

**13th Board Meeting
25 April 2008
Maison de L'environnement 2, Geneva**

Approved Minutes

Present

Mary Anderson - Independent
Jemilah Mahmood – MERCY Malaysia
Antonio Donini – Independent – Vice-Chair
Andreas Kamm – Danish Refugee Council - Chair
Jonathan Mitchell – CARE International - Treasurer
Mamadou Ndiaye - OFADEC
Rezaul Chowdhury – COAST Trust

Apologies

Matthew Frost - Tearfund
Lisa Henry - DanChurchAid
Matthew Carter – CAFOD

Ex officio

Nicholas Stockton – Executive Director
Katharina Samara-Wickrama – Regulatory Services Director (minutes)
Pascale Guillot – Finance & Donor Relations Manager (minutes)

The meeting was opened at 9:10

1. Welcome and Introduction

The Chair welcomed the new board members. He proposed that the Secretariat invite each new Board member to Geneva for a day's familiarization with HAP.

Action: The Secretariat to offer 1 day induction meetings for new Board members in Geneva.

RC expressed his gratitude for being elected to the Board.

2. Confirmation of the agenda

Decision: Agenda confirmed as proposed.

3. Minutes of the 12th Board Meeting

Decision: Approved for signature.

4. Matters arising from the 12th Board Meeting

(a) 5c Independent board members

The Board noted that there had been no candidates for the vacant independent board member seats. It could be argued that the Board is inquorate when less than one third of the board members are independent. The Board acknowledged that the qualifying criteria for independents had already been simplified, and that it had agreed to provide an attendance allowance if appropriate. The challenge is about identifying suitable candidates.

Several board members suggested that they could identify suitable candidates

Action: Board members that have suggestions should submit nominations by 1st June 2008.

(b) Q & A Chairs Meeting

NS explained that some participants in the Q & A Initiatives meeting in Lyons (November 2007) had expressed annoyance that the chairs of People in Aid, HAP and Sphere had agreed to write to the USG for Humanitarian Affairs to solicit an invitation to the Global Humanitarian Platform (GHP). AK regretted any offence caused but was surprised that such a simple matter had generated this reaction.

Decision: Future meetings of the chairs of the Q & A initiatives should be convened with the heads of the initiatives present.

Action: JMa (as co-chair of the GHP) to investigate the possibility of HAP being invited to the 2008 GHP.

(c) Board liability insurance: The Secretariat had asked for a quote but had not yet received an answer from its insurance company. JMi offered advice on a suitable policy and company if the Secretariat needed help to identify these.

Action: Secretariat to finalise board liability insurance as soon as possible

(d) 10a Board resignations – follow up

AD had asked both WVI and Oxfam for further background on their reasons for resigning from the Board. He had received no additional information apart from being told that neither agency ruled out the possibility of returning to the Board at some future date. The Board decided to take no further action on this matter.

(e) UBS Signatures

Decision: The Board approved the request that Pascale Guillot be added to the list of UBS signatories.

The Secretariat confirmed that MN's signatory status at UBS, had been cancelled as requested.

(f) Director's Performance Review

JM asked when the Director's performance would be reviewed.

Action: The Chair will complete the annual performance review of the Director before the October Board meeting.

(g) Compliance verification options

JMi raised concerns about the problems confronting larger agencies regarding the HAP certification scheme. The Board discussed the possible need for alternative approaches to improvement and compliance verification.

Action: JMi to consult with other large member agencies to identify common issues concerning compliance verification and to propose solutions for further consideration by the Board.

(h): Research:

JMi asked whether the Secretariat had followed up the proposal for commissioning more impartial research on the "business case" for humanitarian accountability. The Secretariat explained that staffing and funding issues (as described in the 2007 Annual Report) had prevented any substantive progress in promoting the HAP research agenda, and that other proposals for new research outside the approved workplan would have to be considered during the planning cycle for 2009-2010.

5. Matters arising from the 6th General Assembly

(a) Board Election:

The Board noted that a second election would be required to appoint independent members to the HAP Board and the Certification and Accreditation Review Board.

Action: The second election for the Board and the CARB would be administered by the Secretariat using email once a reasonable number of nominations had been received.

(b) Members report

The Board noted that presentations of the members' reports worked well in small themed groups.

(c) 2007 Humanitarian Accountability report

The Board noted that the survey of 11 beneficiaries in Pakistan was not large enough to be representative. The Secretariat explained the security and funding constraints that affected the survey.

Action: The Secretariat will include a disclaimer about the representativeness of the Pakistan beneficiary survey in the final version of the 2007 report.

(d) Statutes: no comment

(e) Certification and Accreditation Review Board

Katharina Samara attended the Board to present the revised Terms of Reference for the Certification and Accreditation Review Board following the decision by the General Assembly to delegate responsibility to the Board and Secretariat for finalising this.

Decision: Changes requested by the Board were as follows:

- **As there were only 3 certified members, the proposed requirement that the full member representative on the CARB be elected from certified members only was dropped. All full members can put forward candidates for the CARB. When there are more certified members, this rule should be reviewed.**
- **A quorum of the CARB is three members: at least one of which is independent and at least one is a full-member.**
- **A statement on how an agency can appeal against the conduct of an auditor will be added, should the complaint arise during the audit process. This statement should open the section on appeals.**
- **Paragraph 13 to be omitted as unnecessary as it is implied that the CARB has no authority to change or modify the current agreed HAP standard.**

- **Paragraph 4c removed as it is covered by paragraph 14.**
- **A paragraph should be added requiring the CARB to report to the HAP Board once a year at the end of each financial year. The CARB can report to the HAP Board on an ad hoc basis as exceptional issues arise.**

The Board agreed the other changes as suggested by the General Assembly.

(f) Standard review process

NS introduced the discussion paper on the Standard Review Process, pointing out that the review of the Standard had already been approved by the GA and the Board in their adoption of the strategic plan. The discussion was about therefore about means and timing, bearing in mind that the Standard Review process should be completed by 2010. It was agreed that the Board would discuss the principles of how the review process should be managed rather than the exact wording of the terms of reference. To ensure that the revised Standard is "owned" by a majority of interested parties, the Board agreed:

- A standard review steering group with 5 members should be appointed by, and working under the guidance of, the HAP Secretariat.
- The Board can suggest potential candidates for the steering group, and advise the Secretariat on its overall composition.
- Members will be requested to suggest potential candidates.
- The steering group will be linked to a broader reference group with a wide representation in order to obtain consensus of the key stakeholders involved.
- The steering group can decide if working groups will be convened to focus on specific elements of the Standard

Action: The Secretariat will develop a revised paper incorporating the suggestions made by the Board.

(g) Membership Fees

One member requested that the sentence on the draft membership invoice about donating more than the CHF 20'000 be revised to be more diplomatic. Another member disagreed and suggested that the Secretariat should be more assertive. After further discussion the following wording was adopted:

Decision: The Board agreed that the members with assessed fees of more than CHF 20,000 should be "encouraged" to pay the full assessed fee, while being invoiced for the minimum fee of CHF 20,000

6. Chair's report

The Chair stated that all matters of significance had been already dealt with under matters arising.

7. Treasurer's report

The Treasurer expressed concerns about funding for the Secretariat, as there had been no increase in committed income reported in the first quarter of 2008. The Chair proposed that this be discussed under the Secretariat report item.

MERCY Malaysia was concerned that HAP's published accounts did not separate grant income from cost-recovery income, perhaps giving the false impression that MERCY Malaysia has become a donor to HAP. Also the HAP accounts do not show

assistance in kind (e.g. when members pay directly for the costs of HAP staff travel and accommodation).

Action: The Secretariat will ask HAP's accounting consultant to distinguish between grants and donations for services, and to explore ways of showing assistance in kind.

8. Secretariat report

The Secretariat agreed that the financial situation was worrying, although not yet a crisis. The Secretariat has not yet been paid contracted income covering the first three months, although it now expected most contracted income to be paid shortly. Due to these cash-flow concerns, the Secretariat has spent just 43% of the first quarter budget. This had been achieved though postponing the recruitment of the Development Services Director, although this was now causing major strains on other staff. However, the Secretariat no longer expected to raise sufficient funds to cover the approved annual expenditure budget, and therefore current cost cutting measures would have to be sustained throughout the year and possibly increased. Two different issues had contributed to the difficult financial situation.

Discussion Points

The first problem was that several major grant applications were still under consideration, but it was noted that this was a chronic situation that re-occurred every year, and affected most NGOs. HAP had built up a reserve of CHF500,000 as a cushion, but it was now experiencing a second and unexpected problem.

This derived from three failed grant applications: (1) DFID's rejection of HAP's BSO grant application; (2) The rejection by ECHO of HAP's field support funding application because HAP was not based in an EU country and (3) the probable failure to agree a funding application with InterAction for submission to OFDA/BPRM.

The Board noted that perceptions of "proliferation" and "poor coordination" amongst the Q and A initiatives had a negative impact upon donors. Although HAP might seek new donors, it was also noted that those most likely to give significant funding are those with a major stake in humanitarian system, and committed members of the Good Humanitarian Donorship Initiative are the most likely of all to support HAP.

The Board noted that the results HAP has achieved are impressive given the lack of resources.

The Board members were initially supportive of a funding application to BPRM and to solicit more support from InterAction. However, one member expressed the view that HAP might be better advised to not take US government funds because of the implications of the Patriot Act.

Decision: The Board agreed that HAP should continue to seek the necessary certification to enable it to apply for US Government funds, while a further discussion at the Board should take place before a contract is actually signed.

Actions:

- ***The Secretariat to convene a staff meeting in May or June to review expenditure plans and to make further cuts or postponements in the workplan as indicated by the funding and cash-flow situation at that time***

- **MA and JMi to encourage contacts in InterAction to support the HAP/BSO proposal**
- **JMi to ask Care Netherlands to follow up with Dutch government on the outstanding funding application**
- **The Secretariat to seek support from other members in following up grant applications.**
- **The Secretariat to provide a summary of all non-financial/budgetary donor conditionalities that HAP is obliged to comply with.**

9. Q and A initiatives.

The Board discussed the paper tabled by the Secretariat [The Quality and Accountability (Q&A) Initiatives – discussion paper – 4 April 2008]

Discussion points:

The Chair expressed agreement that HAP will not make progress through aggressive competition. Instead this must be done through continued improvement of the standard and HAP's services. One approach is to bring together all the initiatives and develop a collective strategy for the relationships between the initiatives as well as potentially having a shared fund raising strategy. As well as the existing Q and A initiatives, the International Disaster Relief Law project of the IFRC might also be significant.

MA agreed that friendly engagement is important. However, HAP is concerned first and foremost with accountability to beneficiaries and to local agendas, and it is uniquely involved in compliance verification. HAP's distinctiveness is beneficial. HAP should stay engaged with the Quality and Accountability initiatives without merging agendas and risk losing HAP's special area of expertise. HAP must avoid "tidying ourselves up" to such a degree that it is no longer accountable to the people we care about. Thus, the focus of the collaboration should be the standards common to all sectors.

MN suggested that the real problem is less about meeting donor expectations and more about the application of the initiatives in the field where practitioners struggle to implement the various standards. This is where HAP may lose credibility.

JMi suggested that collaboration is an issue. One option may be to set up an "Accountability House" where the Quality and Accountability Initiatives are physically close in order to achieve greater coherence in providing field support while remaining independent from each other in other ways.

JMa agreed that retaining independence and expertise in the area is important but that HAP and the other quality and accountability initiatives should collaborate to streamline approaches.

Decision: The Board endorsed the recommendations¹ of the Secretariat paper and further proposed that the Secretariat draft a model for Q & A initiatives co-location and further integration. In preparing this, the Secretariat should consider the transaction costs. After further discussion at the Board the proposal might be presented to the other Quality and Accountability initiatives. (No date was fixed for the next Board discussion on this proposition)

10. Dates for the 14th & 15th meetings of the HAP Board

- The 14th Board meeting will be held on 9th and 10th October over 1½ days.
- The 7th General Assembly will be 22nd and 23rd April 2009 for 1½ days
- The 15th Board Meeting will held on 24th April for ½ day.

The meeting was adjourned at 16:45

These minutes are a fair and accurate record of the 13th Board Meeting:

Chair: Andreas Kamm

Signature:

Date:

Vice-Chair: Antonio Donini

Signature:

Date:

Treasurer: Jonathan Mitchell

Signature:

Date:

Q & A Initiatives Paper - Recommendations

1. Focus on the development of complementary products and services that are not positioned in direct competition with those offered by other Q & A initiatives
2. Seek to establish a negotiated settlement in areas where overlap is inevitable: for example harmonisation of the HAP Benchmarks with the Sphere Standards Common to All Sectors. (Letting the best product win is probably a recipe for the uptake of both to be impaired)
3. Seek to establish mutual recognition and inter-operability of Q & A products: for example, audit of the DEC accountability framework being sufficient to achieve HAP certification and *vice versa*
4. Strengthen joint communications after (and not before) inter-operability has been achieved.
5. Promote this approach through the Heads of Q & A Initiatives meetings and where possible through the boards of the other initiatives.
6. The 2008-2009 HAP workplan should be drafted to reflect this approach
7. The mid term review of the 2007-2009 strategic plan should reassess HAP's approach to the Q & A sector with a view to developing the 2010-2012 strategic plan along these lines.
8. The HAP Board should play a proactive role in promoting this approach via their agencies, through their affiliations and towards their major donors.