

The Westminster Foundation for Democracy Limited
Company Number 2693163

**Minutes of Meeting of the Board of Governors held in Committee Room 19,
Palace of Westminster on Wednesday 4 February 2015**

Present Ann McKechin MP (Vice Chair) – in the Chair
Henry Bellingham MP (Chair) – present for some of the discussions only
Rushanara Ali
Ken Caldwell
Bronwen Manby
John Osmond
Rt Hon Sir Andrew Stunell MP

In attendance Anthony Smith CEO
Paul Naismith Finance Director
Tamara Moluch Minute Taker

1. Apologies for absence were received from Andrew Rosindell MP and Pete Wishart MP.
2. **Conflict of Interest Declarations** - None declared.
3. **Minutes of Board meeting** (*Document 1a*) held on 19 November 2014.

Subject to the following revision: Agenda Item 6.1 – line 2 to read ‘*The CEO shall establish a transparent process and criteria for approval...*’, the Minutes were **APPROVED** and duly signed by the Vice-Chair.

The Board **NOTED** that the action points listed under **Implementation Status of Actions Points Agreed by the Board** (*Document 1b*) were covered elsewhere in the agenda.

TOPICS FOR DISCUSSION AND DECISION

4. **Chief Executive’s Report** (*Document 2*)

Anthony Smith introduced his report, highlighting a number of milestones, including:

- The recently published **Report on Parliamentary Strengthening by the International Development Select Committee** which was very positive towards WFD and the field of parliamentary strengthening as a whole and had recommended that the Government, not only increase its investment in this area, but that the UK community of democracy-strengthening organisations work more closely together. In this respect, Anthony suggested that WFD, being ideally placed, could consider how such a partnership could be established and the form it could take.

ACTION POINT 1: **Anthony Smith to present to the next Board meeting a proposal for the establishment of a partnership of UK democracy-strengthening organisation.**

- Anthony informed the Board that he had recently met with the Lord Speaker and the subject of an official **launch of WFD's new strategic framework** had been discussed. The Board welcomed the Lord Speaker's offer to host the event in the River Room and agreed 11 March as a suitable date. The Board also welcomed the suggestion that Anthony undertake a number of outreach visits aimed at introducing WFD's strategic framework to potential funders and international partners and noted that he would be in Brussels in the coming week and hoped to visit International IDEA in Stockholm and WFD's American counterparts in the coming months.
- As part of the ongoing **staffing review**, an internal WFD staff workshop had recently been organised at which current and future staffing issues had been discussed. A decision on WFD's future staffing needs would be made shortly and Anthony assured the Board that any conclusions reached would not be drastically overtaken by the outcome of the Ministerial statement on WFD's future funding and direction as the conclusions would not only be in line with the Triennial Review draft recommendations but future staffing levels would be required to adapt to available funding resources.

ACTION POINT 2: Anthony Smith to report back to the Board at its June meeting on outcome of WFD's staffing review.

- In drawing attention to the recent Internal Audit report that had raised a number of serious concerns about WFD's **IT security** arrangements, Anthony confirmed that the ongoing IT & Office Review was not only looking at WFD's systems and IT arrangements but also at its IT security. To this effect, IT experts from FCO Services would be supporting WFD in this work.
- Following the bankruptcy of **ERIS**, who had maintained the database of UK election observation monitors and had provided capacity building services overseas, the FCO had decided to put out to tender the maintenance of the database at a cost of £15,000 p.a. - the cost of a part-time officer. Though not directly related to WFD's parliamentary or sister party work, Anthony proposed that WFD bid for this work in the expectation that it might open up new opportunities. In agreeing in principle, the Board asked that clarification be sought from the FCO as to what exactly could be expected so as to avoid being inadvertently required to undertake unaffordable additional services and suggested that a one-year pilot trial might provide the opportunity to ascertain exactly how and if such work fitted in with WFD's business plans.
- As to **quarterly reporting**, Anthony confirmed that this would be in the form of quarterly updates to the Business Plan. These would provide information on progress towards achieving the strategic objectives, updates on the work of individual programmes, budgets, the risk registers/dashboard and governance issues, etc.

ACTION POINT 3: Because of the late scheduling of the next Board meeting, an interim quarterly report to be prepared in May and circulated electronically to the Board for comment.

5. WFD 2015-20

a) Approval of **Strategic Framework 2015-20** (Document 3)

Ann McKechin introduced the final draft Strategic Framework which incorporated comments from the extensive consultation with Governors, WFD staff and FCO and DFID officials. Governors welcomed the text which provided a good sense of the direction WFD was travelling in, and made three main comments:

- Future versions could bring out more clearly what would be different in 2020 as a result of WFD's actions. Ken Caldwell said that he would be happy to contribute to this work.
- The criteria governing the choice of countries earmarked either for closure or for start-up activity were quite open in the strategy but should be clearer in the project approval process. The Programme Quality Committee should discuss how best to tackle this.
- There should be an overarching goal of WFD becoming an increasingly coherent and cohesive organisation without, at the same time, any loss of independence of the political parties. The Board agreed that achieving greater synergy across the whole organisation was one of WFD's greatest challenges and posed a significant risk if not achieved.

The Board **APPROVED** the Strategic Framework subject to minor revision on the understanding that the Board would review the Strategic Framework together with the criteria for country selection later in the year.

b. Approval of **Business Plan 2015-16** and draft **strategic budget 2015-16** (Document 4)

Ann McKechin introduced the draft Business Plan and Strategic Budget 2015-16 which would be aligned with the Triennial Review findings and confirmation of WFD's future funding. The Board noted that the results of work currently being undertaken to strengthen WFD's management, the development of the quarterly reporting format to the Board, finalisation of the Budget and subsequent development of the Risk Dashboard would also be reflected in the Business Plan.

Format of the Business Plan

In welcoming the format, the Board suggested that the Business Plan focus on year-end objectives so that it could better measure progress towards the achievement of WFD's strategic objectives. To this effect, a cut in the total number of indicators to around ten priority and outcome-focused indicators was suggested. In response, Anthony Smith referred to the current DFID grant that had required log frameworks to set out outcomes far in advance. The aim, this time, was to be as clear as possible about the broad strategic outcomes and to track progress rigorously, but not to set unrealistically precise targets several years in advance.

Internally, the Board reiterated the need for WFD to move towards becoming a more coherent organisation and asked that steps to achieve greater synergy across the whole

organisation should not be limited to integrated programmes but should be part of WFD's overall country/regional/thematic programming. Externally, they suggested that regional/country/thematic plans be prepared on an annual basis to provide a better understanding of programme objectives. The individual work plans should also expand on the choice of countries and, in this context, the Board suggested that the development of political context analysis might be tracked as an objective.

Budget

The Board considered the risk posed to the stability of operations should WFD enter the new FY without a finalised budget. It was agreed, therefore, that, as soon as funding levels were confirmed, the draft budget should be finalised and circulated electronically to Governors for approval. Should any point of contention arise, the budget would then be referred to the Audit & Risk Assurance Committee (see (c) below)

Particular concerns were raised about the stability of existing political party programmes as a direct result of the volatility of the UK general election cycle. It was agreed that, should Governors wish to propose any changes to the way WFD implemented the Short Money Formula, political parties should agree - post-election - a revised formula and bring it to the Board for consideration and endorsement. However, in order to ensure WFD-wide stability, Anthony Smith confirmed that the 2015-16 budget, once approved, would protect the full year allocations for both regional and political party teams regardless of the political outcome of the forthcoming UK general election.

Bearing in mind the importance of research, some Governors felt that an annual incremental increase to the research budget line would allow for the necessary expansion of WFD's overall research capabilities. To this end, activities proposed under research as well as security and political party work should be clearly outlined in the Business Plan.

ACTION POINT 4: Content with the format of the draft Business Plan, the Board asked that, in the preparation of the final Business Plan, all changes be tracked for ease of reference.

ACTION POINT 5: Once Ministerial agreement to the Triennial Review has been received, Anthony Smith to immediately ask FCO to start the recruitment process for the one remaining vacancy on the Board.

c. Draft Decision on setting 2015-16 Budget (Document 5)

The Board **AGREED** the following decision regarding WFD management finalising the budget once HMG decisions on the Triennial Review and WFD funding had been made:

'The Board welcomed the draft Business Plan (Document 4) and noted that final allocations would depend on Government decisions on the funding elements of the Triennial Review and on the three year funding proposal submitted by WFD. The Board agreed the approach to the budget and Business Plan, which should be used to finalise the 2015/16 budget once the Government decisions had been taken. A final proposed budget will be submitted to the Board for approval within a stated period. If any aspects of the Government's decisions would require a change to this

approach before the next Board meeting then the Audit & Risk Assurance Committee should be tasked with agreeing with WFD management how best to adjust the proposed budget.'

6. **Board functioning** (Document 6)

Ann McKechin introduce the draft Terms of Reference of the Programme Quality Committee, established to enable the Board gain a better overview of WFD's programmes in light of the Board decision to delegate project approval to the CEO.

Anthony Smith briefed the Board on recent discussions with party officers and regional teams on developing a more strategic approvals process. Whilst welcoming the idea of comprehensive annual plans for political party work and regional /country plans for parliamentary and joined-up work, the Board suggested that we also explore whether these could be combined into single WFD-wide regional strategies. The Board also reiterated the need for clearer criteria for the selection of countries.

The Board encouraged further work in this direction and noted that the Programme Quality Committee could play an important role in helping the Board move away from focusing on project approval to a more useful review of impact, strategy and the move towards greater synergy.

The Board **AGREED** the Terms of Reference of the Programme Quality Committee which, because of the amount of work to be covered, would meet at least three times within the next 12 months – the first meeting scheduled for June. Initial membership would comprise: Ken Caldwell (Chair), Andrew Stunell, Bronwen Manby and CEO; the Director of Programmes would act as Secretary of the Group.

ACTION POINT 6: **The Board AGREED the current approval process remain in place until the proposal for the new approvals procedure is considered and approved by the Board at its meeting in June.**

7. **Audit & Risk Assurance Committee - Draft Minutes of 22 January 2015 meeting** (Document 7)

John Osmond introduced the draft minutes highlighting:

- the high level risk register had remained unchanged since the Board last met and future risk summary reports would be an integral part of the quarterly reporting system;
- the red flags raised by the Internal Audit report on IT Security were being urgently addressed and work was continuing in response to a number of outstanding health and safety issues, including security training. Additional matters flagged up in the programme risk register would be considered by the Programme Quality Committee.
- a report – including lessons learnt - on the overspend in the Kenya programme was awaited;
- a report on the recently completed ARC self assessment exercise was being finalised and would be circulated to the Board in due course.

Ann McKechin further noted the importance of taking forward work related to security matters and welcomed plans for this.

8. Report on Political Party M&E programme

Iain Gill presented the work currently being undertaken as part of the Political Party M&E Programme, including the publication, later this month, of a cross-party document entitled '*Building Effective Democracies: the Role of UK Political Parties*'. He also touched upon the work of the Liberal Democrats, including the development of a political party ideology barometer aimed at assisting the identification of a party's ideology.

The Board noted that each of the three parties involved – Conservatives, Labour and Liberal Democrats - had developed different approaches in response to their individual M&E needs. However, the Board was very clear about the fundamental importance of strong M&E across all WFD programmes and emphasised the importance of WFD's M&E Adviser working across the whole organisation in order to ensure consistency.

ACTION POINT 7: CEO to report to the Board at its next meeting on how the parties' M&E experience of the past year could be developed and integrated into a permanent WFD-wide M&E component. In this connection, the Political Parties to prepare for the Board's consideration a detailed final report on activities carried out under their M&E Programme

9. Any Other Business – None

10. Date of next meeting: 2015 Calendar to be agreed (Document 8)

The Board **AGREED** the Meeting Calendar 2015. The next Board meeting was scheduled for **9.30-11.30 on 24 June** at which time the logistics of holding three-hour meetings would be discussed.

Chair.....
Date: 24 June 2015

The Westminster Foundation for Democracy Limited
Company Number 2693163

**Minutes of Meeting of the Board of Governors held in Committee Room 19,
Palace of Westminster on Wednesday 24 June 2015**

Present

Henry Bellingham MP (Chair)

Rushanara Ali MP

Ken Caldwell

Bronwen Manby

John Osmond

Andrew Rosindell MP

Rt Hon Sir Andrew Stunell MP

Anthony Smith (CEO)

Paul Naismith (Finance Director)

In attendance

Tamara Moluch Minute Taker

For Agenda Item 9 only:

Rob Fenn Head, Human Rights & Democracy Dept. FCO

Aislin Baker Political Governance Adviser, DFID

Philippa Broom Conservative Party

Nabila Sattar Labour Party

Chris Levick Smaller Parties

1. There were no apologies. The Chair expressed the Board's gratitude to Ann McKechin, whose term of office ended 11 June, for all her hard work as Vice Chair of the Board and as Chair of the Terms & Conditions Committee.
2. **Conflict of Interest Declarations** - None declared.
3. **Minutes of Board meeting** (Document 1a-b) held on 4 February 2015.

The Board **APPROVED** the minutes of the Board Meeting held on 4 February 2015 and **NOTED** the Implementation Status of Actions Points Agreed by the Board.

TOPICS FOR DISCUSSION AND DECISION

4. Chief Executive's Report (Document 2)

Anthony reported that, since the last Board meeting, a new Strategy had been adopted, a 3-year FCO/DFID funding agreement had been agreed and external engagements had increased. He was also pleased to report that these contacts had confirmed that WFD's reputation remained high, but that it was important to reengage with other organisations in order to further collaboration and improve WFD's standing. Much interest had been expressed in working with WFD and he would be following up on this over the coming months. In welcoming these achievements, the Board looked forward to hearing about the insights gained as well as developments that arise as a direct result of external collaboration. In stressing the importance of increased external engagement, Henry Bellingham urged all Governors to participate whenever possible. He also urged Governors to visit WFD's country programmes.

- **Staffing review:** Anthony said that the new staff structure was now in place and recruitment for resultant vacancies had begun. Two Regional Director posts had been created to allow greater focus on strategy, policy and business development issues, whilst programme management would now become the main responsibility of the four Senior Programme Managers (one for each region). The new parliamentary adviser would also be a source of policy skills as well as the expertise necessary to strengthen parliamentary links. Responsibilities would be further clarified by means of the senior responsible officer model, used widely in the civil service. Coupled with the review of all administrative processes, the new structure should enable WFD to effectively manage the envisaged expansion of its funding resources, which by the end of the 3-year funding period was anticipated to reach c. £10 million including additional third-party funding.

Anthony explained that a significant part of the increased staff costs was due to the fact that M&E staff costs had now been transferred from a separate DFID fund to central administrative costs. The parliamentary adviser, however, was an additional post created to improve WFD's effectiveness. The staff changes together with expected additional fund-managing support were expected to result in increased revenue which, in turn, should see a percentage decrease in staff versus overhead costs.

The Board recorded its warm thanks to Tamara for her outstanding service to the Board and to WFD more widely and wished her success for the future.

- **Budgets:** Anthony suggested preparing a paper outlining budget issues for discussion at the September Board. The draft budgets for 2016-17 and 2017-18 would then be submitted for approval at the Board's November meeting. In response to questions about the first year programme budgets Anthony confirmed that they reflected WFD's Strategy and assured the Board that plans were in place for work in Africa to be built up over the following years. Andrew Stunell noted the point in the CEO's report on the possibility of using a three election average to determine party allocations and welcomed the proposed discussion in September.
- **Cohesion:** Anthony outlined an approach agreed between WFD and the political party officers on how greater integration and coherence between WFD's political party and parliamentary work could be introduced through improved collaboration, coordination and cooperation at the strategic, programme, research and policy levels. Documenting the approach would both help to embed the change and assist future evaluations. Anthony agreed that some indicators should be developed to measure the success of the proposed approach.

The Board welcomed the move. However, Andrew Stunell suggested that WFD should also address its relationship with its two sponsoring departments (FCO and DFID) at the important country / operational level. Anthony agreed that, whilst strategic relationships were improving, there was a need to improve relations at the country level. As for country/regional political context analyses, Anthony confirmed that these would be a shared resource that would be updated regularly. However, individual perspectives might differ depending on whether parliamentary or political party programmes were being considered. Bearing in mind the importance of thorough political context analysis for WFD's credibility, Rushanara Ali asked that these analyses

reflect a 'do no harm' approach as well as a sensitivity to world affairs which could only add value to WFD's work and allow it to make positive contributions.

ACTION POINT 1: Anthony Smith to prepare for the September Board meeting a discussion paper on future budgets, including proposed adjustments to party funding allocations.

5. Risk Update (*Document 3*)

The Board **NOTED** the overview of the current corporate risk register and the fact that there were no significant risks to report. John Osmond welcomed the revision to the risk register which now contained a more manageable number of risks for the Board to oversee.

6. Board composition (*Document 4*)

The Board was updated as follows:

- The recruitment process for the vacant Independent Governor position on the Board had now begun;
- As Ann McKechin's term of office had ended, a new Labour Governor would now need to be appointed. As Ann had also served as Vice-Chair, the Labour Party had requested that Rushanara Ali take on the role. The Board **AGREED**.
- The Triennial Review had concluded that there should also be an Independent Vice-Chair. The Board agreed that this should be agreed amongst the Independent Governors once the vacant Independent Governor position had been filled;
- Following the Triennial Review's recommendation, the CEO and Finance Director would now be on WFD's Board;
- Following the General Election, the SNP were the third party in Westminster and would like to take the corresponding position on WFD's Board. Appointments to the Board were the Foreign Secretary's responsibility but it would be helpful if the Board could indicate clearly its position. The Board **AGREED** that this change was consistent with parliamentary practice and with WFD's practices. As far as the timing of the change was concerned, there were arguments for a gradual change to reflect the continuing interests of the Liberal Democrats in oversight of current WFD programmes (which are being funded in 2015/16 in accordance with the 2010 election results). The CEO should propose an appropriate timing for the transition. The Board also recognised the value of the Liberal Democrats' programmes which should be phased out in a manner that would maximize the chances for successful, effective and sustainable handover.
- The Smaller Parties group had nominated Jeffrey Donaldson MP (DUP) to succeed Pete Wishart MP (SNP), whose term had ended on 31 May. Whilst it was recognised that this

selection had taken place pre-general election, the decision remained valid in that the Smaller Parties' representative on the Board was generally elected on a one-term basis to allow the position to rotate more frequently amongst all other parties. The Board also noted that the Smaller Parties agreed among themselves how, and if, their administrative costs and programme management support should be pooled.

- With regards to vacancies on its sub-committees, the Board agreed that, following consultations with Governors, Anthony Smith would make recommendations on how these vacancies might be filled.

ACTION POINT 2: Anthony Smith to:

- Propose appropriate timing for transitioning the Liberal Democrat Board seat to the SNP (done by e-mail on 1 July);**
- Recommend how to fill the vacant positions on the Board's sub-committees.**

7. Audit & Risk Assurance Committee (ARC) (*Documents 5a to 5d*)

John Osmond reported that, since the Board last met, ARC had met twice. The April meeting had focused on reviewing the 2015-16 Budget; whilst in June, ARC had reviewed the draft Annual Report and Accounts. An underlying theme, however, at both meetings had been the ongoing revisions to the risk management process.

In introducing ARC's Annual Report 2014-15, John confirmed that the Board could take assurance that *'an adequate system of internal control and risk management has been maintained and that appropriate steps have been taken to further embed those systems'*. He also confirmed that the future timing of the sign-off process would be revised to allow better Board oversight.

He was pleased to report that the External Auditors had issued an unqualified opinion on the 2014-15 annual report & accounts and that the Internal Auditors had provided an overall opinion of reasonable assurance. With regards the statement of going concern, John drew attention to the fact that, whilst WFD was receiving the right assurances, it did not have a reserves policy. Given the move towards more strategic and longer-term programming, he urged the Board to consider the financial implications on its reserves and working capital as WFD expanded its externally-funded programme. In this context, he referred to recent FRC changes in reporting that required WFD to make a statement about its long-term viability.

As to the vacant position on ARC, John confirmed that currently no members had any accounting qualifications. NAO understood the situation but had asked that, if at all possible, a Governor with accounting qualifications be appointed to the Committee. In this respect, Henry Bellingham asked Rob Fenn to factor this in when recruiting a new Independent Governor. John also highlighted FRC requirement that in 2015 the Board be regularly provided with the necessary reports to allow robust assessments of the principal risks facing the company. He also referred to the recent ARC self-assessment exercise which had thrown up a number of housekeeping issues, which were being actioned.

8. Programme Quality Committee (PQC) *(Document 6)*

Ken Caldwell introduced the minutes of the first PQC meeting which had focused on ways of working and priorities for the first year. He invited Board feedback on this and on future issues. The Board **NOTED** the minutes.

9. Project Approval Process – for decision *(Document 7)*

Anthony Smith outlined the proposed project approval arrangements, which had been developed in consultation with political party officers and the M&E Adviser, and had also been discussed at the PQC meeting and briefly with NAO at the ARC meeting.

The main thrust of the new arrangements was the move towards the approval of annual strategies, at which point, annual funding would be unlocked. Approval of individual projects would become an internal process with sign off by the CEO to ensure compliance and alignment with the annual strategies/plans. The same robust financial oversight would remain in place.

Whilst supporting the new approval process, the Board raised a number of concerns. One challenge was for all teams to submit annual strategies / plans that clearly outlined expected key outputs and outcomes. If achieved, this would represent a huge step forward but the process would need to be carefully monitored to ensure it was working as intended. Concerns were also raised about the need for robust due diligence controls at the approval level as well as clear levels of accountability. Ken Caldwell said that safeguards were already in place to ensure project approval processes and criteria were clear and transparent. The Board stressed the importance of a robust oversight process that would ensure the required accountability.

The Board **APPROVED** the new project approval process on the understanding that it be kept under review and that the necessary assurances were in place from start to finish including robust approval criteria. Anthony Smith proposed preparation of a short paper setting out the way in which the Board exercised oversight of WFD's programme work.

ACTION POINT 3: Anthony Smith to prepare a paper on Board oversight of the project approval process (circulated by e-mail on 1 July)

10. Programme overview

Following the adoption of WFD's new Strategy and the approval of a new funding agreement between FCO and DFID, Anthony Smith said that the main focus was now to ensure that WFD delivered on its funding agreements. The first of the internal reviews covering the implementation of Triennial Review recommendations and WFD's work during 2015-16 would feed into Ministerial decisions about future funding. Contacts between FCO and DFID were being strengthened with quarterly meetings at the strategic level being supplemented by behind-the-scene contacts with teams. It was hoped that these contacts would be enhanced by periodic meetings between Governors and Ministers.

Rob Fenn agreed that FCO relations with DFID and WFD had been much closer in recent months than ever before and his Department would be working towards strengthening them even further. The next step would be to strengthen bilateral relations at the country level with the aim of ensuring that the WFD brand became a 'fixed point' with FCO. In this context, bilateral meetings during the forthcoming Leadership Conference had been arranged.

Aislin Baker explained how over the last three months, her Department had been finalising the completion reports covering WFD activities during 2012-15. She was pleased to report that many of the lessons learnt and recommendation made had already been taken on board and she welcomed the closer cooperation that was developing not only with WFD but with the wider Westminster community. She also referred to current work on developing DFID guidance on political party and parliamentary assistance and welcomed the cooperation received from WFD. She also welcomed WFD's research agenda, particularly the sharing of lessons learnt in-country. In this context, Anthony drew the Board's attention to the imminent agreement on collaborative research with the School of African Studies in Oxford.

Devin O'Shaughnessy reported that, over the past six months, WFD had been aligning its programmes with the new five year strategy. Whilst a number of three-year programmes were being closed, he was pleased to report that programme work was on track with a mix of large three-year, small bridging programmes and scoping missions. It was expected that robust political and context analysis together with increased integration and information sharing between all of WFD would result in better evidencing of impact. Wider dissemination of published success stories as well as more active networking and the creation of partnerships would be another key factor in future success.

In response to a question about managing risks in programmes in countries with poor human rights records, Rob said that, overall, FCO was trying to 'make it better' from within and that more, not less, engagement in such countries was the answer. Rushanara Ali advised caution, stressing the importance of sensitive engagement and the need for WFD and FCO to work closely together in such countries. Rob confirmed that FCO regional directors were open to detailed discussions which, he suggested, would allow WFD strike a balance between its work in priority countries whilst seizing political opportunity as it arose.

Philippa Broom concurred with Devin's comprehensive presentation. She added that WFD could only move forward if it worked together from the conceptual stage and confirmed that the parties were working hard to move in this direction. The main focus at present was the need to develop the right model for integrated programming, including the right geographical spread. She was very optimistic about the future.

Nabila Sattar reported that, whilst a number of three-year programmes had recently ended and others were being launched, the focus was now on going forward with the help of the many networks that had been developed over the years. However, she noted that, overall, political space continued to close in many countries with serious possible risk to partners. In such cases, however, moral support continued to be offered. Against a backdrop of international political fluidity, further challenges were being faced from threats to media and press freedom. However, she felt that under Anthony's leadership

the lines of communication and cooperation between parties and WFD was improving and offered full support for the wider initiatives.

Chris Levick also emphasised the closer cooperation between WFD and the political parties whilst recognising that it was especially difficult for the Smaller Parties to contribute to integrated programming. However, ways were now being found to overcome this and new relationships were being created. As with the other parties, multi-year programmes were ending, evaluations were being undertaken and new programmes were being developed.

The parties were unanimous in their continued commitment to working in Africa and pointed out that they had a different focus of countries as their work revolved around their individual sister-parties.

11. Proposal to establish a Partnership of UK democracy-strengthening organizations (*Document 9*)

The Board **WELCOMED** the proposals, including the information sharing and improved contacts that would ensue. As work progressed, Ken Caldwell asked for clarity around the intended outcomes of any partnership that developed.

12. Any Other Business – None

13. Date of next meeting – Agreed by e-mail: 16 September. Planning for an Autumn Away Day should proceed.

Chair 
Date: 16 September 2015

The Westminster Foundation for Democracy Limited

Company number: 2693163

Minutes of Meeting of the Board of Governors held in Committee Room 19, Palace of Westminster on Wednesday 16 September 2015

Present Henry Bellingham MP
Rushanara Ali MP
Ken Caldwell
Bronwen Manby
Jeffrey Donaldson MP
Andrew Rosindell MP
Rt Hon Alex Salmond MP

Rt Hon Sir Andrew Stunell MP
Anthony Smith (CEO)
Paul Naismith (Finance Director)

In attendance Alex Stevenson (Board Secretary)

For Agenda Items 9 and 10 only:
Dina Melhem (Regional Director, MENA and Asia)

1. Apologies

John Osmond sent his apologies.

2. Conflict of Interest Declarations

Jeffrey Donaldson declared an interest as chairman of a small NGO which operates in Northern Ireland, sharing the Northern Irish peace process experience, which has worked with WFD in the Middle East. Whilst his NGO wants to support the work of WFD, Jeffrey said his purpose on being on the board was not because of his connection.

3. Minutes of Board meeting (Document 1) held on 24 June 2015

Rushanara Ali said the minutes should reflect the fact that a discussion took place about Sri Lanka and Bahrain.

The Board **APPROVED** the minutes of the Board Meeting held on 24 June 2015 and **NOTED** that an addendum be added to the minutes reflecting Rushanara Ali's comments.

4. Introduction of new Governors

Henry Bellingham welcomed Margaret Hodge, Alex Salmond and Jeffrey Donaldson to the Board.

Henry Bellingham invited the new governors to introduce themselves.

Margaret Hodge said she had watched WFD's work with interest over many years. She outlined her 40 years in public service and her wish to use this – in particular her experience on the Public Accounts Committee - to try and support developing administrations in developing countries.

Alex Salmond said there were aspects of WFD's work he could aid by building on his experience as First Minister of Scotland, when he had overseen the development of an international development budget which used relatively small amounts of money in a way which made for effective programmes. He said he was impressed by recent developments at WFD and hoped this could be carried forward, before underlining his hope that the minority parties could continue to ensure they use their distinctive relationships to help WFD's work.

Jeffrey Donaldson said, given his experience in the Northern Ireland peace process and the DUP's work in two projects, he was interested to see what WFD could do to help the UK work with political parties in countries transitioning to democracy.

5. Chief Executive's Report

Anthony Smith reported positive developments relating to relationships with stakeholders, especially in Parliament; the signing of a research partnership with Oxford University; the conclusion of the restructure which had helped our working relationships; the final DFID evaluation, which rated WFD 'A' overall; and the monitoring and evaluation team, which had been selected to present its paper on evaluating WFD's work in the Democratic Republic of Congo to the American Evaluation Association Conference.

He highlighted concerns around spending, acknowledging that WFD's spending is lower than we would want it to be at this stage of the new funding cycle. He emphasised that we understand the reasons behind this and confirmed this would be addressed.

Ken Caldwell congratulated Anthony on the internal change process now completed. He welcomed work on building networks and new relationships before calling for clarity on the objectives behind this new engagement. Henry Bellingham put on record his gratitude for Anthony's role in managing internal change.

The Board **NOTED** the Chief Executive's report.

6. Quarterly Business Plan update

Anthony Smith noted that, while progress on programme objectives was largely on track, the indicators were largely focused on process rather than impact on the ground. It was very important to accelerate implementation so that we can demonstrate impact in the coming months. Anthony said he hoped Alex Stevenson's arrival would help with developing WFD's communications.

Anthony updated the Board on the risk register, which had not seen any significant changes. However, it remained important to have good relationships with our major stakeholders – the main core funders and parliamentarians, including frontbenchers of both parties who work in this area. He invited Board members to consider whether we were doing enough in our relationship with ministers and their shadows.

John Osmond had asked by email about progress on implementing the triennial review. Anthony said that there was agreement between WFD, FCO and DFID on how to take forward each recommendation and WFD had either implemented them already or had a clear timetable to do so.

The Board **NOTED** the update on the Quarterly Business plan.

7. Future WFD budgets

Henry Bellingham informed the Board that Douglas Carswell had told him that UKIP remained uncertain as to whether to establish programmes under WFD auspices, either next financial year or the following one. He asked Anthony explain WFD's operations to UKIP to help them decide.

In the discussion, the Board agreed that using a five-year framework for WFD's budget planning was sensible, building on the experience this year in which the 2015 election results would only be reflected in the political party allocation in 2016-17. There was also recognition of the importance of avoiding a sudden funding cut to WFD programmes as a result of an election result since this could damage WFD's reputation. However the phased introduction of the new funding has helped to manage the transition and, as a rule, programmes should ensure they have adequate exit strategies in place.

The Board discussed the idea of adopting the model used in some other countries of taking the average of the previous three elections when determining allocations to parties and decided that this would not be appropriate for us.

Finally, the Board felt that, should UKIP decide not to establish WFD programmes, then the resources that they would have been entitled to should be redistributed among the smaller parties as described in the paper.

The Board **requested** Anthony to prepare draft budgets for 2016/17 and 2017/18 on the basis of the guidance provided by the Board.

ACTION POINT 1: Anthony Smith to write to Douglas Carswell MP explaining WFD's work (done).

ACTION POINT 2: WFD to prepare draft budgets for future years for discussion at the November Board meeting.

8 – Business Development Strategy

Henry Bellingham welcomed the paper and said that in the past WFD had not been ambitious enough in seeking to secure additional funding. Now, with the potential to have a bigger impact and with funding from the FCO and DFID not guaranteed, there was a strong case for raising our ambitions.

Anthony Smith said that, in his view, WFD would become more effective by becoming a bit bigger and identified revenue of about £10 million a year as a modest and achievable objective. But he wanted to explore which types of sources of funding the Board was comfortable with and get the Board's views on the risks involved. He also wanted to flag the fact that while there was significant funding available for both parliamentary strengthening and cross-party work, there was not much funding available for sister party work. One option would be for the UK parties to consider whether they wanted to bid for this work.

In the discussion, there was consensus among Board members on the desirability of securing additional funding and support for the principles set out at the end of the paper. However, the Board also identified a number of points that needed to be addressed eg:

- Risk of reputational damage from other members of a bidding consortium;
- Management of reserves and cash flow in the face of the behaviour of some donors;
- Clarity that external funding would be sought only to deepen work in our existing countries of operation;

- Clarity about delegated authority to the CEO for bids and about the scale of third party funding;
- The commercial and programming skills needed inside the organisation;
- The need to take into account WFD's status and heightened political scrutiny when deciding on external funding;
- The importance of communicating our approach clearly to the FCO.

The Board **concluded** that it supported the principles in para 19 of the discussion paper (document 5), with the proviso that the points made in this Board meeting be incorporated.

ACTION POINT 2: WFD to incorporate the principles and the points made in this discussion into a Business Development Strategy.

9 – Bahrain and Kuwait

10 – Sri Lanka

Anthony Smith said that at the June Board, Governors had reiterated the importance of discussing with them possible programmes in countries with political sensitivities – both Sri Lanka and Bahrain had been mentioned at the time. In each case, WFD staff felt that there were good reasons to engage but with safeguards.

Bahrain

Dina Melhem said that the request for WFD involvement had come from the Embassy and that both the scoping visit and other contacts had led us to judge that a modest programme, initially focused on the Secretariat, could play a positive role. In the discussion, Governors noted the significant public concerns about Bahrain's human rights record and the risk of our programme being used as a fig leaf for the Bahraini authorities. However the Board also noted the close relations between Bahrain and the UK and the potential for WFD engagement to have a positive impact. Some risks were justified in the way that others had taken risks by engaging during the Northern Ireland peace process and in other conflict situations. The experience in Eastern Europe was also relevant, where progress was made slowly over time. We should proceed with caution to help Bahrain face up to realities and its responsibilities. In monitoring the programme we should track both whether we were having a positive impact but also whether we were doing any harm. The Board **agreed** with this approach and requested that WFD staff should keep the Board informed of progress.

Kuwait

Dina explained that WFD had received a request for help from the Kuwaiti Foundation for Advanced Studies, which had agreed a development programme with the parliament itself, including legislative policymaking elements and support and training for parliamentarians. The implementation would be funded by the Kuwaiti parliament itself. Dina thought that this approach was a good model for a country that is progressive in terms of parliamentary oversight. The Board **were content** for this programme to go ahead but requested a paper on the Gulf region in order to put the work in both Kuwait and Bahrain into context.

Sri Lanka

Dina said that, following the elections in January and August this year, there was an important opportunity and genuine interest in reforming parliament's work as the country moved away from a Presidential system and wanted to hold government more clearly to account. The Sri Lankan authorities were particularly interested in restructuring their committee system building on the positive experiences of the Westminster system. Andrew Stephenson MP had been in

Colombo the previous week to participate in an induction programme for new MPs that WFD and the CPA had been asked to contribute to and had been warmly received. The exact scope of the WFD programme had not been determined – there was interest in seeing us work at both national and provincial level, and with the political parties.

In the discussion, the Board agreed that there was an important opportunity in Sri Lanka and **was content** that further work on a programme should go ahead. It would be important to ensure a thorough political analysis (of the kind done for Bahrain) so that we did no harm to the reconciliation process.

11 – Board Committee membership

The Board **AGREED** to proceed with resolving the vacancies on each of the three Board Committees as proposed in Document 8.

12 – Bosnia

Anthony Smith explained that, because of the summer break it had not been possible to convene the projects approval committee and he therefore wanted to approve the Bosnia proposal during the Board meeting to ensure transparency and an opportunity for Governors to comments. The Board had no comments on the project and Anthony **APPROVED** the project.

13 – Board meetings

The Board discussed two issues, namely length of meetings and an away day.

On the length of the meetings, the Board had agreed the recommendation from the Caldwell/McKechin paper on board functioning that meetings be extended to 3 hours. Given our practice of meeting on Wednesday mornings, our present scheduling bumped up against PMQs. The Board concluded that one option was starting the meetings at 9am but that the Chair should use his discretion to decide whether that was justified by the agenda.

On the issue of a Board away day, there was agreement that this would be desirable once the new members had had some time to familiarise themselves with WFD's work. It was agreed that a meeting should take place in about six months' time, on a Thursday between about 10am and 4pm. Although there were some suggestions for external locations (eg the Borders or Wilton Park), it was likely that a London location might be more realistic.

Bronwen Manby noted that the two purposes of an away day – relationship-building and substantive discussion – could be achieved separately, with relationship-building taking place in a separate dinner.

The Board **AGREED** to the principle of an away day.

ACTION POINT 3 – Anthony to circulate suggested dates for an away day after the February half-term recess (done).

14 – Programme Quality Committee

Ken Caldwell reported on the committee's work, explaining its purpose was to oversee the quality of programmes rather than approve them. The committee had probed DFID's final evaluation and found the results to be very good. He had asked for a management action plan on the recommendations addressed in the report.

The PQC had also looked at the annual strategy process and how this could be improved for next year. In particular, a gap had been identified between country-level practical work and the five-year strategy level. The PQC had noted good progress in developing policy and research programmes. Once a longlist of priority research themes was ready, these would be put before the Board.

The Board **NOTED** the Programme Quality Committee's work.

15 – Any Other Business

None.

16 – Date of next meeting

Henry Bellingham confirmed this was set for 18 November 2015.

Chair.....

Date: 18 November 2015