



Independent observer
of the Global Fund

WHAT WENT WRONG WITH THE SELECTION PROCESS FOR A NEW EXECUTIVE DIRECTOR?

Not surprisingly, opinions concerning what went wrong with the Global Fund's executive director selection process vary, depending on who you ask. Many of the people we spoke to in preparation for this article – including Board delegations – were reluctant to comment at all, let alone publicly. Therefore, this article reflects our own observations, those of stakeholders that either spoke publicly or submitted comments to the Board, and those of journalists and other commentators.

The Global Fund Board was expected to choose a new E. D. at its retreat on 27-28 February. Its Executive Director Nomination Committee (EDNC) had submitted a final report listing and ranking three names, in the follow order:

1. Dr Muhammad Ali Pate, a visiting scholar at Harvard's Chan School of Public health, a former World Bank health specialist, and a former health minister of Nigeria;
2. Subhanu Saxena, a drug executive who in August 2016 stepped down as chief executive of Cipla, a major Indian pharmaceutical company; and
3. Helen Clark, Administrator of the United Nations Development Programme (UNDP) and a former prime minister of New Zealand.

As everyone knows by now, the Board did not select anyone and decided instead to re-launch its search process.

So, what went wrong?

One thing everyone seems to agree on is that the process was too rushed. The selection process was

approved by the Board on 16 November 2017. (The process is described on the Fund's website [here](#).) The goal was to have the new E.D. selected by 1 March. That's 105 days or three-and-a-half months (including the year-end holidays). In comparison, in 2012, the process that resulted in the selection of Mark Dybul as E.D. took 187 days, or just over six months.

Given that Dr Dybul informed the Board two years ago that he would be leaving at the end of his term (on 31 May 2017), why did it take so long for the Board to launch a process to find a new executive director?

In a [post](#) on the website of Humanosphere, an independent non-profit news organization, on 2 March, Tom Murphy referred to the selection process as a "train wreck." He identified three main causes: leaks; questions of conflicts of interest; and a generally disappointed response to the finalists. Let's look at each one in turn.

Leaks

There definitely were leaks. Scores of people appear to have had a copy of the extremely confidential final report of the EDNC almost as soon as it was delivered to Board members and alternates on 13 February. One of those people was Donald McNeil, veteran New York Times reporter. McNeil revealed the names of the three finalists in an [article](#) on 15 February. He said that all three candidates might not be palatable, for different reasons, to the U.S., which is by far the Fund's largest donor. A number of media outlets picked up on McNeil's story. Some of them added to it as more information became available, primarily through other leaks.

Writing in [ScienceInsider](#) on 27 February, Jon Cohen quoted one person familiar with the Board's deliberations as saying that "there were real concerns that because of the leaks, the process wasn't fair."

The leak of the final report of the EDNC certainly appeared to destabilize the process. Shortly after the report was leaked, Helen Clark, who was ranked third by the EDNC, withdrew her name from the race. She stated it was because she had concerns about the process. Some observers speculated that it was because she had been ranked in last place.

Whether or not the leak of the final report was responsible for Ms Clark pulling out of the race, it did not paint the Global Fund in a good light. A process that was intended to be done very much in private had now become public, without the safeguards that presumably would have accompanied a public process, had a public process been intended.

Conflicts of interest

Various conflicts of interest were alleged. In his article, Murphy said that Subhanu Saxena's ties to the pharmaceutical industry posed a potential conflict of interest because the Global Fund works with governments and drug-makers to set favorable prices to purchase life-saving drugs. (Mr Saxena was, until recently, CEO of Cipla, a large pharmaceutical company for whom the Global Fund has been a major customer.)

An anonymous email sent to the board said that Mohammed Pate had a possible conflict of interest because he serves on the advisory board of Merck for Mothers; and because the current executive director, Mark Dybul sits on the board of Pate's Big Win Philanthropy Foundation.

There was an implication in the allegations that the EDNC had failed to identify or consider these conflicts of interest. However, in a memo to Board members sent on 18 February, Jan Paehler, Chair of the EDNC, refuted the allegations. With regards to Saxena, Paehler said that it was inaccurate to assert that the EDNC did not consider his past role as CEO of Cipla. Paehler said that the committee "carefully considered and discussed" this factor. "Having a prior role as a private sector supplier to the Global Fund

does not represent a current or future conflict of interest...”

Paehler added that the role of Dr Pate serving on the advisory board of Merck for Mothers “was in fact disclosed and carefully evaluated and discussed by the Committee, with guidance from the Ethics Officer. To assert otherwise is inaccurate.” Finally, concerning Dr Dybul, Paehler said that the committee was also made aware that he served on the board of Pate’s Foundation and that “to assert otherwise is inaccurate.”

Response to the finalists

The third cause of what Tom Murphy called the “train wreck” was “a generally disappointed response to the finalists.”

Various commentators echoed the concerns raised in Donald McNeil’s New York Times article that all three finalists might be unpalatable to the U.S. In addition, in a [post](#) on Devex, a media platform for the global development community, on 24 February, Michael Igoe said that Devex had spoken to several “well-placed” global health and development leaders about their impressions of the finalists. “Each expressed mixed feelings and some disappointment that the selection process had not generated candidates known for visionary global health leadership.”

Other concerns about the process

“The board is committed to a process that adheres to the highest possible standards, and is fair, transparent, merit-based, and conducted with due diligence and professionalism,” Board Chair Norbert Hauser said in a [news release](#).

However, the process was far from transparent, as Tom Murphy pointed out in his article. Information about the status of the candidates came to light through leaks, not official releases by the Global Fund. Clark’s withdrawal was in part due to the way the process unfolded, Mr Murphy said.

In a letter to Mr Hauser, believed to have been sent on 14 February, Ms. Clark said:

“I have had concerns for some time now that the appointment of a senior strategic leader, as envisaged in the terms of reference for the position that were approved by the Fund’s Board, was not likely to be the outcome of the manner in which the process of selection has been undertaken to date.

“The report of the Nomination Committee to the Board, which I have seen today, bears out my concern. I do not believe the process undertaken has prioritized the broad skill set envisaged in the TOR. The due diligence process undertaken to date has contributed to the failure to which I refer. It has concentrated on superficialities rather than having had regard to relevant and publicly available information on, for example, the performance, values, and social media history of candidates.”

The most thorough analysis of what went wrong came from John Zarocostas, writing on 7 March in an [article](#) in The Lancet.

Mr Zarocostas cited the head of a major Geneva-based U.N. agency as saying “given the process was tainted, the Global Fund Board had no alternative but to restart the proceedings.”

According to Mr Zarocostas, a health aid executive tracking the Board developments said that an anonymous email to the Board criticizing the shortlisting of Pate and Saxena and the poor due diligence of the process, plus a leak of the selection committee report to the New York Times, were to blame for poisoning the proceedings.

Mr Zarocostas reported that several diplomats and executives of health advocacy groups underscored

that “due diligence had not been done thoroughly,” in what he said was a veiled criticism of Russell Reynolds Associates (RRA), the executive search firm commissioned to assist the Nomination Committee.

In addition, Mr Zarocostas cited a source close to the Board as saying that “there was wide agreement across the board [that] the selection process had been too speedy, there had been an inability to do due diligence, and new information had come to light.” As a result, the source said that there was a strong sense the board felt the process had “not given them full confidence to proceed.” The withdrawal of one candidate, the source said, contributed to the board’s impasse.

Mr Zarocostas quoted a global health consultant as saying that the outcome indicates each of the finalists faced a “blocking minority” and that a consensus could not be reached. (Under the Board’s rules, candidates need to secure a two-thirds majority from both the implementer and donor constituencies.)

Finally, Mr Zarocostas quotes Ellen ‘t Hoen, a researcher in the Global Health Unit, University Medical Center, Groningen University, Netherlands, as saying: “I think considering the financial support for the Global Fund depends on public support, the more transparency the better.” She noted that the World Health Organization’s selection process for its Director-General “used to be opaque” but “now you can follow developments, and get an idea of the candidates.” She said that the process to select a new leader for the Global Fund should be the same.

On 20 February, Allan Maleche and Natlya Nizova, respectively Chair and Vice-Chair of the Board’s Implementer Group (ImG), sent a letter to the Board leadership in which they said that the implementer constituencies “expressed grave concern” about the process because “key facts” about candidates were missed.

“It is difficult to assess how much was missed, “the ImG said, “because the due diligence outlined in the Executive Director Selection Process information note was not included or even referenced in the EDNC final report.”

(The information note said that in the EDNC’s final report, the due diligence process would be described in detail. The process included steps such as interviews with the candidates conducted by the search firm, RRA; the referencing done by RRA; and psychometric testing carried out by an independent expert on the three finalists.)

“The decision to keep the names of the short-listed candidates out of the public eye, always a challenge for the Fund, then led to media attention and stakeholder questions that have also not enhanced the institution’s reputation,” the ImG said.

In its letter, the ImG recommended that a new search be undertaken and that a much more open process be used. The letter said that the public should be more engaged with the process, and that this could be achieved by announcing publicly the names of the short-listed candidates; holding a public Q&A session with the candidates; holding a town hall for Secretariat staff; and providing regular updates on the selection and nomination process.

(The ImG letter has not been made public. However, in his second [article](#) on the E.D. selection, Donald McNeil of the New York Times cited parts of the ImG letter.)

In an earlier article in [The Lancet](#) (on 22 February), Mr Zarocostas said that “the opaque nature of the Global Fund’s selection procedure has come under criticism by both major donor members and health community advocates.”

Writing in the Center for Global Development’s Global Health Policy [blog](#), Amanda Glassman said that “although the Global Fund is lawfully a private Swiss Foundation, its Board should not act as such.

Advocates exert strong influence over the Global Fund through the media and big donors have veto – so its E.D. selection process should acknowledge the realpolitik and vet candidates broadly and in the public domain, while giving due consideration to candidates’ capacity to navigate difficult political and financial headwinds.”

A person familiar with the deliberations of the Board said that concerns were expressed about the short list being too short. In its final report, the EDNC submitted only three names (from a pool of more than 140 candidates). The committee had been mandated to submit up to four names. During the deliberations, there were suggestions that when the new search process is launched, the nomination committee should be mandated to submit five names.

This person said that concerns were expressed about the fact that the short-listed candidates were ranked in the EDNC’s final report. It was felt that this may have contributed to the decision by the third-ranked candidate, Helen Clark, to withdraw from the race. The EDNC had not been asked to rank the candidates.

In a [statement](#) released on 29 February, the Communities Delegation to the Board said that as the Board reopens the search process, it will be “closely monitoring” the situation to ensure that the process engages a more diverse group of stakeholders, including communities and civil society, when reference checks are done; and to ensure that the process includes information on the candidates’ history of working in human rights, gender equality and community systems strengthening.

In John Decostas’ 7 March article in The Lancet, an executive from a major European advocacy group fighting AIDS, speaking on the condition of non-attribution, is quoted as saying, “We are looking for a candidate with a broad global health background, strong managerial experience, and an ability to raise funds.”

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