

PWYP Board Meeting 3 April 2017, Brussels / MINUTES

Board

Carlo Merla, Chair (CM)

Aroa de la Fuente, FUNDAR, Global Council Liaison (AF)

Alan Detheridge, Treasurer (AD)

Marcela Rozo, Governance Global Practice, World Bank (MR)

Ali Idrissa, PCQVP Niger

PWYP Secretariat

Elisa Peter, Executive Director (EP)

Stephanie Rochford, Programme Manager (SR)

Caroline Macleod, Finance & Operations Director (CJM)

Invitees / Observers

Sarah Pray, Open Society Foundations (SP)

Liz Steele, Consultant (LS)

Philippa Forsythe, Consultant (PF)

Apologies

Claire Spoors, Oxfam GB (CS)

1 Summary of key actions

Action	Responsible	Deadline
Confirm if Directors' liability insurance extends to other legal jurisdictions; or if other insurance is required and can be obtained in relation to the establishment of an EU presence	CJM	Before decision is taken to register in an EU country
Confirm whether cost saving scheme in Belgium applies to non-profits	CJM	Before decision is taken to register in an EU country
Carefully assess the risks and liabilities associated with establishing and managing 2 new legal entities (trading arm, EU entity, etc.) so as to increase our ability to attract EU and other funding	CJM	Before decision is taken to register in an EU country
Further explore the setting up of a Stichting in the NL and proceed as soon as possible if there is no further concern	CJM	None specified/as soon as possible
Finalise the funding strategy in light of the Board's comments and input	CJM	By the next Board meeting
Prioritise recruitment of new positions at PWYP Secretariat,	EP	By September 2017

especially senior management roles, in 2017		
Finalise the draft joint fundraising and policy, including selection criteria, and publish on the PWYP website once approved	SR	By the next Board meeting
Share board rotation proposal for approval by Global Council	AF	5 April 2017
Draft proposal for new board elections/selections	CJM and EP	30 June 2017
Develop a remuneration and benefits policy	CJM and EP	
Schedule board teleconference meeting and next GC/Board face-to-face meeting. December board meeting will take place in London, with several members joining by VC	Secretariat	30 June 2017

2 Summary of key decisions

- Revised 2017 budget approved
- PWYP to register a subsidiary company in the UK to receive certain types of non-grant funding
- Implementation of the new salary scale and remuneration

3 Welcome and introductions

The meeting opened at 9:08.

The Chair welcomed board members and invitees to the meeting and invited those who had not previously met to introduce themselves. The Chair invited all board members to complete and sign the declaration of conflicts of interest; and to alert the meeting to any potential conflict of interest relating to the agenda today as the meeting proceeds.

The Chair outlined the agenda and it was adopted. The board agreed to adopt the minutes of the last meeting. It was confirmed that the terms of reference of the GC/Board liaison role has been updated as required as part of the Governance Manual review. All other actions from the last meeting were reviewed. CJM confirmed that the Finance Manual is being reviewed in the coming nine months by the Finance sub-committee.

4 EU registration options

Liz Steele (consultant) joined the meeting by Skype to present the findings of her research into the pros and cons of PWYP setting up a non-profit structure in the EU following the decision in June 2016 by the UK to leave the EU. It was noted that Article 50, the formal declaration by the UK to leave the EU, has now been triggered by the British Prime Minister. It was noted that immediate access to EU funding would not necessarily be possible, since the requirement is normally to demonstrate a track record over three years to be able to access funding.

The board discussed various related issues including employment costs, including whether potential employment cost savings in Belgium are applicable to non-profit structures; governance structures; Directors' liability insurance; the administrative and legal burden of managing multiple legal entities; and the potential to foster strategic relationships with NGOs on the ground.

EP clarified that we are considering registering in one jurisdiction and basing an office in another. EP requested that the board consider any reputational implications of registration; and to reflect on the implications of having more legal entities to manage.

AD proposed that the Secretariat further explore setting up an entity in the Netherlands; and that a registration is pursued in the Netherlands if no further issues are identified. The motion was seconded by CM and approved.

5 Report from Finance, Fundraising and Audit sub-committee

The 2016 financial report was discussed and agreed as satisfactory. The Finance, Fundraising and Audit committee recommends that the reserve be set at the equivalent of three months' operation costs, being calculated at £255,000; with a goal to reach the required level in two years. This was agreed by the board.

The Treasurer (AD) invited the board to consider how to prioritise the recruitment of the new roles approved in the revised organogram. The board shared their views and agreed to support the final management decision taken by the ED about which recruitment to prioritise. Some board members underlined the benefits associated with fast-tracking the recruitment of the Director of Global Initiatives and Impact in 2017. AD proposed to approve the revised 2017 budget and CM seconded the proposal. CM proposed to approve the reserves policy and AD seconded. The DFO informed the board that the audit would take place at the end of May, with the publication of the 2016 annual report scheduled for July.

The board discussed the need for PWYP to establish a subsidiary company in order to provide flexibility to be able to receive certain types of non-grant funding. The Treasurer (AD) proposed that the Secretariat register a PWYP subsidiary in the UK for budgetary, timing and administrative purposes. The motion was seconded by AF and was carried.

6 Funding strategy

EP acknowledged the great support that PWYP has received for many years from core donors. However, it is felt that PWYP needs to be more proactive in ensuring the organisation's long-term financial sustainability via a more considered funding strategy. EP summarised the current and projected proportion of PWYP's funds from restricted and unrestricted funding; donor reliance; the types of donors PWYP is approaching; and some of the risks associated with fundraising.

The board was invited to share their comments. The Secretariat was encouraged to leverage core funding to raise restricted funds through matched funding/co-financing; to diversify funding sources; and to ensure full-cost recovery. It was noted that the challenge with restricted funding is to demonstrate results in the short term, which requires specific strategies and a tailor made project approach. It was recognized that the upcoming strategic review and planning process would provide opportunities for fundraising among new donors for new areas of work. Some board members also

expressed a wish to see more re-granting by the Secretariat to national coalitions to strengthen the movement as a whole.

7 Joint fundraising and re-granting policy

SR presented an update of the draft joint fundraising and re-granting policy, including eligibility criteria, the approval process and the threshold for funding coalitions. It was proposed that the sign-off for the regranting process is generally through the board's approval of the annual budget and that the Secretariat will develop internal guidelines, including detailed criteria, to operationalise the policy. All agreed that transparency of the regranting/joint fundraising process was paramount to ensure best practice and accountability. The policy will be published online once it is final. AI suggested that a Board sub-committee could be established to provide oversight of the re-granting process. It was also recommended that the donor's principles, eligibility criteria and other requirements were communicated clearly to coalitions ahead of any joint fundraising effort.

8 Board rotation

AD presented a proposal for board rotation to ensure institutional memory and continuity, noting that board members are limited to serving two terms. The board discussed the optimum number of terms that can be served and the optimum size of the board. The board agreed that for the current board only (which is also PWYP's first board) the board rotation should be two terms of up to four years each, with three or four current board members stepping down from the board before 2020. The Board Executive Committee will take responsibility for the board recruitment process, with administrative support from the Secretariat, to identify and select potential board nominees based on the board skills gap analysis. The board agreed to seek endorsement for this proposed way forward from the Global Council at its April 2017 meeting.

9 Risk assessment

CJM presented an overview of the PWYP risk register including a 'heat map' analysis. The Secretariat proposed a number of changes to the likelihood of certain risks occurring (where the likelihood is deemed to have reduced). The Board was pleased to see that the Secretariat is establishing effective risk assessment and mitigation strategies.

10 HR review update

The Chair highlighted the anticipated outcomes of the HR review, including for PWYP to be able to attract and retain staff who have the skills and experience needed to support a diverse, global network. The consultant, PF, presented the job scoring and salary benchmarking methodology and the assumptions that have been made in the final analysis. The board noted that the process had been very robust and was a welcome move towards a more fair and transparent system. A motion was proposed by CM to approve the methodology and the majority of the assumptions, with a caveat to review any assumptions as necessary within the approved budget. The motion was seconded by AD and was carried.

Publish  What You Pay

Extracting The Truth

11 Next meeting date

The board will join a call as necessary before the end of April; will participate in a teleconference in July; and in the joint GC/Board meeting in October. The board agreed that some board members will join the next London-based board meeting in December via video conferencing.

The meeting closed at 16:11.