

Minutes of the meeting of the board of Trustees of The Power of Nutrition (the 'Foundation') held on Tuesday 8th March 2017 at Bircham Dyson Bell, 50 Broadway, London SW1H 0BL

Present: Lord John Browne (LJB) (Chair)
Jonathan Brinsden (JB)
Phyllis Costanza (PC) (by telephone)
Alvaro Bermejo (AB)
David Bull (DB)

Observers: Anna Wechsberg (AW) (DFID)

Staff attendees: Martin Short (MS) (CEO)
Sarah Dunn (SD)
Mavis Owusu-Gyamfi (MO-G)
Iain Simpson (IS)
Chris Skeet (CS)
Carla Martins

1. Introductions, declarations of interest and minutes

1.1. Introductions

LJB welcomed all the persons present, following and attending.

1.2. Declarations of interest

LJB referred to the Foundation's conflicts of interests, all received and noted.

1.3 Approval of minutes

The minutes of the 5th December 2016 board meeting were approved.

2. Finance, budget, operations, and audit

2.1. MS referred to the CEO update report, which was circulated with the board pack and welcomed any comments or questions.

Discussion

A general discussion followed:

- LJB commented that he had a meeting with the search consultants from Inzito that are responsible for the recruitment of the trustees. He added that the process is currently at a preparatory phase and that the Foundation needs to ensure that Inzito fully understands the purpose of the board, the skills mix and the time commitment that is required for the role. He pointed out that it is crucial to clarify these three points to be successful in the recruitment process. LJB also mentioned that he had asked Inzito for a deep analysis and answers to the following questions:
 - How international should the board be?
 - How much business acumen is needed on the board?
 - What is the role of understanding governments at the highest level?
 - What is the role of funding and finance as opposed to business acumen?
 - What is the role of being able to speak to and have had experience in aid agencies broadly stated, including banks?
 - How do we describe the feeling for the subject when engaging with these individuals?
- AB stated that despite the continuous progress that has been demonstrated over the last few months, the Foundation didn't reach the fundraising targets set for 2016. He added that the Board should have a discussion to explore and reflect on what should be done to overcome the issue.
- MS suggested that the Foundation has reached a stage where it is necessary to stop looking back and start looking forward. He commented that there was significant over ambition on the fundraising targets established by the people who created the original business plan for the Foundation.
- LJB questioned the process of setting a fundraising target and whether it should be conservative or ambitious.
- DB commented that it was important to understand why the Foundation was not able to meet the fundraising targets in 2016. He pointed out three main reasons: the early phase of the establishment of the Foundation, the reduced number of staff and the reduced number of trustees in place to help. He added that it is important to set ambitious targets.
- LJB commented that it is important to understand what went wrong and what went right in the fundraising process. He pointed out the two new donors that committed to invest in the Foundation in the first quarter of 2017.
- SD mentioned that it is important to highlight that one grant that was expected to be completed in 2016 was only finalised early January 2017 and, that a second grant was not accepted by the Foundation as a result of the due diligence process.
- AW commented that she agrees that the Foundation is at a stage where it's important to look forward and discuss what can be done to improve.

2.2. CS referred to the finance papers which were circulated with the board pack and welcomed any comments or questions.

Discussion

A general discussion followed:

- PC started the discussion suggesting that for the next board meeting the financial papers should be paginated to facilitate the discussion. PC questioned which amount of the money the Foundation had raised is committed to current investments and what is the surplus.
- CS mentioned that the information is presented under Section 2.B. sources and uses of funds schedule.
- LJB requested the balance sheet and clear variances against the budget to be included in the next board pack. He suggested that to have an efficient financial forecast it's necessary to establish the budget and roll forward at each board meeting to analyse the positive and negative variances.
- AW questioned the amount that the Foundation considered reasonable to be sitting in cash and how the Foundation controls the cash balance process.
- LJB requested to always include in the finance report a clear explanation of the variances in the budget and cash balance.
- MS mentioned that page one of the finance report shows a clear picture of the movement of funds. He added that for the next financial reports a more comprehensive and detailed explanation will be included.
- CS informed that HSBC approached him and suggested that the bank does not want to retain the Foundation as a client because it is not sufficiently profitable. He added that the Foundation requested a formal document communicating their decision.
- MS commented that the Foundation initiated the process to select a new bank.
- DB referred that he knows the person responsible for Charity accounts at Barclays and offered to help to connect.

ACTIONS:

- **MS/INZITO - prepare a report with the following information to help with the recruitment of the board members:**
 - **Understand the purpose of the board**
 - **Define the skills mix and the time commitment that is required for the role**
 - **How international should the board be?**
 - **How much business acumen its needed on the board?**
 - **What is the role of understanding governments at the highest level?**
 - **What is the role of funding and finance as opposed to business acumen?**

- **What is the role of being able to speak to and have had experience in aid agencies broadly stated, including banks?**
- **How do we describe the feeling for the subject when engaging with these individuals?**
- **SD - create a list, ordered by scale, of the current targets (organisations and individuals) for fundraising to be provided to the board members under their fiduciary responsibility.**
- **IS/MS/SD/MOG - plan a report to explain the architecture of the development space, show where the Foundation fits into the architecture and highlight progress that has been made since it was established.**
- **CS - include the balance sheet and clear variances against the budget in the next board pack.**
- **CS - include in the finance report a clear explanation of the variances in the budget and the cash balance.**

3. Communications

IS referred to and played the video filmed by Comic Relief in Liberia in one of the areas where the Foundation invested. He mentioned that the film has a very simple, clear and direct message, a very strong use of images and, has a strong link with the brand Comic Relief and with the celebrity. He added that it is a very well-produced piece of storytelling with a direct ask for engagement. He pointed out that all these elements are extremely effective and the Foundation needs to incorporate them into its communications.

IS made a brief overview of his professional background, including working as a journalist, providing communications advice to the Director-General of the World Health Organisation, to the Gates Foundation and consultancy work with several private-public partnerships in the health field.

IS commented that after early conversations with the Foundation team, colleagues and partners the general sense is that the Foundation is at an interesting turning point, moving from a start-up phase to a middle phase, however, this transition is not reflected in the different communication channels.

IS mentioned that he's starting to outline a communications strategy, identifying target audiences and creating a clear and compelling story. He added that it will be presented at the next board meeting.

Discussion

A general discussion followed:

- LJB questioned if the Foundation has the means and capability to execute this complex task.
- IS commented that the first step is to create the strategy followed by an engagement with partners to help with the execution and implementation of the strategy. He added that a few conversations are ongoing with some PR agencies and advertising firms. He pointed out that there's also the possibility of getting some pro bono work from outside consultancies.

- LJB commented that he will introduce IS to Edelman, considering that they've performed very well in this area and can do some pro bono work for the Foundation.
- DB agreed with the strategy to move onto telling a story in which the Foundation has achieved or is in the process of achieving results. He suggested that is essential to have a more targeted approach and in line with the Foundation's mission and objectives.
- AB mentioned that it might be early to claim success in the programme delivery and that it would probably be more successful to use the UNICEF and World Bank brand on the delivery side.
- LJB suggested that the guideline that the Foundation must follow is to always convey truthful information.
- MS commented that there must be a balance. He added that the Foundation needs to establish what was a success in the programme delivery, like for example, getting the funding for those programmes, more granular and robust frameworks and the upgrade of the money received from the investors. He pointed out that the Foundation funded three programmes but does not know the outcomes and it will take a few months or years to get those results.
- LJB commented that the Foundation is at the beginning of a journey.
- DB suggested that, even though there are no final outcomes, there are stories to tell and UNICEF and the World Bank can help.
- LJB proposed that all the board members should prepare and send all comments to IS, to help with the development of the communications strategy.

4. Investment

MOG referred to the investment pipeline, which was circulated with the board pack and welcomed any comments or questions.

Discussion

A general discussion followed:

- AB questioned if it makes sense to have a second investment in Ethiopia in the pipeline.
- MOG informed that the presented pipeline is what the Foundation receives from the partners as possible programmes. In the case of Ethiopia, UNICEF has knowledge that the Foundation approved a programme with the World Bank and is not interested in a second investment in the country in the short term.
- MS commented that this list is a snapshot of the programmes that UNICEF and the World Bank are developing and that they will proceed regardless of the Foundation funding.

- MS requested MOG to explain the difference between bank executed trust fund and recipient-executed trust fund.
- MOG explained that the bank multi donor trust fund has two windows – a bank executed trust fund and a recipient executed window. The bank executed window is a \$5m fund used for the design of new programmes, independent evaluation of the programmes and research. She added that in the countries where the World Bank wants to implement a programme, but the Foundation can't fund, there's an option for the Foundation to support with the preliminary analysis, to strength the quality of the nutrition programme and ensure that IDA is better utilised. The recipient executed window o \$50m is used to fund country programmes.

MOG referred to the Technical Advisory Panel (TAP) terms of reference and requested board approval for the establishment of the TAP. She commented that the role of the TAP would be to analyse each investment proposal and give robust advice to the executive team and to the board. She added that after detailed background analyses and benchmarking with organisations that have similar structures the recommendation is to have a large TAP and invite two or three to look at every new proposal. She added that the criteria to select the members of the TAP were: people with nutrition skills, people with monitoring and evaluation skills, people with governance skills and from a wide range of countries.

Discussion

A general discussion followed:

- MS commented that the reason behind the recommendation for a large Technical Advisory Panel is to have a larger pool of individuals that are available to provide pro-bono services.
- MS commented that the TAP will not have the power of decision. He added that their role will be to advise the executive team and the board and will not have any governance powers.
- LJB suggested that advisory panels are effectively decision making as it will be very unlikely for the board to decide against a recommendation of the TAP.
- JB commented that the TAP would influence how the Foundation spends the money and there is a delegation of authority.
- AW mentioned that she agrees with the creation of the TAP. She suggested that the critical aspect is who will be on the panel and the process to appoint the members She added that most of the people qualified for the panel will be working with UNICEF, World Bank and other NGOs, therefore the Foundation must be quite careful.
- LJB commented that the Foundation needs to scrutinise the people who will be on the panel, identify a good and independent chairman and a panel with no conflicts.
- LJB requested the following actions:
 - Amend the draft of the terms of reference to be approved by the Board, which clearly defines the limit of authority delegation and the format of reporting to the Board
 - Formal reporting structure of the TAP

- List of potential panel members
- PC suggested an analysis and rephrasing of the following points of the proposed terms of reference:
 - “A clear balance thus exists between second guessing the implementing partners and holding their programmes to account” - (the TAP should be intended to confirm or challenge the implementing partners)
 - “The TAP will be appointed by the Executive of The Power of Nutrition...” - (the Board should finalise the membership approval)

ACTIONS:

- **JB/MOG - Amend the draft of the terms of reference to be approved by the board, (clearly defines the limit of authority delegation and the format of reporting to the board).**
- **MOG - Formal reporting structure of the TAP.**
- **MOG - List of potential of panel members.**

5. Fundraising

SD mentioned that the Foundation is working on the establishment of strategic partnerships with organisations, such as Tata Trusts, Rotary, Unitlife and the Gates Foundation. She added that the Foundation is also looking to establish strategic partnerships with organisations that focus on other sectors (education, water & sanitation, agriculture) to persuade them to include nutrition in their portfolio of investments, and partnerships with charity evaluators who can recommend the Foundation as a good investment raising its profile and credibility.

SD commented that a number of investments in 2017 will be relatively smaller and more transactional, will come from corporates and HNWI.

LJB commented that it is essential to formulate the story that he would need to share when meeting with Bill Gates and other strategic individuals.

SD mentioned that there is a range of interesting ongoing conversations in the US. She commented that a few members of the team will be attending the World Bank Spring meetings where Jim Kim and Priti Patel will speak about nutrition, and the Global Philanthropy Forum that will happen the same week in April.

SD commented that MS will be speaking at the OECD Global Development Forum that will be held on the 5th of April in Paris.

SD mentioned that a few temporary members of the fundraising team left end of last year and that three new full-time team members were appointed. She added these new members come from different

backgrounds, such as, wealth management in UBS, commercial and consultancy and fundraising in the charity space.

Discussion

A general discussion followed:

- AW questioned if the funds raised from the India corporates will be year marked for India or platform funding.
- SD commented that one of the restrictions of the CSR legislation is that the funds must remain in India.

SD referred to the Investor Vetting List, which contains the prospects the Foundations is approaching and questioned if there were any comment or concerns.

Discussion

A general discussion followed:

- LJB questioned about the due diligence process.
- SD commented that the due diligence process varied slightly by donor, but was based on the template shared with the Board previously.
- DB questioned about the board engagement and if the Investor Vetting List is the list that the Board members should use to identify potential connections.
- SD suggested that the Investor Vetting List can be used to identify potential connections and added that she will also share the list with the people the Foundation is currently actively targeting and require Board engagement.
- AW questioned why there are no Middle East organisations in the Investor Vetting List.
- SD explained that the Foundation had a few contacts with authorities and philanthropies in the Middle East many of whom tended to invest in the region. The lead time to develop relationships in this region was particularly long and often required on the ground presence.

6. AOB and closing

6.1. LJB informed that the next board meeting will be held on the 30th of June 2017 and welcomed any other business.

Discussion

A general discussion followed:

- AB questioned about the organisation of the board away day discussed in previous board meetings.
- LJB commented that the away day must be well organised and with the purpose to develop the Foundation strategy, encourage discussion and fresh thinking, build morale and promote positive relationships.
- MS commented that he would send to all the Board members a doodle with proposed dates for the away day.

6.2. There being no other business, LJB declared the meeting closed.

| ACTIONS | RESPONSIBILITY | TIMING |
|---|----------------|----------------------------|
| <p>Prepare a report with the following information to help with the recruitment of the board members:</p> <ul style="list-style-type: none"> • Understand the purpose of the board • Define the skills mix and the time commitment that is required for the role • How international should the board be? • How much business acumen its needed on the board? • What is the role of understanding governments at the highest level? • What is the role of funding and finance as opposed to business acumen? • What is the role of being able to speak to and have had experience in aid agencies broadly stated, including banks? • How do we describe the feeling for the subject when engaging with these individuals? | MS/INZITO | |
| <p>Create a list, ordered by scale, of the current targets (organisations and individuals) for fundraising to be provided to the board members under their fiduciary responsibility.</p> | SD | 30 th June 2017 |
| <p>Plan the creation of a report to share with the World, to explain the architecture of the development space and clearly demonstrate where the Foundation fits into the architecture.</p> | IS/MS/SD/MOG | |
| <p>Include the balance sheet and clear variances against the budget in the next board pack.</p> | CS | 30 th June 2017 |
| <p>Include in the finance report a clear explanation of the variances in the budget and the cash balance.</p> | CS | 30 th June 2017 |
| <p>Amend the draft of the terms of reference to be approved by the board, (clearly defines the limit of authority delegation and the format of reporting to the board).</p> | JB/MOG | 30 th June 2017 |
| <p>Formal reporting structure of the TAP.</p> | MOG | 30 th June 2017 |
| <p>List of potential of panel members.</p> | MOG | 30 th June 2017 |