

Board of Directors Meeting Minutes

February 13, 2023 | 08:00 am - 10:00 am ET | Virtual

Members Present

Maria Baron, Board Chair
Robin Hodess, Secretary-Treasurer
Sanjay Pradhan, CEO (*ex officio*)
Aidan Eyakuze, Member
Steph Muchai, Member

Staff Present

Joe Powell, Deputy CEO
Kate Lasso, CFOO
Judith McCormack, Finance Director
Denisse Miranda, Chief, IRM
Raven Meade, Operations Associate

Members Absent

Ketevan Tsanova, Member

1. Board Decisional Items

a) Board Meeting Minutes

Maria opened the meeting at 8:02(EST) by asking for a motion to approve the January Board meeting minutes. It was noted that in the last meeting, Kety had made a comment about politically active members being recused from political engagements with the government and the need for clarification on FCDO returning as a funder being mentioned in the minutes. The Board agreed to approve the minutes after Kety has an opportunity to review them to ensure her comments are reflected. An update was made to indicate that FCDO is currently not a funder but OGP will continue to engage in discussions with the FCDO to try and secure a new award in future.

2. Board Discussion Items

a) Fiscal Framework

Maria invited Joe and Denisse to discuss the revenue projections/fundraising updates, and Kate to discuss the 2022-2023 fiscal year expenses/2024 projections. The current estimates for the fiscal are US \$10 million in revenue, US \$12.1 in expenses, and ending reserves of US \$5.1 million. OGP has adopted cost-saving measures to manage expenses and there are ongoing efforts to increase revenue

Support from traditional long-term funders such as FCDO, Luminate, and OSF have been in decline; there was a one-year gap from Sweden in 2022. The steady state of revenue is projected to be around US\$10 million a year which is less than the anticipated amount needed to deliver on the new strategy. As a result of prudent financial planning in prior years, OGP currently has a high level of reserves that can sustain the organization over the medium term as fundraising efforts focus on increasing revenues. The adoption of the new strategy and the first in-person global summit in Tallinn, Estonia this September will bring new fundraising opportunities. The fundraising plan is as follows:



- Raising country contributions for the first time since they were introduced and increasing the number of countries paying them.
- Bringing back previous donors who are not currently funding the organization for political, strategic, or financial reasons, including OSF and UK FCDO.
- Securing new donors, including Skoll Foundation, Global Affairs Canada, and a new section of the European Commission, among others.
- Increasing funding from current donors, such as USAID.

While figures are not final until audited, OGP anticipates ending FY22 with a reserve of about US \$8.2 million, which is more than the three-month policy requirement of US \$3 million.

Over 2023 and 2024, income and expenses will be brought into alignment while OGP shifts its investment of people and financial resources to support the emerging strategy. In 2023 and 2024 OGP will be searching for ways to save money on programmatic expenses. As of April 2023, there will be a reduction or merging of about five positions and employees will be given lump sum payments at less than full COLA in lieu of performance and COLA increases in 2023.

Denisse briefed the Board on finalizing the work plan and budget process. OGP is focusing on Year One priority activities. The one-year work plan will align with the strategic goals. The 2023 work plan presented in March will set the parameters and staff will continue to develop more detailed implementation plans for individual sub-strategies that are identified under the strategic goal. The budget will be shared with Board members at the March 22nd Board meeting.

The Board indicated a desire for more details in the budget on targets with multiple goals, to highlight OGP's fundraising efforts in order to not rely on reserves, and asked what would be considered a sustainable target level of expenditures. To this last point, Sanjay suggested US \$12M over the medium term as a sustainable revenue/expenditure level. It was also noted that it will be important to collaborate with the Steering Committee to raise OGP's profile with donors

b) New Strategy Development

Denisse updated the Board on the status of the new strategy. There has been about 94 to 100% of approval for the English and Spanish versions of the strategy. Negative sentiments were at 6% for the English version, and 0% for the Spanish. There has been controversy surrounding the need to articulate the mission/vision, and inspiration hub. In addition, there have been suggestions on how to operationalize and implement different goals of the strategy.



The Board requested more clarification for how the controversies are being addressed in terms of wording, and to have the vision express a more forward-looking story.

c) Other Business

Judith provided an overview of the audit requirements for fiscal year 2022. Due to additional funding from restricted sources, there will be about five different audits incorporated in OGP's annual audit, including OGP Europe, and program-specific audits for USAID, AFD, and EAP. In 2022 OGP met the threshold requirement for the US government's single audit. The single audit is very detailed, reviewing OGP's internal controls structure, and will very likely come with recommendations for strengthening OGP's internal control structure.. The audit testing will occur between March and May and the final report will be presented to the Board in June.

d) Subsequent Board meetings

A more detailed version of the budget will be presented to the Board approval at the March 22nd Board meeting.

3. Adjournment

Given that no further discussions were required, Maria motioned to adjourn the Board meeting which was seconded by Robin. The meeting was adjourned at 9:51 am EST

