



OCP Governing Board Meeting

19 December 2023 | Virtual Meeting

Public Minutes

Objectives of the meeting

The objectives of this meeting were to:

- Approve a new board member
- Approve OCP's FY24 budget and review other important finance developments
- Approve the full scoping and planning of how to establish a Ukrainian entity.
- Review OCP's progress and challenges since the last meeting
- Discuss key evolutions for the new strategy
- Get feedback on leadership evolutions

Attendance

Governing Board

- Sally Guyer, Joseph Asunka, Alan Detheridge, Max Nefyodov, Michael Owh, Aidan Eyakuze
- Sent apologies: Jennifer Bradley

OCP

- Gavin Hayman, Kathrin Frauscher, Lindsey Marchessault, Steve Chaplain, Cindy Cervantes

The Governing Board approved the following:

Documentation & Reporting:

- The [minutes](#) from the last board meeting.
- The [FY23 YTD](#) report.

Financial Authorizations:

- The proposed [FY24 budget](#).

Governance & Risk:

- The appointment of Aidan Eyakuze to the OCP Governing Board.
- The request to extend offers to potential board member candidates.
- The Executive Compensation Survey.
- The reappointment of the auditing firm.
- The request to proceed with full scoping and planning on how to establish a Ukrainian entity.
- The provisional organizational strategy direction and pathways.

Action Items

- The OCP team will send a formal appointment letter to Aiden after the board meeting for signature.
- The OCP team will extend formal invitations to the approved candidates to join the OCP Governing Board for the upcoming meetings.
- The OCP team will schedule 2024 Board meetings, including two virtual sessions and one in-person meeting in DC.
- The OCP team will finalize the 2024 strategy draft for presentation.
- The OCP team will review executive-level compensation in the first quarter of the year.

Summary of discussions and decisions

Conflict of Interest declarations

At the beginning of the Governing Board meeting, Sally Guyer, Joseph Asunka, Alan Detheridge, Max Nefyodov, Michael Owh, and Aidan Eyakuze all declared no conflict of interest with the December 19th meeting agenda or decisions.

Governing Board

The meeting commenced with unanimous confirmation of Aidan Eyakuze's appointment to the OCP Governing Board. Aidan's term is from December 19, 2023, to December 19, 2026.

Finances

FY23 YTD (For Approval)

As of October 31, 2023, the OCP team received \$5.8 million in income, primarily from large grants and contracts, marking a strong fundraising period. Despite an underspend of the budget due to delayed grants and contracts, expenses remained on track, with \$5.7 million in committed expenses. The retained revenue forecast from FY23 to FY24 is approximately \$1.8 million, with plans to add \$150K to reserves. The balanced FY23 budget allows the OCP team to focus on FY24 plans, with a fundraising goal of \$2.2 million. Despite challenges in managing the balance between restricted and unrestricted funding, the team remains financially stable and anticipates continued reserve growth. The Board unanimously approved the YTD financial report.

Other Finance Updates

The OCP team procured Candid's nonprofit annual compensation report to ensure compliance with the upcoming IRS Form 990 reporting. Upon reviewing the data from 124,000 nonprofit organizations, the OCP team found that the Executive Director and Deputy Executive Director have reasonable compensation packages, with the Executive Director's total compensation 26% below the median and the Deputy Executive Director's 6% below. The Board raised concerns about the competitiveness of compensation, particularly regarding discrepancies between UK and US salary rates. The Board approved a motion to review compensation in Q1 of 2024.

Additionally, the OCP team prepared an audit memo to continue engagement with auditors Rogers & Co., which the Board approved. As previously approved by the Board, the team also opened a new bank account and drafted a due diligence process for subgrants to establish a procedure for potential small grants. Feedback from the Board on the due diligence processes was also received, necessitating changes and updates.

FY24 Proposed Budget (For Discussion & Approval)

The FY24 proposed budget for the OCP team amounts to \$8.8 million. Anticipated income includes retained revenue from FY23, secured revenue, and additional revenue expected to be confirmed in February. Expenses are also estimated at \$8.8 million, reflecting a \$1.8 million revenue growth from FY23, primarily due to intensified support for Ukraine reconstruction. Based on these estimations, a balanced budget is projected, contingent

upon the anticipated income being secured. The budget reflects a cautious approach, focusing on maintaining a balanced ratio between restricted and unrestricted funding. While challenges remain in securing unrestricted funding, the team remains optimistic, especially with positive prospects for additional support from various funders. The budget adjustments prioritize the in-house data team and accommodate a 5% pay increase. Other notable changes include increased spending on implementation and travel, alongside decreases in specific expense categories. Overall, the team is confident in its financial position and proposes regular budget refreshes if variances exceed 10%.

The Board discussed various aspects of the budget, including concerns about the ratio of restricted to unrestricted funding and the need to address gaps in professional development. The board commended the proposed budget and unanimously approved it.

Governance

Update on Recent Board Member Outreach (Discussion)

Recent outreach for new Board members was discussed. Two candidates expressed interest and were presented to the Board for approval to extend formal invitations. The Board unanimously approved extending formal invitations to the two candidates to join the OCP Governing Board for the upcoming meetings.

Setting up OCP Ukrainian Entity (Decision)

The Board discussed the progress and challenges of the Ukraine reconstruction project and explored establishing an OCP-owned entity in Ukraine to institutionalize the project's operations. Legal consultants recommended creating a non-governmental organization in Ukraine as the preferred option. The Board supported the plan and emphasized the importance of governance and future funding scenarios. Action items include fully scoping the plan, drafting incorporation documents, and consulting with the Board on governance matters. The Board approved to proceed with further scoping and come back to the Board with the full plan, with further consultations expected to address governance concerns and finalize arrangements.

OCP Progress and Challenge Updates

The OCP team and Board discussed progress and challenges, categorized by their significance using a traffic light system. An overview of the top topics included:

1. Major US Funding Opportunity (Red):
 - Despite not being selected for the funding opportunity, the OCP team recognized the value of the experience in refining their strategy. They acknowledged exceptional leadership and effort from the team in articulating the organization's vision.
2. Org Impact and Targets (Amber):
 - The OCP team was on track to achieve most of the 2019-2023 strategy targets, highlighting achievements in impact and progress stories. Others related to progress stories and publishers improving the quality of data are being closely monitored.
3. Lift Off (Green):
 - The team celebrated the successful launch of the largest Lift cohort ever, with 10 winners selected from 150 applications. Efforts focused on workshops to plan reform projects, emphasizing alignment and detailed work plans.
4. Ukraine and Building a DREAM Team (Amber):
 - The OCP team provided a progress update on building the DREAM team, acknowledging challenges and highlighting significant strides. They discussed securing funding and navigating political challenges for project sustainability.
5. US (Amber):
 - The OCP team discussed challenges in hiring a new Head Of for the U.S. portfolio, reflecting on strategy adjustments for long-term scale. They explored different implementation models for U.S. work, emphasizing strategic vision and networking.
6. Buying Green (Green):
 - The OCP team highlighted progress in expanding green procurement reforms and data-driven measurement initiatives. They discussed engagements with governments and partners to advance sustainability goals.
7. UNCAC (Amber):
 - The OCP team reported engagements with governments and civil society to support a UN resolution on integrity in public procurement, acknowledging challenges in negotiations due to geopolitical tensions.
8. Africa (Amber):
 - The OCP team shared insights from the Africa Public Procurement Network General Assembly, highlighting priorities and challenges in procurement systems automation. They also discussed opportunities for engagement and partnerships to support eGP initiatives.

9. Comms (Amber):

- The OCP team discussed the evolution of the communications function, focusing on diverse content and engagement strategies. They also mentioned personnel changes impacting operations but maintaining strategic focus.

10. Team (Green):

- The OCP team provided updates on team expansion and DEIB initiatives, including coaching support for psychological safety. They also shared positive feedback from anonymous feedback processes, indicating organizational strengths and areas for development.

The Board commended the OCP team for their efforts and achievements, particularly noting the successful launch of the Lift cohort and progress in various strategic areas. Discussions centered around refining strategies for overcoming challenges, enhancing impact, and sustaining momentum in critical initiatives. The Board expressed confidence in the team's direction and their continued support.

Other updates

The OCP team also highlighted key regional updates:

UK: The Procurement Bill, now called the UK Procurement Act of 2023, is now law. Positive changes, including a digital platform for new notices, are being promoted. Close collaboration with the Cabinet Office and UK Crown Commercial Services is ongoing.

CredeRe, Colombia: CredeRe has been launched in Bogota to assist small businesses in accessing financial services for government contracts. Despite early success, engaging financial institutions has been a challenge. The focus is on building local capacity.

Vigia, Paraguay: Vigía helps small businesses find procurement opportunities and report issues. With over 3,600 users and contracts facilitated worth over \$300,000, the platform is making strides. Improvements are underway, and efforts to address integrity risks with procuring entities continue.

Strategy

The OCP team worked hard on drafting their strategy and finalized it to present to the Board soon for provisional approval. The key components shared for provisional approval included:

- Mission, vision, and unique value proposition.
- Ambitions for 2030.
- Pathways to achieve global scale.
- Suggested targets.

The discussion was initiated on the strategy or leadership, seeking the Board's preference. It was highlighted that including climate considerations throughout the strategy was important, suggesting a more concise vision statement focused on people and communities. Appreciation was expressed for the ambitious messaging but questions were raised regarding the specific focus areas and procurement priorities. Emphasis was placed on the need for a clearer elevator pitch and more specific language to articulate the OCP team's expertise and value proposition. Commendations were given for the team's focus on impact and human-centered approach but suggestions were made for bolder language in the vision statement. Immediate feedback was solicited on the chosen pathways and targets, with an emphasis on connecting progress and impact stories. The need for the OCP team's interventions to empower stakeholders and enable self-sufficiency was highlighted. Further reflections and comments were welcomed, aiming to present the full strategy for approval by Board at the end of January.

Vision, mission, and unique value proposition

The OCP team envisions trillions spent on public contracts better serving people and protecting the planet by 2030, aiming for equitable, prosperous, and sustainable communities for one billion people. Their mission and unique value proposition involve opening up and transforming public procurement into a smarter, more human-centered, and digital public service. This transformation will be achieved by supporting partners to set goal-driven reforms, leverage user-friendly data and digitization, and build coalitions of change to overcome inertia and vested interests. While other organizations may support one or two of these approaches, the OCP team aspires to pursue all three globally and at scale. Through global engagement, the OCP team connects local reformers to a global community of changemakers through global engagement, facilitating knowledge sharing and inspiring further reforms.

2030 ambition

The OCP team's 2030 ambition is centered around improving outcomes for people through better public procurement. Their bold target is to help one billion individuals live in more equitable, prosperous, and sustainable communities by leveraging open contracting strategies. This goal involves enhancing at least \$2 trillion in public procurement spending to contribute to the UN's Sustainable Development Goals. Scaling OCP's work in innovative ways will be essential to achieve this ambitious impact, a challenge they are confident in addressing under their new strategy.

Pathways to achieve global scale

The OCP team outlined their global scale strategies, emphasizing expansion into new communities and deepening impact within existing regions. They identified four pathways for achieving this goal:

- **Support Radically Better Digitization:** The team plans to expand support for digitization efforts, focusing on creating user-friendly tools and supporting e-GP transformation.
- **Focus on Regional Communities and Changemakers:** The team will strengthen regional presence and invest in capacity-building for local partners.
- **Advocacy for Regional and Global Norms:** The team aims to collaborate with regional and global partners to set open contracting standards and advocate for their implementation.
- **Unlock Global Learning:** The team will distill global best practices into accessible guidance and research to facilitate the adoption of open contracting practices worldwide.

Leadership Evolution (Discussion)

This section of the discussion was conducted asynchronously with the Board due to meeting time constraints.

The OCP team received a commendation from the Board for its extensive achievements in 2023, particularly praising initiatives like the Redpill survey and the successful Ukraine program. They underscored the significance of responsible empowerment and leadership evolution, stressing the importance of aligning skill sets and creating conducive environments. Despite facing challenges in certain projects, the Board members remained optimistic and grateful for OCP's stability and outcomes. They expressed eagerness for the forthcoming year, highlighting a collective pride in OCP's accomplishments and a steadfast dedication to its mission.

Next Steps

The OCP team discussed their plans for the 2024 Board meetings, including scheduling virtual and in-person sessions.

Minutes submitted and approved by:  B6C80517E5C74E7...