

**IPPF BOARD OF TRUSTEES MEETING**  
**Held virtually on 8 December 2022**

**DRAFT MINUTES**

<b>Present - Trustees:</b>	<b>In attendance:</b>
Abhina Aher (virtual)	Varun Anand, Director, Finance & Technology Division
Rose-Marie Belle Antoine	Mina Barling, Director, External Relations Division
Hayathe Ayeva	Fadoua Bakhadda, RD, Arab World Region
Rosa Ayong-Tchonang	Alvaro Bermejo, Director-General
Santiago Cosio	Tomoko Fukuda, RD, ESEAOR
Surakshya Giri	Caroline Hickson, RD, European Network
Kate Gilmore – Chair	Sonal Mehta, RD, South Asia Region
Sami Natsheh	Claire Jefferey, Director, People, Organisation & Culture
Andreas Prager	Eugenia Lopez Uribe, RD, Americas & Caribbean Region
Elizabeth Schaffer	Achille Togbeto, Director, Governance & Accreditation
Donya Nasser	Michelle Mugeni, Staff Association representative
	Caroline Dickinson, Minute Taker
<b>Apologies for absence</b>	
Isaac Adewole	
Ulukbek Batyrgaliev	
Bience Gawanas	
Aurélia Nguyen	

**Welcome**

Kate Gilmore, Chairperson, welcomed everyone to the meeting of IPPF’s Board of Trustees (BoT) meeting. Hayathe Ayeva, new BoT member and Trustee was welcomed once again, having been confirmed as a trustee by the General Assembly (GA).

The Chair advised that the key focus of this Board meeting would be a review of the financial year end projections for 2022 and review and approval of the budget for 2023.

**1. PROCEDURAL ITEMS**

**1.1 Apologies for absence**

Apologies for absence had been received from Isaac Adewole, Ulukbek Batyrgaliev, Bience Gawanas and Aurélia Nguyen.

The Board noted that Aurélia Nguyen had given her proxy to Andreas Prager.

**1.2 Approval of the Minutes of the previous meeting**

The minutes of the Board’s post-GA meeting being not yet available, their approval was deferred to the next meeting.

### 1.3 Adoption of Agenda and Timetable

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

## 2. C-FAR CHAIR'S REPORT

### Presentation by the Chair, C-FAR and Director, Finance & Technology

The Board had received the Report from the Chair, C-FAR under paper no. BoT/12.22/DOC/2, as well as copies of presentations, the Audit Planning Report for 2022, MA Business Plan Analysis 2023-25, Secretariat Business Plan and Budget 2023 and the Strategic Risk Register. This item was presented by Liz Schaffer, Chair C-FAR and Varun Anand, Director, Finance & Technology.

The Chair C-FAR presented her report, which included, besides other details, the following numbers for the Board to note/approve:

1. Income and expenditure status as on 30<sup>th</sup> September 2022.
2. Quarter 3 forecast till the end of the year and
3. Transition plan and budget for the Secretariat for 2023.

The Income and Expenditure report for the nine months ending 30 September 2022 (all figures in US\$ '000) presented the actuals against the budget, demonstrating the following high-level position:

- Unrestricted core funding surplus of US\$16.355 million.
- Restricted funding has a surplus of US\$2.842 million.
- Designated funds draw-down by US\$3.839 million.
- Total IPPF surplus as on 30<sup>th</sup> September 2022 of US\$15.358 million.

The Board was advised that the above position included unrealised foreign exchange gains of US\$4.3 million. It was noted that the unrestricted income does not include unrestricted core funding of Euros 0.3 million confirmed by the Government of the Republic of Ireland. The unrestricted underspend was mainly due to cash grants and staff costs underspends.

The Quarter 3 forecast 2022 presented the following most likely scenario by the end of the year:

- Unrestricted funding surplus of almost US\$11 million
- Designated funds draw-down of circa US\$12 million.
- Restricted income draw-down of circa US\$16 million.

As part of the overall plan and budget for 2023, the C-FAR recommended the Board approve:

1. Designation of funds as set out below;
2. Unified Secretariat Transition Business Plan and Budget 2023;
3. Proposals from the Audit Planning Report for 2022 and appointment of Auditors for 2023.

Designations requested for 2023 included the following:

- |                                  |               |
|----------------------------------|---------------|
| • Realignment costs              | US\$2,000,000 |
| • Defined benefit pension scheme | US\$2,030,000 |
| • Branding and Charter projects  | US\$1,000,000 |
| • Centers and Funds              | US\$ 800,000  |
| • Global Consortium Grant        | US\$1,850,000 |

• Stream 1 – operationalizing the new Strategy	US\$ 500,000
• Underspending under Ukraine projects	US\$ 774,000
<b>Total</b>	<b>US\$8,954,000</b>

The DG advised the Board that 2022 started with the top level of reserves nearly reached. If the Board were to approve the proposed designation of nearly US\$9 million to reserves, close to the top level of the agreed range would be maintained.

Assuming approval of the above designations, the Budget 2023 (excluding the hosted programmes) was presented as below:

- Unrestricted income at US\$ 60.792 million and expenditure at US\$ 62.384 million, with a projected deficit of just over US\$2 million.
- Designated funds draw-down during the year, to the tune of circa US\$13.643 million
- Restricted income of US\$ 50.363 million and expenditure of US\$ 57.967 million with the likely current additional draw-down of US\$7.604 million.
- A final projected deficit/ draw-down of just over US\$23.289 million.

The Board was advised that the proposed deficit under the 2023 unrestricted budget was a conservative estimate as many income sources were not included. It was extremely likely that the unrestricted income would be higher than currently budgeted and the current deficit would be covered by additional income. Confirmations for some of that predicted additional income had already been received, including from the governments of the Republic of Ireland and of Australia. Some additional expenditure was inflation-related, particularly in London. There was some discussion around the need to find a better word than 'deficit' to refer to the draw-down of previously agreed designated or restricted funds.

In addition, the Board was asked to approve Hosted Programmes Budgets for 2023 as follows:

- Safe Abortion Action Fund (SAAF) with an income of US\$ 4.684 million and expenditure of US\$ 6.433, and a draw-down/ deficit of US\$1.7 million.
- She Decides with an income of US\$ 0.250 million and expenditure of US\$ 0.507 million, and a draw-down of US\$ 0.257 million.
- Nexus with an income of US\$ 0.773 million and expenditure of US\$ 0.770 million, and a surplus of US\$2,000.
- UNF-FP2030 with an expenditure of US\$ 0.916 million, and a draw-down/ deficit of US\$ 0.916 million.

It was explained that these are programmes that follow the rules and procedures of IPPF but which are hosted and operate independently.

During discussion the Secretariat was congratulated on its foreign exchange strategy.

A Board member asked for information on how the regions had performed in the first nine months of 2022. The DG advised that one area of largest variabilities between the regions was their ability to raise restricted income with some regions doing better than others. To some extent this was linked to donor preferences but also to IPPF's own performance. Some regions should be raising more money. The Secretariat was working on this as an opportunity for growth going forward. Another area of variability was the rate at which money is disbursed to MAs, and this was an area to target for improvement next year, as well as improving the way budgets are allocated.

In response to a question about the surplus of unrestricted funding in 2022, the Chair C-FAR explained that this was a combination of lower spending and more income received than the conservative estimates at the beginning of the year. This surplus would help to bolster the Federation in the coming years. That is the reason most of the projected surplus is proposed to be allocated through designations to 2023.

Looking at the deficit of US\$3.8 million in designated funds as at September 2022, a Board member asked where this money had been spent. It was explained that this was spending under various programmes for which the Board had designated funds. This included the Global Consortium programme, defined benefit pension fund, systems strengthening, centres and funds, etc. There were savings in the previous year, which were being taken forward to the next year.

A Board member noted that, as at September 2022, there was a surplus of US\$2.8 million in restricted funding, and asked if some activities had not happened. It was explained to the Board that there was a time lag between money received and spent.

A Board member commented that some regions could benefit from having more unrestricted funds to help them implement the new Strategy and asked if donors could consider a shift in the way that they fund. The DG responded that there were three elements to help in implementation of the Strategy. The first was the way in which MAs allocate the core grants they receive; this represents the biggest funding channel to IPPF MAs. The second factor involved restricted projects. Most of these are multi-year projects and they are not easy to realign with the Strategy. The third element was how the money allocated to the Secretariat is spent. Next year would be a transition year and there would be a process of realignment of the Secretariat. The Board would be presented with a detailed budget of the realigned Secretariat in due course.

The Chair, C-FAR added that it was possible that additional opportunities to accelerate the Strategy would be found, and the Board would be kept up-to-date on developments.

In terms of the presentation of financial information, a Board member suggested that it would be useful to be provided with details of how much of the unrestricted funding is allocated to the Secretariat and how much goes to the MAs. This suggestion was noted for the future presentation of financial information.

In answer to a question about the reserves target, the Director, Finance & Technology advised that the Reserves Policy had been presented to C-FAR and approved by the Board. The target was to have reserves equivalent of five or six months of unrestricted core funding. This amount was projected to range from US\$19 million to US\$26 million. As per the Quarter 3 forecast numbers, after designation of additional funds (as presented above), IPPF's general reserves are estimated to stand at circa US\$21 million at the end of the year.

A Board member commented that the proposed designations do not include funds going to the sustainability efforts of the MAs. It was explained to the Board that the Secretariat was working towards earmarking funding for the sustainability programme, and this would be shown in the first revision of the budget. The DG added that the initial budget projections for sustainability were US\$1 million. IPPF has about US\$14,000 per MA in vouchers for technical support and it would earmark US\$600,000 from this pot to support sustainability initiative in select MAs; a further US\$400,000 will come from un-utilised stream 1 allocations.

The C-FAR chair stated that the Board will be presented with a revised Secretariat budget once the Secretariat has been realigned, with the commitment that it will fit within the agreed envelope.

The Board **approved** the designation of US\$8.954 million to the 2023 budget as follows:

• Realignment costs	US\$2,000,000
• Defined benefit pension scheme	US\$2,030,000
• Branding and Charter projects	US\$1,000,000
• Centers and Funds	US\$ 800,000
• Global Consortium Grant	US\$1,850,000
• Stream 1 – operationalizing the new Strategy	US\$ 500,000
• Underspending under Ukraine projects	US\$ 774,000
<b>Total</b>	<b>US\$8,954,000</b>

The Board **approved** the plan and budget for 2023 as follows:

- Unrestricted income of US\$ 60.792 million and expenditure of US\$ 62.834 million with the likely current deficit of US\$2.042 million.
- Designated funds expenditure with a draw-down of US\$13.643 million.
- Restricted income of US\$ 50.363 million and expenditure of US\$ 57.967 million with the likely current additional draw-down of US\$7.604 million.
- Total IPPF projecting income at US\$ 111.155 million with expenditure at circa US\$ 134.444 million.

The Board **approved** the Hosted Programmes Budgets for 2023 as follows:

- Safe Abortion Action Fund (SAAF) with an income of US\$ 4.684 million and expenditure of US\$ 6.433, and a draw-down/ deficit of US\$1.7 million.
- She Decides with an income of US\$ 0.250 million and expenditure of US\$ 0.507 million, and a draw-down of US\$ 0.257 million.
- Nexus with an income of US\$ 0.773 million and expenditure of US\$ 0.770 million, and a surplus of US\$2,000.
- UNF-FP2030 with an expenditure of US\$ 0.916 million, and a draw-down/ deficit of US\$ 0.916 million.

The Board **approved** the proposal for the 2023 Audit and appointed Crowe as Auditors for 2023.

The Board Chair reminded Trustees of the overall confidential nature of its meeting and that no information about its deliberations or decisions should be disclosed until the official Minutes of the meeting were released.

#### Proposed Secretariat realignment to deliver the Strategic Framework

The DG advised the Board that it was proposed to launch the realignment of the Secretariat with the new Strategy in January 2023.

There were six drivers for this change:

- Transform the approach to MA-facing activities
- Strengthen the external-facing focus
- Increase efficiency of internal-facing activities
- Leverage the Unified Secretariat to support localisation and power-shifting
- Embody the change we want to see

- Invest in key new areas of the Strategy and in doing all of the above, remain within the cost target of 30% of unrestricted income to fund the Secretariat.

The Secretariat would have MA-facing activities at its centre and this would be a group sitting mostly in the Regional Offices. To do this there would be a number of new positions of Architects of Cooperation, (similar to what in other organisations has been called a Desk Officer role), each supporting a maximum of seven MAs. Another change would be to bring Strategy, Planning, Governance and Accreditation into the MA-facing teams, to really make them the driving engine of the Secretariat. There would be increased efficiency of internal-facing activities of Corporate Services, Human Resources, Finance and IT to achieve greater vertical integration. The External Relations focus would be adjusted for Pillars 2 and 3 and the Secretariat would have the capacity to monitor opposition and build bridges. There would also be a commitment to make sure that in this change process, the Secretariat looks more like what is described in the Strategy – it would be a diverse and youthful Secretariat. There would be some youth capacity in all regions to support Regional Youth Networks and MA youth activities.

There would be a ceiling of close to 30% of unrestricted income for the Secretariat. This was still in the process of being costed. There were negotiations with donors to make sure that more of the restricted fundings can be used to fund these Secretariat changes.

There would be a lower headcount than currently. However, overall costs would remain the same and there would be more opportunities to enable staff travel to MAs as well as investing more in youth professional development and language skills. Negotiations would begin with staff and discussions would take place with the Staff Association Committee in January.

A Board member emphasised that, in order to drive the Strategy forward, there was the need to ensure that it is driven from the local level, that impact should be the focus, there should be uniform branding, a sustainability programme, youth engagement and capacity building at the regional level. The DG confirmed that these factors were in alignment with the proposed re-structuring. The six Regional Offices would be retained to drive the Strategy. As mentioned before, US\$1 million would be allocated for sustainability to create technical capacity.

Michelle Mugeni, Staff Association representative, advised that there had been discussions yesterday between the Director, People, Organisation and Culture and the Staff Association Committee. The Staff Association had emphasised that staff were looking for a transparent, smooth, and humane process, noting that the previous re-structuring had not fully taken these factors into consideration.

The DG responded that during this restructuring there would be a commitment across all jurisdictions. It was acknowledged that last time the Secretariat did not have good quality human resources capacity to support this process. This time the Secretariat has more change management capacity and there was a commitment from the DLT to make the process as transparent and humane as possible.

### 3. ANY OTHER BUSINESS

#### Resolution on the Crown Agents Bank

The Board considered a resolution regarding the maintenance of a banking relationship with the Crown Agents Bank and a list of eight signatories.

The Board **approved** the resolution as attached as Annex A and the list of signatories as follows:

- a) *Alvaro Jose Bermejo Thomas*
- b) *Manuelle Veronique Hurwitz*
- c) *Mina Lea Barling*
- d) *Varun Kumar Anand*
- e) *Berna Riva Eskinazi Loker*
- f) *Mahugnon Achille Togbeto*
- g) *Janice Venn*
- h) *Maria Cristina Smith*

#### Meetings for 2023

The DG advised that the first Board meeting in 2023 would be virtual. The second meeting would be in-person in June and there was a proposal to hold the meeting in Germany and at the same time host a high level ministerial panel of donors.

#### Trustees' terms of office and Board evaluation

It was noted that the terms of office of a number of Trustees would end or would be up for renewal in 2023. Next year a Board evaluation was also due, noting that it was two years since the process was last undertaken with Russell Reynolds. These items would be discussed further at the next meeting and again in June 2023.

#### Close of meeting

In closing the meeting, the Chairperson thanked the C-FAR Chair for her leadership. The DG and Director, Finance & Technology and their teams were thanked for their work on the budgets and the realignment of the Secretariat.

The Chair thanked Trustees for their participation and discussions at this meeting. IPPF support staff, interpreters and technical staff were thanked for enabling this meeting to come together so well.

In turn the Chair was thanked for leading the Board. The Chair said that it was an honour to be part of this Board. She wished everybody a safe, happy and wonderful end of year.