



**The Westminster Foundation for Democracy Limited**

Company number: 2693163

**Minutes of Meeting of Board of Governors of Westminster Foundation for Democracy, on 24 June 2021**

*Meeting VIA ZOOM: 9:30-11.40am.*

**Present:** Richard Graham MP (Chair)  
Rushanara Ali MP (Vice Chair)  
Sue English (Vice Chair)  
Simon Walker  
Thomas Hughes  
Mark Babington  
Christine Jardine MP  
Rt Hon Maria Miller MP  
Rt Hon Harriet Harman MP  
Brendan O'Hara MP  
Anthony Smith (ex-officio, CEO)  
Joyti Mackintosh (ex-officio, Finance Director)

**In attendance:** Chris Lane (Company Secretary)

**Welcome and Apologies**

The Chair welcomed Board members and particularly Harriet Harman MP to her first WFD meeting. The Chair outlined the proposed agenda.

There were no apologies for absence. The meeting was quorate.

**Declarations of interest**

None were raised.

**Minutes and matters arising**

The Board approved the minutes of the February 2021 Board meeting. The Chair observed that all actions arising from previous Board meetings had been completed, save for the actions on the Company Secretary to facilitate the next CEO performance review, which will happen in July, and hosting an in-person Board event.

**1. Influencing HMG strategy and the spending review**

The Board noted that, following the publication of the Integrated Review, WFD objectives are to secure a multi-year grant-in-aid settlement with FCDO that expands WFD's capacity to deliver global programming to meet the UK's international policy priorities and a wider range of funding opportunities at country-level. The Integrated Review provides a good high level sense of strategic direction for the UK's international priorities and the UK's commitment has been reinforced in the Queen's Speech and the G7 Open Societies Statement. However, this strategic direction was not sufficiently detailed to provide a clear framework for policy and programming.

WFD's focus over the coming months will be to engage with the FCDO on the development of a promised open societies and human rights strategy, seek to influence the development of country plans, and seek the best possible outcome for WFD through the spending review later this year. The strategy should provide guidance or a toolkit to FCDO heads of mission and programme managers on the issues to consider when thinking about democratic governance in a location, the ways in which democratic transition can take place and over what time periods, and the tools or instruments that can be used to help make change happen.

The Board recognised that the spending review is a critical opportunity to ensure WFD has the resources to deliver the UK's ambitions around open societies – and offered several suggestions as to actions Board members and Management could take:

- The Chair should write to the Foreign Secretary explaining the funding challenges this year, the opportunities for the future, and to make the case for the contribution WFD can make to the Foreign Secretary's priorities.
- WFD, with the support of the Political Party Offices (PPO), could actively take steps to build or reinforce its profile among parliamentarians, particularly those who may have had some experience working with or volunteering for WFD. As part of these efforts, the Chair could write a letter to all new parliamentarians, providing a description of WFD and its work, and invite them to a virtual briefing. Board members indicated that it would be helpful to have a wider network of champions in Parliament, beyond our Governors, who can raise points in debates or ask relevant questions at FCDO questions.
- We should continue to strengthen links with relevant No 10 advisers in the run up to the spending review.

**Action: Management to generate a target list of parliamentarians who have had prior engagement with WFD activities and relevant Board members to check with their respective PPO and party HQ officials to identify parliamentarians who have taken an interest in PPO work.**

**Action: Management to prepare two draft letters for the Chair; one to send to the Foreign Secretary and the other to target parliamentarians.**

## **2. CEO's report**

The CEO summarised the highlights of his written report, which focused on WFD's geographic presence and the changes experienced or anticipated as a result of the cuts to funding and/or the shift in UK priorities. The CEO advised that, notwithstanding some high level guidance in the Integrated Review, the Government is still working out the UK's geographic priorities.

The Board noted that:

- WFD has a strong presence and programme in the Western Balkans. This employs 25% of WFD's workforce across five countries. The current programme will finish at the end of July 2022, but discussions have started with the regional CSSF representatives and Embassies about a new multi-year regional programme. The prospects of this are thought to be good. The rest of

the Central Asia and Eastern Europe region presents a mixed picture, with UK disengagement from Central Asia but some good prospects in Ukraine and Georgia.

- In the Middle East and North Africa, it is not clear how strong UK interests are in the region and what confidence there was of the change that could be achieved. There has been some significant PPO programming and a strong regional programme, which we should endeavour to continue to support if resources allow. Our work in Jordan is finishing in July.
- Africa is a priority region for WFD but it is not yet clear how much resource will be allocated by FCDO to work in the region. The Integrated Review referred to East Africa. WFD will be closing its DRC programme shortly and continues to explore opportunities in Ethiopia, although WFD will proceed with caution in light of the difficult political situation in-country. The Chair suggested that Management should connect with the Minister for Africa on the anticipated shape of the open societies agenda in Africa.
- WFD is starting to see signs of the shift in emphasis expected as a result of the Indo-Pacific tilt, although this has yet to be converted into substantial new investment and expansion. Funding is still very tight in many locations. We are in the process of closing-out WFD's presence in Myanmar and exploring an opportunity in Taiwan. This aligns well to the continued prioritisation of the Indo-Pacific region by the US Government under President Biden. Management should consider engaging directly with IPAN.
- Latin America and the Caribbean remains a low UK priority.

The Board noted the difficult decision, taken in conjunction with the Embassy, to close WFD's office in Myanmar. The context in Myanmar remains extremely difficult. WFD still intends to play a useful role, monitoring developments, carrying out political analysis and providing information and technical advice to key stakeholders, remotely via a small team based in an alternative location in Jakarta. It is unlikely that the team will seek to actively provide support to the national unity government. If circumstances change, WFD would be keen to re-engage through an in-country presence, but in the meantime, an Indonesia-based team will also enable more proactive engagement with ASEAN.

The Board welcomed news of a potential opportunity to work in Taiwan. This will be subject to a competitive process run by the UK's Representative Office in Taipei but WFD seems well-positioned. The programme, if commissioned, could involve some sharing of expertise with the Taiwan parliament on specific areas of practice, such as post-legislative scrutiny, but it was noted that the parliament is highly regarded as a strong institution. WFD could also play a role working with the Taiwan Foundation for Democracy (TFD) to share good practice throughout the region. Board members acknowledged the risks associated with such a programme, particularly in relation not relations with China, which would need careful handling. However, Board members indicated that this represented a very positive opportunity to engage in this important territory and to work with a strong partner like the TFD, which had originally been modelled on WFD.

### **3. Report of the Audit & Risk Assurance Committee**

Mark Babington, as Chair of the ARC, provided an overview of the Committee's recent work. The Committee had met twice since the last Board meeting to focus on the implications of the funding settlement and the Annual Report and Accounts for FY 2020-21. The Committee had also welcomed the annual report from Crowe LLP, which provided reasonable assurance in relation to WFD's internal controls and systems.

On the draft Annual Report & Accounts (ARA), the Board noted that:

- The accounts had been prepared on a going concern basis, which was appropriate, and relied upon a letter of comfort to be provided by the FCDO, as WFD's parent department. The current draft letter of comfort, which is constructive and helpful, provides assurances for a 12-month period from the date of the approval of the ARA.
- In consultation with the auditors, the Committee has considered whether there may be events or conditions that give rise to a material uncertainty as to going concern after that 12-month period. This is a requirement of audit standards. Although there is a positive degree of political and policy commitment to WFD and its work, as part of the open societies agenda, for the long-term, there is uncertainty about future funding. This should be resolved by the spending review later this year, but when the ARA is approved in July, it would be appropriate to include a disclosure to ensure transparency about this uncertainty. The auditors will then consider what emphasis they may need to draw to this disclosure in their audit report. WFD will receive an unqualified audit opinion in any event.
- Whilst this will be the case for other publicly funded bodies, WFD's circumstances are complicated somewhat by its status as both a company and a non-departmental public body.
- The process to develop the ARA has gone well and the document reads well.

The Committee will be meeting again on 25 June. Mark also plans to meet with the FCDO Audit Committee Chair on 22 July.

#### **4. Report of the Programme Quality Committee**

Thomas Hughes, as chair of the PQC, provided an overview of the Committee's recent work. The Committee has met twice since the last Board meeting using a revised format, which seems to be working well.

The Board noted that the PQC has focused since the last Board meeting on:

- Programme performance
- Quality controls as part of the programme cycle, including a rigorous political economy analysis process as part of programme design.
- Opportunities and challenges presented by the ongoing pandemic context and difficult funding allocation.
- Learning and measuring impact.

#### **5. Company Secretary Report**

The Chair referred Board members to the report and noted the progress on Board appointments/re-appointments. The Chair invited Governors to indicate an interest in joining one of the three Committees, highlighting the vacancy that will arise on the ARC when Simon Walker retires in December and the current vacancy for a chair of the People Committee. Maria Miller MP and Brendan O'Hara MP each indicated that they would be prepared to consider joining a Committee and could be flexible based on WFD's needs. Management will now brief Maria and Brendan on the terms of reference and work of the ARC and People Committee and, if they are agreeable, their appointments could be ratified at the next Board meeting.

The Board approved the delegation of authority to the ARC to approve the Annual Report and Accounts for FY20-21 and authorised Mark Babington to sign the Annual Report and Accounts on behalf of the Board.

## **6. Quarterly Progress Report and Corporate Risk Register**

The Board accepted Management's Quarterly Progress Report covering the period to 31 March 2021 and the Corporate Risk Register, as presented. The Company Secretary advised that the ongoing Management focus remains on risks associated with funding and demonstrating the quality and impact of our programmes in the context of more constrained resources and the pandemic. Other risks are static.

Board members noted that the Progress Report and Risk Register are reviewed in detail by the ARC in advance of each Board meeting. Governors indicated that the Report continues to provide useful information for the Board on recent progress, opportunities and challenges, and the financial summaries are regarded as very helpful.

The Chair observed that this would be Joyti Mackintosh's last Board meeting as she plans to leave her role with WFD in July. The Board thanked Joyti for her contributions.

## **7. Plans for Board away day**

The Board agreed that Thursday 22 July would be a good opportunity to come together in person to discuss strategy, some examples of WFD programmes, and plans for the 30<sup>th</sup> anniversary. This should be hosted at WFD's new offices at 22 Whitehall. Board members also suggested that it would be helpful to consider travel opportunities for Governors to visit or support WFD programmes next year.

**Action: CEO to prepare and circulate a draft agenda for the Board away day on 22 July.**

## **Any other business**

The Board noted that the next formal Board meeting would be held on 9 September 2021.