

Board Meeting, August 24th, 2011

Meeting: AADK Board Meeting Date and Time: 24.08.11 3pm – 8pm

Present: Dines Justesen (DCJ), Berit Asmussen (BAS), Steen Folke (SFO), Amalie Bosdatter (Alternate # 2 ABO), Arvid Aagaard Jensen (AAJ), Hans Beksgaard (HBE), Tea Fromholt (alternate #1 TFR), Karen Jørgensen (KJØ), Kirsten Bruun (KBR), Nis Benn (NBE) and Trine Pertou Mach (TPM).

From the Secretariat: Frans Mikael Jansen (FMJ), Kirsten Devantier (KID), Claes Amundsen (CAM) (During AADK Finance orientation), Birgit Møller Jensen (as AC representative for AADK Finance orientation), Erik Jepsen (HK representative for AADK Finance orientation), Helene Ellemann-Jensen (HEJ for point 7) and Lea Sofia Simonsen (LSS).

Absent: Elsebeth Krogh, Asmae Badr-Ibrahim, and Helen McEachern.

Minute-taker: Lea Sofia Simonsen

Meeting was held in Danish.

Agenda:

1. Welcome and approval of the agenda
2. Approval of minutes from the board meeting on 22.06.11
3. MS in Transition 2011-2012
4. Discussion of board annual report
5. Constitutional Changes: Governance Manual
6. Internal Governance: Annual Board Review and Development 2010-2011
7. Orientation on the Summative Evaluation of Former MS Country Programmes in the South
8. Annual Council Meeting: discussion and approval of agenda
9. Council Contact group brief
10. AADK Sustainable Development Paper
11. Secretariat Orientation
 - a. AADK Reduction of CO2 Emissions in the Secretariat
 - b. Frame grant allocations 2012-2013
12. AAI Orientation
 - a. AAI General Assembly 2011
 - b. Meeting with AA Leadership on June 24th – regarding special role of AADK
 - c. AAI Restructuring
 - d. AAI Financial Reporting
13. Any Other Business

1. Welcome and approval of the agenda

Trine Pertou Mach welcomed the board to the meeting, and opened the floor for any additional agenda points, prior to the approval of the agenda.

% **The agenda was approved with the following changes:**

- A new orientation point from the Secretariat, on the status of the AADK finances, was added as a new agenda point 3.
- Agenda number 5 and 6 were switched.

2. Approval of minutes from the board meeting on 22.06.11

% **The board approved the minutes, pending specific changes provided by SFO and DCJ:**

- Specific comments provided by SFO regarding AAI General Assembly agenda mandate
 - Precision in formulation regarding motions for approval at the AAI General Assembly.
 - Addition of noting mandate provided to SFO to submit a proposal for amendment to the Resource Allocation Framework, developed by the AADK Chairmanship, Treasurer and SFO.
- Specific comments provided by DCJ regarding the Final Accounts 2010:



- **Precision on board approval of the final accounts.**
 - % **Board approval on the provision that the final accounts would be edited and finalized, including provision of language uniformity between the English and Danish accounts.**
 - % **revised 2010 Accounts to be sent out to board, once final.**

3. Orientation on AADK Finances

FMJ presented the board with a memo, which provided an overview of the half year result for the association, which made clear that there had been more deviations from the budget than foreseen, and that the forecast for the remainder of 2011 was more negative than predicted.

The issues noted in this poor result stem from:

- Poor performance of fundraising on some main programmes, such as the supporter programme, the AADK annual collection and Women for Influence. On a more positive note, some other fundraising activities have performed positively and off-set some of these negative numbers.
- Training4Change and Global Contact are having some difficulties meeting their budget numbers, as they were forecasted at results with exceeding budgeted surpluses.
- The salary budget is overly strained, due to unforeseen illness and maternity leaves as well as staff changes that resulted in lower hour registration on the framework grant.
- Spending on water, heat and electricity have exceeded budget due to increased costs.

To improve the forecast without reducing staff numbers, FMJ and AADK management proposed to the board that they would use extraordinary measures to increase income on all fronts, and undertake a budget revision with major reduction on all possible fronts, including a halt to overall investments in the remainder of 2011. Overall, management foresees a final association result lying between 0 and a 500.000 DKK deficit. In terms of actions looking forward towards 2012, AADK management proposes to implement a new and improved management information system as of September 2011, as well as:

- Revising budgets 2012 onwards
- Revising fundraising strategy and optimizing performance
- Developing business plans for core activities (current and future)
- Considering new options for developing business

FMJ also pointed out that unexpected fundraising activities, such as the Kenya national collection, would allow for greater surplus in the fundraising figures for 2011.

Board discussion

DCJ informed the board, on behalf of the Finance and Audit Committee, that the figures being presented in this memo reflect improvement from the figures which had originally triggered the economic alert in August.

Additionally, FAC wanted to note the following:

- The low levels within the Supporter programme represent a structural problem with the budgets within the following years, as the programme will be constantly behind in terms of its projected numbers.
- Clear challenges with the current management information system; the 5 month overview had presented quite positive figures, while the 6 month overview clearly indicated severe challenges to the association's finances. Management information should be able to catch these problems preemptively.
- While this is a wakeup call, it represents issues previously noted and discussed both by the board as well as by the FAC.
- The Actions for 2012 need to be started upon immediately; business plan development and marketing for Training4Change.
- This may have a structural effect on AADK's strategy development process: can the organisation's future be dependent on Training4Change?

The board agreed with FAC, regarding both the need for concern and immediate action in 2011, as well as the potential structural impact this could have on the future income of the organisation and therefore the strategy development process in the spring.

FMJ noted that while this is clearly a wakeup call for the organisation and indicates a need for better management information systems and structured business plans for the income-generating activities within the organisation, this is not an indication of crisis for AADK. In the previous years, AADK has generated significant surpluses over the budget and the prognosis for 2011 is only a deficit of 500.000. While there is a need to take action in 2011, FMJ does not believe that this is an indication that the entire direction of the organisation's work and strategy development plan needs to be re-assessed. Our income-generating activities are still generating a surplus – unfortunately AADK had budgeted for a larger surplus than the one currently being generated in 2011; a challenge which must be addressed by undertaking analyses of our activities, cutting non-core activities and taking action forward to 2012 by developing marketing and business plans and reassessing the budget for 2012.

TPM noted that the board is not concerned about the deficit as such, but rather that the budget figures for 2011 have apparently been unrealistic. That AADK has been unable to reach its goals is a challenge which the board takes seriously.

% Therefore, the board is concerned regarding the prospect of maintaining the 2011 budget, but is more significantly concerned regarding the organisation's long-term economy. This is due to the fact, that this financial situation reflects a larger structural problem within the organisations planned economy, as well as with the management of such.

Therefore, the board suggests a two-part action:

Within 2 weeks, the Secretariat will present a plan of action to the Finance and Audit Committee regarding the updating and improvement of business plans, management information and Risk Register for 2012.

In the short term, the Secretariat is entrusted to act to improve the annual figures in the ensuing 4 months; prioritizing activities as they relate to the long-term interests of the organisation.

4. MS in Transition 2011-2012

TPM presented the updated MS in Transition, which is the stand-alone association document which incorporates guidelines for the forthcoming AADK strategy development process and provides an summary of all existing strategies with the purpose of presenting more clearly what could be called the overall 'Strategic Platform' of AADK's daily work and operations as well as our long-term ambitions. This transition document stands as the guide for AADK's work until the approval of the new 2012 – 2017 strategy in June, and will be placed for the discussion and approval of the Council at the Annual Council meeting at the end of September.

New to this document is the 7 point framework developed by the board in May 2011, for AADK's future role within AAI as well as the inclusion of the 2011-2012 Rolling Political Plan, which the Council places as the framework for the board's political work in the 2011-12 year. FMJ noted that the Rolling Political Plan was still in draft form, and in need of input from the board prior to its finalization.

Board discussion

The board was generally positive regarding this first draft of MS in Transition, though they pointed out the need for some editing and updating of the language within the document prior to its finalization:

- Inconsistency in the use of "MS" and "AADK"
- Grammar p. 5.
- P. 6. Note both the benefits and obligations that affiliation with AAI has presented AADK.
- P. 7. Edit for incomplete sentences and specify language in terms of country programmes
- Language alteration in 4.4. Sustainable Development policy – for the sake of clarity.

Additionally, the board noted that the introduction should specify the areas of the document which have been updated since its approval in 2010, as well as which areas are politically significant for the Council to note. This should include the new Sustainable Development policy, which is now included in the summary over AADK strategies. Also, it was noted that the 4.1. membership policy could be more inclusive of the volunteer environment in AADK. The board also agreed that AADK's interest in the MENA region should be retained from the 2010 MS in Transition document. Additionally, the board noted that this document should not define ActionAid International's mission and vision as AADK's own (on a constitutional basis), as this is a decision which should rather be taken after the development of AADK's new strategy in 2012.

The board noted the following comments to the political rolling plan:

- Strengthening of the internal political governance system should be the number 1 point of action on the rolling plan. On-going follow-up on the Annual Board Governance and Development Review should be an integral element in this point.
- Review and focus on AADK's fundraising platform should be included as a point on the rolling political plan, as it is an integral platform for AADK as an organisation.
- Point 4 should be edited, so that it reflects that AADK should externally be branded as a member of an international federation vis-à-vis the membership and the public at large. Internally, the Board shall contribute to raising awareness and a deeper understanding of AAI's vision, mission, strategy and structure among Council members.
- Point 5 should be edited to reflect that the board both contributes and oversees the political and campaign strategic focus and direction for the organisation.
- In point 1, the Council should be referred to as the primary stakeholder in the AADK strategy development process.
 - In this point, the Rolling Plan must clearly indicate the framework for the development of the new AADK strategy: The strategy will be developed within the global strategic framework of AAI, but will take the unique history, context and characteristics of AADK into consideration.

% The board approved MS in Transition, pending the noted changes to the document:

- **Inclusion of MENA as a priority area**
- **Language alterations**
- **Inclusion of volunteerism within the membership policy**
- **Clear focus on the 7 point plan and the Rolling Political Plan as key components in the document**
- **Clarity regarding AAI's vision and mission**
- **Alteration to the Rolling Political Plan as noted above.**

5. Discussion of board annual report

FMJ presented the draft board annual report, noting that this annual report is built upon the results of the action points from the 2010-2011 Annual Rolling Political Plan. FMJ and members of the board and Secretariat had developed this report, and will finalise it for the Council's approval at the Annual Council meeting in September.

Board discussion

The board was in favour of the structure of the annual report draft its content. On some points however, such as point 4 on the sustainable development policy process, there needed to be recognition of critique of the board and its process in 2010-2011. Certain members of the Sustainable Development committee wrote a letter to the board, to note criticism of the board's process in establishing the SD committee and in the narrowing of its terms of reference. Due to the late start in the process, the SD committee was not able to work towards influencing the AAI strategy development process to include a focus on sustainable development; therefore the committee has now limited its own terms of reference and simply created a policy paper which looks at AADK's policy towards sustainable development, rather than how AADK works with sustainable development. The actual action plan has now been placed in the charge of the Committee chairwoman, Berit Asmussen, to bring forward to the AADK strategy development group to be included as input from the AADK policy papers.

% **The board approved the board annual report, pending the following input:**

- **Input from BAS and SFO to meet the criticism from the SD committee**
- **More inclusion of critique of the board's process in the past political year**
- **The written board report and the oral board report will be sent around for final comments to the board.**

6. Internal Governance Review: Annual Board and Governance Development Report 2010-2011

The board undertook an internal review of their governance system and cooperation, as a board in and of itself, with the Council, with the Secretariat and with ActionAid International.

This review will be written out and included as an element within the Rolling Political Plan for 2011-2012.

The full review is available upon request.

7. Constitutional Changes: Governance Manual

NBE presented the updated Governance Manual to the board, noting that changes had been made from last year's Governance Manual, to indicate the constitutional changes made last year:

- 1 institutional board mandate has been transferred to the personal board mandates, making the breakdown 9 personal board members and 2 institutional board members, 1 AAI board member and 1 AADK staff board member.
- Precision regarding the substance of the Council contact group

NBE also noted that the Council meeting committee had decided not to propose constitutional changes at the 2011 Annual Council meeting, as it was deemed preferable to delay any changes to the association's constitution to 2012, after the development of the new 2012-2017 AADK strategy.

% **The board approved the governance manual, pending the following input:**

- Precision regarding the role of the alternative members in the board
- Official introduction to the board for new members
- That it is the Secretary General's job to keep the board continuously oriented in between board meetings.
- That board minutes should be sent out to the board within 2 weeks, if there are no outstanding issues, the minutes will be published immediately and formally approved at the following board meeting.

8. Orientation on the Summative Evaluation of the Former MS Country Programmes in the South

Helene Ellemann-Jensen presented the findings of the overall Synthesis report on the Summative Evaluation of the Former MS Country Programmes in the South, an evaluation process that was undertaken during the spring of 2011 in all of AADK's former MS Country programmes. The Synthesis report is available upon request.

Board discussion

The board appreciated the presentation of the overall findings of the Summative Evaluation, which had been undertaken in 9 former MS Country programmes, and thought the process to have been very thorough and informative. However, there was some discussion on whether the consultants who had been involved in the evaluation had been thorough or critical enough in their evaluation, as the board felt that the overall findings were somewhat generalized and quite positive overall, without significant examples of impact from the programmes. Additionally, there was some discussions on the lack of emphasis on the personnel assistance focus; specifically no difference was noted between Development Workers and the People4Change support system.

FMJ noted that this evaluation was part of a very thorough process, which has included continuous follow up on other reviews, such as the Danida proposed review of AADK's Thematic Governance focus, undertaken in 2009 – 2010. Additionally, many of the issues pertaining to future work with AAI, such as the impact and future of AADK's personnel assistance programme People4Change, will be addressed in the coming External Evaluation of AADK, to be undertaken in the fall of 2011. HEJ additionally noted that the report presented was the overall synthesis report, which provides a general overview of the 9 country evaluations which were undertaken. The 9 country reports are available upon request, and have a deeper level of detail and examples of impact at country level. Additionally, HEJ noted that the recommendations from the evaluation have been utilized by the international programme support team for all country programme support, and have been particularly useful in terms of the current country framework programme support dialogue process.

9. Annual Council Meeting: discussion and approval of agenda

TPM presented the first draft of the annual council meeting programme, noting that focus had been placed on providing an introduction to AAI as requested by the board, as well as providing room for discussion and inspiration to bring forward in the coming strategy process. The Council Contact group's comments to the programme were also presented to the board, for their orientation during discussion of the programme. The draft overview of the process for the coming strategy development process was also presented.

Board discussion

The board agreed that the programme was well put together and would give the opportunity for good discussion and input to the forward process.

However, there were specific comments from the board to be taken forward in the development of the final programme:

- The formalities within the programme, i.e. approval of the agenda, rules and protocol and editing committee, must be clear and have time set aside.
- The programme must reflect purpose in every programme section, so that the Council can understand background and output for every agenda point; i.e. what is the purpose and output of workshops on the AAI objectives? Internalisation of the AAI strategy, and an output focused on how we can use this within AADK.
- The board appreciated the comments from the Council contact group, particularly their focus on ensuring proper framing of each agenda point for clarity and output.
- The AAI structure presentation should be in Danish and should be done by Birte Hald: focus on the overall AAI federal structure

% The board approved the overall substance of the programme and the process plan for the 2011-2012 strategy process.

% The Council meeting committee would have final approval of the final programme, based on the above comments.

% The programme and the process plan would be placed for the Council's approval at the Annual Council meeting in September.

10. Council Contact Group brief

% TPM noted that a briefing on the Council Contact group would be a permanent orientation point on the agenda for all board meetings from now on.

NBE presented the Council contact group's recommendation regarding the structure of the Contact group for the Annual Council meeting. This recommendation includes an overview of the role of the contact group, its responsibilities to the Council, the process for the election of the Contact group at the Council meeting and an overview of proposal to Council interest groups.

Board discussion

The board as a whole was in total agreement that the Council Contact group is a very useful and necessary institution, and should therefore be clearly incorporated into the Governance manual as a permanent Council group.

In terms of the actual recommendation, there was some feeling amongst the board that many of the points indicated, such as access to board meeting documents and the right to propose recommendations to the board, were points that already lay fundamentally with AADK Council members. NBE suggested that these examples were more a form of understanding the Council contact group as a sparring partner for the board.

The Council contact group recommendation also proposed the establishment of a discussion/debate forum, which some board members noted was a very difficult process to undertake. Previous attempts at founding such forums had led to dissatisfaction on both sides.

Another recommendation from the Council contact group was the establishment of interest groups within the Council. The board was certainly in favour of the Council generating interest groups and engaging more within the association, but felt that these interest groups should be completely optional and open to everyone associated with AADK, not just the Council. Otherwise the board felt that this may cause further isolation for non-Council members from the association.

The final aspect of the recommendation which the board noted was the idea that the Council contact group be elected by the Council. The board did not back up this idea, as the board felt it would be inappropriate for the Contact group to become a forum for Council members to run for with a political agenda. If Council members have political interests, then the board felt that the forum for this expression should be the board. The board was concerned that creating an election system for the Council group would create confusion regarding the delegation of power in the Council.

- % **NBE would be responsible for communicating the board's perspectives regarding this recommendation back to the Council Contact group.**
- % **The Council Contact group's recommendation for the rules and procedure for the Annual Council meeting in September would be the point of departure for drafting of the final rules and procedure by the board's Council meeting committee.**
- % **The recommendation for constitutional changes to indicate the establishment of the Council Contact group was not supported by the board. The board wishes to delay changes to the constitution until after the development of the new AADK strategy for 2012 – 2017, to ensure symmetry between this new strategic direction and the constitution of the association.**

11. AADK Sustainable Development policy paper

BAS presented the Sustainable Development policy paper to the board, noting that an action plan for implementation and work within the organisation which had been developed with the paper had been removed and that BAS would be responsible for bringing this action plan to the attention of the AADK strategy drafting group in 2012. As the policy paper had been discussed overall in agenda point 4 and 5, BAS focused on receiving feedback from the board on the political context of the paper.

- % **The board approved the policy paper with the following changes:**
 - Language alterations would be sent to BAS for a final write-through
 - The final 2 lines of the paper would be removed.
 - BAS would re-write to soften some of the more pointed language; ensure that focus is on AADK as a development organisation and not an environmental organisation. Sustainable development is a priority for the organisation, but fighting poverty and democracy are the two overarching priorities for the organisation.
 - Once edited, the paper will be placed on AADK's website and incorporated into MS in Transition.

12. Secretariat Orientation

Orientation from the Secretariat is a permanent element on the board agenda, providing the opportunity to inform the board on specific in-house activities.

Danida Framework application 2011

FMJ informed the board of the general highlights of the framework application of 2011. Though the board is generally not involved in the application process, FMJ wanted to inform the board on the overview of the application, as this year reflects many of the alterations being undertaken in the frame to fit in with the future path of AADK as a part of the AAI federation.

- 2012 – 2013 Framework grants to country programmes: FMJ informed the board that AADK will be supporting a 2 year cooperation agreement with framework countries, which are being finalized within this quarter.

- AADK will be promoting a new separate Inspirator model over the next years, which will not be limited to a geographic or thematic focus, but can be applied to all objectives within the AAI strategy and to all AA countries.
- And FMJ additionally noted the proposed new budget overview on the framework, which would more clearly indicate the future that AADK is envisioning within AAI.

AADK Reduction of CO2 Emissions in the Secretariat

KID presented the internal policy and action plan that the Secretariat has developed in 2010-2011 in order to reduce CO2 emissions in the Secretariat. The policy has its primary focus on;

1. Reducing the environmental impact of the activities focusing on the use of innovative, cost efficient solutions incl. digital solutions. Special focus will be on travel, reduction of water and energy, and focus on use of paper
2. Increase the environmental consciousness of AADK employees through internal campaigns and information. Communication of the results to external partners
3. Include environmental and social responsibility when buying and investing in relation to the secretariat.

The internal policy results in a yearly action plan and the achievements will be reported in a yearly statement.

Board discussion

In terms of the Danida application, the board seemed positive regarding the orientation. There was some query regarding why the cooperation agreements with framework countries were being extended for 2 years, rather than simply for 1 year while AADK is developing its new strategy. FMJ informed the board that it was not possible to decrease cooperation agreements to less than a 2 year commitment, due to partnership projects and activities. However, KJØ noted that all cooperation agreement countries are already working under the premises of the new AAI strategy and all cooperation agreements lie under the Democratic Governance objective.

In terms of the Internal Policy on the reduction of CO2, the board was very positive regarding the presentation of the policy. It was felt that the policy showed appropriate attention and focus on the CO2 challenge and was fitting for an organisation of AADK's caliber. Now the challenge lay in implementation.

13. AAI Orientation

Orientation from on AAI is now a permanent element on the board agenda, providing the opportunity to inform the board on specific AAI relevant activities.

However, due to the added finance point, the board did not have time to go through an extensive orientation on AAI. However, briefs on both the AAI General Assembly and the meeting with AAI Senior Leadership from June are both available upon request.

14. Any Other Business

- ***TPM informed the board that the Danish Nurses Council has now de-activated its institutional membership within the Council.***