



OCP Governing Board Meeting

4 - 5 June 2024 | Hybrid Meeting

Public Minutes

Objectives of the meeting

The objectives of this meeting were to:

- Under strategy
 - Review OCP's progress towards annual strategy targets and discuss progress and challenges on key initiatives
- Under finance, operations & governance
 - Approve audit report & review Form 990
 - Approve YTD finances
 - Update on due diligence
 - Review contract threshold progress
 - Review team appraisals and fee adjustments
 - Approve executive compensation
 - Approve OCP's risk register
 - Update on Ukraine technical office setup
 - Review fundraising strategy
- Under programs
 - Discuss OCP's Ukraine projects
 - Co-work on OCP's updated communications strategy and especially the website redesign
 - Co-work on OCP's data and digital service offerings

Attendance

Governing Board

- Attending:
 - In-person: Sally Guyer, Alan Detheridge, Jennifer Bradley, Caroline Nicholas, Tania Perich,
 - Virtual: Michael Owh, Joseph Asunka, Aidan Eyakuze, Max Nefyodov
- OCP
 - In-person: Gavin Hayman, Kathrin Frauscher, Lindsey Marchessault, Steve Chaplain, Smita Shah, Cindy Cervantes, Georg Neumann, Yohanna Lisnichuk
 - Virtual: Viktor Nestulia

The Governing Board approved the following:

Finances

- The [minutes](#) from the last board meeting.
- The [FY24 YTD](#) report.
- The [FY23 audited statements](#).
- The [FY23 Form 990](#).
- The compensation proposal adjustment for the Executive Director & Deputy Executive Director.

Governance

- The provisional approval of the updated risk register.

Action Items

The OCP team will:

- Send Joseph the Ukraine Deep Dive presentation.
- Share the Ukraine risk register with the board before the next meeting and have a call to ensure everyone is aligned.
- Interview Tania about her SAP Ariba experience on how governments procure systems.
- Review contract threshold best practices define a simple, light-touch process, and report on lessons learned and improvements to the board.
- Discuss our data support in low-capacity contexts with Joseph and Aiden.
- Establish a central repository solution for the board's documents.

- Review and if needed, improve their approach to remuneration, particularly regarding bonus payments and their implications alongside fixed salaries, in the Fall.
- Follow up on concerns regarding unrestricted funding and finalize its incorporation as a new risk indicator in the Risk Register.
- Present a deep dive update on their e-GP work at one of the next board meetings, including insights from their ongoing projects and research.
- Follow up with the board to provide details on establishing OCP in Europe.
- Set up a deep dive session with Edwin for Caroline.

The OCP board will:

- Connect the OCP team to the Crown Commercial Service in the UK.

Summary of discussions and decisions

Conflict of Interest declarations

At the beginning of the meeting, Caroline, Tania, Alan, Sally, Jennifer, Aidan, Joseph, Michael, and Max declared no conflict of interest with the June 4-5th meeting agenda or decisions.

Finance, Operations & Governance

YTD finance and audit reports

The OCP team and the board reviewed the FY23 financial and audit reports prepared by Rogers & Co. The audit confirmed that the financial statements for the period from January 1, 2023, to December 31, 2023, were prepared in accordance with standards and received a clean audit report without adverse findings. The FY23 Form 990 was completed and is scheduled for submission to the IRS by June 13, 2024, reflecting favorable increases in public support (62%) and reduced administrative expenses (14%). Key financial highlights included a strong year-end financial position with operational reserves equivalent to almost three months' expenses, \$99K in cash as of December 31, 2023 (excluding \$978K in reserves), and \$7.9m in grants and contributions received during 2023. The board also engaged in discussions covering deferred recognition, operational reserves, program spending, and financial strategies, resulting in unanimous approval of the FY23 audited statements.

As of March 31, 2024, the OCP team reported receiving \$3.2 million, representing 33% of the anticipated \$9.8 million total income for the fiscal year. Significant contributions

included grants from the BHP Foundation (\$2 million), UNODC (\$252K), and FTAI/FCDO Ukraine (\$603K), alongside smaller amounts from other donors. This period marked strong fundraising, achieving the current year's funding goals early. Notably, accounting reconciliations occur monthly on the 23rd, so the April reconciliation was excluded from the YTD figures.

Expenses through March totaled \$2.06 million, exceeding Q1 projections due to prepayments for future services. Committed expenses of \$2.1 million align the organization with annual spending targets. In addition to securing current funding, proposals submitted await approval from several partners, ensuring continued financial stability.

Financially, OCP maintains \$1.75 million in cash as of March 31, 2024 (excluding reserves), with \$2.75 million inclusive. Income composition reflects 98% from restricted sources, with an additional \$45K from unrestricted streams. Further, recent extensions with UNODC and new commitments from FCDO assure balanced FY24 budgets.

The board discussed fundraising dynamics and risk management, highlighting challenges and opportunities in a competitive funding landscape, and unanimously approved the FY24 YTD report.

Other finance decisions: due diligence, contracting improvements, etc.

The OCP team discussed proposed changes to enhance due diligence practices and streamline contracting processes to reflect organizational values better and reduce administrative burden, aiming for more impactful engagements with vendors, notably smaller local NGOs. They acknowledged the importance of due diligence in vendor assessments and proposed simplifying the contracting process while ensuring alignment with organizational values. The team agreed to review and refine the contracting procedures and will provide updates on implementation and lessons learned at the next board meeting, following approval to increase the contract threshold to over \$10,000 per year starting June 1, 2024.

Team appraisals and salary/fee adjustments

The OCP team conducted a thorough appraisal process and implemented salary adjustments, emphasizing fairness and merit-based criteria across the organization. They celebrated substantial individual achievements and promotions, including [Carey Kluttz](#) to Director of Partnerships, [Oscar Hernández](#) to Director of LATAM, [Steve Chaplain](#) to Director

of Finance & Operations, and [Lindsey Marchessault](#) to Director of Impact and Innovation. The board also approved salary adjustments for [Gavin Hayman](#) as Executive Director from \$194,000 to \$220,000 and [Kathrin Frauscher](#) as Deputy Executive Director from \$169,600 to \$180,000, aligning with market comparatives and organizational contributions, ensuring compensation levels remain reasonable and competitive within the non-profit sector.

Risk register

The OCP team discussed the updated Risk Register. Key changes included downgrading the likelihood of risks in fundraising and board management due to increased funding and expanded board membership. Team retention and capacity risks were also lowered, reflecting enhanced team capabilities and leadership evolution. While the Ukraine project risk remained unchanged in scoring, updates were made to reflect recent political developments and project advancements. The register also addressed Steve's new role as Director of Finance & Operations and updated content related to mission creep and impact strategy. The board approved the updated Risk Register. The OCP team will address concerns about unrestricted funding and consider adding it as a new risk indicator in the register.

Ukraine technical office setup

The OCP team continues to advance the setup of a technical office in Ukraine, collaborating with local legal advisors to establish the entity. They have also pursued approval to open a Ukrainian bank account for operational needs, pending government authorization. The OCP team appreciated and acknowledged the board, especially Alan, the board Treasurer, for his invaluable guidance throughout the process.

Progress and Challenges

The OCP team provided key updates to the Board with regards to progress and potential challenges to achieving its annual targets. The team categorized their updates by their significance using a traffic light system (green, amber & red).

Documenting progress and impact (red)

This is currently marked red due to being behind schedule in internally documenting proof points. OCP plans to internally document 10 for the year. The plan was to already have 3-4 documented but the documentation process is behind schedule. However, OCP has a

strong pipeline and feels confident that at least 8 projects can be documented as proof points by the end of the year. Key projects in the pipeline include public works in Chile, Ecobici in Mexico, SME inclusion in Paraguay, auditing improvements in Indonesia, and procurement reforms in Boston, Newark, and Kazakhstan. As the new Director of Impact and Innovation, Lindsey will oversee the pipeline to ensure smoother documentation going forward. The Board thought that OCP had a strong pipeline and was not concerned about this topic.

The Board also discussed OCP's expected impacts on population groups and spending in line with its overarching strategy targets. The Board advised remaining conservative early on and making strategic adjustments as needed. The Board also gave advice on identifying and measuring project beneficiaries to enhance fundraising efforts.

OCP's service office on e-GP (amber)

Many countries still need comprehensive e-GP systems, and significant improvements are needed. OCP is therefore developing a service offer for governments on e-GP implementation. The OCP team rated the status of this project amber, because OCP was still conducting research and testing support offers and has not yet designed a comprehensive offer. OCP will move into live programming with projects in Nuevo León (Mexico), Chile, Albania, and Paraguay. Therefore the board decided that it will discuss the e-GP work in more detail in the next meeting.

Europe portfolio (amber)

OCP rated this portfolio amber because progress is slow and fundraising for it is hard. The OCP team shared with the Board that the Europe portfolio now included Central Asia while before Central Asia was a stand alone region under OCP's regions. Progress in Europe includes integrating OCP's vision into the EU Public Procurement Data Space and Open Data Directive. Key engagements at the Public Procurement Data Superpowers 2024 event have led to follow-ups and a contract under the EU PPDS project. Looking ahead to the rest of the year, OCP shared that it will co-host the Open and Sustainable Procurement Conference in Rome in September, and that it has a strong pipeline of proof points in Germany, Italy, the UK, the Netherlands, Lithuania, and Kazakhstan. OCP is also excited about Albania's efforts in building a pan-Balkans public procurement complaints network. OCP shared that fundraising for work in Europe is still hard.

The Board had questions if and when OCP might want to incorporate in Europe and OCP said that they will provide an update at the next Board meeting.

Africa portfolio (amber)

Despite challenges, OCP was able to present good progress in its Africa portfolio. Rwanda is set to publish OCDS by the end of May, serving as a regional example. Uganda's Lift project promotes public contracts for women-owned businesses, leveraging government and CSO partnerships. Senegal's progress is slower, focusing on data digitalization. Engagements in Kenya, Zambia, Tanzania, Zimbabwe, and South Africa are ongoing but lower-priority and engagement projects. Both Caroline and Aidan were especially keen to discuss the Africa work and OCP will follow up with them.

Infrastructure portfolio (amber)

The OCP team highlighted progress in Chile and Argentina. In Chile, they are finalizing an infrastructure and PPPs platform amidst challenges from team and governmental changes. They are also shaping a new sustainable infrastructure policy to launch in July after broad stakeholder engagement. The board stressed the urgency of swift action in Chile before the upcoming elections. In Argentina, efforts to monitor community infrastructure projects are expanding in vulnerable neighborhoods. Plans include scaling flood prevention in Assam, India, and partnering with TI Brazil on state-level infrastructure data in the Amazon, aligning with Brazil's national agenda.

Norms (green)

The OCP team focused on advancing global procurement norms, emphasizing the [UN Convention Against Corruption's recent procurement resolution](#) and upcoming engagements like the UNCAC Prevention Working Group meeting. They highlighted collaboration with France on mobilizing best practices and hosting events at international forums to advocate for inclusive, sustainable procurement practices. Efforts also extend to integrating open contracting norms into climate finance discussions, aiming for procurement to drive sustainable development. The board discussed additional opportunities to support these initiatives globally.

Deep Dives

Fundraising

During the discussion on fundraising, Carey provided a detailed overview of the current challenging fundraising environment, highlighting a significant shift away from open government and fiscal accountability over the past three years. This shift has affected many of OCP's longstanding funders, prompting a reevaluation of fundraising strategies. The team is now focusing on identifying new unrestricted or flexible revenue streams. Carey outlined the need to aim for a ratio of 80% restricted to 20% unrestricted funding, while seeking the board's advice on increasing general funding and balancing smaller grants with high administrative burdens.

Key discussion points included the difficulty of the fundraising environment, with significant shifts in traditional funder priorities, especially in the US. The board explored the necessity of unrestricted funding, agreeing that it would likely be more beneficial to build flexibility into restricted grants as much as possible, rather than explicitly seeking unrestricted grants. Concerns about the administrative burden of general funding and the effectiveness of small grants were raised, with the consensus that small grants rarely lead to more considerable follow-on funding (a commonly held but rarely realized assumption.) The importance of indirect cost rates and alternative contracting awards as protective measures was emphasized.

The team recognized the need for historical analysis of past funding data and maintaining strategic relationships. The discussion concluded with suggestions to explore new funding opportunities, including corporate funders and potential collaborations. Carey will follow up for a deeper discussion with a small group of interested Board members in the fall.

OCP's service offer on data and digitization

The Deep Dive session led by Yohanna and Lindsey focused on OCP's service offerings related to data and digitization. They presented an overview of OCDS (Open Contracting Data Standard), highlighting its benefits and demonstrating its application through examples, including why open data, the need for an OCID prefix, and having clear definitions of procurement terms and how and when OCDS can help improving source data quality and when it doesn't. The board engaged in an interactive exercise adopting user personas to map relevant OCDS fields, emphasizing insights gained and lessons learned.

Discussions included strategies for supporting digitalization, especially in e-Government Procurement (e-GP) and addressing challenges when source systems lack usable data. Lindsey and Yohanna presented the specific eGP support approach at <https://www.open-contracting.org/what-is-open-contracting/e-procurement/> that OCP is

taking under the new strategy. They explored opportunities for monetization through e-GP support services and discussed the potential for benchmarking e-GP performance to enhance transparency and political will. Additional topics included scaling support amidst funding limitations, forming alliances with digital transformation organizations, navigating data governance issues, and to improve efforts to generate demand from procuring entities as opposed to supporting existing vendors.

OCP's communications strategy and website

In the session led by Georg and Sophie, the focus was sharing and discussing OCP's updated communications strategy. Georg outlined the cornerstones of the plan that will enhance OCP's visibility and engagement of the open contracting community and new audiences, from telling stories about how open contracting has impacted people and communities, to smarter how-to guidance for implementing open contracting reforms, to building a credible and bold organization leading the charge. Discussions included the redesign of the website that will emphasize inspiration and replication rather than advocacy, continuing to highlight impact through stories and a focus on people, and structuring support for investigative journalism on public contracts. The board provided feedback on these initiatives. They noted the importance of storytelling and visual content to convey the impact of open contracting and discussed strategies to navigate the radical changes in the social media and digital landscapes, emphasizing the need to reach new audiences effectively. Action points included further refining website usability, exploring new communication channels, and integrating user feedback for continuous improvement.

Ukraine

Viktor Nestulia, Head of Ukraine Support, presented an update on the [Digital Restoration Ecosystem for Accountable Management \(DREAM\)](#) in Ukraine, underscoring its transformation into a comprehensive reform and platform for managing all public investments in the country. Conceived initially as a transparency and engagement portal, DREAM now encompasses over 4,000 projects totaling approximately \$4 billion, pivotal in aligning with commitments outlined in the IMF-Government of Ukraine Roadmap since December 2023. The system not only facilitates project reporting but also supports digital workflows, community engagement, and coordination with international donors and financial institutions. Board discussions focused on the system's role in municipal coordination, integration with IFIs, and risk management amid political and funding uncertainties. The Board acknowledged the critical need for scenario planning and risk mitigation strategies to ensure DREAM's sustainability, highlighting the importance of

maintaining strong stakeholder relationships. Overall, Viktor and the team received commendation from the board for their leadership and progress with DREAM, with ongoing support pledged towards achieving strategic objectives and managing associated risks effectively.

Executive Session

After the meeting, the board held an Executive Session led by Sally Guyer.

Next Steps

The next virtual meeting will be held on December 10, 2024, at 10 am EST.

Minutes submitted and approved by:

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