

IPPF BOARD OF TRUSTEES MEETING
Held on Thursday, 23 & Friday, 24 July 2020 (Virtual Meeting)

DRAFT MINUTES

Present - Trustees:	In attendance:
Isaac Adewole	Varun Anand, Director, Finance & Technology Division
Abhina Aher	Mina Barling, Director, External Relations Division
Rosa Ayong-Tchonang	Alvaro Bermejo, Director-General
Ulukbek Batyrgaliev	Snjezana Bokulic, Director, Performance Division
Bience Gawanas	Giselle Carino, RD, WHR
Kate Gilmore – Chair	Mariama Daramy-Lewis, Director, People, Organisation & Culture Division
Surakshya Giri	Tomoko Fukuda, RD, ESEAOR
Josephine Obel	Caroline Hickson, RD, European Network
Adriana Mendoza Bautista	Manuelle Hurwitz, Director, Programmes Division
Jacob Mutambo	Sonal Mehta, RD, South Asia Region
Donya Nasser	Elizabeth Bennour, Interim RD, Arab World Region
Aurélia Nguyen	Marie-Evelyne Petrus-Barry, RD, Africa Region
Deika Nieto Villar	Paula Sofowora, Director, Legal Risk & Compliance
Elizabeth Schaffer	Achille Togbeto, Director, Governance & Accreditation
Kobe Smith	Daniel McCartney, Staff Association Representative/Technical Adviser, HIV
	Aileen McColgan, Honorary Legal Counsel
	Caroline Dickinson, Minute Taker
	Sessional attendees:
	Riva Eskinazi, Director, Strategic Partnerships & Development
	Seri Wendoh, Senior Technical Adviser, Gender
	Julie Taft, Director, Humanitarian Hub
	Sam Greenberg, Redstone Strategy (external)
	Lee Green, Redstone Strategy (external)

Welcome and Introductions

Kate Gilmore, Interim Chairperson, welcomed everyone to the second meeting of IPPF's Board of Trustees. The Chair welcomed in particular IPPF's Honorary Legal Counsel, Aileen McColgan, and the newly elected Staff Association

Representative, Daniel McCartney. They both had the opportunity to introduce themselves to the Board.

Tributes

The Chair referred participants to the list of Tributes made to honour those people who had recently passed away. They were: Mrs. Anastasie Noutchaya (Cameroon Member Association), Mr. Barout Ibet (Chad Member Association), Mr. Edmond Espérance Kombo (Congo Member Association), Professor Alois Nguma Monganza (Democratic Republic of Congo Member Association), Ms. Zelda Nhlabatsi (Eswatini Member Association), Mr. Gift Malakwa (Zambia Member Association), Dr. José Jarquin (El Salvador Member Association) and Chief Wilfred Mbam Nkwagu (Nigerian Member Association). The Board put on record its thanks to them for their extraordinary contributions to the Federation and sent deep condolences to their families.

Voting

The Chair confirmed that during these virtual meetings the system's messaging and polling system would be used to cast votes, as appropriate. The Chair did suggest that where possible the Board should strive to work towards a common understanding and consensus.

1. Procedural Items

1.1 Apologies for absence

There were no apologies for absence. It was noted that Donya Nasser would be joining the meeting later and Josephine Obel may need to leave the meeting early.

1.2 Approval of the Minutes of the previous meeting

The Board **noted** the Minutes of the final Governing Council meeting held on 15 and 16 May 2020.

The Minutes of the Board of Trustees' meeting held on 17 May 2020 were **approved** as an accurate record of the meeting.

The Board reviewed the Action List from the last meeting and it was noted that all matters arising had been actioned or were in progress.

1.3 Adoption of the agenda and timetable

The Board reviewed the agenda and timetable for the meeting. The Chair advised that there might be some timetabling changes to take account of Trustee availability during the meeting.

It was acknowledged that it had not been possible for papers, other than English papers, to be sent out within a reasonable timeframe, due to logistical issues around Covid-19 and staff not being in the office. It was **noted** that in the future meeting papers for the Board of Trustees' meetings would be made available to members, in all working languages, two weeks before the next meeting.

A Board member requested further information on the negotiations with the Western Hemisphere Region, as well as the situation with the European Network. Further updates were also requested on safeguarding and integrity issues, as highlighted in the DG's Report. The Chair advised that these would be addressed under agenda item 2.

Following requests from Trustees, it was **noted** that at the next Board meeting there would be an agenda item on the Youth Strategy.

The Board unanimously **adopted** the agenda and timetable for the meeting.

2. Report from the Chairperson and the Director-General

The Board had received the Report from the Chairperson and the Director-General (DG) under paper no. BoT/07.20/DOC2.1 & 2.2. This was in addition to email updates which had been sent out since the last meeting.

The Chair highlighted the ongoing negotiations with the Western Hemisphere Region (WHR) on the new framework agreement which will guide the working relationship between the central Secretariat and WHR. So far three meetings had taken place, with positive and frank discussions. WHR had provided some detailed text which was currently under discussion. It had been hoped to have an agreement in place for this meeting, but the negotiations were ongoing.

In response to a request made earlier for more information on the European Network (EN), the DG clarified that a framework agreement would not be necessary in this situation. The EN was looking to renew their local association documents. They are registered in Belgium as an international NGO and their statutes need to be reviewed to align with IPPF post-reform. Lawyers had prepared a proposed revision and some agreed changes had been made. This document would come to the Board in due course then to the Regional Council and it would require authorisation by the King of Belgium. It was anticipated that the process would run smoothly and it would be complete by the end of this year.

With regard to youth issues, the DG advised that the Youth Manifesto was launched in New Delhi in November. This was based on the results of a huge survey of around 16,000 young people. The most direct influence of the Manifesto had been around the shaping of the Federation's Business Plan and the restricted projects funded, particularly in relation to the selection of Comprehensive Sexuality Education Centres of Excellence, the youth leadership centre, the youth social venture fund and a feasibility project from the India MA. The key pending item was the hosting of Regional Youth Forums, to agree how to embed the work into the regional levels. These had been postponed due to Covid-19 but some regions were hoping to do this virtually in September/October. The Youth Manifesto had also influenced the shaping of the new Unified Secretariat. A Global Youth position had been created and this position would be based in the Africa Regional Office in Nairobi. This region has one of the strongest Youth Action Networks and it has the highest level of youth needs.

With regard to integrity issues, it was noted that these would normally be addressed by the Membership Committee (MC), but due to the transition the MC was not yet in operation. The DG provided further information to Trustees on two serious incidents, one linked to the MA of Syria and the other involving the MA of Kenya. The MA of Syria had uncovered a potential safeguarding issue involving a Board member in his private capacity; they reacted quickly and he has now been removed. With regard to the MA of Kenya, an independent investigation was in progress around financial integrity and safeguarding issues. IPPF had suspended its contributions to the MA and a staff member had been suspended, pending the results of the investigation. Donors had also been informed. Separately, there were also some smaller issues which were being dealt with by Regional Offices. The DG warned that more allegations might come forward from some regions following recent staff changes, and the Directors' Leadership Team (DLT) was discussing how to take a more proactive approach.

During discussion Board members asked for further information on the two cases which had been reported. They asked for clarification over the procedure for reporting such cases to the Board, when were these incidents detected and when was action taken, what was the reputational impact for the Federation and what lessons had been learned to ensure that such cases did not happen again?

The DG advised that these were two very different situations. With regard to the Syrian MA, the whistleblower reported the case just over a month ago and the Regional Office took immediate action. The Board of the MA responded within a week and took appropriate action. In the case of the MA of Kenya an open investigation was underway. The Secretariat had called for a meeting with the MA just before lockdown and the meeting was not able to take place. However, lawyers had now taken charge and they were proceeding quickly. Exposure of both these cases and the speed of response was linked to the Federation's reform. Prior to the reform it would have been very difficult to deal with such cases because of the structures which were in place. The Federation's commitment is to react quickly and to apply its policy of zero tolerance. Prevention was about challenging the culture, enabling whistleblowing and taking quick action. Such cases would usually go to the Membership Committee, the Trustees' safeguarding focal point and to the Finance, Audit & Risk Committee. The whole Board would be informed at the appropriate time in the more serious cases with significant reputational risk.

In response to a question about the Secretariat's stance on media reporting of such cases, the DG advised that the Secretariat had an experienced crisis communications team, headed by the Director of External Relations. In many cases the decision was made not to respond directly, but the approach used was usually taken in consultation with the MA.

A Board member asked if there was a Code of Conduct which volunteers and staff were required to sign. The DG advised that the Secretariat used such a

document for certain volunteer and staff events, but it was not clear if all MAs had a similar Code of Conduct.

In response to a question about the timeframe for signing the agreement with WHR, and a request for a more detailed report, the Chair advised that it had been hoped to finalise negotiations for this Board meeting. The primary stumbling block was that the details of the resource allocation system had not been finalised.

It was noted that the Board would be provided with further updates on the cases described above, as well as on the continuing negotiations with WHR.

The Board noted the reports of the Chair and the DG.

3. **Governance Reform**

3.1 **Confirmation of Board Chair**

Bience Gawanas took the floor for this agenda item and Kate Gilmore withdrew from the meeting.

The DG reminded Board members that they had originally been asked to signify if they were interested in chairing the Board. A small number of people came forward. The Transition Committee reviewed the list and made a proposal to the GC that Kate Gilmore be the interim Chair until the Board was able to appoint its own Chair. GC had approved this recommendation. The Board was now being asked if it wished to confirm this decision or whether it wished to open up the process to select its Chair.

A Board member requested that all those who had originally registered their interest should now come forward and advise whether they would still wish to be considered for the position of Chair. Three Board members came forward and each withdrew their interest.

The Board **appointed** Kate Gilmore as Chair of the Board for a three year term, with 13 votes in favour and one abstention. Kate re-joined the meeting, was informed of the decision and was congratulated.

3.2 **Policy review**

Achille Togbeto, Director of Governance & Accreditation, referred the Board to paper no. BoT/07.20/DOC3.2, which detailed some proposed amendments to the IPPF Policy 1.8: Board of Trustees – Terms of Reference. These amendments would harmonise certain term of office provisions in both the IPPF Regulations and the IPPF Policy 1.8.

Following clarification over use of some terminology used in the policy, the Board unanimously **approved** the proposed amendments to IPPF Policy 1.8: Board of Trustees – Terms of Reference.

3.3 Participation in Committees of the Board

3.4 Board staggering

The Board reviewed paper no. BoT/07.20/DOC3.3 & 3.4 which set out a proposal for the staggering of Trustees' initial term on the Board, as well as a recommendation to endorse appointments as Committee Chairs and Members, and additional Trustee responsibilities.

It was clarified that the process for re-appointment of Trustees would involve a review of the performance of individual Trustees by the Nominations & Governance Committee (NGC), subject to the willingness of an individual to stand for another term. The next term would automatically be for a term of three years.

In answer to a question about the terms of office for youth Board members and whether there was a Board youth co-ordinator, Achille Togbeto advised that although the Board did not have a youth co-ordinator, there was a specific provision in Policy 1.8 for youth to ensure a continuity of youth members.

A Board member pointed out that for those Trustees whose first term was for one year under the staggering system, the standards used by the NGC to assess these members might be hard to apply. It was acknowledged that this was a potential issue and that the Chair had recommended to the NGC that the performance review should take account of this. The NGC had also agreed to share with Trustees the criteria which they would be assessed against.

Looking at the terms of office for Chairs of the Committees, it was pointed out that the three year term would preclude anybody serving who had an initial one or two year term of office under the proposed staggering system. Furthermore, the pool of those eligible would always be limited to one third of the Board membership. It was confirmed that this was the case, but this was the only way to introduce staggering of Board membership. The Chair added that there would be turnover of Board members by natural circumstances, so there might be other opportunities for members to Chair committees. That being said, there were 14 Board members and four Committee chairing positions, but there would also be other very important leadership roles for Board members to fill in due course.

It was clarified that if a Trustee was also a member of an MA and they had to move to another country, they would still be a Trustee and would serve for their entire term of office. It was emphasised that Trustees were not representatives of their MAs. Trustees could continue to serve as a Board member of their MA, but if there was a clash of interests, then there was an expectation that the conflict should be declared and they may need to abstain from voting.

A Board member suggested that this problem could be alleviated if Committee Chairs held a shorter term of office. However, it was pointed out that it takes time to learn and gain experience in a chairing role and it also provided a level of stability to the Committee.

Following discussion, the Board **approved** unanimously the staggering of Trustees' initial term, as presented in paper no. BoT/07.20/DOC3.3 & 3.4.

The Board **endorsed** the following appointments:

Finance, Audit & Risk Committee:

Chair – Elizabeth Schaffer;
Member and Treasurer – Bience Gawanas.

Membership Committee:

Chair – Deika Nieto Villar;
Member – Ulukbek Batyrgaliev.

Policy, Strategy & Investment Committee:

Chair – Abhina Aher;
Member – Josephine Obel.

Resource Allocation & Technical Committee:

Chair – Isaac Adewole;
Member – Kobe Smith.

Treasurer

Bience Gawanas

Safeguarding issues focal point

Kate Gilmore (as Chair of BoT)

It was **noted** that the Treasurer, the Chairs of the Finance, Audit & Risk Committee, the Membership Committee and the Policy, Strategy & Investment Committee would each serve for a three year term. Members of Committees would serve for the period allowed under the agreed staggering process. As the Resource Allocation & Technical Committee would not be a permanent standing Committee, the term of office of its Chair would be in accordance with the agreed staggering process.

The Board **agreed** that at the end of its first year it would conduct an evaluation of its work, processes, opportunities to contribute and lead, including the chairing and membership of its Committees and the fostering of youth leadership.

4. Resource Allocation Reform

4.1 Guidelines for Streams 1, 2 and 3

This item was chaired by Bience Gawanas. The Board was referred to paper nos. BoT/07.20/DOC4.1a, 4.1b and 4.1c, which provided details of the proposed guidelines for Streams 1, 2 and 3.

Varun Anand, Director, Finance & Technology Division, introduced this item by reminding the Board that the General Assembly had approved a new Resource

Allocation framework which was subsequently ratified by GC. This comprised three streams:

Stream 1: Funding to MAs of a minimum of 80% of core unrestricted funding

Stream 2: Strategy Fund – up to 15% of core unrestricted funding

Stream 3: Emergency Response – up to 5% of core unrestricted funding

Stream 1

The Board welcomed representatives from the Redstone Strategy Group, Sam Greenberg and Lee Green, who had worked with the Secretariat to develop guidelines for Stream 1. They presented an overview of the proposals for Stream 1:

- The guidelines were developed through a process of broad consultation with MAs and Secretariat staff. There was an emphasis from MAs on transparency, a call for the Secretariat to support MAs in developing their plans and a desire to have some external representation on the Technical Review Team.
- The MA allocation process would unfold every three years, to align with the six year cycles of IPPF's Strategic Framework.
- The Board Committee in charge of allocations would play an important oversight role and it would pass on its recommendations to the full Board for approval.
- Long term eligibility for Stream 1 funding would be restricted to lower and middle income MAs, based on the decisions of the General Assembly and as ratified by GC. MAs in high income countries would not be eligible after 2021, but both high income countries and collaborative partners would remain eligible for Stream 2 and Stream 3 funding, and for restricted grants.
- There would be a phased roll-out, with the first three year cycle starting in 2023. For 2021, the prior allocation formulas would determine funding amounts. MAs in several pilot regions would use the new process to draft their business plans.
- The next steps would be to finalise the guidelines which would be shared with MAs. Assistance would be given to the selected pilot regions to use the MA planning and review process this year. The allocation formula would be presented to the Board in November.

During discussion a Board member asked how the resource allocation system would work during a time of emergency, for instance in response to the Covid-19 pandemic. Another Board member highlighted that the impact of Covid-19 was universal and inequalities were being exacerbated. For instances, countries in the Caribbean and Latin America were facing stark inequalities. There was concern that high income countries would be left behind under the proposed new system, and this would go against the principle agreed in New Delhi in November that nobody should be left behind.

Another Board member raised similar concerns. Whilst it was understood that IPPF would have three streams of unrestricted funds, in the context of the current global crisis many countries which were deemed to be high income countries may no longer be high income countries, and there would be an increasing number of women and girls who will not be able to exercise their sexual and reproductive rights.

In response, the DG clarified for the Board that the General Assembly had approved a number of parameters for resource allocation, including the stipulation that at least 80% of unrestricted core funding should go to Stream 1, and that only lower and middle income countries receive core grants from it. This is consistent with current policy and existing OCDE-DAC donor restrictions. Any changes to these principles would need to be re-considered by the General Assembly. The Federation has had to respond to Covid-19 in a constrained environment, but there was an Emergency Fund of US\$250,000 from which the Secretariat had responded, and under the new system this would grow to up to 5% of core unrestricted income.

The Staff Association representative put forward some concerns from staff on the role of the Secretariat in helping MAs to develop their three year plans, in the light of the proposed re-structuring and the likely disproportionate impact on technical staff. The DG and Finance Director provided assurances that the transactional cost of moving from a one year cycle to a three year cycle would be lower, and this had been behind some of the thinking of the Secretariat re-structure.

A Board member queried some of the dates provided in the summary and detailed guidelines regarding the piloting of the new system and the introduction of the first three year cycle. A representative from Redstone clarified that the new system would be piloted for two years and that the first three year cycle would be from 2023 to 2025, and they would ensure that the dates were consistent in all the texts.

Stream 2

The Board welcomed Riva Eskinazi, Director, Strategic Partnerships & Development, who presented the proposed guidelines for Stream 2, the IPPF Strategic Fund. The purpose of this fund was to develop strategic initiatives in the areas of the Strategic Framework that require additional support and that would help IPPF deliver on its strategic outcomes. The Strategic Fund would provide agility and the ability to react swiftly to strategic challenges and emerging opportunities and would be available to all MAs, including those in high income countries, and Collaborative Partners. The Fund would offer two funding channels, a regional rapid response fund and a consortium fund. Up to 15% of the unrestricted core funding would be allocated to Stream 2.

Stream 3

The Board welcomed Julie Taft, Director, Humanitarian Hub, who presented the proposed guidelines for Stream 3, the Emergency Response Fund. This fund was built on the foundations of the current Director-General's Emergency

Response Fund and the principles remained the same. It would be available to all MAs and Collaborating Partners and would comprise up to 5% of unrestricted core funding. Stream 3's primary focus would be on service delivery and the implementation of life-saving sexual and reproductive health services in humanitarian settings. The guidelines provided a definition of humanitarian crisis. Stream 3 would open on 1 January 2021.

Following the reiteration of the point made earlier regarding the funding of high income countries, the DG advised that IPPF has to accept the restrictions laid down by donors. Core unrestricted grants cannot be issued to high income countries. This was an IPPF policy, and it was a restriction imposed by donors on all organisations, and it was not specific to IPPF. The General Assembly had agreed that this decision should be respected. The Secretariat was making every effort to find alternative funding to allow this gap to be filled and funding from Stream 2 would help to ensure that nobody was left behind.

Deika Nieto Villar advised that she would be abstaining from approving this model, given the percentages allocated to the different streams and as high income countries would not have access to stream 1 funding. She asked for her comments to be put on record.

With six votes in favour, one against and five abstentions:

*The Board **approved** the Resource Allocation Reform Guidelines for Stream 1 (unrestricted core support to MAs), Stream 2 (Strategic Fund) and Stream 3 (Emergency Response).*

5. A New Board in a 'New' IPPF at this critical time

5.1 Seizing the moment

5.2 Board Work Plan

The Chair introduced to the Board a draft Work Plan, which had been prepared based on her conversations with individual members. The context of this document was to consider how the Board could offer the best of leadership to IPPF in the current era in which the world was facing, and often failing, to confront some of the gravest challenges since the second World War. Covid-19 had peeled back the fiction of equality to show some of the worst dimensions of inequality, Black Lives Matters had exposed the horrors of racism and the deep hatred of women and girls continued to plague the provision of reproductive health services. The Work Plan was designed to help the Board to move more quickly into the substance of its work very quickly. It was a tool to help the Board focus on its first six months and to lead it into the programme for next year. It would also complement the existing Business Plan of the Secretariat.

The Chair explained that she had tried to identify successes as being described by various stakeholders – those groups and people that the Board is accountable to, for instance MAs, people we serve, the Charity Commission, the DG and each other. This document could also help the NGC in assessing the Trustees'

performance. They would be assessing Trustees individually, but they should also be asked to assess the Board as a whole.

The DG advised that it would be very helpful for the Board to have a Work Plan and that he had already put forward some small contributions to this document. In addition, the design of the new Strategic Framework should also be included, as it would need to be approved by the end of 2022. In response to a question about policy gaps, the DG advised that there was a need for a high level audit of where future policy needs would be. But in the meantime, whilst the Federation has a progressive Sexual Rights Declaration, the work on turning this into policy decisions still needed to be done. Another issue to consider in the future would be the new frontiers of reproductive health.

The Board welcomed the draft Work Plan and **agreed** that it would be developed further to take account of comments made at the meeting, including the promotion and monitoring of racial equality, gender and identity, review and approval of new Strategic Framework (2022). In addition, the Board should consider communication and branding, and how to re-position IPPF in a world which is increasingly negative towards its key issues. Key stakeholders would include the Staff Association Committee. The finalised Work Plan would be followed by a monitoring and evaluation component, and an Action Plan providing details of sequencing and timeframes, as well as delegation of activities to Committees and specific Trustees. The next version of the draft Work Plan would be circulated to Board members within the next two weeks for further review and the final version would be approved virtually. The final Work Plan would be made available to some key stakeholders, including the NGC and Member Associations.

6. Progress towards a 2021 Unified Secretariat Plan & Budget

The DG presented an update on the progress made to date on the Unified Secretariat 2021 as detailed in paper no. BoT/07.20/Agenda #6. This included the proposed redesign of the Secretariat that will go live on 1 September 2020.

The DG explained that the reforms approved in November 2019 had made it possible to create a more Unified Secretariat, better aligned and efficient in its operations. There was a mandate from the previous Governing Council that the Secretariat should retain less of the core funding for IPPF and that more should be directed to the MAs. To put this into context, in 2017 54% of core funding went to MAs, in 2018 and in 2019 it was 60%. The amount going to MAs should be 70% and IPPF was moving towards this in 2021 by virtue of the Unified Secretariat.

The model put forward allowed the Secretariat to retain its six Regional Offices, with a higher proportion of staff in Regional Offices, and it was structured to follow three pillars: all MA-facing functions and staff be grouped together; externally facing staff be together; internally facing staff (for example human resources, finance and IT) be together and located closer to the primary clients with whom they were working.

To assist with the re-structuring process, an Advisory Committee was set up, chaired by Helen Clarke, and comprising MA, union and staff representatives, who shared observations, provided guidance and pressure tested various models. This was a painful process, but there were a lot of efficiencies to be gained. On 14 July there was an announcement across all the Secretariat sites of the 88 posts which are at risk of redundancy as well as some other jobs being created around it. It was a difficult time for the Secretariat and the process was being managed as quickly and as professionally as possible, to enable the Secretariat to return to full operation and support to the MAs.

During discussion, a Board member asked how financial accountability, to donors and the populations we serve, can be guaranteed with a smaller Secretariat. The DG responded that in the past the governance structures in the regions made accountability difficult. The reform process would facilitate greater accountability. There was a need to invest in management systems and oversight systems and further resources would be required to do this. The Secretariat was also speaking to donors who might be willing to invest in the reform and to respond to the needs of downsizing of the Secretariat.

In response to a question regarding Secretariat expenditure and investment in MAs, the DG reiterated that it was a governance decision that the Secretariat should not take up more than 30% of core funding, and in fact the Directors' Leadership Team was of the view that with the impacts of Covid-19 the percentages should be increased and the goal should be to support MAs further. It was explained to the Board that IPPF had been following a funding formula approved in 1987, which involved a percentage for each region. Each Region was then able to allocate the amounts directed to their MAs.

A Board member asked for further clarification on the criteria for reducing support to the regions, and whether any consideration had been given to the number of MAs which a Regional Office served. The DG explained that the Unified Secretariat was designed from the bottom up, following the principles described above. Looking at the costs of each location it was found that the average cost of the least expensive site was five times less than the average cost of the most expensive site. Therefore, decisions had been taken to relocate certain functions to less expensive locations with available talent and the Central Office would have the largest reductions. The number of MAs in a region was not a factor which had been considered directly.

In answer to a question regarding the proposed allocation of unrestricted core funding for Stream 1 in 2021, the DG explained that whilst the agreement was that Stream 1 would comprise at least 80% of core unrestricted funding, in 2021 it would receive 90%. This was because 2021 was a transition year and Streams 2 and 3 would find it difficult to reach their optimum percentages in the first year.

Daniel McCarthy spoke on behalf of the Secretariat Staff Association saying that he reiterated their support for the Unified Secretariat and the need for more funding to be directed to the MAs. However, staff morale was poor at the

moment, and staff were concerned that 88 posts being at risk of redundancy was an extreme proposal. Staff asked that management ensure that all cost saving measures had been taken into account, including travel, office space, professional services and continuation of virtual meetings. Staff had also requested a further review of senior leadership salaries, which had been highlighted before, as it had featured in the media and was a reputational risk.

The Board noted the update on the progress towards the Unified Secretariat.

7. Finance & Audit Committee Report

Elizabeth Schaffer, Chair of the Finance, Audit & Risk Committee (C-FAR) presented a report on the first meeting of the C-FAR, which took place on 15 July, as detailed in paper no. BoT/07.20/Agenda 7.

The Board was informed that this first meeting focused particularly on important regulatory and compliance issues which required action by the Board. The Committee had not had time yet to review the details of the proposed Indicative Planning Figure (IPF), although it was broadly in support of the plan put forward by the DG. The Committee would be having an additional meeting in due course to review other substantive matters within its remit.

The DG added that the full budget would come to the Board for approval in November, having been reviewed in detail by C-FAR in advance of the meeting. However, this was a short timescale for those MAs dependent on the core grant to be provided with funding information for the following year, which was why it had been important for the Board to approve the guidelines for resource allocation earlier in the meeting.

Varun Anand, Director, Finance & Technology, presented the report of the C-FAR on the Audited Financial Statements for the year ended 31 December 2019:

- It was noted that a second set of accounts had been submitted to the Board very recently to reflect some small amendments which had to be made.
- C-FAR had reviewed the Going Concern note and the Representation letter and was recommending that these be approved by the Board.
- The differences between the Charity audited accounts, the Group audited accounts and the Aggregate Statement, which as unaudited, was explained.
- In terms of the Charity activities, it was noted that there had been an Increase in expenditure and income 2019 over 2018, which was largely due to the DFID WISH project.
- Looking at the Group activities, it was noted that there was an unrestricted net surplus of US\$1 million in 2019, compared to US\$14.7 million loss in 2018. There was a 147% increase in restricted funding in 2019 and a 63% increase in grants to MAs and partner organisations. There had been a 42% reduction in unrestricted funding of the central functions.

- The Group balance sheet showed a strong cash position in 2019 of US\$70.9 million. There had also been a US\$2.5 million increase in the General Reserves to US\$16.9 million, but it was still below the agreed policy that the General Reserves should be between US\$18-24 million.
- Key findings reported by the auditors to C-FAR included: under-resourced Finance function; Financial Statements and supporting evidence to be produced on a timely basis; some key unadjusted difference was identified but it was below the threshold level of materiality. Other insights included: weak control environment; lack of uniform policies and procedures across the offices; accounting system configuration created huge challenges, particularly around foreign exchange and commodities.
- Key actions taken in response to these findings: internal auditors appointed; independent accounting system review undertaken; stronger reporting mechanism being set up across the Secretariat; robust month end process being implemented; improved treasury control implemented; update of the Finance Manual.

During discussion, a Board member queried the US\$5.9 million deficit showing in the middle of 2020 and asked if a deficit was predicted for the year end. Furthermore, due to the deficit and the threats to funding arising from Covid-19, why was it proposed to increase the core grants by 32%? Could the core grant increase be sustained in the future? The Director, Finance & Technology advised that the deficit of US\$5.9 million related to May 2020. In IPPF's business model, most of its unrestricted funding is received in the latter half of the year and the Board was advised that there would not be a deficit at the end of the year. In answer to the question about the sustainability of grant increases, it was explained that the increase of 32% was due to the change to the resource allocation formula. It had been possible to reappropriate money to Streams 1, 2 and 3, providing additional funding available to MAs. It was acknowledged that there was a risk of economies shrinking and a decrease in development assistance, but IPPF did have a cushion of some US\$60 million available.

In response to a question about the advancing of instalments of core grants to MAs, the Board was advised that management, in consultation with previous Chairs, had taken the decision to advance a large part of the second grant instalment to the MAs, to ensure that they did not suffer a significant financial crunch due to Covid.

A Board member asked for clarification over the timeline for the submission of the Financial Accounts to the Charity Commission. It was explained that the deadline was 31 October 2020 for the 2019 accounts.

In response to a question regarding the increase of funding to Stream 1 of the resource allocation system from 80% to 90% next year, it was explained again that this was a one-off increase, as this was a transition year, and eligibility would be based on the current funding formula.

A Board member asked about the threats to funding in the light of Covid-19 and the liquidity of IPPF. The Director, Finance & Technology referred the Board to the Going Concern letter, which had been agreed by the auditors, and which the C-FAR was recommending that the Board approve. IPPF was funded primarily by government donors, and whilst this funding would suffer if economies shrink, donors had provided a commitment for the next year, and IPPF would remain solvent throughout the year and MAs would receive their grants. Furthermore, if IPPF was placed in the position where it would need to liquidate, this could be covered by the sale of its properties.

It was acknowledged that not all the documentation had been made available in sufficient time in advance of the meeting for Board members to read and absorb the information provided. It was **agreed** that in future every effort would be made to ensure that documentation, in all working languages, would be made available to Board members in accordance with the agreed timeframe. It was suggested that the Board App could be used to collect questions in advance and responses could be included in the presentations.

The Board took note of the **Going Concern** note. With 11 votes in favour, none against and three abstentions:

*The Board **agreed** with the conclusion that IPPF is indeed a “going concern” for at least a twelve months period from the date of signing.*

With 11 votes in favour, none against and three abstentions:

*The Board **approved** that the Chair of the Finance, Audit and Risk Committee would sign the **representation letter** to the auditors on behalf of the Board of Trustees.*

With 12 votes in favour, none against and two abstentions:

*The Board **approved** the **Trustees’ report and audited annual financial statements**, along with all the notes, for the year ended 31 December 2019, on the recommendation of the C-FAR.*

With 13 votes in favour, none against and one abstention:

*The Board **agreed** to **authorise the Chair and Treasurer to sign the Trustees’ report and audited annual financial statements**, along with all the notes for the year ended 31 December 2019, on its behalf.*

With 12 votes in favour, none against and two abstentions:

*The Board **approved** C-FAR’s recommendation to draw down funds from the General Reserves to cover statutory payments up to £1.39 million towards the **Defined Benefit Pension Scheme** contribution for the year 2020.*

With 13 votes in favour, none against and two abstentions:

*The Board **approved** C-FAR’s recommendation to draw down funds from the General Reserves to revive the **Strategy Review Fund** and top it up by US\$110,000 to cover the remaining cost of the mid-term review.*

With 13 votes in favour, none against and two abstentions:

*The Board **approved** C-FAR's recommendation to draw down funds from the General Reserves to provide funding of US\$500,000 over the years 2020/21, for the implementation of recommendations of the **NetSuite review**.*

The Board noted the report from the FAC.

8. 2019 Performance, with a special focus on HIV

Manuelle Hurwitz, Director, Programmes Division and Daniel McCartney, Technical Adviser HIV, presented this item, and they were joined by Seri Wendoh, Senior Technical Adviser, Gender. The report and associated documents were provided to the Board under paper no. BoT/07.20/DOC8.1, including key performance data for 2019 as detailed in the paper *Delivering HIV-related Services*.

The Board was presented with highlights as follows:

- HIV-related services continue to increase year on year, driven by significant increases in the delivery of STI-specific services, which had previously been a neglected area.
- However, there was a small decrease in HIV-specific services, possibly due to the Global Gag Rule, which had significantly affected several MAs.
- IPPF's HIV service delivery is primarily focused on HIV testing and HIV prevention. HIV testing is a key entry point for both linkage to HIV prevention and treatment and care, but also to other SRH services.
- In 2019 IPPF's distribution of condom figure decreased significantly, but there was great potential for reinvigorating comprehensive condom programming. There was a recent discussion with a UNAIDS led global condom working group to support the review and development of a strategy for IPPF.
- The *IPPF Comprehensive HIV Services Package* was launched today. This represents a critical review and update of the previous nine HIV services recommended along the HIV prevention-to-care continuum.
- In 2019 a total of 131 MAs reported that they had dedicated programmes that included people living with HIV and/or key populations.
- On 12 August, World Youth Day, IPPF would launch an update document for young people living with HIV called *Healthy, Happy & Hot*.

- Engagement with the Global Fund is a key area which requires further focus and it also represents a key opportunity for funding and influence at the national level. In 2019 49 MAs self-reported that they were involved in in-country Global Fund processes.
- Key priorities for IPPF:
 1. Re-invent a 'post-ECHO' IPPF as leader in SRH service delivery, with a focus on HIV prevention and maximizing the efficient integration of HIV at all service delivery levels.
 2. Re-focus on an inclusive, people-centred approach for SRHR for people living with HIV and key populations, and ensure a stronger gender perspective within HIV programming.
 3. Re-invigorate strategic partnerships to maximize funding potential, with a focus on engagement with the Global Fund, and strengthening existing MoU with UNAIDS, partnership agreement with Frontline AIDS and core group of IPPF HIV focus countries.

During discussion, a Board member emphasised the need to make service delivery points more user friendly and inclusive. For instance, during this era of Covid-19, was there a possibility of increasing services to clients' homes of clients? The Secretariat acknowledged the need to ensure that quality of care models were people-centred and sensitive to all populations. The Secretariat was looking to seek funding for a programme to enable better community based delivery.

With regard to the decline in male condom figures, the Secretariat was asked about the level of data available to help inform this further. The Board was told that whilst there was a large amount of data, more could be done in terms of analysis, nuancing of data and informing of programmes and advocacy. The importance of emphasising the perspective of pleasure as well as prevention was highlighted, particularly for young people.

A Board member asked if data was available to show how Covid-19 had affected services in 2020. The Board was advised that in 17 MAs there had been a 45% decline in HIV services, 35% decline in STI and 50% decline in condom delivery.

In response to a question regarding the impact of the Global Gag Rule and whether MAs could be expected to be supported through the new resource allocation system, the Secretariat advised that some donors such as Belgium and Canada had come forward to help fill the gap, but it had not been completely mitigated. It would be possible to mobilise further contributions through the restricted funds.

The Board noted the update on the 2019 performance, with a special focus on HIV.

9. COVID-19 Impact, Risk, Resilience and Innovation

It was **noted** that, due to time constraints, the supporting papers for this agenda item would be circulated to Board members after the meeting.

10. Any Other Business

A Board member requested clarification regarding the voting on the Resource Allocation Reform Guidelines for Stream 1, Stream 2 and Stream 3. It was noted that the votes had been six votes in favour, one against and five abstentions. Eight Trustees constitute a quorum and decisions were taken by a simple majority, therefore this result was valid.

11. Date of next meeting

Due to the continuing Covid-19 situation and travel difficulties, it was **agreed** that the next Board meeting would take place virtually around the end of October/mid-November. The date would be finalized shortly.

Close of meeting

The Chairperson thanked the DG and members of the SMT for their support to the Board. The interpreters, technicians and support staff were thanked for enabling this meeting to come together.