Draft Cover sheet - Year 9 Budget revision - request for Board approval June 2022

The purpose of this document is to seek approval from the Governing Board for a revision of the IATI Year 9 (January - December 2022) budget. This revision takes into account foreseeable transition activities related to the mandate end date of December 2022, following the decision by the Board to re-open bidding to identify new hosts from 2023.

The paper sets out the background thinking of the Secretariat and feedback from the Board in the development of the original work plan and budget approved in late 2021, as well as the process and principles of preparing the revision in the annexed detailed spreadsheet, and in the summaries presented per workstream in this cover sheet.

> The Board is requested to approve the revision so that agreed work can be taken forward in a timely manner and concluded within the consortium mandate period, or where appropriate, steps taken to package products and portfolios for handover to new hosts.

Background to development of 2022 Work plan and budget

The Secretariat has taken a critical look at the activities **originally** planned and presented to the Board in November 2021, and thereafter to members during the 2021 MA. Key priorities identified by the Secretariat as part of the five-year plan for achieving the 2020-25 Strategic Plan objectives presented at that time were to:

- progress with **consolidation of the technical estate on a single integrated platform** as recommended through the 2020 Technical Stocktake, and offer a suite of tools for data publishing, access and use;
- support publishers to improve the **quality of data** they publish through use of tools such as the validator, technical support, and implementation of a new Data Quality Index based on community consultation; and
- in turn to leverage improvements in data quality to **strengthen the overall offer to all data users**, reaching out to different groups of stakeholders through meetings at headquarters, partner country and regional level;
- using learning from an in-depth document review, as well as promotion and use of the interim Country Development Finance Data tool, to **inform the methodology and user requirements for development of a new data portal**;
- **communicate more proactively** and **engage more regularly and transparently with members**, making improvements to the IATI website and working towards brand consistency across all tools including IATI Connect.

Feedback received from the Board in November 2021 was that the draft work plan was clear and demonstrated a good pathway to progress towards delivering the Strategic plan – however the work plan was too conservative. Given the easing of Covid-19 travel restrictions, the Board requested the addition of more outward-facing events to build awareness among users, and to bring the IATI

community together for more face-to-face engagement. Accordingly the Secretariat was requested to prepare a more ambitious work plan. The budget was increased by some 6% taking the feedback into account, approved by the Board, and thereafter presented to members at the 2021 MA in December.

Background to revision of 2022 work plan and budget

Staff attrition began early in Q1, due in part to uncertainty as to whether contracts would be extended beyond the current mandate of the consortium, combined with a strong labour market offering better prospects for knowledgeable professionals in other organizations. This was particularly the case on the BA / Technical Team, and staff departures gathered steam at the announcement in late April that the mandate would not be extended. Given the joint nature of the work carried out across the Secretariat, this loss of capacity in one organization has strained all other organizations and portfolios. While staffing at the UN entities remains relatively stable for the time being, there is an undeniable risk that staff may begin to leave before the end of the mandate period, and this risk increases the longer there is uncertainty over future contracts.

Secretariat management therefore requested a careful review of the approved work plan, to add foreseeable activities related to transition, and to critically consider which planned activities could be placed on hold or be scaled down. Principles applied during this process were the importance of continuing to deliver through the end of the mandated period, whilst remaining realistic about the low chances of rehiring against vacancies and retraining new staff into positions for under one year and with a clear end date. To the extent possible, the Secretariat wishes to conclude activities that are already underway or in the later stages of planning (such as delivery of the new publishing tool, and planned regional workshops in West Africa (June) and Asia (September); continue to deliver 'business as usual' such as Helpdesk support; and place activities on hold where they are not yet underway or will require inputs from reduced teams (such as data quality index work).

Activities scheduled for Q3 and Q4 with a medium- to long-term horizon that would not be concluded by the end of the mandate period will not be started, but will instead be placed on hold for new hosts. Flagship activities to highlight here are the **Data Quality Index**, for which two out of three phases of consultation have been concluded, and the third round of consultation - as a joint activity - will not be launched in 2022, and implementation similarly will not be done in 2022. The second flagship activity that will not be taken forward in 2022 is the development of a **new data portal**. For this activity several pieces of preparatory work have been completed (see below in rationale for data use adjustments for more detail), but the next steps require both methodological and technical input, and as such cannot be taken to conclusion in 2022.

The following pages set out the key adjustments which will enable the current Secretariat to do more than 'keep the light on' but to successfully deliver the majority of its key flagship activities, while placing on hold those activities that are not yet underway. Steps will be taken in respect to medium- to long-term activities that could not be completed under the current mandate to carefully package preparatory inputs and materials, to be handed over to new hosts to take forward in 2023.

*Note: activities listed below use language from the approved budget.

Fund availability for Y9 implementation period

Estimated funds in the IATI Trust Fund and therefore available for the implementation of the Y9 workplan and budget   are expected to be $6,860,962 by year end, broken down as follows:

- $2,937,397, consisting of Y9 income from memberships (out of which $2,152,421 are already received and $772,700 are commitments to be paid before the end of the year Dec 2022/where contracts are signed and also is based on the previous year payments) and voluntary contributions to be received $12,276);
- $3,923,565, consisting of cash carry-over from previous years including the interest earned in the trust fund for the period 2013-2021.

Proposed budget for Y9

- The original budget approved by the Governing Board for Year 9 amounts to $5,410,915, out of which $1,000,000 represents a contingency reserve fund (in Y9 the amount of the CR increased from $631,249 to $1,000,000). This brings the approved Y9 budget $4,410,915.
- The proposed budget for Year 9 is reduced by $275,564, bringing the total proposed revised Y9 budget to $4,135,351, representing a decrease of 6% on the approved budget, $4,410,915.

Budget revision

Income from memberships	$2,152,421	
Income from voluntary contributions	$0	
Income to be received before 31 Dec 22	$784,976	
Income and interest carried over 2013-2021	$3,923,565	
	$6,860,962	
Outgoing		
Approved budget Year 8 (includes contingency reserve)		$4,410,915
Budget revision		-$275,564
		$4,135,351
Estimated position at end of Year 9 including the contingency reserve (CR)	**$2,725,611**	
The contingency reserve (CR)	-$1,000,000	
*Estimated cash position at end of Year9 (without the CR)	**$1,725,611**	

*The approximate cash balance as of Dec 2022, $1,725,611 is calculated based on one hundred percent utilization of the Y9 revised budget.

High level overview of key revisions

The following extracts from the work plan show revisions for each work stream, along with a brief explanation of rationale for adjustments, based on relevant strategic objectives. The images are those presented during the April Board meeting as a reminder of the flagship activities foreseen within each work stream at that time, and are now under review.

Strategic element 1: Partner Country Support

Approved Y9 budget $210,000	Revised budget $170,000	Adjustment: $ -40,000

Key activity-level adjustments - 1. Partner Country Support:
- 1A. Improving accessibility and capacity to understand and analyze IATI data; Continue advice, training and capacity building. Structured approach for country-level support; Build on progress with partner country engagement through dedicated in-person training with Governments ($-5,000)
- 1B.TBC Training of Trainers and follow-on support for building capacity at country level ($-50,000) Not yet started > shifted to 2023.
- 1D. Maintain, upgrade and promote use of CDFD; consider its position in the technical estate as new data portal develops ($15,000)

Rationale for adjustments – Partner Country Support:
Partner country support activities build upon 2021 groundwork to re-establish relationships at country level and promoting the CDFD which provides data in the formats and level of detail most frequently requested by partner country governments. Meetings in Kigali (including an AIMS workshop) and Abuja have raised the profile of IATI data, and subsequently increased interest in using the data. However, without the capacity to offer dedicated follow-up when requested, activities 1A and 1B are placed on hold. A suite of instructional videos have been developed in four languages as part of the data use workstream to offer self-service instruction for interested potential users as an interim measure until support can be rebuilt. Joint work foreseen for the new data portal remains on hold.

Workshops to promote data use
Partner Country Workshop (May)
Regional Workshops: Abuja (June); Asia (Sept)

Continuing to improve data access for partner country governments
IATI AIMS Workshop (May 2022) and Strategy

Strategic element 2: Improve the Quality of IATI Data

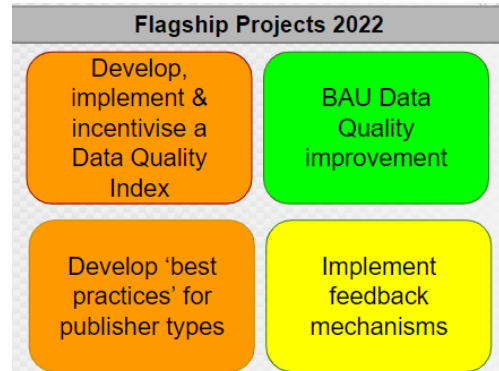| Approved Y9 budget $67,000	Revised budget $261,002	Adjustment $ 194,002

Key adjustments - 2. Improve the Quality of IATI data
- 2A. Focus on a set of identified data quality issues and drive improvements through tool improvement, Standard updates, use of the Validator public API or other measures Advocate for timely publishing, e.g. to encourage near real-time data (links with outreach activities). Provide support to new and existing publishers, especially those of strategic importance. (In line with outreach activities). Support to existing publishers to improve their data ($-50,000);
- 2C. Implement and incentivize use of the DQI ($-14,000)

- **New activity introduced under 2E**. Contractor support for Data Quality ($258,002) to provide additional BA capacity through external contractors. The personnel budget of the BA's has been decreased in the amount of $-149,283.

Rationale for adjustments – Data quality

Day-to-day work on improving data quality is considered as Business as Usual (BAU) through eg direct support to publishers and promotion of use of the Validator. Activities in orange are deprioritized for 2022. Available resources are focusing on providing essential BAU support to publishers. Additional short-term consultants will be brought on in the tech team to offset reduced Business Analyst staff capacity.

Flagship Projects 2022

| Develop, implement & incentivise a Data Quality Index | BAU Data Quality improvement |
| Develop 'best practices' for publisher types | Implement feedback mechanisms |

Strategic element 3: Promote Systematic Data Use

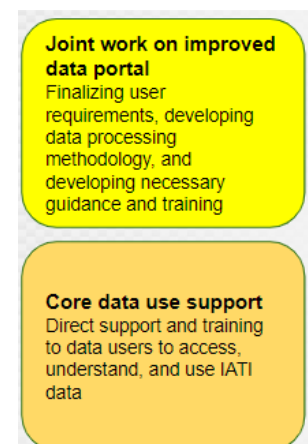| Approved Y9 budget $207,200	Revised budget $202,200	Adjustment $ - 5,000

Key adjustments - Promote Systematic Data Use

- 3A. Raise awareness of and engagement with IATI data across stakeholder groups -- e.g. civil society, DPs, Government, etc, through regional workshops; Staff plus consultancy (links with Regional Meetings in Outreach workstream) Activity for production of videos, courses, guidance materials deferred to 2021 following availability of technical tools. A new activity is instead created under 1B.3 that would replace activity 3.B.2 ($15,000)
- 3C. Ensuring new data portal can be used intuitively, self-service-style; Develop any training needed to support use of new data portal, covering access, understanding the data, and how to utilize the portal's functionality ($-15,000)
- 3E. Develop methodology for transforming IATI data in the new data portal (for all data fields that will be transformed to enable various reports / view of the data), incorporating learning from Country Development Finance data and other data access tools ($-15,000)
- Additional budget was allocated to mitigate risks for data access and use during period of transition, under activity 3F. Implement strategy to bridge the gap between publisher practices and data use needs (see 2 above) through tools, standard or other solution), ($10,000)

Rationale for adjustments – Data use

Joint work towards delivering an improved data portal remains on pause, with substantial ground work already completed such as detailed understanding of user requirements. Next steps would entail developing methodology and roadmap, and preparing technical Terms of Reference. This requires joint work that brings together expertise relating to data processing, system development as well as user requirements, however no capacity is currently available for this work.

Core data use support continues but with reduced capacity.

Joint work on improved data portal
Finalizing user requirements, developing data processing methodology, and developing necessary guidance and training

Core data use support
Direct support and training to data users to access, understand, and use IATI data

Strategic element 4: Consolidate Technical Core

| Approved Y9 budget $304,000	Revised budget $ 324,000	Adjustment $ 20,000

Key adjustments - Consolidate Technical Core:
- Additional budget is allocated for 4I. Outsourced developer / consultant capacity ($20,000)

Rationale for adjustments – Technical Core

Work previously presented as 'at risk' in April is now on hold for further development of d-portal, as noted above.

Envisaged gathering of publisher and needs with a view to considering the need for a Standard upgrade is also on hold, while capacity is low.
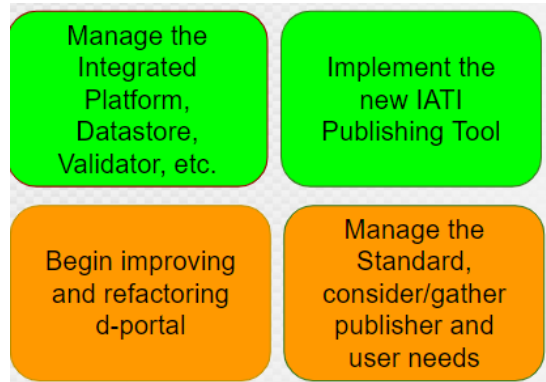
Strategic element 5: Strengthen the IATI Community

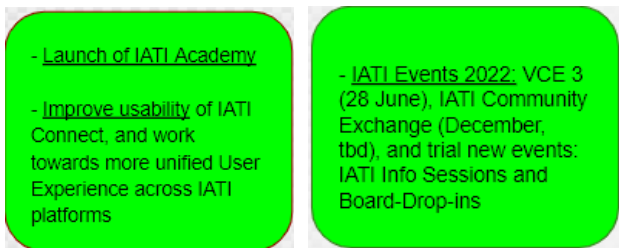| Approved Y8 budget $202,500	Revised budget $ 240,975	Adjustment $ 38,475

Key adjustments - Strengthen the IATI Community:
- 5C. Bring community together via in-person and online community events ($7,600)
- 5F. Include Phase 2 (implementation) CSO training course to increase data use and data literacy ($30,000)

Rationale for adjustment - Community

Strategic Plan Goal: "**Strengthened environment for sharing and learning**" :

An increase in this work stream results from a decision to contract Zoom operators for VCE3 to set up a bespoke Zoom event environment, to avoid the type of security incident seen during VCE2.
Whilst content for CSO training is ready, proposed budget is increased to allow for implementation of this and other courses.

Strategic element 6: Communications

Approved Y8 budget $125,000	Revised budget $ 104,000	Adjustment $ -21,000

Key adjustments - Communications:
- 6E. Develop support package for new publishers (links with DQ engagement activity) ($-15,000)
- 6H. Consultant to create up to 10 data use case study (factsheets/videos) - using examples presented over the last 2 years (e.g. from the VCEs) ($-6,000)

Rationale for adjustment - Communications

Strategic Plan Goal: **"Improve User experience via the IATI website"**

While work has continued under the leadership of the Comms Advisor on improving the website, with design work well underway and linked with improvements to IATI Connect, there is currently no resource for developing the proposed step-by-step publishing journey.

New step-by-step publishing journey created and new website designs in draft (working with web agency)

Strategic element 7: Outreach and Engagement

Approved Y9 budget $91,000	Revised budget $ 0	Adjustment $ - 91,000

Key adjustments - Outreach:
- 7.E.1 Ensure there is an IATI representative in attendance at all major effectiveness, transparency, and open data events and encourage participation / speaking roles by Governing Board members or other IATI representatives. ($-10,000)
- 7.E.2 Trial quarterly thematic round tables ("IATI Talks") to demonstrate data use cases and increase overall awareness of IATI in the international community (note: links with the Community portfolio). ($-8,000)
- 7.C.3 and 7.C.4 Increase engagement and awareness-building with the humanitarian community. Work with Secretariat to better define value proposition for humanitarian stakeholders and better understand barriers for humanitarian community; Refine external messaging and develop new outreach materials. Increase engagement with humanitarian networks for better "bang for our buck" (e.g. Grand Bargain 2, Humanitarian AI, Humanitarian Network and Partnerships Week, etc.). ($3,000)
- 7.E.3, 7.E.4, 7.E.7 International conferences
- 7.C.1; Target engagement to potential new publishers with greatest possible impact. Develop methodology (in consultation with Secretariat) for determining priority new publishers (e.g. DFIs, philanthropy, private sector, missing bilaterals / multilaterals with added value, etc.). 7.C.2 Undertake an analysis of private sector publishing and based on the outcome, develop and implement targeted outreach strategy for new publishers to increase coverage. 3.A.3, 3.A.5, 1.A.3 Regional thematic meetings Asia, Africa, Latin America (links with Data Use workstream) ($-70,000)

Rationale for adjustments - Outreach

Strategic Plan Goal: **"Maintain momentum for IATI as a political initiative"**
Activities planned within the Outreach portfolio were linked in large part to other activities such as the DQI, conceived to offer analysis to key publishers as a way to highlight their data quality status and encourage improvements. These are therefore placed on hold until the index completed and ready to promote and use for political outreach. Country and regional workshops have gone ahead, with a fourth one jointly with UN DCF in advanced planning stages; sufficient budget for these activities was included in other joint work streams (partner country support) and based on actual expenditures of the first partner country and regional meetings, can be reduced. IATI Talks are deprioritized as new work.

-PC and Regional Workshops

-Utilizing UNDP network to identify, pilot, and publicize new use cases (e.g. using IATI data for landscape analysis)
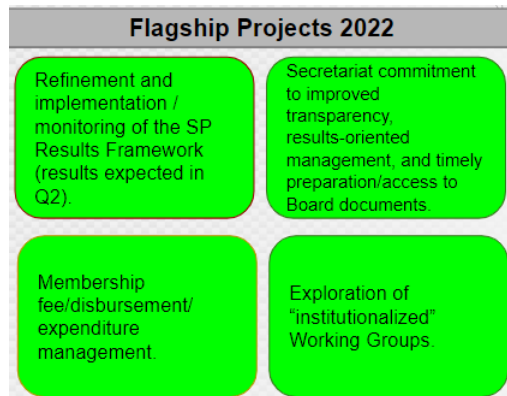
Strategic element 8: Institutional Arrangements

Approved Y9 budget $292,511	Revised budget $ 430,041	Adjustment $ 137,530

Key adjustments - Institutional Arrangements:
- 8A. (Secretariat support to Board meetings) Elections, meetings, logistics and travel for meetings, agendas, financial updates, position papers, minutes, presentations, SOP review and update; (7I speaking and engagement training); staff plus consultancy ($92,950)
- 8B. TORs, Expressions of interest and evaluation of submissions, secretariat support
- Includes support to DUWG (NB not DUF which remains with data use); Staff plus consultancy ($14,580)
- 8D. Establish Institutional Working Group ($30,000)

This work stream includes conduct of an in-person / hybrid MA, back-to-back with a scaled down community-led networking event. Planning undertaken pre-pandemic has been updated based on proposed change of venue with higher travel costs. Additionally, the revision contains consultancy cost for an Event Management role in the three months prior to the event. The increase in the Institutional Working Group covers a legal consultant to advise on legal entity and a second consultant to assist with the hosting bid process. All other activities are on track.

Flagship Projects 2022

Refinement and implementation / monitoring of the SP Results Framework (results expected in Q2).

Secretariat commitment to improved transparency, results-oriented management, and timely preparation/access to Board documents.

Membership fee/disbursement/ expenditure management.

Exploration of "institutionalized" Working Groups.

9. Administration and Enabling Actions

Approved Y9 budget $188,989	Revised budget $ 193,076	Adjustment $ 4,087

- 9B. Translations (documents, tools, interfaces, guidance, etc), Stimulations interpretation, Design, budget is revised as per previous costs ($-33,000)
- 9D. Secretariat travel, budget is for UNOPS travel cost for the MA (due to change of the duty station) ($9,200)
- 9E. Secretariat Senior Advisor P/T consultancy ($15,000)
- 9F. Ongoing activity financial management and project management; provision of financial analysis to the Secretariat, Board and the Members Assembly ($11,041)

10. Transition activities

Approved Y9 budget $0	Revised budget $ 95,000	Adjustment $ 95,000

10A. UNDP-led
- Transition manager, consultancy to support Board: 6 months + travel
- Legal entity scoping and advice to Board, consultancy working with IWG
- Enhance comms capacity to handle increased workload during transition

Rationale: An outline transition plan has been prepared for review by the Board. Further fleshing out would be undertaken by the Transition manager once recruited, reporting to the Board and leading coordination across the Secretariat of all transition activities. This contract may extend into 2023 and be transferred to new hosts.

Management fees

Approved Y9 budget $263,793	Revised budget $239,413	Adjustment $ -24,381

As a percentage of the overall budget, management fees are accordingly also reduced slightly.

Personnel

Approved Y9 budget $2,458,922	Revised budget $1,875,644	Adjustment $-583,278

Key adjustments

- UNDP personnel budget decrease is due to removing the position of the Executive Director and few minor deductions in other positions (from $1,033,371 to $776,026)
- DI personnel budget decrease is mostly due to end of project by end of December 2022 (from $981,046 to $754,108).
- UNOPS personnel budget decrease is due to change of duty station of two positions, remove of Communications Manager position from July 2022 onwards (while the service will be provided by UNOPS without any charge to the project) and revision is made due to actual situation of the new position.

Rationale – Personnel adjustments:
It is this area of personnel where the biggest changes are seen, with reasoning set out above. At UNDP, the Board was made aware of the decision not to recruit an ED upon news of the change in hosting arrangements within a period shorter than a year. At DI, some staff attrition has already taken place resulting in reduced staff costs for Business Analysts and developers. These are offset to some extent by increased consultancy costs (presented throughout as activity costs, as distinct from personnel costs) reflecting the reality of recruiting for short-term work with a finite term. Developer support from DI's Kampala team has been added to support the developer team based in the UK. To mitigate the risks associated with possible staff departures in the latter part of this year, DI has included an increase of 15% as a bonus for those staff currently on board provided they remain until the end of the year / mandate.