

## Minutes of ChildFund Alliance Board of Directors Meeting held on Tuesday, 8 November 2016 in Yangon

### Attendance

#### Board Members

Michael Rose	ChildFund Australia – <i>Chairman</i>
Lennart Wiklund	Barnfonden – <i>Vice Chair</i>
Paul Newbigging	CCF Canada - <i>Treasurer</i>
Clotilde Crozier	Un Enfant Par La Main
Anne Goddard	ChildFund International, USA
Nancy Hill	ChildFund International, USA
Marilyn Grist	ChildFund International, USA
Barbara Holzbaur	ChildFund Deutschland
Brendan Kenny	ChildFund Ireland
Hiroshi Harashima	ChildFund Japan
Hoon Sang Chi	ChildFund Korea
Je Hoon Lee	ChildFund Korea

#### In attendance

Josè-Maria Faura	Educo
Paul Brown	ChildFund New Zealand

#### Alliance Secretariat

Meg Gardinier	Secretary General
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#### Apologies

Rob Campbell	ChildFund New Zealand
Imma Barral	Educo

### 1 Opening remarks and apologies

Michael Rose opened the meeting and welcomed Board members. He noted that Imma Barral had professional commitments that prevented her from attending the meeting and that Josè-Maria Faura was attending in her place. He noted that Rob Campbell also had conflicting professional commitments and that Paul Brown would attend part of the meeting on behalf of ChildFund New Zealand.

### 2 Minutes from previous meetings

The minutes from the following meetings were approved:

- Tuesday, 24 May 2016.
- Thursday, 30 June 2016.
- Tuesday, 20 September 2016.

### **3 Matters arising**

The list of matters arising from previous meetings was reviewed and progress was noted. Michael Rose noted that a number of matters in the list were to be dealt with during the course of the Board meeting.

### **4 Chairman's report**

Michael Rose noted that there had been a number of significant developments within the Alliance since the last Board meeting in Paris in May 2016. He said that most of these were dealt with in detail in the Secretary General's report and that, in the circumstances, he would not deliver a detailed report himself. Board members agreed with this approach.

### **5 Secretary General's report**

#### **5.1 Secretariat and Strategy update**

The Secretary General, Meg Gardinier, delivered a PowerPoint presentation and provided a detailed update in respect of each of the following:

- The Secretariat team, including new staff hires and current recruitment.
- *Partnerships and joint initiatives with other agencies including Keeping Children Safe; the Global Partnership to end Violence Against Children; the Alliance for child protection in humanitarian action; the Paris Principles working group; Children in a changing climate coalition.*
- Ongoing discussions with Terre Des Hommes.
- The launch of the Alliance's 5 Year Strategic Plan in September.
- An update on Strategic Priority 1- Child friendly Accountability and advocacy.
- An update on the activities of the Advocacy Task Force.
- An update on Strategic Priority 2 – Child protection in emergencies and disaster risk reduction.
- An update on Strategic Priority 3 – Strengthening membership engagement and growth.
- An update on communications activity and strategy.

Board members asked Meg a number of questions about aspects of her presentation and provided feedback to Meg in relation to strategic priorities, partnerships and communication strategy.

Michael Rose noted the very high level of activity undertaken by the Secretariat and reminded Board members that this activity had been undertaken while Meg was managing significant staff changes and an office move. The Board congratulated Meg on the Secretariat's output and progress in relation to strategic objectives.

#### **5.2 Consolidated data report**

Michael Rose and Meg Gardinier referred to aspects of the Consolidated Data Report provided to Board members and asked Board members to comment on the major trends identified by the data.

There was an extensive Board discussion in which Board members identified a number of significant trends including:

- Flat or declining revenue for most members when considered over a five year period.

- Increased pressure on US\$ revenues, having regard to currency fluctuations – it was noted that this is a particular issue for European members.
- A challenging competitive and market environment for fundraising, representing an overall decline in personal, corporate and other institutional philanthropy.
- A risk that the sponsorship model has become stale and uncompetitive.
- A need to address changing market demographics and expectations, and the opportunities and threats posed by new technology in the not-for-profit area.

Michael asked Board members to identify priority areas for more detailed review and attention. During a further discussion, a consensus developed around the following areas of activity.

**Product** – it was agreed that priority should be given to the development of new "products" to both modernise and supplement the existing sponsorship model. It was noted that consideration of new products should also involve a more detailed consideration of the vision, focus and distinctiveness of ChildFund and the management of its relationships with donors and supporters. It was also noted that there is likely to be a significant connection between the development of new products and ChildFund's emergency response capabilities.

**Growth** – it was noted that each member should undertake an urgent and ambitious review of its own growth opportunities. At the same time, the Alliance should increase its focus on three potential areas of growth: new membership; the EULO; and emergencies and disaster relief.

**Cost sharing** – it was noted that there are opportunities for greater cooperation, collaboration and cost sharing between members. It was suggested that members spend some time considering pilot projects for cost sharing arrangements.

**Benchmarking** – a number of Board members noted the importance of benchmarking at both the national and global level. It was suggested that members be encouraged to look at best practice within the Alliance but also to track major trends outside the Alliance.

**Ambition** – Michael Rose urged Board members to report the Board's discussion to their own national Boards and to challenge their Boards to be clear about their ambitions for growth, product development and collaboration with other members. Board members agreed that this was necessary. Lennart Wiklund also encouraged Board members to "*think out of the box*" and to look for innovative new approaches to growth. Je Hoon Lee referred to ChildFund Korea's marketing and branding innovations "umbrella tactics" and suggested that other members might consider similar approaches.

At the end of the discussion, it was agreed that Michael Rose and Meg Gardinier would circulate notes of the discussion and a recommended approach for addressing three or four of the priority areas identified.

## 6 CEO Forum report

Josè-Maria Faura provided a brief report on the first day of the CEO Forum meetings. He noted that many of the issues considered by the CEOs had been raised and discussed during the Board's consideration of the consolidated data and strategy. He also noted that he would report on the CEOs decisions in relation to EULO when the Board considered that item.

Josè-Maria noted that the CEO forum had been informed of CCFC's decision to change its name to a new name. He outlined the CEOs Forum's consensus view in relation to this and asked the Board to respond. Michael Rose suggested that the discussion of this issue be deferred until later in the Board meeting.

The Board asked Josè-Maria Faura some questions in relation to the CEO Forum meeting and thanked him for his report.

## **7 EULO report**

Josè-Maria Faura and Joern Ziegler provided an update on the status of the EULO office and its future.

Joern Ziegler began the presentation by outlining the importance of the European Union as a source of development funding, available to all implementing members, not only those registered in European countries. He noted that the European Union is the most significant source of funding globally and that it is essential for ChildFund Alliance to be represented in Brussels in order to have access to that funding. A number of Board members indicated that they shared Joern's opinion.

Josè-Maria Faura provide Board members with a summary of the EULO's history to date and outlined various proposals for the restructuring of the EULO office and membership. He noted that, although significant work had been undertaken by the EULO working group prior to the CEO Forum and Board meetings, that work had not been completed and he was not in a position to put a concrete proposal to the Board. He outlined three possibilities that had been considered by the CEO Forum and described the further work that would need to be undertaken before a final recommendation could be made to the Board. Josè noted that the CEO Forum preferred the second option presented in his presentation, whereby the EULO would become part of the Alliance but be managed by a Steering Committee made up of Member CEOs and the Secretary-General.

Board members asked Joern and Josè a number of questions about aspects of European Union funding. The costs of establishing a more sustainable EULO presence and the structure of any EULO office. Board members also made a number of suggestions about these issues.

Josè noted that the MOU between existing EULO members would expire on 31 December 2016. He said that the MOU would be extended for a further six months to enable further development of the EULO model to be completed.

At the conclusion of the discussion, the Board resolved that:

- It was important for ChildFund Alliance to be represented in Brussels in some way. In the circumstances, the Board supports the development of an EULO model to provide effective representation for the Alliance and its members in Brussels.
- Ideally, any EULO office should represent the Alliance and all of its members.
- The EULO working group should continue to develop the EULO model in order to bring recommendations back to the Board in May 2017.
- It will be necessary to determine the structure and funding arrangements for EULO as soon as possible in order to factor those arrangements into the preparation of the FY2018 Alliance budget.

## **8 Accreditation**

Meg Gardinier provided an update in relation to Accreditation. She reported on continuing discussions with Accountable Now concerning the ING Accountability Charter and its application to ChildFund Alliance and its members.

Board members discussed the comparative advantages of the ING Accountability Charter and the existing member-lead accreditation process conducted under the Alliance Members Agreement. It was agreed that the member-lead approach has been complex, time consuming and not

independent. It was noted that, increasingly, donors will look for greater levels of accreditation and accountability, including accreditation by independent bodies.

There was a discussion concerning the costs of accreditation and a number of Board members made suggestions concerning the ways in which the accreditation process might be staged over time, in order to manage costs. At the end of the discussion, it was resolved that:

- Meg Gardinier should approach Accountability Now to see if it is possible to develop a three year rolling program of accreditation for ChildFund Alliance and each of its members.
- In her discussions with Accountability Now, Meg should seek to identify the most cost efficient approach to obtaining accreditation for members.
- Meg should report back to the Board on this issue as soon as possible, but no later than the May 2017 Board meeting.

## 9 Future meetings

Michael Rose spoke to his paper concerning the venue for future meetings of the Alliance Board and CEO Forum. Board members discussed the benefits associated with a single permanent meeting location but also identified the benefits associated with regular meetings in program countries. Lennart Wiklund confirmed Barnfonden's offer to host the May 2017 meeting in New York.

After discussing the pros and cons of a single permanent location, the consensus view was that meetings should continue to alternate between the fundraising countries and program countries and that, in each case, the host member should have the ability to choose the location. There was no consensus report for a single permanent location.

The following future meeting program was discussed:

Date	Host Member	Proposed Location	Status
May 2017	Barnfonden	New York	Location confirmed. Dates to be confirmed.
November 2017	Educo	Barcelona or San Salvador	Location and dates to be confirmed.
May 2018	To be confirmed	New York city or San Francisco	To be confirmed.
November 2018	ChildFund International	African or Asian program country	To be confirmed.

Meg Gardinier was asked to check possible dates for the May 2017 meeting in order to avoid clashes with significant events in New York City. It was agreed that the Secretariat and Barnfonden will liaise in relation to the May 2017 meeting.

## 10 Membership dues

Michael Rose noted that he and Paul Newbigging had made a presentation to the CEO Forum, concerning the calculation of membership dues pursuant to Article 3.1 of the Members Agreement. He then took the Board through the same presentation and Board members asked a number of questions in relation to the methodology used in calculating membership dues.

Clotilde Crozier then spoke to her paper concerning alternative approaches to the calculation of membership dues. She pointed out that the current "floor" system has resulted in the smallest members paying a large proportion of their revenues as dues.

Michael asked Brendan Kenny and Hiroshi Harashima to comment on Clotilde's paper and the impact of the current calculation on the members they represent. Board members then discussed the current calculation methodology and possible alternative approaches.

It was noted that, at one level, the discussion concerning dues calculation is a discussion concerning the sustainability of the Alliance's smallest members. A number of Board members indicated that, although they were prepared to consider changes to the existing methodology, they were not prepared to accept those changes without a clear understanding of the steps that would be taken to improve the sustainability and capacity of the Alliance's smallest members.

In the paper presented by Clotilde, UEPLM suggested either:

- A progressive fee structure in which membership dues increased proportionately to member revenues/size; and
- A fee structure in which all members paid an equal share of their revenue.

There was not consensus support for either of these approaches. However, a number of Board members indicated a preparedness to consider either:

- Removing the existing floors for the smallest members.
- Removing the existing floors for all members.
- Adopting an "cap and collar" approach to floors. It was suggested that consideration should be given to a floor of US\$20,000 and a cap of 0.5% of revenue.

At the conclusion of the discussion it was agreed that the Secretariat would undertake some modelling, based on the three approaches outlined above. This will be circulated to Board members for further consideration.

## **11 Membership update**

Clotilde Crozier provided an update on the current discussions between EUPLM and SOSESF.

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Meg Gardinier provided Board members with an update on her discussions with Terre Des Hommes. Board members asked a number of questions about these discussions and possible future collaboration with TDH.

It was noted that, in the light of the earlier discussion concerning strategic priorities and EULO, that priority should be given to future discussions with TDH and that TDH should be informed that the Alliance was giving priority to building its membership and increasing its presence in Europe. It was agreed that Michael and Meg should discuss how best to continue discussions with TDH and that they will keep the Board informed of progress.

Je Hoon Lee spoke briefly to his paper concerning TFCF and reported on recent discussions with members of the TFCF Board. It was agreed that lines of communication should be kept open with TFCF and that Michael Rose should write to the Chairman of TFCF inviting discussions concerning TFCF's return to the Alliance. The Board thanked Je Hoon Lee for his continuing efforts with TFCF.

## **12 Finance report**

Paul Newbigging presented the financial statements for the year ended 30 June 2016. These were approved and adopted by the Board.

Paul also presented a Statement of Activities for the three months ending 30 September 2016 and spoke to current performance against the FY2017 budget. He noted various timing

differences and said that he was confident that the Alliance was on track for an on budget result in FY2017. The Board noted the Statement of Activities.

Paul noted that KPMG had acted as auditors for ChildFund International for many years and that, in connection with the ChildFund International auditor, KPMG audited ChildFund Alliance. Paul proposed that KPMG be appointed as auditors in respect of FY2017 year. The Board resolved to appoint KPMG.

The Board thanked Paul and the Finance Committee for their work in relation to the financial statements.

### **13 Board succession planning**

Michael Rose spoke briefly to his paper concerning Board succession. He noted that he, Lennart Wiklund and Paul Newbigging were all content to continue in their roles until November 2017.

The Board resolved that:

- Lennart Wiklund's initial term as Vice Chairman be extended to November 2017.
- Paul Newbigging be responsible for receiving nominations (including self-nominations) for the roles of Chairman and Vice Chairman for election in November 2017.
- The issue of Board succession be considered again at the May 2017 Board meeting at which time candidates for all elected and appointed roles can be considered.
- Ideally, the next Chairman of ChildFund Alliance should be identified at the May 2017 Board meeting so that an appropriate handover can take place between May and November 2017.

### **14 ChildFund Korea – aspirational territory**

It was noted that ChildFund Korea has expressed an interest to conduct programs in Malawi and has identified Malawi as an aspirational territory. This was noted by the Board.

### **15 CCFC – branding**

It was noted that Jim Carey had informed the CEO Forum of CCFC's plans to change its name to a name other than ChildFund Canada. Paul Newbigging confirmed that this was the case and noted that the name change was unlikely to take place until 2018.

Josè-Maria Faura noted that the CEO Forum had expressed some concern about CCFC's decision and he asked that the Board write to CCFC, asking it to reconsider.

Paul Newbigging spoke about the process that had been undertaken by CCFC and various reasons why the name "ChildFund Canada" had not been chosen. Board members expressed disappointment with CCFC's decision. Board members from ChildFund New Zealand and ChildFund International offered to work with CCFC and to share their experience in relation to their name changes. Paul Newbigging agreed that this would be helpful.

At the conclusion of the discussion, the Board asked Michael Rose to write to CCFC, encouraging CCFC to reconsider its position and give further consideration to the adoption of "ChildFund Canada" as its name.

### **16 Board departures**

Michael Rose noted that this would be the final Board meeting for Marilyn Grist, Brendan Kenny and Hoon Sang Chi. He thanked each of them for their contributions to the ChildFund Alliance

over the years and for their great contributions to the work of the Alliance and its members.  
Board members thanked all three of the departing Board members and applauded them.

There being no additional business, the meeting was closed at 5.30 pm, Yangon time.