

Bank Information Center
Minutes of the Meeting of the Board of Directors
December 1, 2006

Present:

Robin Broad
Jonathan Fox (chair)
Marianne Ginsburg
David Hunter
Smitu Kothari (by phone)
Juliette Majot
Atila Roque
Manish Bapna (ex-officio)
Bruce Jenkins (reporting)

- 1. Call to order:** Jonathan Fox convened the meeting at 9:15 AM. The Board warmly welcomed its newest member, Juliette Majot.
- 2. Note of appreciation:** The Directors noted their deep appreciation to Frances Seymour for her generous and insightful service to the organization. Frances has resigned from BIC's Board and the Directors wish Frances well in her new endeavors.
- 3. Approval of Minutes:** The minutes of the May 9, 2006 Board meeting were approved. The minutes will be posted on BIC's website.

4. BIC Policies and Priorities

A. Statement by Executive Director on priorities: In order to assist the organization to sharpen its focus on key priority areas, the Directors had requested BIC's Executive Director, Manish Bapna, to outline his views on key strategic questions facing BIC. The Directors welcomed Manish's "Q&A" responses and discussed its key points, which included the following:

1. Programmatic balance: BIC needs to balance its programmatic work between direct service to partners, advocacy, and research, with a rough breakdown of 50%-30%-20% respectively.
2. Resource allocation: BIC should direct incremental, unrestricted resources to its policy program efforts in order to offset a relative decline in capacity in BIC's policy reform efforts in recent years, as well as to meet partner expectations and to seize opportunities for policy reform. To increase effectiveness, BIC needs be more selective in its policy advocacy priorities. A process is underway for doing so.
3. Value proposition: Surveys and other forms of feedback continue to show that BIC possesses unique access, knowledge, and advocacy capacity in the area of IFI reform that are highly valued by partner organizations. BIC's strategic plan builds off of this

feedback and BIC continues to provide significant value to CSO networks concerned with IFIs.

4. Responsiveness: BIC will continually face tradeoffs between pursuing planned programmatic initiatives and capitalizing of new opportunities. As a rough breakdown, BIC devotes 60% of resources to planned programmatic activities and 40% to “new” initiatives.

5. Institutional focus: Over the past decade, BIC has increasingly devoted resources to support CSOs concerned with the Regional Development Banks, with good reason and effect. At the same time, BIC must continue and strengthen its focus on the World Bank Group given its influence in setting both country development paths and priorities among international development institutions.

6. Focus on US Government: A traditional area of activity for BIC, the organization should continue to strengthen its engagement with the US Executive Directors’ offices, US Congress, US Treasury, and through Tuesday Group. BIC must be cognizant that its interactions with the USG should not serve to strengthen the disproportionate influence of the US at the World Bank and other MDBs but should aim to promote broadly agreed reforms in concert with partner organizations.

7. Endorsement policy: BIC’s policy for endorsing letters, reports, etc., prepared by partners will be guided by a set of clear and transparent criteria: scope (related to operations or governance of IFIs; principles (confident that authors share similar principles as BIC); politics (consistent with BIC’s political positioning); rigor (strong, accurate analysis); value-added (BIC’s endorsement strengthens CSO partnerships and/or attainment of objectives). Any BIC staff member who decides that a requested endorsement meets these criteria should circulate it to BIC staff for reaction. Sign off by the Executive Director or relevant Program Manager is required. Where disagreement exists, the Executive Director will decide.

8. Media engagement: BIC engages with media in order to strengthen CSO IFI campaigns, to promote specific advocacy objectives, and to increase recognition and credibility of BIC to better leverage its influence. BIC has shifted to a more pro-active media engagement strategy in recent years. BIC will continue to expand and cultivate relationships with journalists, explore alternative media outlets, ensure representation of Southern voices on key issues in media work, promote stories to elevate key issues, and dedicate resources to media efforts. In such efforts, BIC must maintain a proper balance between organizational exposure and other strands of its IFI reform work.

Discussion: The Directors welcomed Manish’s statements on key priorities for the organization. It was noted that it is often difficult to fundraise for brand new initiatives and that the “60% planned/40% new” breakdown seemed high. Manish noted that the 40% could be further evenly split between pursuing identified, burgeoning issues and capitalizing on totally new opportunities. Directors raised questions concerning the delineation between “service” and “advocacy” as most Directors see the two as intricately linked. It was suggested that BIC delineate between “direct” and “indirect” advocacy support as a way of forming distinctions between its programmatic offerings given that all of BIC’s services generally support partner advocacy in one form or another. The Directors noted that political context strongly influenced whether something could be

considered direct advocacy or general support (for example, providing the same set of services to groups in relatively democratic versus repressive environments has a fundamentally different political character).

B. Transparency and Environment Policy: The Directors welcomed the staff-generated Transparency and Environment Policy. The Transparency Policy states that BIC assumes the highest transparency standards and is committed to providing information about the organization and its operations. The policy notes several exceptions to disclosure of information (personal privacy, ability to operate effectively, breaches of confidentiality, and legal privilege) and establishes a process for requesting information from the organization. The Environment Policy notes that BIC procures goods produced in an environmentally sustainable manner from businesses committed to international labor and human rights standards. BIC seeks to reduce and conserve resources, including through reusing and recycling materials. Further, BIC seeks to neutralize its carbon emissions produced from staff air travel and the electricity generated by its DC office and will report on its CO2 emissions once a year.

The Directors provisionally approved the policies after minor amendments, pending legal review. The Directors raised the issue of whether BIC will set a hard carbon budget to promote greater selectivity in choosing how to expend that budget. The question was taken under advisement and will be looked at further as BIC gains more experience in this area. The Directors suggested that BIC include carbon budget lines in its grant proposals and to proactively communicate its efforts. The Directors asked for a progress report after one year to include summary of financial implications and looks at the issue of a carbon cap. The revised, reviewed policies are listed below and will be posted on BIC's website:

Transparency and Environment Policy

Transparency

Policy. BIC assumes the highest transparency standards and undertakes to be open, honest and accountable about its activities and operations. BIC is committed to providing information about the organization and its operations. BIC will pro-actively produce and disclose on its website relevant financial and budgetary information, and will also respond to information requests regarding the organization's operations.

BIC recognizes four legitimate grounds for refusing access to information. Information will not be provided if disclosure of the information would:

- (i) Violate personal privacy. BIC will not disclose personal information about a natural third party which would breach his or her privacy or a legitimate privacy interest unless that person has consented or the information was provided on a clear understanding that it might be made public.
- (ii) Harm the ability of BIC to operate effectively. BIC will not disclose information where to do so would seriously undermine its ability to operate effectively. For example, BIC may opt to not disclose information which would inhibit the provision of free and frank advice within the organization or would disadvantage advocacy strategies of the organization.
- (iii) Breach confidentiality. BIC will not disclose information where to do so would constitute an actionable breach of confidence or a related legal obligation. BIC will also not disclose

information where it was provided to the organization in confidence and to disclose it would seriously prejudice the organization's relations with the body that provided it, to the detriment of BIC's interests.

- (iv) Violate legal privilege. BIC will not disclose information which is privileged from production in legal proceedings unless the person who is entitled to the privilege waives it.

Process. Request for information can be sent by email to info@bicusa.org or through the post to BIC's office address. BIC will respond to information requests on the operational aspects of the organization as soon as possible, and within 10 days of the receipt of the request. BIC will provide the information in either electronic or print form. No fees will be charged for requests that are satisfied electronically or for the first 50 pages of printed or photocopied material. Reasonable fees, based on actual costs relating to copying and dissemination, may be charged for requests which involve larger amounts of information.

Environment-Friendly and Carbon-Neutral Policy. BIC minimizes its impact on the natural environment in its daily operations. In every instance possible, BIC seeks the purchase of goods which are produced in an environmentally-sustainable manner and from businesses which are committed to international labor and human rights standards. These may include purchasing fair trade coffees, biodegradable cleaning products, and 100% recycled paper. BIC also ensures office recycling and/or reuse of newspapers, printer paper, aluminum, glass, cardboard, ink cartridges, and other recyclable materials.

BIC also encourages its staff to apply the above principle in their daily work. These may include paper-use reduction measures, water and energy conservation measures, and avoiding the purchase of non-biodegradable items.

BIC neutralizes the carbon emissions produced from air travel of its employees and electricity generated by its DC office, and will report on its CO₂ emissions at least once a year.

C. Personnel/Operations Committee and Grievance Committee: Manish briefed the Directors on the establishment of a Personnel/Operations Committee to ensure consistent application of BIC's Employee Handbook and to advise the Executive Director on the best course of action on non-programmatic issues. BIC has also established a Grievance Committee to provide recourse for employees to air out and to seek redress to allegations of inappropriate treatment. Staff presented the Directors with Terms of Reference for both committees. The Directors welcomed the comprehensiveness of the proposals and provisionally approved the establishment of the committees pending legal review.

5. Program Workplan Discussion: Manish provided an overview of recent organizational developments, including the establishment of a new Middle East and North Africa program focus (hiring process underway), the hiring and placement of Shefali Sharma as coordinator of BIC's South Asia regional office in Delhi, and an update on BIC's Mekong Coordinator (Jelson Garcia has established BIC's Mekong Regional Office in Bangkok). BIC's Latin America Program is exploring the feasibility of establishing an office in the region.

The remainder of the workplan discussion was devoted to addressing key initiatives grouped under BIC's Policy Program. These initiatives include work on (a) pressuring IFIs to explicitly recognize international human rights and other standards in their policy frameworks and operations, (b) promoting greater IFI transparency, (c) starting up a new

focus on the IMF, (d) strengthening internal IFI accountability mechanisms, (e) influencing the World Bank's governance and anticorruption effort, (f) promoting democratic reforms of IFI governance, (g) promoting access to cleaner energy and less-carbon intensive energy paths in IFI programs, and (h) challenging the development rationale of much of the IFC's private sector lending.

The Directors provided insights and posed questions about the rationale and thrust of work in each of these areas. The Directors noted that the list represented an ambitious agenda and required greater selectivity given limited resources. The Directors also noted that some areas represented extensions of well-established BIC activities while some represented new initiatives that require further development. The Board also raised questions regarding the degree to which these initiatives were already reflected in BIC's Strategic Plan (some are, some represent new initiatives).

The Directors suggested that BIC staff apply some criteria to making trade-off decisions on potential new areas of work. One suggested criterion involved an assessment of the degree of commitment of other CSOs to pursue work in any given area, noting that BIC should not strike out in new areas without ample CSO collaboration. A further criterion involved assessing how work in each area would connect to political processes and alliances of civil society partners. The political opportunities surrounding each potential area of policy work were quite different and deserved greater analysis. The Directors encouraged BIC staff to select policy reform areas in which opportunities exist for potential change and for which significant CSO pressure exists or can be generated. It was further noted that BIC should maintain and strengthen its work on challenging the development paradigm promoted by the Bank and IMF as substantial opportunities exist for real reform in this area. The Directors also suggested that staff could pull together areas of potential new work into a document to discuss with potential funders.

6. Midterm Review of Strategic Plan: BIC staff presented a Mid-Term Monitoring Report on BIC's Strategic Plan 2005–2008. The monitoring report provides an update on significant progress across the 12 strategic objectives contained in BIC's plan. While documenting key achievements, the report also notes that in certain areas BIC has demonstrated less progress or has redefined priority areas. The Directors welcomed the report. A monitoring report will be posted on BIC's website together with the previously posted strategic plan.

7. Finances:

A. 2005 Financial Statements: Alvin Carlos briefed the Directors on the organization's fiscal year 2005 (January-December 2005) audited financial statements. Alvin also reviewed the auditor's management letter and reported that all issues raised by the auditors have been addressed save for fulfillment of specific requirements related to the Sarbanes-Oxley act. The Board welcomed Alvin's report and the actions taken and encouraged staff to present policies that address any outstanding issues. The Board approved the 2005 audited financial statements which will be posted on BIC's website.

B. 2007 Budget: Manish briefed the Directors on the proposed organizational 2007 budget. Manish outlined projected revenues from foundation grants and noted potential new revenue streams. The 2007 budget projects expenses of approximately \$1.6 million, a 5% increase over 2006. The Directors approved the 2007 Budget. The Directors noted that the organization should not seek donor funds that do not closely match the organization's strategic priorities. The Board requested that staff present a historical chart of funders and to clearly distinguish between certain and less than certain revenue projections in its budget presentation to the Board. Further, Directors would find it useful to have a clearer picture of restricted assets and when they may be released.

C. Cash Reserves Policy: The Board approved a new Cash Reserves policy for the organization that states that BIC will seek to maintain unrestricted cash reserves equal to at least three months of operating expenses. The policy outlines contributions to reserves, reporting, and potential use of reserves. The Directors requested staff to report on the specifics of how much interest income will be devoted to reserves for 2007.

8. Board Development: The Board formally constituted a Governance Committee comprised of David Hunter and Juliette Majot to review organizational by-laws and procedures of the Board. David Hunter was elected Treasurer of BIC and Bruce Jenkins was elected Secretary. The Directors discussed expanding the number of Board members and the criteria to be used in identifying potential candidates.

9. BIC's 20th anniversary: BIC will celebrate its 20th anniversary in 2007 and plans to organize an event during Bank/Fund annual meetings in October. Staff will present plans for the event and will seek Board assistance with aspects of the program.

10. Next Board Meeting: The next Board meeting was scheduled for Friday, May 4, 2007.

11. Adjournment: The meeting was adjourned at 5pm.

Drafted by Bruce Jenkins, Secretary