance.