

Annual Members' Assembly

11-12 September 2019

European Commission VM-2 building
Brussels, Belgium

Board Paper: IATI Year 6 Financial Update

Purpose

This summary presents financial details for IATI Financial Year 6, covering the 16-month period from September 2018 to December 2019. This extended period was approved by members during the 2018 Members' Assembly as a means of setting the IATI administration onto a regular 12-month calendar year starting from Year 7, January 1st, 2020.

In line with IATI Standard Operating Procedures, the Governing Board has reviewed the financial situation and membership with a view to setting the level of membership contribution in 2020. The Board is satisfied with the implementation of the workplan in Year 6 and is working closely with the Secretariat to accelerate delivery in those areas of underspend. With 2020 marking the start of the new Strategic Plan period, the Board doesn't anticipate the need for a proposal to raise levels of income from members' contributions. The Board is cognisant of the importance of sequencing final decisions on budget and workplan to take account of priorities of the members as indicated during the 2019 Members' Assembly. The Governing Board therefore commits to seeking final approval of membership contribution levels from members through written procedure during Q5, once the work planning and budget for Y7 are clear. While it recommends retaining the structure and level of membership contribution at the 2019 figures for one further year, this is an advisory recommendation only.

The Governing Board recommends that in the final two quarters of Year 6, a **contingency reserve fund is created with a value of 15% of the annual budget** to cover liabilities that may arise in the future. Members are requested to approve this approach as a measure of diligent financial management. This approach is in line with similar projects managed by UN Secretariats.

Annexes include certified and financial statements covering the entire period of IATI implementation by the Secretariat consortium starting from September 2018, together with financial contributions by members during the same period.

Budget for Y6 implementation period (Sept 2018 - Dec 2019)

- The budget approved by members for Year 6 amounts to \$2,897,795. Commitments carried over from Year 5 add a further \$591,099, increasing the Year 6 budget to \$3,488,894.

- In February 2019, the Governing Board approved a budget revision adding \$719,432 or 21% during the 16 month implementation period, to take account of new work arising from the September 2018 technical audit and the implementation of changes approved by the 2018 MA that had been proposed by the Working Group on Institutional Arrangements. With commitments carried over, this brings the total Y6 budget to \$4,208,326.
- In-kind personnel costs contributed by consortium organisations amount to \$390,475 in Year 6.

Income to June 30, 2019

● Income from memberships	\$2,333,025
● Income from voluntary contributions	\$75,000
● Advance payment of Y7 membership contributions for FY 2020	\$85,000
● Income from interest 2018-2019	\$62,207
● Income and interest carried over 2013-17	<u>\$2,424,051</u>
	\$4,979,283

Outgoing

● Project expenditure until June 19	\$1,732,214
● Project Advances and open POs	\$2,340
● Commitments for Y6 activities (2019)	<u>\$1,444,362</u>
	\$3,178,916

Project balance (Anticipated – December 2019)

● Advance Y7 payments received	-\$85,000
● Funds to be received Y6 Membership Contributions ¹	<u>\$228,111</u>

Estimated cash position as at December 2019 **1,943,477**

- Reserve (Contingency, 15% of annual budget) \$631,249

Anticipated cash position after the deduction of the reserve

\$1,312,228

The spending rate for the period IATI Y6 Q1 - Q3 (Sep 18 – Jun 19) is 65% of the Q1-Q3 budget, and projected spending rate by the end of the current financial year is 90%, including contingency reserve.

Factors affecting implementation in Year 6

The following section presents a breakdown of expenditures and commitments in each strategic area, leading to year end projections. It highlights activity areas that have been

delayed or superseded - for the purpose of illustrating the financial position - and is not intended as a full account of workplan implementation.

Diagram 1

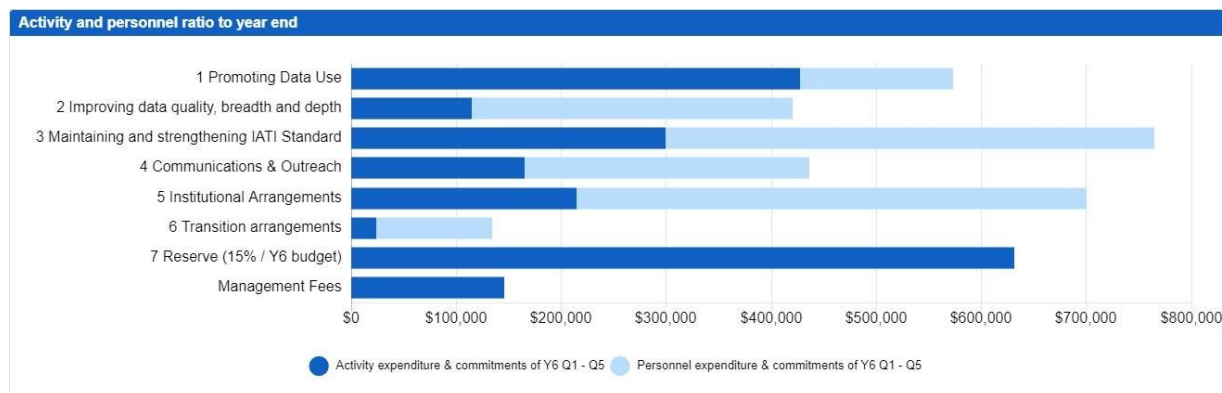


Diagram 1 presents the **activity costs (dark blue)** and **personnel costs (light blue)** spent and committed up to 31 December 2019). Line 7 represents an amount of 15% of the annual budget (\$631,249 in Year 6) which the Board recommends as a contingency reserve amount to be maintained in future years, and which would be available to cover potential liabilities.

Strategic objective 1: Promoting Data Use

<i>Y6 budget</i>	<i>Actual Expenditure (30 June)</i>	<i>Commitment (July - Dec)</i>	<i>Used by year end (%)</i>	<i>Remaining</i>
\$915,551	\$328,966	\$244,757	63%	\$341,828

Key impact on delivery:

- Procurement of datastore development services and management of contract (*Contract process was slow to begin with but delivery since returned to schedule*)
- Implementation of the Data Use Fund for community activities in line with the Data Use Strategy (*Several Requests for Proposal (RFPs) have failed to result in contracts being offered, and in one case, led to a cancelled contract and relaunch of procurement process*)
- Activities to increase awareness and ability to access and use IATI data among targeted partner country government and CSO representatives. (*Activities delivered remotely or by partners, without incurring budgeted travel costs*).

Strategic objective 2: Improving data quality, breadth and depth

<i>Y6 budget</i>	<i>Actual Expenditure (30 June)</i>	<i>Commitment (July - Dec)</i>	<i>Used by year end (%)</i>	<i>Remaining</i>
\$452,881	\$202,316	\$218,194	93%	\$32,371

Key impact on delivery:

- Development of improved guidance on best practice to add to new website (*ongoing*)
- Procurement of validation development services for publishers and management of contract; (*late start due to procurement delays*)

A delay in procurement led to a later than anticipated start of the validator activity; this is now on track for delivery in late September.

Strategic objective 3: Maintaining and strengthening the IATI Standard

<i>Y6 budget</i>	<i>Actual Expenditure (30 June)</i>	<i>Commitment (July - Dec)</i>	<i>Used by year end (%)</i>	<i>Remaining</i>
\$1,078,192	\$447,276	\$317,438	71%	\$313,478

Key impact on delivery:

- Product Development Fund (*fund of \$50,000 set aside through budget revision and managed in conjunction with Board focal points following the Technical Audit recommendation, and was not spent in full*)
- Unanticipated developer vacancy within the Technical Team (*alternatives currently being explored*)
- Bring Standard reference pages into the new IATI website - (*ongoing*)
- Annual meetings of the TAG ensure timely decision-making on all matters relating to the development and implementation of the IATI Standard (*no TAG has taken place in 2019*).

Strategic objective 4: Communications and Outreach

<i>Y6 budget</i>	<i>Actual Expenditure (30 June)</i>	<i>Commitment (July - Dec)</i>	<i>Used by year end (%)</i>	<i>Remaining</i>
\$529,603	\$252,961	\$183,431	82%	\$93,212

Key impact on delivery:

- Recruitment of personnel at UNDP (*slower than expected recruitment*). *Scheduled start date Q4*
- Contingency for Board travel to key events representing IATI; (*calls on this budget line lower than anticipated*)
- Update outreach strategy to include targeted engagement plans for different stakeholder groups at political levels as well as to promote data quality and use (*covered through personnel cost*)
- Continuing updating and improving IATI website (*ongoing through personnel cost, with outsourced design elements delayed to Q4*)
- Design and create a new IATI promotional materials (*ongoing through personnel cost with outsourced design and translation delayed to Q4*)

Strategic objective 5: Institutional arrangements

Y6 budget	Actual Expenditure (30 June)	Commitment (July - Dec)	Used by year end (%)	Remaining
\$767,432	\$334,427	\$365,715	91%	\$67,290

Key impact on delivery:

- Travel of Board for internal strategic planning meetings (*savings through lower travel costs*).
- Additional travel both for face to face Board (*one more per year in addition to the MA*) and coordination meetings.

Strategic objective 6: Transition activities (Strategic Planning)

Y6 budget	Actual Expenditure (30 June)	Commitment (July - Dec)	Used by year end (%)	Remaining
243,944	\$84,407	\$50,329	55%	\$109,208

Key impact on delivery:

- Four country missions in support of SP exercise (*Two undertaken, due to scheduling constraints*)
- SP workshop 30 attending (Europe or US) (*virtual consultation undertaken with smaller group face to face consultations in the margins of other meetings*)

In-kind contributions of consortium members

Secretariat consortium members have continued to contribute to the initiative in-kind in Year 6 by funding certain personnel. Financial information in relation to these contributions is presented separately since it is not passed through the IATI trust fund and is instead administered directly by contributing organisations.

<i>Y6 income</i>	<i>Actual Expenditure (30 June)</i>	<i>Commitment (July - Dec)</i>	<i>Used by year end (%)</i>	<i>Remaining</i>
\$390,475	\$241,888	\$148,587	100%	\$0

ANNEX I

- Income received from IATI members as at June 2019.

This document shows the income received from IATI members in membership or voluntary contributions for Year 6 and advance contributions for Year 7.

Purpose of funds	Member (in order of joining)	Y6	Y7	Grand Total
Membership contribution	United Nations Children's Fund (UNICEF)	85,000	-	85,000
	United Nations Population Fund (UNFPA)	46,500	-	46,500
	Publish What You Fund	1,070	-	1,070
	UK - Department for International Development (DFID)	85,000	-	85,000
	The William and Flora Hewlett Foundation	170,000	-	170,000
	United States Agency for International Development (USAID)	85,000	85,000	170,000
	Bond	1,082	-	1,082
	Canada - Department of Foreign Affairs, Trade and Development	-	-	-
	Transparency International	2,200	-	2,200
	African Development Bank (AfDB)	85,000	-	85,000
	Ireland - Irish Aid	84,982	-	84,982
	Netherlands – Ministry of Foreign Affairs – Development Cooperation	85,000	-	85,000
	United Nations World Food Programme (WFP)	85,000	-	85,000
	European Investment Bank (EIB)	-	-	-
	Sweden - SIDA	84,979	-	84,979
	Germany - Federal Ministry for Economic Cooperation and Development (BMZ)	85,000	-	85,000
	United Nations Women (UN Women)	66,000	-	66,000
	Denmark - Ministry of Foreign Affairs	84,970	-	84,970
	International Fund for Agricultural Development (IFAD)	33,000	-	33,000
	Finland - Ministry for Foreign Affairs	84,975	-	84,975
	The Bill and Melinda Gates Foundation	-	-	-
	Australia - Department of Foreign Affairs and Trade	85,000	-	85,000
	Inter-American Development Bank (IDB)	85,000	-	85,000
	The World Bank	85,000	-	85,000
	INGO Accountability Charter	1,100	-	1,100
	Belgium - Belgian Development Agency (BTC)	-	-	-
	GAVI	85,000	-	85,000
	The Global Fund to Fight AIDS, Tuberculosis and Malaria	85,000	-	85,000
	Development Gateway	1,100	-	1,100
	Malawi	-	-	-
	Nigeria	-	-	-
	New Zealand	-	-	-
Cordaid	2,196	-	2,196	

Purpose of funds	Member (in order of joining)	Y6	Y7	Grand Total
	Bangladesh	-	-	-
	European Commission (EC)	85,000	-	85,000
	Food and Agriculture Organization of the United Nations - UN FAO	85,000	-	85,000
	Myanmar	-	-	-
	Synergy International System	1,100	-	1,100
	Republic of Korea	85,000	-	85,000
	IBON International Foundation INC, for the benefit of CSO Partnership for Development Effectiveness (CPDE)	-	-	-
	Interaction	-	-	-
	International Development Law Organization (IDLO)	2,200	-	2,200
	Akvo	1,100	-	1,100
	United Nations Environment Programme - UNEP	-	-	-
	World Health Organization - WHO	85,000	-	85,000
	Netherlands Enterprise Agency (RVO. nl)	2,200	-	2,200
	International Finance Corporation - IFC	85,000	-	85,000
	Zimmerman and Zimmerman	-	-	-
	International Organization for Migration - IOM	85,000	-	85,000
	Oxfam Novib	2,196	-	2,196
	France - Agence Française de Développement (AFD)	85,000	-	85,000
	Plan International	2,200	-	2,200
	Oxfam America	2,200	-	2,200
	Mali	-	-	-
	Montenegro	2,200	-	2,200
	World Vision International	4,400	-	4,400
	Development Media International (DMI)	1,075	-	1,075
	United Nations Industrial Development Organization (UNIDO)	33,000	-	33,000
	Membership fee Total	2,333,025	85,000	2,418,025
Voluntary Contribution	The William and Flora Hewlett Foundation	60,000	-	60,000
	United States Agency for International Development (USAID)	15,000	-	15,000
	Voluntary Contribution Total	75,000	-	75,000
	Interest	62,207	-	62,207
	Grand Total	2,408,025	85,000	2,555,232

ANNEXES II and III

- Annual Financial Statement as at 31 Dec 2018.

Certified financial statements are prepared by calendar year and provide a record of IATI expenditure from September 2013 to December 2018, covering IATI Financial Years 1–5 and part of Year 6.

- Interim Financial Statement as at 30 June 2019.

An interim financial statement in July 2019 covers the period up to June 2019, including part of the Y6 implementation period Jan - June 2019 (the Interim Financial Statement is provided for information purposes only. Therefore, it should be noted that figures are not final).



ANNUAL FINANCIAL STATEMENT

Project: 87578 - International Aid and Transparency
Partner(s): 1046 - IATI International Aid Transparency Initiative (IATI)
As on: 31-Dec-2018

Income:

Contributions		
	2013	1,219,004
	2014	1,484,899
	2015	1,759,453
	2016	2,174,801
	2017	2,916,349
	2018	2,542,486
		12,096,992
Interest		
	2013	59
	2014	4,490
	2015	6,774
	2016	13,959
	2017	18,998
	2018	43,010
		87,290
Miscellaneous Revenue		
	2015	0
		0
Refunds		
	2018	(4,811)
		(4,811)
Total Income	A	12,179,471

Less: Project Expenses

Period-Years

2013		
	Project(s) Expense	48,620
	Management Fees	3,363
	Net Exchange Gain/Loss	(68)
		51,915
2014		
	Project(s) Expense	1,860,150
	Management Fees	49,224
	Net Exchange Gain/Loss	(1,024)
		1,908,350
2015		
	Project(s) Expense	1,228,705
	Management Fees	44,656
	Net Exchange Gain/Loss	1,087
		1,274,448
2016		
	Project(s) Expense	1,914,984

	Management Fees	44,375	
	Net Exchange Gain/Loss	(261)	
			1,959,098
2017			
	Project(s) Expense	1,907,474	
	Management Fees	54,558	
	Net Exchange Gain/Loss	(638)	
			1,961,394
2018			
	Project(s) Expense	1,110,199	
	Management Fees	43,299	
	Net Exchange Gain/Loss	59	
			1,153,557
Total Expenditure	B		8,308,762
Less: Project Advances	C		3,712
Less: Project Capitalised Assets	D		0
Project Cash Balance	A-B-C-D		3,866,997
Less: Actual Commitments			
Commitments***	E		245,411
			245,411
Project Fund Balance	A-B-C-D-E		3,621,586

Notes:

* All amounts are in USD. Transactions in non-USD have been converted to USD at the UN operational rate of exchange as on the date of the transaction.

** The statement is prepared in accordance to IPSAS reporting requirement, the reported figure under commitment is for information and it discloses only the expected utilisation of project funds as of the reporting period, these commitments are not charged as an expense until the goods are delivered or services rendered.

* Project advances include operational advances, prepayments, petty cash, and any VAT payments to suppliers that have yet to be recovered.

Certified by:

Comment:

Meron MEKURIAW
Finance Specialist
SSC IPAS, UNOPS HQ



Date: 02 July 2019

Report run on: 02 Jul 2019

Dear Sir/Madam,

Subject: Annual Financial Statement

We enclose the Annual Financial Statement for project 87578 - International Aid and Transparency, which commenced in year 2013 and indicates the incurred expenditure as at 31/12/2018.

We draw your attention to the following:

- a. Incurred expenditure and management fee: US\$ **8,308,762**
- b. Project advances: US\$ **3,712** and commitments: US\$ **245,411**
- c. Total funds received: US\$ **12,179,471** which includes interest earned: US\$ **87,290**
- d. Project Capitalised Asset: US\$ **0**
- e. Fund Surplus: US\$ **3,621,586**

If you have any question, please do not hesitate to contact UNOPS.

Yours sincerely,



Meron MEKURIAW
Finance Specialist
SSC IPAS, UNOPS HQ

INTERIM FINANCIAL STATEMENT

Project : 87578 - International Aid and Transparency
Partner(s): 1046 - IATI International Aid Transparency Initiative (IATI)
As on: 30-Jun-2019

Income:

Contributions			
	2013		1,219,004
	2014		1,484,899
	2015		1,759,453
	2016		2,174,801
	2017		2,916,349
	2018		2,542,486
	2019		871,695
			12,968,687
Interest			
	2013		59
	2014		4,490
	2015		6,774
	2016		13,959
	2017		18,998
	2018		43,010
	2019		19,197
			106,487
Refunds			
	2018		(4,811)
			(4,811)
Total Income		A	13,070,363
Less: Project Expenses			
Period-Years			
2013			
	Project(s) Expense		48,620
	Management Fees		3,363
	Net Exchange Gain/Loss		(68)
			51,915
2014			
	Project(s) Expense		1,860,150
	Management Fees		49,224
	Net Exchange Gain/Loss		(1,024)
			1,908,350
2015			
	Project(s) Expense		1,228,705
	Management Fees		44,656
	Net Exchange Gain/Loss		1,087
			1,274,448
2016			
	Project(s) Expense		1,914,984
	Management Fees		44,375
	Net Exchange Gain/Loss		(261)
			1,959,098

INTERIM FINANCIAL STATEMENT

Project : 87578 - International Aid and Transparency
Partner(s): 1046 - IATI International Aid Transparency Initiative (IATI)
As on: 30-Jun-2019

2017	Project(s) Expense	1,907,474	
	Management Fees	54,558	
	Net Exchange Gain/Loss	(638)	
			1,961,394
2018	Project(s) Expense	1,110,199	
	Management Fees	43,299	
	Net Exchange Gain/Loss	59	
			1,153,557
2019	Project(s) Expense	1,812,213	
	Management Fees	36,028	
	Net Exchange Gain/Loss	(109)	
			1,848,132
Total Expenditure	B		10,156,894
Less: Project Advances	C		2,341
Less: Project Capitalised Assets	D		0
Project Cash Balance	A-B-C-D		2,911,128
Less: Actual Commitments			
Commitments***	E		987,735
			987,735
	A-B-C-D-E		1,923,393

Notes:

* All amounts are in USD. Transactions in non-USD have been converted to USD at the UN operational rate of exchange as on the date of the transaction.

* This is an interim statement provided for information purposes only. Figures are not final.

* The report includes fee projections for open period(s).

* Project advances include operational advances, prepayments, petty cash, and any VAT payments to suppliers that have yet to be recovered.

Certified by: Mansu PRADHANANGA

Mansu PRADHANANGA
Finance Associate

For: Meron MEKURIAW
Finance Specialist
SSC IPAS, UNOPS - HQ

Comment:

Date: 23 July 2019

Date: July 23, 2019

Ref. Project No: 87578

Funding: 1046 - IATI International Aid Transparency Initiative (IATI)

Dear Sir/Madam,

Subject: Interim Financial Statement

We enclose the Interim Financial Statement for project 87578 - International Aid and Transparency, which commenced in year 2013 and indicates the incurred expenditure as at 30/06/2019

We draw your attention to the following:

- a. Incurred expenditure and management fee: US\$ **10,156,894**
- b. Project advances: US\$ **2,341** and commitments: US\$ **987,735**
- c. Total funds received: US\$ **13,070,363** which includes interest earned: US\$ **106,487**
- d. Project Capitalised Asset: US\$ **0**
- e. Fund Surplus: US\$ **1,923,393**

If you have any question, please do not hesitate to contact UNOPS.

Yours sincerely,



Mansu PRADHANANGA
Finance Associate

For: Meron MEKURIAW
Finance Specialist
SSC IPAS, UNOPS - HQ