

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