



## OCP Advisory Board Minutes

Virtual Meeting, 21 April 2021

### PUBLIC VERSION

#### **Attendance**

*From Advisory Board:* Sally Guyer (Chair), Mukelani Dimba (Vice Chair), Alan Detheridge (Treasurer), Rudi Bormann, Andrew Clarke, Max Nefyodov, Seember Nyager, Claire Schouten, Jeni Tennison, Paca Zuleta

*From new OCP Governing Board* (in addition to Sally Guyer, Alan Detheridge, and Mukelani Dimba): Michael Owh

*Sent apologies:* Jennifer Bradley

*From OCP:* Gavin Hayman, Kathrin Frauscher, Cindy Cervantes, Dave Algosio (strategy consultant), Raffi Yousefian (outsourced CFO).

#### **Objectives**

- Strategy & program
  - Review progress and challenges since last Advisory Board meeting & discuss progress so far in 2021 (for discussion)
  - Update on our strategy refresh and get feedback on key themes and issues (for discussion)
- Finances & operations
  - Review OCP's YTD FY21 report (for discussion)
  - Approve FY21 budget refresh (for decision)
  - Update on OCP's spin off process (for discussion)

## **Decisions**

- The Advisory Board approved OCP's budget refresh and its updated operational FY21 budget.

## **Summary and Action Items from Meeting**

### **Strategy & program**

#### ***Progress updates***

The OCP team updated the Board on how we are doing meeting our 2021 targets:

- *Impact stories:* OCP has seen two impact stories so far: the first in [Chile](#) and the second in [Ukraine's state medicines agency](#).
- *Progress stories:* The organization documented two progress stories, for [Lithuania](#) and [Makueni County](#) in Kenya, and is on track to meet its annual target of six.
- *Publishers:* In total, the organization currently has 40 OCDS publishers, gaining both new, first time publishers and restoring and seeing improved data quality from others.
- *Robust mandates:* Two new robust mandates were gained from Chile and Poland, with 8 lighter commitments from other countries. [NB Poland since recategorized to a lighter commitment as further checks showed it to be thinner than perceived]
- *Community building and learning:* We had the largest ever response to our [2020 partner survey](#) with over 200 responses. The results show a high demand for advocacy support and to reconnect as a community. Our average empowerment score improved up to 8.6 from last year which the Advisory Board reaffirmed the importance of seeing. OCP also noted that empowerment amongst female respondents was slightly lower and that OCP will adjust their approach to correct this (and continue to monitor).

The overarching takeaways for Q1 of 2021 include:

- *Rapid progress in several countries* that have received OCP intense support. OCP partners are also *using OCDS data to coordinate and innovate services* during the COVID-19 crisis with new price comparison tools, data registers, vaccine buyer guides and digital shops in development.
- *Lift impact accelerator program:* Rollout of the Lift impact accelerator program was OCP's single, biggest intervention in 2021. The organization received over 100 applications.
- *Advocacy opportunities:* Strong advocacy opportunities are available in 2021 both at the global level and within specific countries. There's a clear theme of

open societies incorporated in the UK G7, the UN General Assembly Special Session on Corruption, the Italian G20 and the Biden-led Summit for Democracies in 2022.

- *Team:* Since the last update, OCP onboarded a Senior Manager for Latam (in Chile) and a Lead Data Standard Specialist (in Paraguay). The organization is exploring the option to add up to three more team members. The expansion of operations, finance and HR functions are being explored. Building on the success of OCP's new pay and performance framework, the team have focussed on co-creating a Diversity, Equity, Inclusion and Belonging (DEIB) strategy. Advisory Board Member Seember Nyager offered to participate in any DEIB committee formed by OCP.

**Strategy Refresh Update:** The OCP five year strategy was released in 2019 but when COVID hit, government procurement was suddenly in the spotlight. The key goal of the refresh is to embed the lessons from this extraordinary time and to ensure OCP helps to change the status quo for good to help reformers deliver systemic change.

Headline challenges include:

- **Challenge 1: Procurement reform risks being overlooked in the face of other critical needs:** For the first challenge, the Advisory Board encouraged an agile and iterate message framing that shows how open contracting is resilient and helps to deal with complex and changing environments. The Board emphasized open contracting stories be refined and explained in a way that shows benefits for key stakeholders. They maintained that there are unique opportunities because government bodies that were reluctant before are now forced to change because of the pandemic. This opportunity allows OCP to showcase open contracting to governments and CSOs, not only in terms of its propensity for equality, but also for its practical application.
- **Challenge 2: Lack of global leadership from big players:** For the second challenge, the Board reiterated the need for significant and sensitive segmenting to the many different stakeholders within and outside government, since a "one size fits all" approach wouldn't be realistic. They noted the opportunities with various global leadership changes and geopolitical insights and they explored other options open to OCP to raise global ambitions including an open contracting index, savvy media engagements and partnerships with other key players or change agents..
- **Challenge 3: Refine the vision for open contracting's contribution to social, economic, and environmental justice (& closing the feedback loop):** For the third challenge, the Advisory Board acknowledged that it

passionately supported social justice efforts and emphasized caution and the need to pitch and frame this challenge in a way that can reach government and key stakeholders. They also said that you can't have justice in one area without the others so agreed with tackling these together.

- **Challenge 4: Secrecy and complexity in health procurement:** For the fourth challenge, the Board expanded on the opportunity to focus on digital strategies and solutions in health procurement and explored connections to other global players.

## **Finances & operations**

- ***FY21 Year to Date***

- **Overview.** Overall, OCP remains in a healthy financial position. The original planned expense budget was \$5.9m. OCP spent \$1.8m or 31% as of March 10th and has already committed \$2.6m or 44% for spending. OCP secured \$6m instead of the anticipated \$5.2m, mainly from new FCDO and UNODC funding.
- **Income.** The expected income was \$6.3m as per the 5 year forecast. The total expected income is now \$6.7m of which 61% is restricted and 39% is unrestricted. This is just above the preferred ratio of 60% to 40%, so will be monitored by the OCP team. Retained revenue not including reserves is \$2.1m and the reserves remain at \$903K as previously agreed by the Board.
- **Expenses.** As of March 10th, OCP spent \$1.8m and committed \$2.6m. 41% committed is down but the organization is confident that spending will increase in the coming months as there is strong demand and activities in new countries.
  - **Country implementation** has 24% spent.
  - **Infrastructure** was 19% spent. Even though several new projects are in the pipeline, the budget was revised as a decrease in the refresh.
  - **Research** has spent 5% but the entire budget is now committed.
  - **Advocacy** was also underspent. Efforts in supporting the new European reform coalition on open procurement and on advocacy research in the US should help bring spending back in line.
  - **Events and travel** have minimal spending as expected because of Covid. These budget lines have been taken down significantly as OCP anticipates much less travel or events by the end of the FY in September 2021.

- **FY21 Budget Refresh**

- **Overview.** The original budget was \$5.9m. OCP is proposing a 3% increase to \$6.07m. This increase is driven by new secured restricted revenue. OCP plans to increase spending slightly under implementation, helpdesk, advocacy, research, learning and on the team (both on personnel and on our long term service agreements).
- **Income.** Expected income is now \$6.7m. Confirmed revenue most notably improved. \$6m is secured instead of the anticipated \$5.2m (and correspondingly “high likely” income has decreased as it became secured). Of the \$6.7m, 61% is from restricted and 39% from unrestricted funding sources. Retained revenues will increase from 438K to 676K, not including reserves. OCP has now secured all needed funding for FY21. The organization would need to raise \$700K for FY22 and about \$5.5m for FY23 per the 5 year forecast. OCP is comfortable with these fundraising goals and also has the options to decrease spending if the necessary funds can’t be raised.
- **Expenses.** The organization is proposing a small increase from \$5.9m to \$6.07m.
  - **Team.** OCP onboarded new team members and is hiring up to 3 new people.
  - **Helpdesk.** OCP plans to increase this budget line by 9% as it is fully committed. The organization has been able to shift unrestricted funding here onto restricted funds under FCDO and, as a result, can invest in some data tools to respond to clear community needs.
  - **Country implementation.** OCP is proposing a 17% increase from \$1.1m to \$1.4m. The Lift program will be a big coming investment and activity is picking up measurably across partners so the team is confident to meet this increased objective.
  - **Advocacy.** There are plans to invest in supporting the new pan-EU open procurement coalition through this line.
  - **Research and Learning.** This is now all committed. OCP is proposing a small increase as it has identified additional projects where it can add value too.

OCP plans to decrease spending on other categories, including infrastructure, travel, events and rent. Overall, the organization is confident that it can execute on this slightly increased budget.

The Advisory Board approved OCP's budget refresh for FY21 and gave appreciation to Gavin, Kathrin and the team for their work and the healthy financial position.

OCP proposed and the Board agreed to do a second refresh in July when two expected incoming grants from UNODC and GiZ are finalized. The Executive Committee will perform fine tuning and send a revised draft to the Board.

*Action Items:*

- OCP and the Board will review and decide on a second budget refresh in July.

***Spin off Update***

As of March 24, 2021, the IRS has received OCP's application but has not yet assigned it to a specialist. The earliest OCP expects to receive the determination letter is April 30, 2021. The organization will continue to work on the current spin-off timeline and keep the Board updated on any changes. The following were discussed:

- ***Spin off Agreement.*** OCP proposed following FCNYs' spin-off checklist and the agreement guidelines listed in the MOU between FCNY and OCP. The Advisory Board agreed that this was the best plan of action and recognized the need to make the separation as simple as possible and with less legal complexities.
- ***Global Hiring.*** The OCP team and the Board discussed the set up, payroll structures and objectives that OCP should pursue once it is independent. The Board were supportive of OCP using clear platforms and arrangements that will allow:
  - all staff and contractors the best and fairest offer of benefits and support
  - flexibility to recruit staff and contractors worldwide
  - Minimize compliance risks issues and potential labour law violations
  - Reduce the administrative burden and overhead

The Advisory Board noted that there may be value in comparing country hiring costs and cautioned about the usual concerns of outsourcing, compliance and quality issues. The Board was supportive of an arrangement that offered similar and fair benefit packages across OCP and that also treated those on Long Term Service Agreements well, albeit mindful of the difference between them and

full-time staff members. OCP agreed that it would keep pursuing the best options and come back to the board for guidance, approval and finding the right balance.

- ***Spin off Timeline.*** The full timeline was not reviewed because of meeting time constraints, but was made available for the Board's review and comments in the Board Package.
- ***Next steps for Advisory Board***
  - With the transition to a Governing Board and a spin-out, the Advisory Board model used to support the program whilst it was under FCNY will end. OCP is exploring future models to keep people engaged whilst also transitioning to a formal Governing Board structure when it is independent.
  - Gavin, Kathrin and team said how continually grateful they have been for the Advisory Board's help and advice and how much they appreciated the continuity of the Advisory Board's Executive Committee transitioning over to the new OCP's Governing Board Executive Committee. The whole group also discussed recruitment priorities for the new Governing Board. They are:
    - ***Global representation:*** board members from Africa, Asia & LATAM (esp Asia) to represent our growing community in these regions.
    - ***Expertise:*** board members who have experience and expertise in OCP priority areas of social, racial and environmental justice, technology, data, and procurement.
    - ***Connections:*** board members who have connections to funders, global fora, regional networks, etc.

*Action Items:*

- The next OCP Advisory Board meeting will be our last!
- OCP will solicit nominations for the Governing Board including transitioning some more Advisory Board members to our new structure by the next Governing board meeting and present a short list of nominees.

### **Advisory Board Meeting**

The next virtual Advisory Board meeting will be in July 2021.

*Action Item:*

- OCP will make all the preparations and update Board members in due course.

- Ends -