

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 18 November 2015

Present Sir Henry Bellingham MP
Rushanara Ali MP
Ken Caldwell
John Osmond
Dame Margaret Hodge MP
Simon Walker
Alex Salmond MP
Anthony Smith (CEO)
Paul Naismith (Finance Director)

In attendance Kerrie Doogan-Turner (Board Secretary)

1. Apologies

Jeffrey Donaldson MP, Andrew Rosindell MP and Bronwen Manby sent their apologies.

2. Conflicts of interest

There were no new conflicts of interest to declare.

3. Matters arising

The Board welcomed Simon Walker as a new independent Governor to the WFD Board. Simon introduced himself to the board and spoke of his long-standing interest in international affairs and governance issues, starting with his experiences in the anti-apartheid movement when growing up in South Africa.

4. Minutes of Board meeting held on 18 November 2015 (Document 1)

One substantive change: include Margaret Hodge in list of Governors present.

5. CEO's Report (Document 2)

Transparency

Anthony outlined the progress made to update WFD's transparency measures. Kerrie Doogan-Turner has taken responsibility for updating WFD content and planning publication of key documents going forward.

Ken Caldwell was pleased to see the progress made and requested that the updated transparency policy should be approved by the Board at the next meeting in May. He raised concerns regarding who would be responsible for the redaction of sensitive programme information and Anthony informed him that the Senior Responsible Officer for the programme would be responsible for redaction of proposals, quarterly reports and programme completion reports.

Action Point 1: Kerrie Doogan-Turner to draft note outlining WFD's transparency plans for the Board to approve

Venezuela

Anthony reported on his visit to Venezuela last week, which was the first in a three-part engagement between now and the end of March. Anthony said that he thought there was a strong case for looking at a longer-term WFD programme there.

Margaret Hodge raised questions about the other actors already involved. Anthony said that there was no significant support to the National Assembly from other organisations, partly because the major players in the United States (NDI/IRI) could not operate in Venezuela.

CPA - International – UK

Anthony outlined his recent meeting with the Secretary General of the Commonwealth Parliamentary Association and suggested there is greater room to strengthen the relationship with WFD. Anthony also said that he was working to strengthen the relationship with CPA UK and would report back to the Board on this.

Rushanara Ali welcomed closer collaboration and exploration of any overlap that exists in countries where both organisations operate. She noted that the styles of working are not exactly the same.

Oversight and Performance Monitoring

6. Quarterly Business plan update

(Document 3)

Paul Naismith updated the Board on the progress towards implementation of all programmes. He flagged the issue of underspend that is associated with 2015 being an election year and there being significant restructuring in some party offices.

Paul outlined the importance of keeping WFD funders at the FCO and DFID informed about current levels of spend. His next steps are to explore options for carrying over money into next financial year.

Alex Salmond thought that the delays in spend due to the combination of the UK general election and staffing changes in some of the party offices would be understood by key ministers. There would be greater reputational damage to WFD if they implemented lower quality programmes simply in order to spend their total allocation for the financial year. The Board agreed that the approach to underspend should not be to encourage spending for the sake of meeting the allocation.

Margaret Hodge flagged the significant underspend of the integrated programmes in Kyrgyzstan and Ghana. Paul noted that the programmes had encountered start up delays because of political developments in those countries but he has been through plans with programme teams and is convinced they will now meet their targets.

John Osmond raised concerns about the small number of proposals that have been approved. Anthony explained that an intensive dialogue happens about the viability of a proposal before it is submitted for approval. In most cases WFD already had a presence on the ground, including key networks and relationships, so once a programme is approved it is relatively easy to begin implementation. The examples where significant delays have occurred is when we are opening a programme in a new country.

Paul noted comments about the format of the Business Plan which he has addressed when drafting the 2016/17 version including a greater emphasis on the budget.

Risk Management

Anthony flagged two areas that the Board might like to explore regarding the WFD risk management framework: Risk 1 – political engagement and Risk 5 – reputational risks.

Action Point 2: The Board will examine in greater detail the WFD risk appetite at the Board meeting in May.

7. Summary of Programmes (Document 4)

Margaret Hodge asked for the use of more accessible language in the summary. She also raised concerns regarding the amount of programmes that were still in the design phase and how this can impact on spend. Anthony highlighted how 2015 marked the beginning of the new funding cycle and the decisions on where to operate meant that many programmes were not planned to start until the end of 2015.

John Osmond requested that the summary in future focuses more on flagging to the Board what programmes are experiencing difficulties. He would welcome a traffic light system to help the Board see areas for concern.

8. Programme Quality Committee (PQC) (Document 5)

Ken Caldwell reported to the Board on the progress of the PQC. He noted some positive work including the review of the annual strategy process, the research partnership with Oxford University and that the PQC creates a forum for discussing the regional context of where WFD operates. He noted the risks associated with the Rapid Response Fund and warned that it could be in danger of being used as a top up fund.

9. Terms and Conditions Committee (T&C) (Document 6)

Alex Salmond noted the main points from the most recent T&C committee meeting. He welcomed WFD's move to gain Living Wage accreditation, as well as the decision to split performance pay across all levels of the organisation equally. He noted the potential security risks to staff when travelling overseas and stressed the duty of care of WFD.

Ken noted that the PQC have organised for REDR to review the WFD security policy and invited the T&C committee to review the outcome once it has been circulated.

Action Point 3: T&C Committee to meet later in 2016 to review WFD security policy.

10. Audit and Risk Committee (ARC) (Document 7)

John Osmond provided an overview of the recent ARC meeting. On Risk, it was noted that concerns had been addressed regarding the sub-risk registers and generally good progress had been made.

John flagged concerns regarding the role of the Board on performance management and approving the annual report and accounts ahead of their submission to Parliament in July. He noted that the next meeting in May does not fit with this schedule. Ken noted that the narrative for the annual report is equally important as the accounts.

The Board AGREED to review and sign off the accounts via email ahead of their submission to Parliament in July.

Action Point 4: Anthony to circulate annual report narrative as part of May Board papers for Board approval at 11 May Board meeting.

Governance

11. Draft Business Plan 2016/2017 (Document 8)

Anthony informed the Board that the Business plan format has changed based on recommendations of the internal audit report on performance reporting. The business plan will no longer be updated quarterly as of this year, but instead there would be a separate quarterly performance report which would be very concise and contain a manageable number of key performance indicators.

Ken suggested that the business plan should focus most on what we want to achieve. It should also show how we were learning from what works in each programme. The language on WFD's geographic scope should be made consistent throughout the document, and the ambition to secure £2m in additional funding should be set out clearly.

The Board APPROVED the budget for 2016/17, including the reallocation of the resources that had been earmarked for the UKIP programme to the parties in the Multi-Party Office in line with the Board's decision in September.

Action Point 5: Anthony to amend the draft business plan in light of the comments made at meeting and circulate by e-mail for Board approval

12. Delegation of Authority (Document 9)

Anthony presented the draft Delegation of Authority policy that outlines the WFD Board's responsibility and accountability over what the Foundation does.

The Board APPROVED the Delegation of Authority policy.

13. Value for Money framework (Document 10)

Anthony outlined WFD's Value for Money framework which demonstrates how WFD can provide assurances on value for money in our operations. It was noted, on recommendation from the ARC committee, that WFD should increase the efforts to capture our measurement indicators.

Policy

14. Annual Strategies (Document 11.1-11.8)

Anthony outlined the new process for approving Annual Strategies and noted that it was agreed last year that the Board would take a key role in approving a clear strategic framework for WFD as a whole.

The Board requested more time to review the annual strategies. The Board will discuss in more detail the Annual Strategies at the WFD Board Away Day in April 2016.

In the meantime, the Board was happy to comment on the strategies by e-mail in line with the planned timeframe for comment within WFD and with the FCO and DFID, which will continue as planned.

The Board APPROVED the annual budgets and in principle the annual plans.

15. Any other business

None.

16. Date of next meeting

The next board meeting will take place on Wednesday 11 May 2016.

The Board away day is scheduled for Thursday 14 April at 11:00. Simon Walker has kindly provided space at the Institute of Directors for the meeting.

The Westminster Foundation for Democracy Limited

Company number: 2693163

Minutes of Meeting of the Board of Governors held in Room U, Portcullis House, on Wednesday 11 May 2016

Present Sir Henry Bellingham MP (Chair)
Rushanara Ali MP
Ken Caldwell
Jeffrey Donaldson MP
Rt Hon Dame Margaret Hodge MP
Bronwen Manby
John Osmond
Andrew Rosindell MP
Rt Hon Alex Salmond MP
Simon Walker
Anthony Smith (CEO)
Paul Naismith (Finance Director)

In attendance Kerrie Doogan-Turner (Board Secretary)
Alex Stevenson (Head of Communications)
Graeme Ramshaw (Director of Research and Evaluation)
Dina Melhem (Regional Director, Europe and Asia)
Oliver Bennett (House of Commons Clerk)

1. Apologies

There were no apologies for absence.

2. Conflicts of interest

There were no new conflicts of interest to declare.

3. Matters arising

The Board noted that the action points from the previous meeting would be addressed today. An additional action point from September 2015 on the Business Development Strategy was still being implemented.

Minutes of Board meeting held on 11 February 2016 (Document 1)

The Board approved the minutes for the record for February 2016.

Update items

4. CEO's Report (Document 2)

Anthony Smith updated the Board on the progress made against the action points from the April away day. The Transparency policy and the review of the risk appetite feature on the agenda. The only outstanding point is setting a final date for the Terms and Conditions Committee to meet, however there is scope to arrange this before the summer recess. The Annual Report narrative has been provided in draft format for the Board to comment on. The amended business plan has been circulated for comment.

- On the engagement of parliamentarians Anthony noted the recent efforts of WFD to implement a new strategy, but welcomed suggestions from MPs on how best to achieve this. The Board welcomed Anthony's suggestion about WFD providing targeted briefings to MPs ahead of debates, or where there is clear synergy with WFD's work. However, the Board warned about the amount of resources such briefings would require and recommended an extremely targeted approach. The Board concluded that WFD should continue to monitor and target communications to parliament. The Board suggested broadening requests for engagement to include select committee and APPG members and not just the Chairs of the groups. The Board suggested organising an information event on WFD in parliament, and offered support in circulating information to MPs in their respective parties.

Action point 1: WFD to organise parliamentary event to promote our work with parliamentarians.

- On the allocation of additional resources, the Board welcomed the increased spend on research programmes, but requested more information on the types of programme this would include. Anthony informed the Board of the key areas WFD was looking to pursue: women's political empowerment, the cost of politics, tolerance across the MENA region, political parties in the MENA region and Decentralisation across Asia were areas flagged. Margaret Hodge cautioned against extra spending on monitoring and evaluation of WFD programming.
- On the Annual Report narrative, Ken Caldwell offered further advice and support to WFD staff on what works most effectively. Ken noted that the key achievements from 2015-2016 have not been emphasised clearly enough.

Action Point 2: WFD to re-draft annual report narrative for Board comment based on suggestions for improvement outlined.

Oversight and Performance Monitoring

5. Quarterly progress report

WFD results framework

Following up on Away Day discussion, Graeme Ramshaw, Director of Research and Evaluation, and Alex Stevenson, Head of Communications, explained the design of our results framework and how it relates to real impact on the ground.

- Graeme noted the complexity of the political environments that WFD works in which make tracking progress difficult for any organisation. WFD's approach is to develop indicators for each programme that show the level of progress being made so we are assessed on the direction of travel and rate of progress, not against an unrealistic absolute standard of effective democratic practice.
- Alex expanded on this point explaining the importance of stories of change that would illustrate the impact that WFD programmes can have on the ground, connecting citizen beneficiaries to the work we do in parliaments and with political parties.

The attached note summarises WFD's approach to measuring progress.

Board progress report

On the progress against performance targets, Anthony explained the shift towards graphics that capture key performance indicators. He noted that this was to give the Board an idea of how the data could be presented since there was minimal performance data available at this stage in the financial year.

- Bronwen Manby questioned the definition of “performance” and whether it relates to spending, committing money or impact of the individual programmes.
- Anthony and Paul offered to fix one to one meetings with some Board members and then consult others on their views before finalising the format.

Action Point 3: Anthony and Paul to revise Board progress report and submit to Governors in advance of September Board meeting.

Budget implementation

For approval:

- *Allocation of additional FCO resources* (document 3a)

Anthony outlined to the Board WFD’s plans to allocate the additional resources being provided by the FCO. He noted the unusual position of being able also to reallocate the underspend from the previous financial year, which DFID has allowed WFD to retain. The Board approved the reallocation on the basis that a revised budget would be circulated shortly.

On the underspend, Governors agreed to stick with the Short formula for allocation this year, but many Governors were in favour of introducing a bid system in future, if an underspend occurred again. This would allow the political parties in the Multi-Party Office to get more involved in WFD’s work and reduce the burden on the larger parties to deliver more programmes effectively without additional human resources.

Action Point 4: Anthony Smith to recirculate budget highlighting the allocation of additional resources.

6. Risk Management

The Board reviewed the high level risks, paying particular attention to the Board’s risk appetite, which had last been reviewed in 2013. Paul noted that the revised draft risk appetite statement reflected recent discussion in the Board on political, financial and security risks.

The Board welcomed the review of the risk appetite and was happy with the proposed text with the exception of the risk on corruption (F-H), where Governors wanted to ensure that the language on our policy of zero tolerance of corruption did not imply that we would only operate in countries with zero risk of corruption since this would require us to stop virtually all of our programmes. They requested Paul and Anthony to provide some additional text to clarify this.

7. Summary of programmes (Document 5)

The revised summary of programmes was welcomed by the Board; however additional explanation of the rating system would be useful in the future.

8. Report of Audit and Risk Assurance Committee (ARC) (Document 6)

John Osmond reported back from the previous ARC meeting, noting the four internal audit reports on (i) the development of the programme manual, (ii) safety and security procedures, (iii) performance monitoring and (iv) the first ever audit of an overseas office, which was encouraging. John noted the follow up work required and would write to the Programme Quality Committee and Terms and Conditions Committee to draw their attention to the relevant reports (done).

Governance

9. Transparency Policy (For adoption)

The Board approved the policy, subject to minor adjustments in language.

10. Cooperation with CPA UK

Anthony provided the Board with information about the protocol that has been developed for cooperation with CPA UK, and noted willingness of both Chair and Deputy Chair to meet their WFD counterparts to discuss future cooperation.

Policy

11. Burma

Dina Melhem, Regional Director for Asia and MENA, presented WFD's plans for new programming in Burma, including through a potential grant from DFID. She was joined by Oliver Bennett, House of Commons Clerk who was seconded to the Burmese Parliament for two years.

Dina outlined the findings from the assessment visit she conducted in March 2016 with WFD's Director of Programmes. She noted the historic opportunity to support the major transformation in Burma. WFD's plans had been developed with the House of Commons, building on the very positive experience from the secondment of a Clerk to the parliament. There was a clear need, and appetite, for a combined UK approach bringing together the expertise of the House of Commons with WFD's wider programme implementation. Oliver explained the background to his secondment, the extent to which he was able to build trust with his Burmese colleagues, and the continuing need for extensive capacity-building in the parliament.

The Board welcomed the opportunity for programming in Burma, and supported the development of the planned programme. In the discussion they raised a number of issues that would be important to tackle, notably the way in which the new government dealt with

inclusion of ethnic minorities. Dina noted that by working with different state legislatures, that often have a higher proportion of ethnic minorities, WFD would have the opportunity to address these issues. Dina added that David Thirlby, Senior Programme Manager for Asia, was currently conducting an assessment of two states with a high minority population. Oliver noted the difficulty he experienced when he began his secondment, as he was perceived as an outsider, it was only by demonstrating his impartiality over time that he was allowed to work with the committees. He added that these issues will be raised naturally as the parliament improves its other functions, for example in his time in Burma, he supported the development of a research briefing on the Rohingya issue.

The Board asked about the number of democracy-strengthening organisations that are active in Burma. Dina agreed that there were a lot but that there remained several niches that WFD would work in. She also noted the appetite for the UK experience. Alex Salmond suggested the experience of the Scottish Parliament, and its historic relationship with Burma should be utilised. Andrew Rosindell referenced the importance of pressing for Burma to join the Commonwealth.

Rushanara Ali and Margaret Hodge informed the Board of their plans to visit Burma in September and welcomed opportunities for liaising with the WFD programmes.

12. Any other business

Given the long gap until the September Board meeting, Henry Bellingham suggested an update bulletin from Anthony to the Board before the summer recess.

13. Date of next meeting

14 September

23 November (NB this is the new date)

The Westminster Foundation for Democracy Limited

Company number: 2693163

Minutes of Meeting of the Board of Governors held in the Boothroyd room, Portcullis House, on Wednesday 14 September 2016

Present Sir Henry Bellingham MP (Chair)
Sir Jeffrey Donaldson MP
Bronwen Manby
John Osmond
Andrew Rosindell MP
Rt. Hon Alex Salmond MP
Simon Walker
Anthony Smith (CEO)
Paul Naismith (Finance Director)

In attendance Kerrie Doogan-Turner (Board Secretary)
Julie Scott (Head of Gulf Team, Middle East and North Africa Directorate, FCO)
(Bahrain Desk Officer)
Tom Pember-Finn (Desk Officer, Egypt Team, North Africa Joint Unit)

1. Apologies

Rushanara Ali MP, Rt. Hon Dame Margaret Hodge MP and Ken Caldwell sent their apologies.

2. Conflicts of interest

There were no new conflicts of interest to declare.

3. Matters arising

On behalf of the Board, Sir Henry Bellingham congratulated Sir Jeffrey Donaldson on his knighthood.

Anthony Smith informed the Board of the progress made against the action points from the last Board meeting and Board Away day. Regarding action point 1, plans for events in Westminster and the devolved assemblies are underway.

Anthony provided an update on how WFD's new information systems (SharePoint) will assist in identifying gaps in WFD's work and how this will contribute to meeting strategic objectives.

Minutes of Board meeting held on 11 May 2016 (Document 1)

The Board approved the minutes for the record for 11 May 2016.

Update items

4. CEO's Report (Document 2)

Anthony Smith reflected on his second year as CEO at WFD by flagging positive change that occurred including the greater cohesion that exists within the organisation today, the secure funding position WFD is in and how relevant our work is in light of Brexit.

He also noted the potential challenges the organisation could face over the coming year, including the change in Government and the impact this has on engagement. The challenges of capturing and describing the impact of WFD's work on the ground, as well as the problems posed by expansion and growth are also relevant.

Anthony added that this provided WFD with an opportunity to make a statement about WFD's vision with the Government and within the broader democracy strengthening community, including expanding WFD's election portfolio.

The Board agreed to send a cross-party letter to new Ministers about WFD's work, with many Governors commenting that the timing provided a real opportunity to promote WFD's offer and relevance to good governance.

ACTION POINT 1 – Anthony Smith to draft letter for Ministers on behalf of WFD's Board of Governors.

Oversight and Performance Monitoring

5. Quarterly progress report

Anthony Smith and Paul Naismith presented the quarterly progress report noting the revisions to the format that include a small number of graphics that capture key issues:

- The target of £9million spend has been achieved for this financial year. Financial agreements with DFID and FCO have secured core revenue for next year. For third-party funding pipeline estimates of good prospects are being watched.
- After the first four months of the year the level of spend is trailing under where we expected implying there will be an intense final quarter.
- On overheads, two corporate staff have been added to address growth needs, with further additions made in the number of delivery staff. The percentage compared to the total revenue is going in right direction.
- The programme summary flags whether programmes are performing in line with expectations. Anthony noted that the number of programmes receiving green ratings has increased, whilst those with amber rated programmes have steps in hand to tackle issues.
- Updates were provided on WFD communications, with specific reference to stakeholder engagement and demonstrating what we are doing and providing examples of how we make a difference.

Bronwen Manby flagged concerns about the level of political party spend. She also noted that lower staff percentages can have a negative impact on the quality of programmes.

Bronwen sought clarification regarding the 26% of programmes designated on the communications update slide. Anthony confirmed that the programmes received a separate communications rating outside of the overall programme rating.

John Osmond noted that the progress report should provide the Board with a level of information to scrutinise and challenge the management of WFD. He flagged that information on quality, delivery, cost and people should be measured but raised concerns that this version

does not assist the Board to measure against key performance indicators. He requested that the management accounts were circulated to the Board. Anthony added that he is happy to include more information and circulate the management accounts.

Action point 2: Paul and Anthony to take early action to review spending plans and inform the Board, FCO and DFID of any likely underspend.

6. Risk Management

Anthony flagged 'risk one' on reputational damage and 'risk three' on internal coherence for discussion. Regarding reputational damage, the change in Government was noted as an area for concern, but the Board agreed that the letter to Ministers should help mitigate any concerns.

On internal coherence, Anthony added that whilst improvements have occurred this is an area that requires continued efforts from both parliamentary and political party teams to continue working together in an effective manner. Taking forward the integrated programme concept has helped to address this issue but progress can still be made.

7. Summary of programmes

A summary of programmes compiled through the quarterly monitoring and evaluation reports provided a brief overview of each programme for the Board of Governors for information.

John Osmond thought it was a very useful document, but questioned some programmes absent from the summary and reflected that the Pakistan programme has always been rated red or amber and has not achieved the buy in needed from recipients. Anthony provided reassurances that this rating was related to events like the registration law for INGOs and added that he had just returned from a successful trip meeting key stakeholders in Pakistan.

Jeffrey Donaldson questioned the absence of Burma/Myanmar to which Anthony assured that the contract was still being finalised with DFID and that the first quarterly update would be received in November.

8. Report of Audit and Risk Assurance Committee

John Osmond reported on the most recent Audit and Risk Committee meeting which had focused on finalising the annual report and accounts. The committee continue to conclude internal actions from internal audit reports and are reasonably confident they can clear the list.

The Board should note the planned internal audit reports planned for this year will include a continued assessment of overseas offices, reviewing business continuity and looking at tenders and contracts

Simon Walker will become a member of the Audit and Risk Committee.

Policy

9. WFD Gender Policy

Anthony notified the Board of the internal review undertaken on WFD's approach to gender which highlighted a lack of clear policy concerning gender sensitivity across all programmes. The broad outline of the review was to strengthen the focus on programmes that tackle women's representation.

Steps outlined included agreement on a WFD wide vision, developing a range of approaches to include more gender sensitive programming and the recruitment of an additional gender advisor. Anthony welcomed Board support for a more rigorous and coherent approach to addressing gender issues.

- Bronwen Manby fully supported the suggestion of having a written document and questioned how it would be applied to discussions in countries like Bahrain for example. She added that this doesn't mean WFD should not engage in such areas, but noted that there are contexts where it is difficult to push gender equality.
- Alex Salmond M.P. referenced the SNP party programme 'Women in politics in the MENA region' noting that his colleague, Tasmina Ahmed-Sheik M.P. had a positive experience engaging with the programme and would have a lot to offer in this area.
- John Osmond was also very supportive of this initiative, but flagged concerns around defining the ambition and tracking progress of this work.
- Anthony added that the policy will ensure that WFD asks about the impact on women's empowerment when making decisions about programming and the context for women. The policy will be calibrated to focus on visible contribution to women's empowerment in contexts where the number of women parliamentarians are low.

10. Bahrain, Kosovo, Egypt

Julie Scott, Gulf Team Leader from the Foreign and Commonwealth Office and the Desk Officers for Bahrain and Egypt were invited to provide insight for the Board on the need for parliamentary strengthening support in Bahrain and Egypt. The Kosovo programme was also outlined.

Bahrain

The FCO team leader advised that, despite the recent political crackdown, there was continuing support for reform in Bahrain and that the WFD programme should continue. The Board agreed.

Julie Scott argued that stability in the gulf is crucial for UK foreign policy. She added that the UK is able to express concerns when we have them, but should have a presence in country to support reforms.

Regarding the recent political crackdown, she added that the FCO does not fully understand the motivations of the Bahraini government at this moment in time, but is working hard to get

to the bottom of how the situation has arisen. However, while the political will exists the UK should try to work on reforms there ahead of the 2018 scheduled elections. The FCO have funded activity in Bahrain through the CSSF including supporting work on independent oversight mechanisms and with the police.

- Bronwen Manby asked what we know about the makeup of the parliament itself and whether it contains independent voices. Adding that we would want to see all different elements of society represented in parliamentary groupings. Anthony responded noting that the programme will work with parliamentary staff to develop their technical skills. work later to build independent voice of parliament
- John Osmond questioned the risk the exposure will give to WFD. Anthony recognised the strong Bahraini opposition community in the UK, adding that monitoring of this criticism will be key.
- Bronwen flagged the broader reputational risk associated with human rights abuses taken place in the country. It would be useful to develop red lines on human rights issues and have an exit strategy planned deciding what action would need to happen for it to be activated.

Kosovo

Anthony described the innovative nature of the new FCO-funded programme in Kosovo, outlining how it will tackle long-standing problems with the entire political system. The programme will involve a flexible approach to political party support. The Board welcomed this and hoped that it would be possible to use this model in other countries or regions.

- Simon Walker expressed his support and referred to his experience in Kosovo ten years ago where he found partners to be very receptive and interested.
- Bronwen Manby added that the programme seems very interesting, especially the model. She stressed that the learning should be taken forward from this project in designing other programmes.

Egypt

The FCO desk officer noted the continuing political evolution in Egypt and the case for some cautious re-engagement by WFD, not least because of the strategic importance of the country. The Board agreed and asked us to discuss options with the Embassy.

- Sir Jeffrey Donaldson referenced his experience in Egypt through his role as UK trade envoy. He noted his relationship with the parliament and ambassador in Cairo and how they were keen for WFD to engage in the country.
- Alex Salmond expressed his support and agreed with Sir Jeffrey Donaldson. He referenced the SNP office work with women in the MENA region and added that it is not possible to ignore Egypt.
- John Osmond noted previous Labour Party involvement in Egypt and the current work by Global Partners, suggesting the possibility of collaboration.
- Sir Henry Bellingham thanked the representatives from the FCO for participating in the discussion.

11. Cost of Politics programme

Anthony updated the Board on the Cost of Politics research programme noting the successful launch event that took place in July. The research highlights the day to day costs MPs face from their decision to stand, the cost of running an election campaign to sitting as an MP and the connections these have with corruption.

Next steps for the programme will include a regional meeting in West Africa and the development of more case studies. Teams will also focus on how we can incorporate the findings into our own programming, as well as collaborate with donors who focus on corrupt practices and encourage them to evaluate the whole system.

Governance

12. Business development strategy

The Board agreed the new business development strategy with one amendment, namely to leave room for securing resources from foundations, who might be more open to funding sister party work than Government donors would be.

13. Any other business

- Anthony informed the Board that there had been three freedom of information requests that focused on the provision of recruitment and office services.
- Anthony informed the Board of WFD's membership to the European Partnership for Democracy, a group of organisations with an office in Brussels well plugged in to the European Commission that will provide an opportunity for WFD to remain competitive regarding European funding opportunities.
- John Osmond noted that Sir Henry Bellingham and Andrew Rosindell's terms have expired but they remain directors. Anthony informed that the re-appointment as governors is still pending with the FCO.
- Sir Henry Bellingham informed the Board that Alex Salmond had notified him that this will be his last board meeting. Sir Henry Bellingham expressed thanks to Alex for his participation on the Board and contributing his wealth of experience.

14. Date of next meeting

23 November (NB this is the new date)

2017 Dates

Wednesday 22 February

Wednesday 7 June

Wednesday 13 September

Wednesday 29 November

The Westminster Foundation for Democracy Limited

Company number: 2693163

Minutes of Meeting of the Board of Governors held in Room O, Portcullis House, on Wednesday 23 November 2016

Present Sir Henry Bellingham MP (Chair)
Bronwen Manby
John Osmond
Andrew Rosindell MP
Simon Walker
Ken Caldwell
Rushanara Ali MP
Dame Margaret Hodge MP
Tasmina Ahmed-Sheikh MP
Anthony Smith (CEO)
Paul Naismith (Finance Director)

In attendance Kerrie Doogan-Turner (Board Secretary)

1. Apologies

Sir Jeffrey Donaldson sent his apologies.

2. Conflicts of interest

There were no new conflicts of interest to declare.

3. Matters arising

Minutes of Board meeting held on 14 September 2016

(Document 1)

Action points from the last meeting were completed, including a letter to FCO and DFID Ministers sent in September and a review of spending that will be covered under item 5 at this meeting.

John Osmond noted the agreement that management accounts would be circulated and wanted the record amended to reflect that.

The Board approved the minutes subject to amendments

Update items

4. CEO's Report

(Document 2)

Capacity

Anthony Smith expanded on the points about capacity in his report, noting a relationship with other agenda items like the risk register and policy issue on the mid-term review of the WFD strategy. Anthony outlined plans to strengthen the central staff capacity of the organisation in line with the increased activity of the organisation – the spend on overheads had fallen from 13% to 7% of income in the past two years as revenues increased. The additional capacity would take overheads to approximately 9% of income, which was well within acceptable levels.

The areas he felt needed additional support included:

- Finance
- HR
- Programme design, monitoring and quality assurance, and gender
- IT system

The issue of capacity was connected to an increase in third-party funding. WFD needed to deliver high quality programmes in greater volume and ensure that we were able to manage additional resources properly. Anthony suggested further discussion of these issues at the next Audit and Risk Committee (ARC).

FCO/DFID engagement

The WFD ministerial meeting was due to take place on 6 December (subsequently postponed to 17 January) with the main agenda item focusing on the letter from the Board of Governors in September that sought further Government backing for WFD.

Anthony noted engagement with the Foreign Secretary at the launch of the Kosovo programme and as a member of the FCO advisory group on human rights that held its first meeting the previous week.

Board discussion on WFD's capacity:

Sir Henry Bellingham supported an increase in capacity but advised remaining below the sector average given the publicly funded nature of the organisation. He welcomed the opportunity for WFD to contribute to UK soft power in a post-Brexit world and thought that WFD's growth had been the result of hard-work and determination.

Dame Margaret Hodge said that further discussion and clarity on overheads was needed, bearing in mind the practices in other relevant organisations. Ken Caldwell believed that 10% of revenues was a typical figure for overheads in the sector but noted the difficulty in measurement. He would worry that organisations working on overheads of less than 7-8% were under managed - WFD was now close to the low side. Margaret Hodge was happy with that clarification but cautioned about the current economic climate and reviews of public expenditure. Ken said that the Programme Quality Committee should review the approach to strengthening monitoring and evaluation.

Andrew Rosindell shared Margaret Hodge's concerns about expenditure of public funds and said he would welcome more information on staffing levels, including in the political party offices.

John Osmond was in favour of investing in capacity and capability to meet expectations based on how the nature of the business has changed since the last grant (third-party funds have increased from 15% to 40% of total revenues). John shared the caution of other Board members but felt comfortable with overheads of 10% or below. He did note a potential confusion between the need for additional overheads and the relationship this has to the delivery of bids.

Simon Walker was sympathetic to the case for additional investment in capacity. In the post-referendum environment, he felt there was a clear need for expansion in the soft power role of the UK and welcomed gearing up to that.

Tasmina Ahmed-Sheikh noted the strategic importance of a gender adviser for WFD. This was an area that should be at the forefront of the organisation's work. Margaret Hodge agreed on the importance of promoting women's empowerment but wanted to see it mainstreamed - the use of a Gender Adviser should not result in the issue being side-lined. Rushanara Ali asked for information about the current gender balance of WFD staff.

Rushanara Ali said that while growth was important, WFD also needed to have contingency plans in case of a reduction in funds.

Action point 1: Anthony Smith to circulate a note to the Board on growth and corporate costs, including contingency arrangements in case of lower than expected growth. Anthony Smith also to circulate a note on gender balance of WFD staff.

Oversight and Performance Monitoring

5. Quarterly progress report

For Review:

- *Progress on performance targets*
- *Budget implementation*

For approval:

- *Budget reallocation in light of spend to date*

Paul Naismith provided an overview of the quarterly progress report.

On the budget, he noted that the prospective income had been reduced since some anticipated revenues had not yet been confirmed. As far as spend was concerned, the parliamentary and political party teams were forecasting full spend. Compared to last year, the teams, including the parties, were more advanced in their planning which gave more confidence about the likely outturn. Spend on corporate overheads had increased due to investments in IT and training. Overall, Paul was confident of achieving break even this financial year.

The pipeline of opportunities for next year was healthy (as discussed at the last ARC meeting), though of course attention was needed to prevent over reliance on unsecured revenue.

Board members commented on the presentation of the progress report, with some requests for additional detail, and looked forward to getting remote access to WFD documents. Bronwen Manby felt the at-a-glance document was a useful addition to the management accounts.

Action Point 2: Paul Naismith to circulate full management accounts

6. Risk Management

The main risk discussed was Risk 11, namely lack of capacity to respond to increased programme activity. The Board referred back to the discussion on the CEO's report.

7. Summary of programmes

The Board welcomed the summary information on WFD programmes and made suggestions for improving the presentation, eg on inclusion of budget information. The Board felt that the overview of programming reinforced the points made in previous discussions about the importance of sharing information between programmes and collaborating closely when different programmes were present in the same country.

8. Report of Audit and Risk Assurance Committee

John Osmond summarised the discussion at the last Audit and Risk Assurance meeting, particularly related to design and operational effectiveness of WFD programmes. In general, programming processes needs to continue to improve, and John noted the link to the capacity point outlined in the CEO's report.

Margaret Hodge had asked about the lack of reports of fraud, corruption or whistleblowing over the last year, which was surprising considering the environment we operate in. Anthony Smith responded that a major reason for this was that WFD does not transfer money to other organisations but manages it within our own systems, eg to organise visits, and pay for salaries and office costs. There is therefore less scope for fraud. However, our audit processes, including of country offices, continue to review key areas of risk.

9. Report of Programme Quality Committee, 10 November

Ken Caldwell apologised for the delay in distribution of the report and minutes due to the proximity of the previous meeting to the Board.

Gender

Bronwen Manby noted the excellent presentation on gender at the last meeting, including the positive feedback from beneficiaries of WFD programmes. Bronwen was confident that the WFD team would be able to mainstream the policy across the organisation.

Kosovo

Andrew Rosindell requested clarification about the new programme in Kosovo and the level of involvement from Political Party offices. Anthony Smith recalled the discussions with political party offices. He noted that the Embassy in Kosovo wanted to address concerns about the performance of political parties in new ways. Where there are relationships with UK parties he would like to use these to help improve the performance of the parties in Kosovo.

Bronwen Manby noted that the Kosovo programme complemented the integrated programme model and wondered whether it could be used more widely - a lot of progress has been made with this model but there was still a way to go.

Governance

10. Board membership

Henry Bellingham formally welcomed Tasmina Ahmed-Sheikh to the Board of Governors and thanked Bronwen Manby for the great work she had done in her time as Governor. Henry Bellingham noted that interviews for Bronwen's successor were scheduled for the end of January 2017 and her successor might not be in place by the February Board meeting.

Policy

11. Preparation for Mid-Term Review of WFD Strategy

Anthony Smith explained the procedure for updating the WFD strategy (2015-2020) through a mid-term review in 2017 and sought Board agreement on the timing for the review. A draft outline for the strategy re-fresh will be submitted for Board approval at the next Board meeting in February.

Anthony believed that changes to the strategy were required for three reasons:

1. To reflect the knowledge gained by the organisation since the triennial review was conducted in 2014, including recognition of the need for greater flexibility in our approach to addressing the challenges countries transitioning to democracy face.
2. To outline WFD's ambition for increased impact on democracy support given the importance in pursuing the UK's international priorities following the decision to leave the European Union.
3. To reinforce some pillars of WFD's current work, eg on elections, that were not foreseen in the original strategy document.

Anthony noted that a possible sequence was for the strategy to be published in April, followed by the mid-term evaluation and then the next triennial review. We would then be able to submit a proposal for further funding starting in the 2018/19 financial year.

Henry Bellingham welcomed this approach and noted the relevance to the next WFD meeting with FCO and DFID ministers. Anthony felt that WFD's objective for that meeting would be to reach a shared view on the UK's commitment to democracy support and the way in which that could be part of our approach to promoting security, stability and prosperity in the world.

Anthony Smith noted that WFD's work was relatively low cost and noted the overlap between supporting democracy and effective governance on the one hand and other UK Government priorities like trade and defence.

Bronwen Manby welcomed a refresh of the strategy to make it more focused, including on opportunities for integrated programming, civil society support and women's empowerment. Bronwen also supported additional work on elections support. Ken Caldwell felt that the current political context was important for WFD and a big moment of opportunity for additional impact on UK priorities. Rushanara Ali agreed and added that evidence generated by the research programme could be better incorporated into WFD's core mission.

12. Briefing on WFD's programmes in Europe

Anthony Smith flagged that WFD's programmes in Europe had supported significant levels of parliamentary cooperation in the Balkans, as well as helping to address the very significant challenges in the Ukrainian parliament. There was now a risk that WFD will be perceived as less qualified to run programmes that have a link to EU accession. The Europe team will continue to monitor the situation closely but we would also promote our unique perspective on the EU and our ability to provide unbiased advice on approaches to accession.

Any other business

Rushanara Ali recalled the suggestion that each member of the Board should visit a programme. Rushanara and Margaret Hodge would be visiting Myanmar in February and would be happy for other political Governors to join them. Henry Bellingham agreed, noting that it would be good for Independent Governors to visit WFD programmes too.

4. Date of next meeting

22 February 2017