



OCP Governing Board Meeting

22 February 2023 | Virtual Meeting

Public Minutes

Objectives of the meeting

The objectives of this meeting were to:

- Approve OCP's FY23 budget and review other important finance developments
- Review OCP's progress and challenges since the last meeting
- Learn more about two key engagements - OCP's annual feedback results and OCP's project in Colombia

Attendance

Governing Board

- Attending: Joseph Asunka, Jennifer Bradley, Alan Detheridge, Sally Guyer, Michael Owh, Max Nefyodov
- Sent apologies: Mukelani Dimba, Lea Gimenez

OCP

- Attending: Gavin Hayman, Kathrin Frauscher, Lindsey Marchessault, Steve Chaplain, Cindy Cervantes; for deep dives: Kisha Bwenge and Oscar Hernandez

Decisions

The Governing Board approved:

- The [minutes](#) from the last Board meeting
- The FY22 close-out report
- The FY23 budget
- The pay increase proposal

Action Items

Finances

- The OCP team will share regular cash flow reports with the Board.
- The OCP team will update the Board on the reserve transfer status when completed.

Governance

- The OCP team will sign and add the November 2022 meeting minutes to the website.

Team

- The OCP will increase team member pay by 5% or a larger promotion/performance amount starting on May 1, 2023.

Summary of discussions and decisions

Conflict of Interest declarations

At the beginning of the Governing Board meeting, Sally, Alan, Max, Joseph, Jennifer, and Michael declared they had no conflict of interest with the Feb 22nd meeting agenda or decisions.

FY22 Close-Out Report

In FY22, the OCP team expected an income of \$3.6m but received \$3.3m, or 91% of the expected revenue. The difference was due to funding received in arrears. The budget refresh for FY22 was \$5.7m, and the OCP team spent \$5.5m, or 96% of the planned budget. The OCP team secured \$3.3m of income, of which 66% was from restricted funding sources, and spent nearly on target in most categories but overspent on LTSAs due to new hires. The team ended the year with about \$1m in retained revenue, and the total reserves account was \$907K. The OCP team requested the Board's approval of the close-out report. The Board approved the FY22 close-out report and awaits further feedback from the auditors.

FY22 Audit

The audit fieldwork for OCP's FY22 will begin on February 20, 2023, by Rogers & Co. This will be the first full 12-month audit, and the same firm will complete both financial statements and Form 990. The OCP team expects a draft to be ready by the end of March or early April. Using the same firm as the mini-audit in 2021 is considered the best practice for

completing financial statements and Form 990. Last year, there were complexities due to the FCNY spin-out, which the OCP team does not anticipate this year. The Board made no comments or suggestions on the FY22 audit.

OCP's proposed FY23 budget

The OCP team proposed a budget for FY23, with an expected income of \$6.5 million and expenses of \$6.4 million. The surplus at the end of the year is estimated to be \$100,000, with an additional \$2.2 million from prospective revenue sources bringing the retained revenues to \$2.3 million for FY24. The budget includes likely revenue sources, and the restricted vs. unrestricted income ratio is 71%:29%, below the target ratio of 60%:40%, making it important to seek new unrestricted support. The budget outlines plans to improve the funding pipeline further by making progress in US and EU sources, prioritizing UK embassies locally in key countries, and seizing green procurement for funding. The budget includes expenses such as a 16% increase in salaries and LTSAs due to bringing the data team in-house and a 5% pay increase to account for inflation. The Executive Committee approved the temporary use of reserves to cover funder arrear payments that are taking longer than expected to come through. OCP expects to be able to return those funds to the reserves account by early March. The Board approved the FY23 budget and awaits further feedback from OCP on the status/transfer of reserves.

Pay Increase Proposal

OCP management proposed a 5% inflation adjustment to pay and LTSA fees starting May 1st, 2023. They proposed the pay increase because inflation in the US is 6.5% for the 12 months ending in December, while in the UK, it is 9.2% year on year. Colombia, Uganda, and Indonesia are around 13%, 10%, and 5.5%, respectively. All team members who have been with the organization for a year will receive this increase unless they receive a larger increase related to their performance or promotion through the annual review process. OCP management felt the proposal was financially sustainable. In terms of costs, the management team estimated an increase of \$134K in personnel and LTSA expenses. They believe the proposal will be proportionate as they expect core inflation to drop significantly in the coming months. The Board approved the pay increase and requested that OCP management continue monitoring this to retain high performers and great staff.

OCP Program and Impact Updates

The OCP team discussed the impact achieved at the end of 2022 and highlighted some key developments and engagements since the beginning of 2023. The OCP team had a strong finish in 2022, meeting their impact and progress targets, and are starting 2023 with momentum and opportunities. However, they also identified risks for the year ahead.

2022 results

In the November board meeting, the OCP team explained they were on track to meet most targets. In this meeting, they confirmed that they met their core impact and progress targets, exceeded their data targets, and had a strong year for advocacy. They also received results from a field feedback survey which were discussed in depth in the deep dive section of the meeting. However, they missed a monitored target for having one impact story showcasing how procurement contributes to equity or sustainability, and there is still work to do to reach their capability target.

2023 targets

In 2023, the OCP team has set more challenging targets and will focus on impact, progress, data improvers, and capability. Their targets include impact cases, progress stories, actors using OCDS data, publishers improving data quality, net promoter score, capability, norms, and robust mandates. The team will also explore new approaches for measuring impact and have hired a coach to assist with strategy development. The OCP team asked Board members for reflections or recommendations on the 2023 targets. The Board reflected on 2023 targets and the potential for team burnout or decreased quality of work if targets continue to increase yearly. They emphasized the need to balance ambition with team capacity. The Board and OCP team also discussed the idea of aggregating cumulative work to show impact for funders, incorporating sustainability and qualitative measures into their progress stories, and using the data to help drive change. They also discussed support model tactics for sustaining through political transitions, including CSO-government coalitions, sustained collaboration, quick wins, international commitments, advocacy, and champions within organizations.

Key developments and updates since the beginning of the year

The OCP team shared key opportunities and challenges for the year ahead using a traffic lights system to indicate if a topic is positive (**green**), a challenge (**amber**), or a problem (**red**). The team also welcomed wider thoughts and discussions on other topics or concerns.

1. Ukraine (amber)

The OCP team discussed their Ukraine project, rated as amber due to the country's challenging war and political situation. The project involves supporting the RISE Ukraine Coalition and developing the Digital Reconstruction Management System (DRMS) with positive feedback from stakeholders. The OCP team is also considering an opportunity to run an advisory Procurement Transformation Group. This opportunity would be a higher risk in the risk register, and the OCP team would develop a full proposal for the Board before proceeding. The OCP team asked Board members for their thoughts on the advantages and disadvantages of OCP running an advisory Procurement Transformation Group. The Board acknowledged the risks, and an in-depth risk mitigation discussion followed. The Board and the OCP team agreed to discuss this further as the project develops.

2. Africa (amber)

The OCP team's Africa portfolio has a lot of opportunities but also faces deep structural challenges in some countries, such as undemocratic leaders, corruption, and outdated technology. While some countries show more demand for data and eGP reforms, caution remains where there is authoritarian leadership. There were new approaches from Botswana and elsewhere, and the OCP team's focus on eGP and network is paying off with renewed attention. There is also great interest in the Senior Manager role in South Africa, and the OCP team is hopeful of renewed funding. The Board acknowledged that solid partnerships and influential partners are needed to leverage existing structures and systems.

3. Team (amber)

Team capacity can be lower where there is a lot going on. So the management team has been focusing on supporting team members to manage capacity, work-life balance, and psychological safety, and will work with a coach to address specific issues. The team has some contract and funding transitions coming to an end, and they will discuss the details in person with the Board and make sure to manage them carefully. The management team will also consider evolving team and leadership structures to support implementing the new strategy. The core principles for evolving leadership include basing decisions on organizational needs, growing resilience, avoiding bureaucracy, and making merit-based decisions. Board members agreed with OCP's direction, and their feedback on work-life integration was positive. The Board will reach out to the OCP team with any recommendations for other similar organizations that have designed and implemented successful leadership evolutions.

4. Greater Europe (amber)

In Europe, the OCP team is working on advocacy and technical data work to make procurement a high-value data set. Still, timelines are outside of their control, and funding is limited. The team is making progress in the UK, Netherlands, Lithuania, Albania, and Germany but needs more resources and fluid timeframes.

5. Lift (green)

The OCP team is launching a new cohort of Lift aimed at selecting up to 9 teams across three topics - anti-corruption, climate, and equity. Improvements were made based on feedback from the previous cohort and the BHP Foundation funded program evaluation. The formal launch date is on March 13, 2023, and the team requested help circulating the call for applications and encouraging teams to apply.

6. Events (green)

The OCP team has planned various significant events globally for 2023. These events include collaborations with the Open Government Partnership for workshops in the Asia-Pacific region, co-hosting events in Europe with the Albanian government, attending conferences in Latin America, and participating in the Open Government Partnership Global Summit and the Conference of States Parties on UNCAC. They will also participate in Summit for Democracy events and support their Ukrainian partners. The Board will connect with OCP on events more broadly, including finding and making speaker suggestions.

7. BHP Foundation grant final evaluation (green)

The OCP team's initial grant from the BHP Foundation is ending soon, and they are conducting the final evaluation of the first phase. They structured the evaluation questions to assess the grant's impact and help shape their Phase 2 program with BHP Foundation and future strategy process, focusing on scaling, diversifying funders, and exploring value for environmental sustainability and social inclusion. The evaluation has verified their success and provided valuable recommendations for future work, which will inform their new strategy. The OCP team has collaborated with various Board members on fundraising, job descriptions, and specific country engagements since November and expressed gratitude to the Board for their help. The OCP team plans to release a version of the evaluation report and accompanying blog in mid-March.

Deep Dives

Community Building & Feedback Survey

The OCP team shared their annual survey, an important tool for gathering feedback from partners and reformers to improve support and track progress toward key strategy targets. The survey revealed that close collaboration was the most effective way to support partners but highlighted a need for stronger technical support in regions such as the U.S. and Africa. Respondents identified anti-corruption, sustainability, and e-GP reform as their top priorities for 2023. The team noted that the survey results aligned with their plans to hire a new Senior Manager for Africa, provide targeted assistance, and expand their sustainability portfolio. During the session, the team discussed opportunities, risks, and partnerships for developing their offering around sustainable procurement and ways to make the most of their updated support model to support more reformers in-depth. There was also a discussion about the Net Promoter Score and the need to segment information better to understand the community's life cycle and engagement levels. The Board and OCP team also discussed the new support model, including self-service, light service, graded support, how newcomers can move up the OCP engagement ladder, and implementation journeys.

Colombia Municipal Engagement Project

In Colombia, local governments are responsible for 70% of all procurement spending, but historically, local public procurement has needed more competition and accountability. OCP worked in nine regions of the country for four years to accelerate digital transformation and promote civic oversight of public procurement. The program delivered remarkable results, with e-GP adoption jumping from 15% to 94.5% in target regions and increasing competition. The OCP team discussed how to embed key elements of the program in the service model, sustain the work results, communicate the results to funders and policymakers, partnerships, flexible support, and the value of timing. The OCP team plans to continue their discussions in June, focusing on strategy and updating board members.

Next Steps

The upcoming board meeting will take place in Washington, DC, on June 28th and 29th, focusing on co-working on the new strategy and providing progress and financial updates. The meeting also aims to bring two fresh board members from Africa and Asia. These members should preferably possess notable connections to funding sources or expertise in organizational governance and financial matters.

Minutes submitted and approved by:  87B258455E434AB...