



International
Code of Conduct
Association

ICoCA Q4 2016 Board Meeting
Washington, D.C., United States of America
13 & 14 December 2016

Minutes

Present (Board)

- Rémy Friedmann (Chair)
- Katherine Gorove
- Bertil Roth
- Sophia Willitts-King
- Josua Loots
- Amol Mehra
- Michael Posner
- Margaret Roggensack
- John Davies
- Charlie Mayne
- Alan Donohue (14 December only)

Present (ICoCA Secretariat)

- Anne-Marie Buzatu (Interim Executive Director)
- Martin Field (Communications and Development Officer)
- Lucas Grandjean (Monitoring Manager)
- Anaïs Laigle (Project Assistant)
- Gina Menghini (Research Assistant)
- Andrés Zaragoza (Project Officer)

Present (Observing/Supporting)

- Ian McKay (U.S. Department of State)
- Courtney Barno (13 December pm)
- Mark Bohac (U.S. Department of State) (13 December pm)
- Justin Keyes (U.S. Department of State) (14 December)
- Christopher Meyer (U.S. Department of Defense) (14 December)

Absent/Excused

- Chris Sanderson
- Alan Donohue (13 December only)
- Andrew Orsmond (Executive Director)

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13 December

1. Opening of Meeting and Discussion of Agenda

- 1.1. The Chair opened the meeting at 9.00am and asked the Communications and Development Officer to draw up the minutes. The Chairman took note that each of the three stakeholder pillars was represented by at least two Board Directors and that at least 8 Directors were present, and declared that a quorum was present according to Article 7.6 of the Articles of Association (AoA), that the meeting was duly constituted, and that the Board could adopt resolutions in compliance with the Articles of Association.
- 1.2. The Chairman thanked the Secretariat for planning and coordinating the meeting.
- 1.3. Sophia Willitts-King announced that she will be stepping down after this meeting, to be replaced by Joanna Vallat as the UK Government representative on the Board of Directors.

2. Approval of Minutes from September Meeting

- 2.1. The Board reviewed the draft Minutes of its 3rd Quarter 2016 (28 and 30 September) meeting.
- 2.2. The Board approved the 3rd Quarter 2016 Minutes with no amendment and authorized the Secretariat to publish them.**
- 2.3. The Board reviewed the draft Minutes of the 2016 Annual General Assembly (29 September).
- 2.4. The Board approved the 2016 Annual General Assembly Minutes with the no amendment and authorized the Secretariat to publish them.**

3. Secretariat Update

- 3.1. The Secretariat provided an overview of communications activities undertaken since the previous Board meeting.
- 3.2. Members of the Board and Secretariat introduced themselves to new Director John Davies.
- 3.3. IT and Administration:

The Interim Executive Director described the current IT security measures for confidential data. She noted that if ICoCA acquires Swiss privileges and immunities it would be necessary to use a server hosted in Switzerland.

The Secretariat updated the Board on the development of the company self-assessment reporting tool. The Secretariat has run a Request for Proposals for the platform with a number of providers and shortlisted two. A decision on a provider will be taken in January 2017, and the platform will be implemented from February, to be launched in mid-2017.

The Board stressed the need to investigate legal implications of hosting arrangements and stressed that a system be able to adapt to meet the organization's evolving needs.

- 3.4. Membership update:

The Secretariat announced Canada's application for membership to the Government pillar and recommended that the Board approve the application.

The Board agreed to accept Canada's application for Membership, and instructed the Secretariat to inform the Government of Canada.

Acting through the Membership Committee, by delegation, the Board subsequently resolved that membership is granted to one (1) company on a transitional basis (as provided in Article 3.3.1 of the Articles of Association), and authorized the Secretariat to list the newly-added member on the ICoCA website. The company will be provided with an explanation regarding the certification procedure, and will be informed that the transitional nature of membership requires that the company will need to be certified in accordance with the ICoCA Certification Procedure before the end of the grace period provided in Article 3.3.1 expires or their membership will expire.

Acting through the Membership Committee, by delegation, the Board also approved one (1) Observer application and authorized the Secretariat to list the new Observer on the ICoCA website.

4. Executive Session

- 4.1. The Board met in an Executive Session.

5. Governance

- 5.1. Personnel Policies:

The Interim Executive Director introduced the personnel policies and procedures and responded to questions of clarification from the Directors.

She proposed that she revise the policies to reflect the suggestions made, circulate a new version to Secretariat staff, before putting before the Board for approval at the 2017 Q1 meeting.

- 5.2. Terms of Reference for Board Committees:

The Board discussed the role of the Committees, and the need for clarity about when committees can take decisions, and how the Secretariat can best utilize Directors' skills and capacities. A template for Terms of Reference for the Committees will be considered by each of the Committees, and the full Board may need to deliberate further on certain fundamental changes, such as the authority of alternate Committee members to make decisions.

Directors suggested the establishment of a working group to coordinate outreach to CSOs and industry (see Item 13.5 below).

The Interim Executive Director noted that the Voluntary Principles Plenary should be a priority for Outreach. She also proposed establishing a project to identify obstacles and pathways for PSC clients from the extractive industry.

The Board requested that the Secretariat continue to work with Joanna Vallat and the VP organizers to coordinate ICoCA participation in a side event at the Voluntary Principles Plenary.

6. Committee Break Out Meetings

- 6.1. Separate sessions were held for the Monitoring, Certification and Complaints Committees.

7. Financial Update

- 7.1. Interim Executive Director informed the Board of a CHF 220,000 contribution received from the Government of Sweden, for expenses incurred during 2016.

- 7.2. The Board discussed the draft Financial Procedures and agreed to the following amendments:

Article 2.3 should be changed to read "The Executive Director of the Association, supported by the Operations Manager, shall be responsible for the application of these regulations on behalf of and subject to the oversight of the Finance, Audit & Legal Committee."

The Finance, Audit & Legal Committee would approve the budget; and that any variance over CHF 10,000 would require Board approval.

The Board should be informed in advance of any ex-gratia payments.

The Finance, Audit & Legal Committee should be notified of any payments over CHF 5,000, and be given seven days to review such payments.

The Executive Director will continue to hold a discussion about the Association's financial situation with the Finance, Audit & Legal Committee on a quarterly basis.

- 7.4. Fundraising :

The Interim Executive Director noted that the US State Department's Bureau of Democracy, Human Rights, and Labor (DRL) had in principle agreed to the Association's proposed revision of the terms of its grant towards the Monitoring programme.

She noted that a consultant had been approached to identify possible funders, and that distinct projects should be identified for funding. Directors with expertise in fundraising could assist in identifying funders and preparing proposals.

- 7.5. External Auditors:

Following a recommendation by the Finance, Audit and Legal Committee and in line with the priorities of the Association, the Board approved the engagement of Fiduciare Sogestal as the external auditors of the Association (Art. 8.1.6). The Board requested the Secretariat to inform the former auditors and sign the engagement letter with Fiduciare Sogestal for the 2016 limited statutory audit.

8. Executive Session

- 8.1. The Board met in an Executive Session.

9. Certification Update

- 9.1. The Secretariat updated the Board on progress in implementing the Certification Procedures.

Secretariat staff briefed the Board on bilateral meetings with UK certification bodies to better understand their processes; the current status of pending applications for certification; and the review process for certification.

9.2. Certification of Member Companies:

The Board resolved that ICoCA Certification is granted to one Member company (as provided in Article 11 of the Articles of Association), and authorized the Secretariat to include details of their ICoCA Certification on the ICoCA website. The Company will be provided with notice of their ICoCA Certification.

9.3. The Secretariat gave an update on other applications for Certification. The Board discussed how ICoCA could avoid reputational impacts of considering applications from Members involved in activities which allegedly violate the requirements of the Code.

9.4. Review of the Recognition Statement for ISO 18788 :

The Secretariat presented the comments received after public review of the Recognition Statement of ISO 18788.

9.5. The Board voted to recognize ISO 18788 and requested the Secretariat to post the Recognition Statement on the website.

9.6. The Certification Committee presented proposed language to describe the scope of ICoCA Certification, which is based on the scope of their recognized third-party certification, but noted that the Monitoring and Complaints functions will be applied to their operations in complex environments for the locations of all its operations, and not limited to the scope of Certification provided to the Association by the external certifying bodies. The Board suggested editorial changes to the statement, which will be used on the website listings for certified Member Companies.

9.7. Certification and membership for companies with complex corporate structures:

The Secretariat explained the proposed policies for companies trading under different names or separate legal entities sharing a single trading name. They informed the Board that they would continue to consult certification bodies and individuals with relevant expertise at the beginning of 2017 to refine their policies for companies with complex structures.

9.8. Improving access to certification programme:

The Secretariat described a proposal and work plan to develop a project to examine alternative pathways to certification; and notified the Board that a progress report would be presented to the Board at its 2017 Q1 meeting.

10. Complaints

10.1. The Secretariat provided an update on the Complaints Procedure.

The Secretariat presented options for the complaints forms and alternative options for registering complaints. The Board recommended that the languages of translation should be decided based on the areas of operations of member companies.

The Board discussed options for publishing information about ongoing complaints, weighing up the possible damages to companies against transparency and best practice. The Board agreed to continue this discussion on the second day of the meeting (See Item 14, below).

The Secretariat informed the Board of planned targeted consultations with experts, including DCAF, to gather advice on operationalizing the complaints procedures and to develop a toolkit for grievance procedures.

14 December

The Chair opened the meeting at 9:08am.

11. Monitoring

- 11.1. The Secretariat provided an update on the Monitoring function, with a focus on recent large-scale consultations in the US, UK and Switzerland to expand a remote monitoring network and consult stakeholders on the operationalization of the monitoring function.

Directors requested that the Secretariat map out the role of CSO contributions to Monitoring and Complaints functions and involve Observers who may also have relevant networks that could contribute to monitoring.

The Interim Executive Director mentioned that DCAF has developed tools and networks that could be useful for ICoCA's monitoring network.

- 11.2. The Secretariat provided an update on progress in developing a Company Self-Assessment (CSA) platform, as part of the Monitoring function. She explained that an IT platform is being developed in consultation with experts and members, and testing be commenced in early summer. As part of these consultations, the Secretariat will organize a consultation process in February with around 30 volunteer member companies on the content and the functioning of the CSA. A CSA based on limited indicators could be finalized and launched by July 2017, to be expanded as new indicators are developed.

Some Directors suggested that the CSA could be developed with a low-tech interface (such off-line forms that could be completed and sent by courier or fax) to avoid unnecessary expenses and risks of commitment to a system that might prove problematic.

Directors requested that the Monitoring Committee consult the minutes of previous meetings to review previous Board decisions on the development of a CSA platform, and reconsider the matter.

- 11.4. The Secretariat provided an update on plans for Field-Based Reviews (FBR) in 2017. The plan, presented to the Monitoring Committee, was to conduct three scheduled FBR and to be available for one unscheduled FBR requested by the Executive Director or by any member.

The Board asked that the Monitoring Committee finalize and formally validate a plan.

- 11.5. The question of the role of member CSO, especially grassroots Human Rights organizations, in monitoring compliance with the Code by member companies was discussed and needs to be clarified.

The Board requested the Monitoring Committee to further assess key elements related to confidentiality and protection.

11.6. The Secretariat also provided an update on the Monitoring budget, including adjustments to the grant from the US Department of State's Department of Labor and Human Rights (DRL), and noted the roles that members of the secretariat would play in implementing the Monitoring function. He noted plans to recruit a paid intern for six months during 2017 to assist with the Monitoring function.

12. Executive Session

12.1. The Board met in an Executive Session.

13. Outreach & Planning 2017

13.1. Directors expressed their appreciation to the Secretariat and to Ms. Buzatu for their professionalism and work during a challenging period as the Association moves into an operational stage.

13.2. The Board thanked Ms. Buzatu for agreeing to continue to serve as Interim Executive Director during the Executive Director's medical leave. The Board noted that Directors would be more involved in providing guidance and direction, and the Board's Committees would play a more active role.

13.3. 2017 First Quarter Meeting:

The Board discussed potential dates for the 2017 First Quarter Meeting.

The Board requested that the Secretariat conduct a poll to determine the optimum dates and location for their next meeting.

13.4. 2017 Annual General Assembly

Director Josua Loots suggested that the 2017 General Assembly could be planned to coincide with the General Assembly of the African Coalition for Corporate Accountability (ACCA), which will convene a wide spectrum of African CSOs in Kenya, around October 2017 (exact dates yet to be decided). This could provide valuable exposure for ICoCA's CSO pillar. Concerns were raised about whether a meeting in Kenya would pose a barrier to attendance by ICoCA's members.

The Board asked the Secretariat to make a preliminary assessment of the costs and impacts on attendance of holding the AGA in Kenya.

13.5. Outreach and Communications

The Secretariat gave a briefing on recent progress and plans for outreach and communications activities.

The Board requested that an online schedule of relevant upcoming events be established to coordinate participation by Secretariat staff and Directors.

The Interim Executive Director requested greater involvement from Directors in identifying and pursuing sources of funding.

The Board suggested that the Government pillar could play a more active role in outreach to other Governments.

The Board agreed to establish a Working Group to provide guidance on Communications and Outreach. Director Michael Posner would serve a focal point for this Working Group. It was

agreed that interested Board members or their representatives could participate and that it would not be necessary to have equality between pillars in terms of representation.

Any official document for public distribution should be reviewed by this Working Group, and, as necessary, the Working Group would circulate documents to all Directors for their comment before publication.

14. Any Other Business

14.1. Complaints (Continuation)

The Board continued discussion on the Complaints function (See Item 10, above). They agreed that a level of transparency was important, but that any complaint should first be brought to the attention of the Member Company concerned before being published.

The Board agreed that guidelines on publishing details of complaints would be developed for decision at a later date; but that the Complaints procedure should be implemented in the interim.