

**FOR DECISION****BM.02/DOC.02: REPORT OF BOARD MEETING VIA CONFERENCE CALL (26 February 2015)**

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**1. PURPOSE**

The purpose of this paper is to seek the Board's approval of the Report of the Board Meeting via Conference Call held on 26 February 2015, attached as Annex 1 to this paper.

**2. REQUESTED DECISION**

2.1 The Board is requested to approve the following decision:

***BM.02/DEC.XX:*** *The Board approves the Report of the Board Meeting via Conference Call (26 February 2015) attached as Annex 1 to BM.02/DOC.02 and requests the Secretariat to post it on the GCERF website.*

2.2 A draft of the Report of the Board Meeting via Conference Call was circulated for comments in March 2015. All comments received have been incorporated into the report contained in Annex 1.

**ANNEX 1**

**REPORT OF BOARD MEETING VIA CONFERENCE CALL (26 February 2015)**

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**1. Introduction**

1.1 The Chair welcomed participants to the meeting and conducted a roll call in order to determine whether a quorum was present. Having confirmed that a quorum was established, the Chair opened the meeting. A list of participants is attached as Attachment 1.

1.2 The Chair welcomed the following new members of the Board:

- a. Ambassador M. Shameem Ahsan, Permanent Representative, Bangladesh Mission to the United Nations in Geneva, as Alternate Board Member for Bangladesh;
- b. Ambassador Miles Armitage, Australian Ambassador for Counter-Terrorism, as Board Member for Australia; and
- c. Dr Raffi Gregorian, Director, Multilateral Affairs, Bureau of Counterterrorism, U.S. Department of State, as Alternate Board member for the United States of America.

1.3 The Chair noted that Mr Richard Barrett, who was appointed to the international Independent Review Panel ("IRP"), has stepped down from the Board and the private sector member seat is currently vacant.

1.4 The Chair advised that no representative from Australia or Nigeria was available for the meeting, but that both had provided their written approval to the decisions as presented.

1.5 The Chair reminded participants that the next face-to-face Board meeting is on 20-21 April in Marrakech, Morocco. A draft agenda will be circulated shortly, as well as a registration site with details on the venue.

1.6 The agenda for the call was to consider approval of the:

- Report of the 1<sup>st</sup> Board Meeting;
- Human Resources Policy, Salary Scales, Benefits and Allowances; and
- Financial Management Policy and Procurement Policy.

In addition, the Board would meet in Executive Session to discuss the compensation of the Executive Director.

## **2. Update from the Executive Director**

2.1 The Chair invited Dr Khalid Koser, Executive Director, to provide a brief update to the Board on recent activities.

2.2 The Executive Director's overview included the following information:

- The Government of Norway was confirmed as GCERF's tenth donor and the first to the Accelerated Funding Mechanism.
- Work with beneficiary countries was progressing quite well. Following a mission by the Executive Director, Bangladesh was progressing towards establishing its Country Support Mechanism. Missions were planned for Nigeria and Mali in the month of March 2015. There was also growing interest from other potential beneficiary countries, including Indonesia, Kenya and Kosovo.
- The IRP, whose membership was approved by the Board, held its first meeting on the margins of the U.S. White House Summit to Counter Violent Extremism. The meeting was successful and the IRP was working on the criteria for needs assessments.
- The Secretariat was also working to expand the membership of the Board's constituencies, including working with IBM and KPMG (Private Sector), RUSI (Policy, Think, and Do tank) and CIVICUS (Civil Society). Strong partnerships were also being built with organisations like Hedayah.
- The profile of GCERF is being raised by participating in events like the World Economic Forum in Davos, the White House CVE Summit, and a speaking engagement for heads of agencies at the United Nations in Geneva. The Executive Director had conducted a number of media interviews and written several blogs.

2.3 The Executive Director summed up that there was good momentum, but still much work ahead.

## **3. Report of the 1<sup>st</sup> Board Meeting**

3.1 The Chair advised that the Report of the 1<sup>st</sup> Board Meeting (CC.02.15/DOC.01) had been circulated in December 2014 for comment, and that none had been received.

3.2 The representative from Bangladesh requested that a change be made to the attendance list attached to the meeting report, which was agreed.

3.3 Having made no further comments, the Board made the following decision:

**CC.02.15/DEC.01:** The Board approves the Report of the 1<sup>st</sup> Board Meeting attached to CC.02.15/DOC.01 and requests the Secretariat to post it on the GCERF website.

#### **4. Human Resources Policy, Salary Scales, Benefits and Allowances**

4.1 The Executive Director provided some introductory remarks to the Human Resources Policy, Salary Scales, Benefits and Allowances (CC.02.15/DOC.02). He explained that it was a broad policy framework and that more detail would be developed by the Secretariat in regulations and procedures. The proposal was designed to be competitive but modest, and he hoped that balance had been achieved between the two. There had been thorough comparison with other organisations based in Geneva with privileges and immunities with a wide range of annual budgets and staff size. The salary scales reflect the high cost of living in Geneva, and the structure is designed to allow for the growth of the organisation and career advancement. Several external human resources experts were also consulted in designing the policy and their comments have been reflected.

4.2 The Chair noted that a representative from the host state, Switzerland, could not attend the call. The Board Member requested that the Chair advise the Board that Switzerland is in broad agreement with the Human Resources Policy. However, following some conversations with the local authorities when the Headquarters Agreement is signed, it is possible that some technical issues may arise which would require adjustments to be made. Should this occur, the Board will be informed, and if required, the Board can agree to amend the policy.

4.3 Board members asked questions regarding the International Labour Organization Administrative Tribunal (ILOAT), the costs involved, and whether there were alternatives. The Secretariat clarified that the costs were lower than going to court and the ILOAT was the only reasonable option for organisations with privileges and immunities.

4.4 Board members supported the notion that secondments only be used for time-bound positions. Questions were posed about secondee remuneration and the privileges and immunities that secondees will receive. The Secretariat clarified that secondees are generally paid by their home governments and often enter the country under the auspices of their home government. In such cases, they would enjoy the privileges and immunities enjoyed by mission personnel in Geneva. The Secretariat was meeting with the Swiss mission in Geneva in mid-March 2015 and would have this issue clarified.

4.5 It was noted that the privileges and immunities that will be granted are only in Switzerland and not in any other country. In addition, they benefit only GCERF Secretariat members and not grant recipients. The Secretariat advised that under the Headquarters Agreement, employees in Grades 1-5 receive immunity from words spoken or written in pursuance of their duties, as well as income tax exemptions in Switzerland.

4.6 The Board Member for the Civil Society constituency noted that the salary levels in the proposed salary scales are high. He stated that civil society organisations generally maintain strict levels, which the proposed scales go beyond. He noted that some of the comparators, like The Global Fund to Fight AIDS, Tuberculosis and Malaria, have a much larger overall budget. As such, the Civil Society constituency would abstain from voting on the issue.

4.7 The Secretariat noted that the costs of the salary structure were included in the operating expenses budget approved by the Board at the 1<sup>st</sup> Board Meeting, which was approximately 15% of the overall budget, and the Secretariat's ambition is to drive these down. The Executive Director noted that he envisaged three to four members of staff on Grades 6-8 and five to six on grades 1-5. The process for recruitment of a Chief Financial Officer and Resource Mobilisation Officer was ongoing, and the decision on their grades has not yet been made.

4.8 One Board member requested clarification why the tax equalization policy only applied to U.S. citizens/green card holder and Swiss nationals, and not European Union citizens. The Secretariat explained that Swiss nationals are not exempt from tax under the Headquarters Agreement and the United States is the only country in the world that "double-taxes".<sup>1</sup>

4.9 The Board noted, in the context of the remuneration of the Executive Director, that in the future comparisons for salary scales should be shared with the Board for discussion before recommendations are submitted to the Board for approval.

4.10 The Chair summed up the discussion and noted that she understood that there was general support from the Board, including Switzerland and Australia, who were not present. Her understanding is that the Civil Society constituency was abstaining, which was confirmed by the representative.

4.11 The Board made the following decision:

**CC.02.15/DEC.02: The Board:**

- a. approves the Human Resources Policy, as set out in Annex 1 and described in Section 3, Part 1 of CC.02.15/DOC.02;
- b. recognises the jurisdiction of the International Labour Organization Administrative Tribunal ("ILOAT") to hear, after exhaustion of internal remedies, complaints alleging non-observance, in substance or in form, of the terms of appointment of employees and officials of GCERF and of the provisions of GCERF human resources policies, regulations and procedures;
- c. declares that in its opinion GCERF offers sufficient guarantees as to its institutional capacity to carry out functions of a permanent nature at the international level as well as guarantees of compliance with the judgments of the ILOAT;
- d. approves the proposed salary scale, staff allowances and benefits, as set out in Annex 2 and Annex 3 and described in Section 3, Part 2 of CC.02.15/DOC.02; and
- e. requests the Executive Director to:

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<sup>11</sup> The United States charges income tax to its non-resident citizens and "green card" holders on their worldwide income. Generally, all other income tax regimes are residency-based. GCERF will consider on a case-by-case basis other countries that may in the future decide to extend their taxation system to non-residents.

- i. oversee GCERF's compliance with the Human Resources Policy when the Headquarters Agreement between GCERF and the Swiss Federal Council comes into force;
- ii. ensure that appropriate budgetary provisions are in place and available to meet the initial, annual overhead and potential session costs associated with joining the ILOAT, and, when applicable, any compensation that may be awarded by ILOAT; and
- iii. oversee the application of the salary scale, staff allowances and benefits when the employment contracts of current GCERF project staff are transferred from the Geneva Centre for Security Policy to GCERF (pursuant to BM.01/DEC.09), and to future appointments made by GCERF.

## **5. Financial Management Policy and Procurement Policy**

5.1 In introducing the policies, the Executive Director noted the Financial Management Policy and Procurement Policy (CC.02.15/DOC.03) had also been developed by reviewing similar policies at comparable institutions in Geneva, as well as consultations with financial experts. The Secretariat was in the process of appointing a Chief Financial Officer, and his or her role will be to develop the detailed regulations under these policies and to implement them.

5.2 Board members requested clarifications on why the proposal in the Financial Management Policy is for the Board to approve the budget in two different currencies, rather than just Swiss francs, and why the operating currency was in U.S. dollars. The Secretariat clarified that most international organisations in Geneva use U.S. dollars as their base currency. In addition, grants will likely be made in U.S. dollars. However, given that the Secretariat's operating expenses would mainly be in Swiss francs, this represents a potential risk. Therefore the Secretariat has requested an acknowledgement of the approval by the Board of its operating expenses in Swiss francs.

5.3 One Board member requested details on the agreements between GCERF and its grantees. The Secretariat advised that the detailed steps in the granting process, including the content of grant agreements, will follow at a later stage, and will be in compliance with donors' requirements.

5.4 An amendment to Article 14.1 was requested, to add the words "applying the highest possible international standards", which was accepted and included in the final version approved by the Board (Revision 1).

5.5 Several questions were asked regarding the provisions in Article 14.5 on anti-terrorism compliance. The Secretariat noted that in negotiating contribution agreements from donors, this issue has arisen in many cases. The Secretariat is going to be required to do some screening against designated terrorist lists issued by the United Nations, as well as by several donor

governments. It was clarified that the USD 10,000 limit referred to in this Article was a lowest limit for when such screening will occur.

5.6 The Board also requested to be notified about exceptions that are made by the Executive Director on the requirement to solicit and formally compete contracts of a value of more than USD 25,000. They also requested that threshold amounts be included in the investment provisions. The Secretariat advised that these would be included in the detailed regulations that will be developed by the incoming Chief Financial Officer.

5.7 Having confirmed that there was a consensus, including to the addition to Article 14.1 of the Financial Management Policy, the Board made the following decision:

**CC.02.15/DEC.03:** The Board approves the following policies for GCERF attached to CC.02.15/DOC.03:

- a. Financial Management Policy (Annex 1 (Revision 1)); and
- b. Procurement Policy (Annex 2).

## **6. Compensation of Executive Director**

The Board met in executive session and agreed to the compensation of the Executive Director.

## Attachment 1

### List of Participants

**Chair<sup>2</sup>:** Ms Carol Bellamy

#### Voting Board Members:

Constituency	Participant(s)
<b>Australia</b>	Regrets; Noted approval in writing.
<b>Bangladesh</b>	<b>Alternate Board Member:</b> His Excellency Ambassador M. Shameem Ahsan, Permanent Representative of Bangladesh to the United Nations and other International Organisations in Geneva
<b>Canada/UK</b>	<p><b>Board Member:</b> Ms Sue Breeze, Head of Equalities and Non-Discrimination Team, Foreign and Commonwealth Office, United Kingdom</p> <p><b>Alternate Board Member:</b> Ms Elsa Mouelhi-Rondeau, Second Secretary, Disarmament, Peace &amp; Security, Permanent Mission of Canada to the United Nations in Geneva, <u>on behalf of</u> Ms Nell Stewart, Director, Capacity Building Program Division, Non-Proliferation and Security Threat Reduction Bureau, Foreign Affairs, Trade and Development Canada</p>
<b>Civil Society</b>	<b>Board Member:</b> Mr Fulco van Deventer, Vice-Director, Human Security Collective
<b>European Union</b>	<b>Board Member:</b> Mr Adriaan van der Meer, Head of Unit, Instrument Contributing to Stability and Peace – Global and Transregional Threats, European Commission <sup>3</sup>
<b>Foundations</b>	<p><b>Board Member:</b> Ms Charlotte Keenan, Chief Executive, Tony Blair Faith Foundation</p> <p><b>Alternate Board Member:</b> Mr Alistair Millar, Executive Director, Global Center on Cooperative Security</p>
<b>Mali</b>	Regrets
<b>Morocco</b>	Regrets
<b>Nigeria</b>	Regrets; Noted approval in writing.
<b>Policy, Think and Do Tanks</b>	<p><b>Board Member:</b> Mr. Maqsoud Kruse, Executive Director, Hedayah</p> <p><b>Alternate Board Member:</b> Mr Mark Singleton, Director, International Centre for Counter-Terrorism—The Hague</p>

<sup>2</sup>Non-voting Board Member

<sup>3</sup> Mr. van der Meer noted that he is participating in this call on an informal basis, because official procedures to appoint him as the European Union representative on the GCERF Board have not yet been finalized.



<b>Private Sector</b>	Regrets
<b>Qatar</b>	<b>Board Member:</b> Ms Noor Alsada, Second Secretary, Permanent Mission of Qatar to UN in Geneva, <u>on behalf</u> of Ambassador Mutlaq Al-Qahtani, Director of International Organizations Department, Qatar Ministry of Foreign Affairs
<b>Switzerland</b>	Regrets
<b>USA</b>	<b>Alternate Board Member:</b> Dr Raffi Gregorian, Director, Multilateral Affairs, Bureau of Counterterrorism, U.S. Department of State

**Secretariat:**

Dr Khalid Koser, Executive Director  
Ms Tal Sagorsky, Senior Legal and Policy Advisor  
Mr Jonathan Wood, Chief Operating Officer