Paper 3: Members Advisory Group Paper on IATI Governance Structure

Introduction

The MAG acknowledges the IATI evaluation conclusion that "IATI's current governance arrangement is no longer fit for purpose." Specifically the "…size is too large to allow for practical discussion of governance related issues in an efficient and effective manner."

In its role as an interim advisory body, the MAG examined the results of the evaluation and concluded that it would be appropriate to make recommendations on IATI's governance structure.

An <u>interim</u> governance structure is proposed, as it will take time to refine and implement a new permanent structure. The proposed interim structure reflects what the MAG considers practical for 2016 based on consideration of available resources. The MAG recommends that further revisions to the governance structure be considered along with revisions to vision, strategy, funding arrangements, budget and hosting.

Two recommendations are proposed for discussion and decision by the Steering Committee, further illustrated in Appendix A.
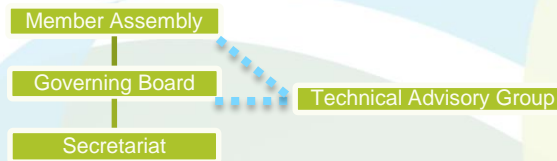
MAG Recommendations

1) Creation of a Governing Board

The IATI evaluation recommended "…IATI should structure its governance function so that there are: A 'General Assembly' of its members and stakeholders that represent the highest level of authority and decision-making [and] A 'Board of Governors' or equivalent composed of representatives of IATI members and approved by the General Assembly…to make explicit and clear IATI's vision and strategic priorities…"

The MAG recommends replacing the Steering Committee with a Member Assembly and to prescribe certain responsibilities to a Governing Board in order to facilitate faster and more representative decision-making. However, ultimate decision-making authority will remain with the Member Assembly. The MAG reviewed the recommendation to appoint an Executive Director and concluded that since this would have significant financial implication, it was not something that could be instituted within the current hosting and funding arrangements, and should be considered at a later stage.

The proposed Governing Board should be comprised of two representatives from each of the three constituencies identified in the IATI Standard Operating Procedures (i.e. providers of development co-operation, partner countries, and civil society organizations) and the Chair of the Technical Advisory Group. Each Board member will be elected by its constituency and will have a one-year term renewable by the Member Assembly. Only members as defined by

the IATI Standard Operating Procedures should be entitled to vote on Member Assembly proposals and serve on the Governing Board.

Recommendation 1

The MAG recommends replacing the Steering Committee with a Member Assembly and creating a Governing Board comprised of and voted in by IATI members. Do members agree?

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2) Empowerment of Governing Board

The IATI evaluation recommended that the "…vision, direction and strategic priorities over the next three years [should be a] responsibility…taken on by the Board, which then provides recommendations to the General Assembly."

In the spirit of the findings of the IATI evaluation, the MAG recommends that responsibility for developing recommendations for the vision, strategy, hosting arrangement, funding arrangements, budget, and governance structure be delegated to the Governing Board, and subject to the approval of the Member Assembly. The Governing Board should further have authority for managing the strategy and budget of IATI as approved by the Member Assembly. The Secretariat should continue to execute its responsibilities in line with the IATI Standard Operating Procedures and additionally provide support to the Governing Board in the execution of its duties. The Standing Sub-Group on Finance and Budget would be dissolved and its functions taken on by the Governing Board.

The Governing Board is responsible for electing a Chair and Vice-Chair from amongst Board members that will serve in the same capacity for both the Governing Board and Member Assembly. The Chair and Vice-Chair of the Governing Board and Member Assembly will assume the responsibilities of the IATI Steering Committee Chair and Vice-Chair as detailed in the IATI Standard Operating Procedures.

In line with the IATI Standard Operating Procedures, the Chair will retain the authority to call ad-hoc virtual meetings of the Member Assembly as necessary to approve urgent recommendations between physical meetings of the Member Assembly. In such cases, documentation will be distributed to all members of the Member Assembly and a deadline for a response will be set to virtually approve decisions. Also in line with the IATI Standard Operating Procedures, decisions by the Member Assembly will continue to be made by consensus, allowing for the triple-lock system that requires a simple majority in each of the three stakeholder constituencies where consensus cannot be achieved.

The Governing Board should be formed with an expectation that Board members meet every 4-6 weeks, on a virtual basis. Governing Board decisions should be made on a consensus basis to ensure due consideration is provided to each constituency.

Upon approval of this recommendation and following the necessary revisions to the IATI Standard Operating Procedures, election of Board members should take place online and on the basis of one vote per member organization, with the members of each constituency voting only for their own representatives. Interested representatives can either be nominated or nominate themselves. The two members with the highest votes for each constituency will each assume a Governing Board seat. In the instance where voting does not identify two members for a particular constituency (for example, where more than two members may be tied with the most number of votes) then the members of that constituency will be required to recast their votes. Board members should be appointed by March 2016. Details of this process will be refined with reference to processes in comparable organizations and shared with members at the launch of the election period.

Recommendation 2

The MAG recommends that responsibility for developing recommendations associated with changes to the vision, strategy, hosting arrangement, funding arrangements, budget, and governance structure be delegated to the Governing Board. These changes would be subject to the approval of the Member Assembly. The Governing Board should further have authority for managing to the strategy and budget of IATI as approved by the Member Assembly. Do members agree?

Appendix A: Recommended Governance Structure Elements

	Member Assembly	Governing Board	Technical Advisory Group	Secretariat
Responsibilities	• Approve governance structure. • Vote members of Governing Board. • Approve vision and strategic plan. • Approve three-year budget and funding arrangements. • Approve hosting arrangement.	• Recommend vision and strategic plan. • Recommend three-year budget and funding arrangements. • Recommend hosting arrangement. • Recommend governance structure. • Form sub-committees as necessary. • Manage to approved strategy and budget.	• Support design and continued development of IATI standard. • Chair of TAG is to serve on the Governing Board.	• Financial management and administrative services. • Outreach and engagement. • Political engagement. • Technical support for maintaining and developing IATI standard. • Develop budgets and work plans. • Deliver annual work plans. • Monitor implementation and provide Governing Board with updates. • Continuous improvement. • Review performance against intended results. • Periodic reviews. • Support the Governing Board in the execution of its duties.
Composition	• Members recognized in accordance with the IATI Standard Operating Procedures. • Non-members can only observe.	• Two members from each of the three key constituencies recognized in the IATI Standard Operating Procedures and the Chair of the Technical Advisory Group. • Board to elect a Chair and Vice-Chair.	• Open forum.	• Not applicable.
Meeting Frequency	• Annual meetings held around June, starting 2016.	• For the first year should be considered operational and meet every four to six weeks virtually. • After first year Board should consider shifting to a more strategic focus and meeting less regularly.	• Annual. • Working groups can meet more regularly virtually.	• Not applicable.
Term	• Not applicable.	• One year. • In the future consideration should be provided to two year terms and having half the Board renewed every year (so half the Board would serve 2 year terms).	• Not applicable.	• Not applicable.

Note: Highlighted sections represent proposed changes to the IATI Standard Operating Procedures.