

MINUTES OF THE CHS ALLIANCE INTERIM BOARD, 11-12 APRIL 2016

Amigo Halls, CAFOD, Romero House, 55 Westminster Bridge Road,
London, SE1 7JB, UK

PRESENT:

John Beverley (JB), Joan Coyle (JC), Annabel Cruz (AC), Anne de Riedmatten (AdR), Nick Guttmann (NG), Jacquie Heany (JH), Thea Hilhorst (TH), Takeshi Komino (TK), Bijay Kumar (BK), Mudasser Siddiqui (MS), Robert Tickner (RT, Chair), Willem van Eekelen (WvE), Di Willis (DW), Jeff Wright (JW)

GUESTS

Kate Half (KH – Item 11 only), Pierre Hauselmann (PHau – Item 11 only), Robert Sweatman (RS - Item 9 only)

IN ATTENDANCE:

Carol Curran (CC, minutes only), Judith Greenwood (JG), Esther Hamilton (EH – Item 12 only), Patrick Hartmann (PHar – Item 5 only), Verity Stiff (Item 7 only)

APOLOGIES:

Véronique de Geoffroy (VdG), Loretta Hieber-Girandet (LHG), Camilla Knox-Peebles (CKP)

MONDAY 11 APRIL 2016

ACTION

1. APOLOGIES, WELCOME AND DECLARATIONS OF INTEREST

RT welcomed everyone to the meeting and reported that he had been in London for a few days during which he had met with JG, the London staff and the Board of Sphere. His perception was that the CHS Alliance already had a good reputation and the CHS had gained initial credibility very quickly. The Alliance needed to build its resource base, partnerships, and relationships with members so that the Standard became a reality and not just rhetoric.

Apologies were noted. The agenda was accepted.

JB declared that he was still the Treasurer of People In Aid as well as of the CHS Alliance. AC and NG declared that they were still on the Board of HAP International.

2. MINUTES OF THE LAST BOARD MEETING HELD ON 21 JANUARY 2016

The minutes of the last Interim Board meeting on 21 January 2016 were **adopted** subject to the following amendments:

- (a) The first sentence of paragraph 6 of Agenda Item 4.2 (page 3) should read “JB highlighted the risk relating to reliance on traditional donors with two thirds of the Alliance’s income coming from this source; he raised the issue of some guiding principles on funding sources.”
- (b) The 7th bullet point of Agenda Item 7 (page 7) should read: “Under the CHS Alliance Verification Scheme, members have four verification options open to them; the Alliance leaves it to the member to decide which route is the appropriate option for the organisation.”

Action: CC to update minutes for signature.

CC

3. MATTERS ARISING NOT APPEARING ELSEWHERE ON THE AGENDA

The document on actions arising from meetings was noted.

- (a) It was agreed that Item 50 about reviewing the staff structure in relation to funding for activities would be changed from “Completed” to “Ongoing”. **CC**
- (b) It was agreed that Item 55 about revising the Verification Scheme and reporting regularly on self-assessment would be changed from “Completed” to “Revision completed. Reporting ongoing.” **CC**
- (c) It was noted that the benefits and costs of keeping People In Aid’s charitable registration (Item 24) had not been considered. This required a decision that aligned with the fundraising strategy.

Action: Fundraising Sub-Committee to consider the benefits of keeping People In Aid’s charitable registration.

JG/FSC

4. UPDATE FROM ED

The ED’s report was noted. JG gave a presentation focussing on the highlights as follows.

4.1 BOARD KPIS (DASHBOARD)

The dashboard was noted. The Alliance was on target with all four Board KPIS although none had been completed yet. The organisation was safe in terms of income. There was cautious optimism in relation to member engagement. Of the membership invoices issued in January and February, 49% had been paid up to the beginning of April. The CHS had been accepted by the World Humanitarian Summit (WHS). The Verification Scheme had been approved which was a major achievement.

4.2 CORE HUMANITARIAN STANDARD (CHS)

The CHS was now available in 13 languages. JG had visited Bangladesh for the launch of the CHS in Bangla. Communities there had demonstrated a high level of commitment to the CHS with 23 organisations coming together under the auspices of COAST. They had funded the translation and tested the self-assessment tool. JG had also visited Sweden and Finland. The meeting of the copyright holders of the CHS (CHS Alliance, Sphere and Groupe URD) had been positive with all parties wanting the CHS to succeed. The World Food Programme (WFP) had requested training. Maxine Clayton, based in Nairobi, was working on both people management and quality and accountability for ten days a month for the Alliance; there was a great advantage to having someone on the ground.

The area where the CHS was less significant was the USA. The Alliance would be attending the Interaction Forum in Washington the following week. JW was unaware of any particular opposition to the CHS, rather it was a lack of awareness. JW would be able to provide introductions. AdR would provide an introduction to a USAID colleague based in Geneva.

Action: JW and AdR to provide JG with US introductions.

**JG/JW/
AdR**

It was confirmed that verification was open to non-members; the self-assessment tool, guidance notes and indicators were generally available. This should generate interest in membership. Sphere would also be publishing tools.

4.3 WORLD HUMANITARIAN SUMMIT (WHS)

The WHS was taking place in Istanbul on 23-24 May 2016. The Humanitarian Accountability Report (HAR), the Alliance's first publication, had been entitled *The Road to Istanbul*. The CHS had initially appeared as a footnote in the WHS synthesis report but, after the global consultations, it was mentioned in the body of the resulting report. The focus of the WHS was becoming clearer, centring on five commitments.

Three Alliance staff would be attending the WHS. A side-event with Sphere and Groupe URD had been accepted. A CHS exhibition booth had also been approved. People-centred humanitarian action was one of the WHS sessions. The Alliance had a communications plan in place for during and in advance of the WHS including blogs and the use of social media. TK, NG and TH would also be attending.

4.4 STAFF SURVEY

JG reported on the results of the staff survey which she had been anxious to complete even though the merger had not been finalised. It would provide a benchmark for the future. She was particularly encouraged by staff willingness to put in extra effort for the Alliance. The lowlights were concerns about job security and not recommending the Alliance as a place to work. One area she would be addressing was communication across departments. A staff meeting was being held on 13 April to discuss the survey results. Of note from the ensuing discussion were:

- (a) Some Board Members were encouraged by the results which were more positive than expected. They were realistic and reflected what was happening in an organisation undergoing such change. The marks around leadership were good.
- (b) Uncertainty had given rise to many of the negative issues rather than there being two sites.
- (c) It should be recognised that the staff is small; one third of staff being dissatisfied and leaving should be anticipated and planned for during a merger.
- (d) The low marks for sharing a sense of purpose and trust indicated that tackling organisational culture is critical for the Alliance; the Board would need to monitor this.
- (e) The focus should be on next steps, with checks being taken to monitor staff satisfaction. A shift in attitude should be seen in the next few months.

Action: JG to provide an update on progress at the next meeting.

**NEXT
AGENDA**

The organisation chart presented highlighted that both people management and development experience were being lost. This was an opportunity to look forward and it was agreed that former People In Aid trustees would meet separately later to discuss the situation with JG.

Action: JG to send the organisation chart to Board Members.

JG

4.5 RISK REGISTER

The risk register was noted. JG highlighted that the only 'red' risk was the delay in the merger. The risk associated with the loss of verification expertise had reduced and was now 'green'.

Concern was expressed about what would happen after the merger, what would be different particularly with regard to the staff in London, and whether it was time to reconsider the need for an office in London. It was suggested that time should be invested in scenario planning for the future. It was reported that a project manager was being recruited in London, and the Alliance had obligations to UK staff under the TUPE regulations. Communications about the departures would need to be agreed. RT reported on his brainstorm with London staff the previous week which had resulted in ten very constructive ideas about how to move the organisation forward.

5. FINANCE, RISK AND AUDIT COMMITTEE (FRAC)

5.1 MINUTES OF FRAC MEETINGS ON 19 JANUARY AND 8 MARCH 2016

PHar was welcomed to the meeting. The minutes of the January and March meetings were noted. RT requested that the Agenda Item 6 in the minutes of 8 March be amended to: *RT: two strong sentiments had been expressed and the belief in them.*

FRAC

5.2 DRAFT MINUTES FROM FRAC MEETING ON 5 APRIL

The draft minutes of the meeting on 5 April were noted. JB reported that monthly meetings had been organised from July to December 2015 to maintain momentum and this had been reduced to every 4-6 weeks. JB indicated the need to get the financial processes right otherwise the content would be unreliable. The quality of data last year had been below par. The February meeting had not taken place as a result of the pressure of the HAP audit; the March meeting had suffered from poor quality papers; the data quality for the April meeting had been much improved. The merger was high on the finance agenda: no meeting was planned for May but FRAC would mobilise to meet before June if this was required.

JG indicated she was also now more comfortable with the finances, was working well with PHar and could call on JB for assistance. The merger process was challenging with the two legal contexts and high workload.

5.3 COMBINED MANAGEMENT ACCOUNTS AND BUDGET REFORECAST

PHar and JB highlighted the following in the combined management accounts and budget reforecast:

- (a) The Income & Expenditure Summary reported confirmed and pipeline income for the CHS Alliance of CHF 2.7m which included the HAP and People In Aid reserves. The total reforecast expenditure was CHF 2.6m with a surplus of CHF 97k on the year if the pipeline income was realised.
- (b) The Association Capital/Reserves Summary indicated an opening negative balance for the CHS Alliance as expenditure had been incurred in 2015. The closing reserves for 2016 would be CHF 500k if the pipeline income was achieved.
- (c) Some reserves were restricted. For example, People In Aid reserves were restricted to work on the 'people' agenda so that People In Aid Trustees can demonstrate that the funding will be spent on its mission.
- (d) The fundraising pipeline of CHF 1m had been reviewed by FRAC and correlated with PHar's prudent numbers and EH's aspirational fundraising targets. Since the documentation had been produced, some funding had already transferred from the pipeline to confirmed income. Fundraising income needed to be realised to fund activities during the year and not solely to contribute to the reserves.
- (e) By 4 April, nearly 50% of the membership fee invoices had been paid. It had not been possible given other priorities to provide detailed analysis of the income sources.
- (f) The Costs by Department chart indicated that 41% of expenditure (including salaries) would be spent on People & Organisational Development, which is the result of the merger of two departments and includes all training where costs are recovered.

From the subsequent discussion, the following was of note:

- It was difficult to understand the risk relating to the pipeline income. This would be considered again the following day (Agenda Item 12) and FRAC also reviewed the figures on a regular basis.
- There needed to be an aggressive focus on collection of 2016 membership fees. A pragmatic approach had been adopted towards collection of unpaid 2015 fees so a provision had been made for bad debts.
- The focus had been on obtaining income for operating costs but it was time to look to the future and a new vision was needed. For example, the focus of the WHS was on localisation: how would we create quality and accountability hubs in crisis-affected areas?
- There were some large differences between the initial budget and the 3rd revision presented in the expenditure reforecast. The last reforecast had been made on a more informed basis compared with the budget set in July

2015. All areas had been reviewed including governance costs, e.g. for the General Assembly, Board meetings, ED travel to the London office. In addition, the costs for London activities no longer appeared for the first three months of the year as the merger had been delayed. FRAC now had a better understanding of the basis on which the numbers had been prepared and the assumptions made.

The Board **approved** the Combined Management Accounts and Budget Reforecast.

FRAC

5.4 FINANCE POLICY AND PROCEDURES

JB reported that the document had been approved by FRAC at the end of 2015 but there had not been an earlier opportunity to present it to the Board for approval. Issues raised included the following:

- (a) The per diem had been set at 70% of UN rates.
- (b) Is there a table of agreed consultancy rates?
- (c) There should be a provision for single sourcing for consultancies and clarity with regard to the point at which tendering is necessary.
- (d) Greater clarity needed in the document with regard to the cards for cash advances for staff being rechargeable and that they are not credit cards without an upper limit.
- (e) Details of the pool of bank signatories and the limits of their authority should be included.
- (f) Any finance-related decisions taken by FRAC, led by the Treasurer, in between Board meetings should be the exception rather than the rule.

Action: Board members to refer any additional issues on the Finance Policy and Procedures to FRAC.

ALL

It was **resolved** that:

- (a) The Finance Policy and Procedures would be adopted.
- (b) FRAC would be asked to review the issues raised by the Board.

FRAC

5.5 RECOMMENDATIONS FROM FRAC

There were no recommendations from FRAC to consider.

6. MERGER

The document providing an update on the merger was noted. The merger documents were with solicitors for a final review; however, the Board needed the opportunity to review them prior to signature which was planned for the following day.

JG reported that she was conscious that she had reported in January that the merger was due to complete on 1st February. However, a review of the documents by the People In Aid solicitors, BWB, highlighted some issues for the People In Aid Trustees whose UK charity liabilities were more challenging than for Swiss associations. JB congratulate JG and the Chair of the People In Aid, Nick Gallagher, who had worked to move the situation forward. BWB were very experienced and well respected UK charity lawyers who took a stringent approach. They had recommended that the People In Aid reserves should be 'restricted' to fulfil its mission and the Trustees' obligations.

Previously the Alliance had been misdirected in terms of the route it should take for the merger; now it was on the correct track. The Swiss lawyers had indicated that it was not possible for HAP International to enter into a merger under the Swiss Merger Act with a negative balance sheet. However, a transfer of assets arrangement could be effected. This was a much simpler exercise. (It had subsequently become clear that HAP would have a positive balance sheet.)

Following signature of the transfer documents the following day, both HAP and People In Aid would remain as entities for the life of specific donor funding; the organisations would subcontract the Alliance to deliver on the projects. In terms of People In Aid's UK charity status, JB would propose a group structure whereby there was a wholly owned subsidiary of the Alliance which had charitable status. This would be a fundraising decision and not one relating to the merger.

JG reminded the Board that she had been taken on seven months previously as ED of the CHS Alliance to lead the Alliance and not to complete the merger. However, she was very encouraged that the merger was about to happen and that the CHS Alliance would now be moving forward as one organisation.

7. PEOPLE AND ORGANISATIONAL DEVELOPMENT

VS was welcomed to the meeting. She gave a presentation on people development activities for 2016-17. She explained that the focus would be on People In Aid activities although the capacity development team in Geneva was also part of the People & Organisational Development team. Current

commitments centred on three main areas: project management; events, networks and forums; and resource development.

Planned project work as a member or consortia and/or partnerships included two ongoing Start Network projects on Talent Development and on Transforming Surge Capacity in the Humanitarian Sector. A third project, the Humanitarian Passport Initiative, now in its inception phase had finally come to fruition after five years. This work was generally managed in-house using a cadre of consultants.

Events, networks and forums comprised People In Aid flagship products. Events included the Humanitarian Human Resources Conferences and workshops, e.g. debriefing. There were networks and forums on: learning and development; reward (Global and Local NGO pay surveys with Birches); Fair Pay Consortium; HR Managers; South African network. External networks included the Training Providers Forum and HR Directors group.

Resource development undertaken in conjunction with the communications team was primarily a commitment made against DFID PPA funding. This included research pieces, blogs, case studies and “Centres of Excellence”.

Ideas for 2017 and beyond included:

- Integrate good people management practices across the CHS Alliance’s work (inter-disciplinary approach);
- Broaden the geographical focus and funding options (currently this was UK-centric despite members being based worldwide);
- Develop a thematic approach (e.g. duty of care, leadership, etc.);
- Develop technical and advisory services with our partner consultants;
- Undertaking a cost/benefit analysis of continuing some People in Aid activities incorporating a 1-2 year time frame for any change to meet commitments and maintain reputation.

Board members highlighted the importance of the following:

- (i) The need for data driven analysis and impact measurement, and to revisit the purpose of the activities.
- (ii) Localisation in terms of local and regional capacity development.
- (iii) Leadership development for women is critical in Asia.
- (iv) Defining our niche, including localisation.
- (v) Integrating activities in a multi-disciplinary way.
- (vi) Not to lose sight of the relationship with Birches, who are compensation experts and produce valuable data for the sector.

(vii) Security with the greatest risk being to national staff.

It was agreed that a smaller group including former People In Aid Trustees and others interested in the subject would meet prior to dinner to continue the discussion.

TUESDAY 12 APRIL 2016

8. IN CAMERA SESSION

It was resolved that:

An in camera session would be a standing item on the agenda for each Board meeting and would proceed should any Board Member or the Executive Director raise any item. The Executive Director would be present unless the Board requested that the ED leave the session.

ED/CC

9. MEMBERSHIP AND NOMINATIONS COMMITTEE (M&NC)

Prior to him joining the meeting, the Board confirmed Robert Sweatman's nomination as Chair of the Membership & Nominations Committee. RS was then welcomed to the meeting.

RT reported that he had felt it prudent to meet RS in advance of the meeting to ensure that the Board election process was as effective as possible and with the minimum of fuss. The first election would need to operate within the constraints set by the current Statutes. It was noted that JC and JW were also on the M&NC.

9.1 MINUTES OF M&NC MEETINGS ON 16 FEBRUARY AND 8 MARCH 2016

The minutes of the M&NC meetings on 16 February and 8 March 2016 were noted.

9.2 RECOMMENDATIONS FROM M&NC

RS presented the recommendations to the Board in turn, reporting that some would require amendment to the Statutes if accepted.

(a) Recommendation 1

RS explained that, currently, the Red Cross and Red Crescent Movement and UN agencies are excluded from full membership by the eligibility criteria.

National Societies of the RCRC Movement have a special status and role as auxiliaries to their respective country's public authorities in the humanitarian field; therefore, they are not NGOs. However, some societies had been full members of People In Aid and HAP, and as result were automatically transferred to full membership of the CHS Alliance. M&NC believed that the Statutes should be amended to include the RCRC movement. The Board agreed with this part of the recommendation.

UN agencies were currently eligible to become associate members and the M&NC had been unsure about the historical basis for this decision. It was reported that the assumption had been that the UN would not be supportive of the CHS; however, subsequently many UN agencies had been interested and the assumption had proved to be incorrect. It was noted that there was no proposition for UN agencies that might wish to become full members, and a fee structure would need to be agreed. It was agreed that this part of the recommendation needed more consideration.

Recommendation 1 that the components of the RCRC Movement be included in the eligibility criteria for full membership was **accepted**.

JG/CC

It was **resolved** that a Resolution would be put to the General Assembly in November proposing that the Article 7 of the Statutes be amended as follows (new text is underlined):

An organisation is eligible to be made a full member of the CHS Alliance if:

- (a) It is an organisation whose core activities, or whose members core activities, work towards assisting and protecting vulnerable people and crisis-affected communities. They can be Non-Governmental Organisations (NGO), NGO networks, global NGO Secretariats, ~~or NGO~~ Consortia, Red Cross and Red Crescent Societies, IFRC and ICRC.

(b) Recommendations 2 and 3

The M&NC had been concerned about the necessity for a large election every three years caused by the new Board being elected in November 2016, all with the same term of office. In addition, the Statutes were silent about the election cycle. The Committee had considered ways in which the process could be staggered, resulting in Recommendations 2 and 3 to the Board. These proposed an election cycle of 18 months and a tenure of 18 months for Interim Board Members standing for election to the new Board in November.

Recommendation 2 that Board elections be held every 18 months either via electronic media or at a General Assembly was accepted.

Recommendation 3 that the first term of office of Interim Board Members who stood for election in November 2016 be 18 months instead of three years was accepted.

After this time, they would be eligible for re-election for a three-year term as per the Statutes. In addition, they would have served nearly three years at the end of their first term taking the Interim Board tenure into account.

JG/CC

It was resolved that two Resolutions would be put to the General Assembly in November proposing these amendments.

(c) Recommendation 4

This was considered at Agenda Item 9.3.

(d) Recommendation 5

This was considered at Agenda Item 9.4.

9.3 BOARD ELECTION PROCESS

RS presented the Board Election Process to the Board and the document was reviewed. The following was agreed:

- The process for Board members standing for re-election was accepted; the document would be updated to indicate that their existing documentation would be revalidated.
- The Chair of the M&NC, supported by the Committee, would be the designated Returning Officer responsible for overseeing the conduct of the election.
- After the round of voting to elect the Board Members, the newly elected Board would gather and potential candidates for Chair and Vice-Chair would identify themselves. A second round of voting would then take place to elect individuals to these positions; in the event of there being only one candidate, the individual would be “elected unopposed”.
- If elections are held every 18 months, there would be no by-elections in the event of a Board Member standing down mid-term. The exception is the Chair standing down in which case an immediate election would be called with nominations sought from the existing Board Members.
- The Returning Officer would oversee selection of the electronic voting media.

- In the event of a tie in the number of votes received by two or more nominees, lots would be drawn from a hat to determine the successful candidate.

M&NC

Recommendation 4 that the Board Election Process document be adopted was **accepted** subject to the above agreed amendments.

9.4 SUPPORTER MEMBERS AND FOR-PROFIT MEMBERSHIP

The paper on supporter membership and for-profit membership was noted. There were two categories of membership which had not yet been implemented: (a) supporter members, which were listed in the Statutes, and (b) for-profit membership which was not mentioned in the Statutes. The paper reviewed the categories, and set out the recommendation to the Board.

Recommendation 5.1 that supporter membership be further developed to include individuals and operational consultancies was **accepted**.

According to the Statutes, the ED approves supporter membership. However, the M&NC had agreed that it should review the due diligence reports.

M&NC

Action: M&NC to develop the requirements for supporter membership aligning these with the due diligence process in the fundraising policy.

Recommendation 5.2 that suppliers should not be members but should be treated as “partners” along the same lines as the current agreements with corporate partners such as Cigna and Birches was **accepted**.

For-profit membership was discussed and it was agreed that the CHS Alliance should be as inclusive as possible with regard to, for example, for-profit humanitarian agencies. It was **agreed** that it was important to look at different scenarios and their implications to avoid unintended consequences. Consequently, for the time being, Recommendation 5.3 that for-profit membership should not be a category in its own right was **rejected**.

M&NC

Action: A paper on for-profit membership should be developed for consideration by the Board.

10. GENERAL ASSEMBLY

10.1 UPDATE ON PROGRESS

It was reported that a training workshop on use of the self-assessment tool would be organised immediately after the GA. It was agreed that the GA should be a thought-provoking, forward-looking event with keynote speakers, and possibly themed. The voices of members and affected populations should be included. Poor technology and heavy bureaucracy should be avoided. There should be good networking opportunities.

10.2 PROCESS FOR INTERIM BOARD MEMBERS WISHING TO STAND FOR ELECTION

This was considered at Agenda Items 9.2 and 9.3.

10.3 CHANGES TO STATUTES WHICH BOARD MEMBERS MAY WISH TO PUT FORWARD

It had been recognised that there were issues with the Statutes which required refinement. Any amendments from the Board would need to be agreed at the July meeting.

ALL

Action: Board Members to send any proposed changes to the Statutes to the Chair.

11. CORE HUMANITARIAN STANDARD (CHS)

11.1 PRESENTATION FROM HQAI

HQAI Board Member, Kate Halff, and ED, Pierre Hauselmann, were welcomed to the meeting. KH expressed HQAI's thanks for being invited, and gave apologies from Jacques Forster, President of the Board, who had been unable to attend.

KH and PHau gave a presentation on the establishment and development of HQAI. As the term "certification" had polarised the sector, HQAI had decided to reframe its work in terms of a quality assurance framework. It would bring a mechanism for independent verification to the sector; the CHS was core to its work but it was considering the potential of verifying other standards. It also needed to look at collective outcomes for affected populations.

HQAI's governance was similar to the CHS Alliance: it was a Swiss Association and had a General Assembly of up to 25 individual members (not organisations) as its governing body. Its Board of Directors (5-10 members permitted and currently comprising 6) was drawn from the GA members.

HQAI had sufficient funding to operate for 1½ years. Currently there were two staff: ED and verification officer. Legal consultancies had been used to set up the organisation. There was insufficient funding for a communications expert; however, it had contracted with a young team of communications people to get the first tools set up. It had a new logo and certification mark, and its website was under development. *[Post-meeting note: The final version of the certification mark is marginally different to that presented at the Board Meeting; the final version is given at Appendix A.]*

Five Alliance members had progressed through certification (i.e. Church of Sweden, Naba'a (Developmental Action without Borders), CAFOD, Tearfund and Christian Aid). Initially HQAI's offering had been independent verification and certification; now it offered a new one-off benchmarking service which had opened up discussions with a new group of organisations.

HQAI welcomed discussion and advice on three areas:

- (i) CHS Alliance representation in HQAI governance;
- (ii) broadening its membership;
- (iii) setting up the subsidy fund for smaller organisations.

NG and JH were asked about their organisations' experience of certification. NG reported that Christian Aid had been due to renew its HAP certification and had been given the option to do CHS certification, which it had selected. NG strongly supported external verification and believed it should be accessible to large and small organisations. He had been less involved day-to-day but understood it had been a heavy process, although a positive and helpful exercise. The challenge would be the cost which had been higher than Christian Aid had anticipated (£20k rather than £6k for HAP certification) so the subsidy fund would be important. It was excellent that DEC had agreed to accept the CHS for British agencies so there would no longer be a need to follow two processes.

JH explained that CAFOD's experience had mirrored Christian Aid's. Any certification or external verification exercise was heavy and costly. CAFOD had taken away a great deal from the final report. Her observation was that development organisations would need to be smarter about capitalising on the process and the learning to get a good return on investment.

The following was of note from the ensuing discussion:

- Working with regional networks could be a good way to attract members and organise the subsidy fund; regional auditors would be needed to make the process more affordable.
- The one-off benchmarking exercise could be a first step for many organisations.
- If an Alliance member wants to undergo external verification or certification, then HQAI would accept its self-assessment to meet its Alliance membership requirement so that the member would not need to undertake the process twice.
- HQAI had plans to reach out to smaller organisations; however, it would need advocacy on the part of larger organisations and support for their partners.
- HQAI would be working with other complementary standards (not those in competition with the CHS) provided they had clear indicators. This would probably not happen for a while as it needed to prioritise its resources. Its current business model was to reach a critical mass in terms of revenue from its services so that its donor funding could then be switched to the subsidy fund.
- HQAI had been unable to focus yet on the voice of affected communities as it had limited resources; it would review the approaches adopted by other certification bodies and networks.
- The cost model depends on the number of ‘samples’ that need to be visited; a fee table would be published on the website at the end of the month.
- The higher the number of organisations that engage with certification, the cheaper the process will become. It would be unlikely that possession of other certifications would provide ‘credits’ against the CHS.
- A Q&A section on the website would be beneficial.
- Increasing the membership base could give rise to increased time costs and procedural issues.

11.2 RELATIONSHIP BETWEEN CHS ALLIANCE AND HQAI

JG had stood down from the HQAI Board as a result of a conflict of interest relating specifically to the Verification Scheme which had now been resolved. HQAI believed it would benefit from a closer working relationship with the Alliance, and would welcome JG’s return to its Board.

KH believed that there would be no specific risks for the CHS Alliance; however communications would benefit. There would be greater transparency between and about the two organisations and their relationship with the CHS; HQAI needed to align its services with the CHS and the Alliance’s Verification Scheme; there could be a good dialogue about megatrends to feed into the Standard.

The Board continued this discussion later at Agenda Item 13.

11.3 CHS STEERING COMMITTEE ToR

The ToR were noted and WvE gave a brief outline of the background. Previous tensions had dissipated and the CHS Alliance, Groupe URD and Sphere all wished to move ahead with the Steering Committee. The main differences between this and the earlier version of the ToR were: (i) it now started with the purpose; (ii) the SC advises on promotion of the CHS; (iii) horizon scanning is included; (iv) the meeting arrangements and time commitment; (v) membership of the SC. He recommended that the Alliance endorse the ToR; Sphere had already done so. **JG**

The Board **endorsed** the CHS Steering Committee ToR.

11.4 THE CHS SYSTEM

A diagrammatic representation of the CHS system had been requested; this had been prepared by PHau the previous year. It was confirmed that the CHS Steering Committee would be positioned above the Management Group.

11.5 GRAND BARGAIN INITIATIVE

TH described the Grand Bargain which is an initiative involving the ten largest donors, UN agencies and NGOs which aims to make real commitments for more effective humanitarian assistance. The WHS believes it will be a game changer.

TH and KH believed there was an important advocacy role for the Board's constituencies as very few actors were promoting the CHS: to date only the SCHR and CHS Alliance had been working to get the CHS incorporated in the Grand Bargain. Time was short as a key meeting was taking place at the end of that week. **TH/ALL**

Action: TH to send Board Members the wording which KH will provide to be disseminated amongst their key contacts (managers, donors, networks, etc).

6. MERGER (continued)

The final versions of the three documents were tabled; JG highlighted the minor amendments none of which was substantive. Nick Gallagher, Chair of the People In Aid Board, would be joining the meeting later in the afternoon to sign the documents in conjunction with AC, on behalf of HAP International, and WvE, on behalf of the CHS Alliance (RT's signature had not yet been formalised with the Swiss authorities).

The Board **approved** the final versions of the merger documents for signature.

It was **resolved** that WvE was authorised to sign the merger documents on behalf of the CHS Alliance.

The Board had a general discussion on the need for future strategic planning to be undertaken by the CHS Alliance. It was noted that:

- (a) The discussion had started the previous evening about the people management agenda and the London base as this was a pressing need. However, it had to be positioned within the broader strategy.
- (b) Tactical decisions were needed now; the operational strategy could be on a different time scale.
- (c) There was an opportunity to consult the General Assembly and involve the members.
- (d) A move to the global south and new funding models should be considered as possible strategic objectives.
- (e) This was an Interim Board so it should only present the new Board with a process so that it had the freedom to develop the future strategy.

Action: DW/JG to convene a Board Working Group to examine future strategic options for the ongoing ‘people’ focus of the CHS Alliance as well as preparing a draft discussion paper on wider strategic planning issues in advance of the General Assembly. Working Group to report to the September meeting of the Board.

DW/JG
SEP
AGENDA

Action: RT, DW, JB, JH, TH, JC, BK, and MS to participate in the strategic Working Group.

RT/DW/
JB/JH/
TH/JC/
BK/MS

12. FUNDRAISING

12.1 REPORT INCLUDING FUNDRAISING PIPELINE

JG explained that much of the CHS Alliance’s funding came from institutional donors. These were the responsibility of the ED, fully supported by the Fundraising Manager, whose closest contacts were with corporate donors with this work supported by the ED.

EH was welcomed to the meeting. She gave a presentation on the 2016 fundraising pipeline which Phar had updated that morning. Three donors had

been moved into the high likelihood category from medium likelihood because commitments to the funding had now been received: AUS\$ 750k over three years from Australia, €50k from Luxembourg and CHF 230k from Switzerland.

The following was noted:

- With the reforecast budget there was sufficient income in place to allow room to refocus on proactive, dynamic project-based fundraising. Budgeted expenditure had also been reduced.
- The fundraising target for the rest of the year was ambitious with the focus on institutional donors which had a greater return than corporate donors.
- There was still a need to get core funding; this was JG's focus whereas EH focussed on project funding.
- The Alliance had just been registered with BPRM to seek funding for a range of activities.
- EH had been researching a range of donors that had a close alignment with the Alliance; e.g. trusts and foundations which had large amounts of money available and were a better ROI. Some UK donors would require charitable status; large donations from US donors often needed matched funding.
- The WHS had funding potential for localisation projects and the Alliance needed a strategy and plan for localisation of the CHS and Alliance.

It was **agreed** that a confidential Board report be prepared for the next in camera session which sets out the detail of the sources of fundraising income already received by the Alliance for the coming year together with the status of applications currently in the pipeline. The report would include the list of paid and unpaid membership fees, and information about the percentage of anticipated revenue already received and outstanding.

Action: JG to prepare a detailed income report for the July Board meeting.

**JG/NEXT
AGENDA**

12.2 FUNDRAISING SUB-COMMITTEE ToR

The ToR for the Fundraising Sub-Committee were discussed and **approved** subject to the following amendments:

- (a) The third bullet under "Purpose" should read: *To provide a clear link to ensure joined-up and coordinated work between the ED, supported by the fundraising department, and the Board.*
- (b) The first bullet under "Role" should read: *To work to the ToR agreed by the Board.*
- (c) The meeting frequency would be every 12 weeks rather than 6-8.
- (d) The Sub-Committee would report direct to the Board and have a strong link to the FRAC.

Action: EH to update the Fundraising Sub-Committee ToR.

EH

Action: RT, TK, AdR and JB to be members of the Fundraising Sub-Committee.

**RT/TK/
AdR/JB**

13. ANY OTHER BUSINESS

13.1 RELATIONSHIP BETWEEN CHS ALLIANCE AND HQAI

Action: JG to prepare a paper for the next meeting on the relationship between the CHS Alliance and HQAI.

**JG/NEXT
AGENDA**

14. DATES OF NEXT MEETINGS

The date of the next meeting was confirmed as:

Thursday 21 July 2016, teleconference

Timing: 13.00-15.00 CEST (CET + 1)/12.00-14.00 BST (GMT + 1)

General Assembly, Thursday 3 – Friday 4 November 2016

It had been proposed that a two-hour teleconference meeting be held on 10 October and a face-to-face meeting be held in Geneva in conjunction with the GA to limit the time and cost of travel to Geneva. Following discussion, it was agreed that there was still a great deal of business to complete prior to the GA and a two-day meeting in Geneva should be organised in mid-to-late September. A half-day induction of the new Board would be organised on Day 2 of the General Assembly after which the retiring Interim Board Members would withdraw.

Action: CC to circulate a Doodle poll for a two-day meeting in Geneva in September.

CC

The meeting closed at 16.25.

HQAI CERTIFICATION LOGO

