



Code of Governance

2017

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INTRODUCTION

Good Governance is essential for the functioning and well-being of any organisation. This ECDPM Code of Governance sets out our governance policy and provides guidelines for effective cooperation, supervision and accountability.

Best practices in organisational governance, values and ethics continually evolve with advancements in standards and public debate. Recognising this, ECDPM has decided for reasons of transparency and accountability to incorporate its existing rules and guidelines into one public document.

This Code of Governance was developed in 2017, in wide consultation with ECDPM staff, management and the Board of Governors. The Code supplements the governance document adopted by the ECDPM Board of Governors in 2013. That document extended on the Rules of Procedure, which already existed at that time and themselves built on the Statutes that have been in place since the establishment of our organisation in 1986.

ECDPM is a foundation under Dutch law and a publicly funded organisation. As change is an inherent feature of law, and expectations of governance also change, the Code will be reviewed regularly to ensure that it remains fit for purpose.

PRINCIPLES OF GOOD GOVERNANCE AT ECDPM

COMPLIANCE AND ENFORCEMENT

In line with its Statutes, the European Centre for Development Policy Management (ECDPM) has two governance bodies: the Board of Governors and management. The Board is responsible for the formulation of, and compliance with, the ECDPM Code of Governance. The Board is also responsible for addressing non-compliance. Management is responsible for proper and adequate implementation of the Code. As the Code integrates the main elements of governance, supervision and accountability laid down in the ECDPM Statutes and Rules of Procedure, the latter will prevail in any case of discrepancy and/or omission. The Code of Governance is a public document and hence will be published on the ECDPM website.

APPLY OR EXPLAIN

The Code of Governance is a code of principles, as well as a code that incorporates our Rules of Procedure and other governance guidelines. Deviation from the Code must be justified by explanation to ECDPM's main stakeholders, such as its funders and partners. This is known as the 'apply or explain' principle, which is the responsibility of the ECDPM Board of Governors. The Management Team (MT) reports on Centre governance and management in the ECDPM annual report.

LEGAL REPRESENTATION OF THE CENTRE

- a. The Board is authorised to enter into agreements as defined in article 291, Book 2 of the Dutch Civil Code.
- b. The Centre is represented in law and otherwise by
 - the Board or
 - the Board Chair together with the Vice-Chair, or either of them together with another Board member, or
 - the Director, for the execution of Board resolutions signed by the Chair or Vice-Chair.

ECDPM'S MANDATE, MISSION AND VALUES

OUR MISSION IS TO MAKE POLICIES WORK FOR SUSTAINABLE AND INCLUSIVE GLOBAL DEVELOPMENT.

MANDATE

The ECDPM Statutes define the objective of the Centre as follows:

- a. augmentation of institutional capacity in relation to management with regard to the development policy and international cooperation of governmental authorities and private actors in countries in Africa, the Caribbean and the Pacific (the 'ACP countries') and
- b. improvement of international cooperation between development aid partners in Europe and the South.

MISSION

ECDPM is an independent 'think and do' tank working on international cooperation and development policy in Europe and in the countries of Africa, the Caribbean and the Pacific, particularly Africa. Our mission is to make policies work for sustainable and inclusive global development and contribute to a world in which economic prosperity, social equality, peace and accountable institutions are a reality for all.

We do this by providing policy research and analysis. Beyond that, we act as a policy advisor. We work with partners in Europe, Africa and beyond to address policy implementation challenges and bring people together. To promote impactful solutions, we carry out and apply thorough analyses of factors that might prevent or drive change, not shying away from looking at political constraints and incentives.

VALUES

ECDPM's identity is largely shaped by our principles, beliefs and values. Our core values support ECDPM's vision, shape the Centre's culture and reflect what the organisation holds important and aspires to achieve. Some of our main values are the following:

- *commitment* built on ownership, diversity, security and staff empowerment;
- *excellence* built on performance, continuous improvement and learning, solid evidence, quality and ambition;
- *collaboration* through teamwork, inclusion, investment in relationships and enduring partnerships;
- *innovation* through knowledge generation, openness to change, creativity and adaptability;
- *integrity* built on ethics, honesty, trust and authenticity;
- *accountability*, through transparency in the impact we seek and by taking *responsibility* for our actions; and
- *respect* for our staff and stakeholders, for individuals and communities, for our environment and the environment of others.

The basis of this identity lies in our employees and their commitments to collaboration and the sharing of knowledge; to initiative and enthusiasm; to a multicultural work environment; to respect and inclusion; and to an independent and non-partisan approach at all times. ECDPM is an equal opportunity employer. We hire a diverse group of staff in age, gender, region and country of origin. ECDPM produces public goods and generates knowledge and other outputs for the benefit of public and private stakeholders and the general public. These elements define us as an organisation and the way we approach our institutional partners, stakeholders and wider audience.

THE ECDPM **BOARD OF GOVERNORS**

MANDATE AND RESPONSIBILITY

- a. The Board is responsible for the governance of the Centre, including appointment of the Director, Deputy Director and Head of Finance and Operations and approval of the strategy, work plan, annual budget and accounts for the year passed.
- b. The Board supervises the performance of work and the exercise of authority by management and assists management by providing advice.
- c. The Board is responsible for the job description and performance appraisal of the Director.
- d. The Board is responsible for approving governance and management regulations.
- e. The Board supervises management's compliance with statutory obligations.
- f. The Board is responsible for the appointment of an auditor who reports to the Board.
- g. The Board commissions an external evaluation of the Centre every five years.
- h. The Board represents the Centre in legal and other matters.

COMPOSITION

- a. The Board consists of at least five members, to be appointed by the Board.
- b. The Board strives for a majority of Board members from the countries of Africa, the Caribbean and the Pacific.
- c. The Board elects a Chair and Vice-Chair from amongst its ranks.
- d. The Board strives to appoint a Board Chair from a country in Africa, the Caribbean or the Pacific.
- e. The composition of the Board should ensure a wide spectrum of knowledge, experience and commitment related to the objectives of the Centre, while taking into account gender, region and country of origin.
- f. Board members serve on the Board in a personal capacity and perform their role without being bound by mandate or consultation.
- g. Board members must be able to operate independently and critically with respect to one another and with respect to management.
- h. Members of ECDPM management cannot serve on the Board and vice versa.

APPOINTMENT AND ORGANISATION

- a. Board members are appointed for a term of four years and are eligible for reappointment once for a consecutive term of four years.
- b. In case of a vacancy, the Board decides on the desired profile for candidate members.
- c. Preselection and selection of new Board members is undertaken by an ad hoc committee headed by the Chair or Vice-Chair of the Board. Any Board member can propose prospective members for selection.
- d. Once a year the Board evaluates its own performance and that of its individual members, possibly with expert external guidance. In addition, the Board's relationship and interaction with the Director is reviewed annually. The evaluation of the members of the Board is based on a process of peer review initiated by the Board Chair and the respective Board member(s) in collaboration.
- e. The ECDPM Director serves as the Secretary of the Board and its committees. The Director ensures that adequate and accurate information is available to Board members in a timely fashion.

- f. Within the Board an Executive Committee and a Programme Committee may be formed. The Board elects from amongst its ranks the members who will serve on each committee and appoints a chair for each committee from its ranks.
- g. Any Board member who becomes aware of a potential conflict of interest will promptly report this to the Board Chair. Board members do not accept gifts or favours from others in exchange for the exercise of influence on decision-making within the Board. Board members may not transmit obtained information in any way for their own use or for the use of third parties.
- h. Board members will not participate in discussions on, and will abstain from decisions relating to, matters on which they have a conflict of interest or potential conflict of interest.
- i. Remuneration and expenses of the Board will be consistent with amounts and conditions in similar organisations financed through public funding and are subject to periodic review by the Board Executive Committee.

BOARD CHAIRPERSON

- a. The primary role of the Board Chair is to ensure that the Board is
 - effective and transparent in setting policy and
 - ultimately accountable for the Centre's use of capital and human resources.
- b. The Board Chair facilitates and promotes harmonious and collegial working methods and decision-making with mutual respect for all views of the members of the Board.

BOARD EXECUTIVE COMMITTEE

- a. The Board appoints from amongst its midst an Executive Committee, including a chairperson. The Executive Committee is charged with any matter of Centre business delegated to it by the Board.
- b. In addition to its chairperson, the Executive Committee has at least two members. The Committee convenes at least three times a year, including prior to the meetings of the Board in the first and second half of the year.
- c. The Committee monitors the financial budget and the execution of the biannual work plan, as well as procedural and human resources matters in the Centre. It reviews the management and financial aspects of the upcoming work plan. The Committee examines the accounts of the previous year before submitting these to the Board for approval.
- d. The Director, the Deputy Director, the Head of Learning and Quality Support and the Head of Finance and Operations are present at Executive Committee meetings. The chairperson may request participation of other staff members as well.
- e. The chairperson and/or members of the Executive Committee report on any conclusions and/or recommendations the Committee has reached at the full Board meeting.

BOARD PROGRAMME COMMITTEE

The Board may establish a dedicated Board Programme Committee (BPC), which reviews ECDPM's programmatic areas of work. Should no BPC be established, the full Board assumes all such responsibilities.

BOARD MEETINGS

- a. The Board meets at least twice a year, or as often as the Board Chair deems appropriate. The Chair can convene an extraordinary meeting of the Board at the request of three Board members.
- b. Ordinary and extraordinary meetings of the Board take place at the ECDPM head office in Maastricht or elsewhere.
- c. The Director and representatives of the MT are present at the Board meetings and participate in the discussions.
- d. Decision-making procedure:
 - All decisions of the Board are passed by a simple majority vote, i.e. one more than half of the valid votes counted, unless a greater majority is required by the Statutes. If no simple majority is reached, a second vote is taken. If this again fails to produce a majority, the Chair decides the matter.
 - Votes on general matters are conducted orally. Votes on personnel-related matters are conducted by secret ballot, unless the Board chooses otherwise.
 - A resolution of the Board can be declared void at the request of a member of the Board if the resolution is taken to be in violation of the Statutes or in breach of the provisions that regulate the authority of the Board and its decision-making.
- e. During the discussion of any subject, any member of the Board can ask for suspension of the meeting or adjournment of the debate on the item under discussion. Any member of the Board may move to close the debate on any item. If the Board agrees, the Chair declares the debate closed.
- f. The Secretary of the Board is responsible for reporting on the Board meetings.

ECDPM MANAGEMENT

The Statutes and Rules of Procedure assign specific responsibilities and roles to the Director, the Management Team (MT) and the heads of programme.

DIRECTOR

- a. The Director is charged with the execution of the activities necessary for the purpose of managing the Centre.
- b. The Director is responsible to the Board for the governance and overall management of the Centre and for implementation of the Board-approved strategies, budgets, work plans and policies.
- c. The Director chairs the MT.
- d. The Director appoints Centre staff on the basis of terms of reference (ToRs) defined in consultation with the MT.
- e. The Director provides strategic and intellectual guidance to the Centre's management, programmes and staff and acts as the Centre's formal representative to third parties and at official events.
- f. The Director ensures the strategic and responsible use of Centre resources and delivery of the Centre's programme of work, outputs and results.
- g. The Director supervises the monitoring and evaluation of the Centre, alongside internal quality control and risk management and staff performance and remuneration.

MANAGEMENT TEAM

- a. The day-to-day management of the Centre is charged to the MT, consisting of the Director, the Deputy Director, the Head of Learning and Quality Support, the Head of Communications, the Head of Finance and Operations, and two heads of programme. The heads of programme serve on the MT for two years on a rotational basis, to ensure adequate representation of all Centre programmes in management. The MT selects which heads of programme will serve on the MT in consultation with all programme heads.
- b. The MT aims to reach decisions by consensus, but in cases where a vote is necessary, decisions are taken by simple majority. Any decision taken has to include the vote of the Director. In case of a standoff in votes the Director decides. If the Director is incapacitated, the Deputy Director takes on the Director's role in the MT.
- c. The MT meets at least biweekly or as frequently as it deems necessary for the smooth operation of the Centre.
- d. The MT is specifically responsible for:
 - key strategic Centre decisions, such as assessing progress against the Centre strategy and final approval of work plans;
 - the annual budget;
 - the annual report and fulfilment of other reporting requirements;
 - annual human resources appraisals and decisions;
 - preparation of ECDPM Board decisions and contributions to the Board meetings;
 - external evaluations of the Centre and its activities, to be conducted every five years; and
 - promoting collaboration across programmes.
- e. The MT coordinates and supervises day-to-day implementation of the Centre's programmes and programme-related matters and it acts as the interface with the Board.
- f. As required, the MT formulates and proposes specific policy proposals to the Board and supervises

- implementation of decisions taken by the Board on these proposals.
- g. Within the framework set out in the Board-approved multiannual strategy, financial policy and annual budgets, the MT leads Centre-wide acquisition and strategic use of financial and human resources, expenditure of the budget and execution of the biannual work plans.
 - h. In accordance with Board guidelines, the MT executes the Centre's human resources management policy.
 - i. The Head Finance and Operations monitors financial, operational and human resources indicators and provides relevant and synthesised management information to the Board, the MT and the Programme Management Group (PMG) in an opportune and timely fashion.
 - j. The heads of programme/unit who are not MT members may join MT meetings at any time to discuss specific matters, either at their own request or at the request of the MT.
 - k. All heads of programme/unit are invited to the four key MT meetings of the year, at which the work plan, budget, human resources and Centre strategy are discussed and decided upon.

PROGRAMME MANAGEMENT GROUP

- a. The Programme Management Group (PMG) is the forum for reviewing progress in the programmes, discussing ongoing programme and cross-programme management issues and preparing strategic and policy issues.
- b. The PMG is convened and chaired by the Head of Learning and Quality Support.
- c. The PMG is constituted of all heads of programme and/or their deputies, and the heads of unit. The chair can invite other staff members to attend as relevant for specific agenda points.
- d. The PMG reports to the MT and on the MT's behalf discusses and takes action on ongoing matters concerning diverse programme-related aspects of running the Centre.
- e. The PMG chairperson provides updates at the PMG meetings on the work of the MT.

PROGRAMME MANAGEMENT

- a. Each programme is managed by a head of programme, in some cases in combination with a deputy head of programme.
- b. A programme is a strategically chosen, coherent set of activities aimed at realising the Centre's objectives in the most effective and efficient manner.
- c. The heads of programme are responsible to the MT for the smooth implementation of their programme in accordance with the Centre's strategy, work plan and budget, as approved by the Board.
- d. The heads of programme provide the MT all of the information necessary to monitor and assess the implementation, outputs and outcomes of the programmes. The heads of programme proactively inform the MT whenever desirable or necessary.
- e. The heads of programme call regular meetings with their teams to define, discuss and follow up on programme policy, implementation and progress.
- f. Heads of programme may delegate management of a subset of programme activities to a deputy head of programme or to a member of the programme team. This is a delegated responsibility; the head of programme remains responsible to the MT.
- g. Under the management of the MT, heads of programme coordinate their efforts with those of other programmes and contribute to development of the all-Centre strategy and policies.

ECDPM FINANCIAL MANAGEMENT

- a. Management is responsible for the quality and completeness of all published financial reports. The Board ensures that management executes this responsibility adequately.
- b. Supervised by the Board, the management establishes and maintains internal procedures (administrative organisation and internal auditing) that ensure all relevant financial information is known to the Board. This safeguards the timeliness, completeness and accuracy of the Centre's internal and external financial reports.
- c. The external auditor attends the Board meeting at which the external auditor's report on the audit of the annual accounts is discussed. At this meeting the decision is made on whether to approve and adopt the annual accounts as submitted.
- d. Managing risks is a key component of ECDPM governance. The ECDPM risk management dashboard ensures that risks are identified and managed in a timely manner to mitigate their potential impact. The Head of Finance and Operations serves as risk manager and reports adequately to the Board Executive Committee on possible risks, risk management and risk mitigation.
- e. The Board has determined that all Centre investments must be commensurate with ECDPM's public mission and mandate. In accordance with the Dutch Charities Financial Management Directive (Richtlijn Financieel Beheer Goede Doelen), ECDPM fully incorporates nonfinancial considerations in management of its funds and finances. The primary objective of investing ECDPM's reserves is to preserve capital to ensure that sufficient funds are available to meet future liabilities. At its meeting of 17 March 2016, the Board approved the Investment Statute stating that the Centre will additionally apply corporate social responsibility, which means investing based on environmental, social and governance (ESG) standards. This rules out companies that, for example, generate revenue from alcohol, tobacco and gambling. Investments are focused on companies demonstrating excellence in long-term economic, environmental and social criteria, as well as in leadership, executive pay, audits and internal controls and shareholder rights ('best in class'). Furthermore, the Investment Statute sets out the responsibilities of the Board, the Board Executive Committee and management, including the Head of Finance and Operations, with regard to investment decisions and reporting and accountability.
- f. ECDPM is funded by contributions from the Dutch government, other European public funders and national and international foundations. Contributions vary in type (institutional, programme or project funding), size, scale and duration (multiannual or shorter term). A comprehensive overview of ECDPM's funders is published in the annual report. To ensure sufficient funding for its programmes, ECDPM increasingly takes part in national and European tenders.
- g. As a professional organisation with a public mission, ECDPM requires a very professional staff and leadership with adequate remuneration. Remuneration for staff members and the Director alike is based on the regime applied to Dutch civil servants as set out in the corresponding policy (the Bezoldigings-

besluit Burgerlijke Rijksambtenaren, or BBRA in Dutch). Furthermore, the Board has decided to apply the Dutch Executives' Pay Act (Wet Normering Top-inkomens 2), which entered into force on 1 January 2015. In particular, the Director's remuneration package will not exceed the maximum set by the Dutch Minister for Foreign Aid and Development Cooperation for the international cooperation sector (the so-called DGIS norm). Compliance and enforcement of this rule is monitored by ECDPM's external auditor and reported on in the annual financial report.

- h. Members of the Board receive appropriate compensation for their ECDPM activities and expenses. The Board has established a policy for compensation of travel and accommodation costs. Members receive an attendance fee of € 500 per half day session of a Board or committee meeting.

TRANSPARENCY AND ACCOUNTABILITY

EMPLOYEE PARTICIPATION AND WORKS COUNCIL

- a. ECDPM upholds a culture of responsiveness and openness, and stimulates its employees to be proactively involved in discussions and activities within its programmes and in the Centre as a whole, in line with its core values.
- b. ECDPM staff members are represented by the ECDPM Works Council, in compliance with Dutch law and regulations.
- c. The Director and the Works Council meet regularly to discuss all matters within the Works Council's legal mandate in representation of ECDPM staff. Members of Centre staff provide inputs for the agenda of these meetings, and meeting reports are made available to all staff.
- d. At least once a year a General Staff Meeting (GSM) is held to inform staff of any relevant institutional developments within the organisation. In the GSM the Works Council reports on its work, in its capacity as the staff's representative to the Centre's management.
- e. ECDPM offers Programme Staff Meetings as a general platform for content discussions among programme staff members and other interested employees. These are organised by programme staff members themselves.
- f. ECDPM does not tolerate inappropriate behaviour at work or actions that infringe on the core values of the Centre. Any employee concerned that such behaviour has occurred, whether it originate from a colleague, consultant, programme associate or anyone employed or hired by the organisation, may immediately turn to the appointed Staff Confidential Advisor. The Advisor provides a safe and private environment for the employee to present his or her concerns or difficulties and helps find a solution. The rules governing the Staff Confidential Advisor are available on the ECDPM intranet and hence accessible to all staff.
- g. ECDPM's 'whistle blower' policy ensures that irregularities can be brought to light without fear of retaliation. A compliance officer ensures that all complaints are reported without repercussions. The policy is found on the intranet as well as the Centre website.

SOCIAL ACCOUNTABILITY

- a. ECDPM respects the priorities and concerns of its internal and external stakeholders, including employees, funders, peer institutes, communities, governmental organisations, civil society, the international environment and the public at large. This is reflected in ECDPM's
 - willing compliance with employment, health and safety and environmental laws and regulations;
 - respect for civil and human rights; and
 - betterment of the communities and environments in which we operate.
- b. ECDPM management adopts a vision of ECDPM's role in society as a starting point or element of its policy. It then translates that vision into a mission and goals for the Centre.
- c. The efforts undertaken by ECDPM to pursue its social accountability include not only the organisation's own policies and practices but also those of its suppliers.

- d. Management communicates progress towards its social accountability goals in an open and transparent manner to institutional and other funders, programme partners, stakeholders and the public at large.
- e. Management reports on its social accountability efforts in the annual report.
- f. ECDPM pursues transparency and openness at all times in its external communications to the general public and to its partners and stakeholders through the Centre website, social media and other communications instruments.
- g. ECDPM respects EU data privacy laws and protects all personal data accordingly.

ecdpm

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