



**Meeting of IATI Steering Committee Members and Observers
UN City, Copenhagen, Denmark 15 October 2014**

Annex to Paper 5: Potential options for incentivizing voluntary contributions

Introduction

This paper takes a first step to outline what could be offered as a more incentivized approach to fundraising that could be implemented from within the current structure of IATI. It should not be seen as a final options paper but rather a starting point for further exploration together with the Sub-group on Budget and Finance.

A Soft earmarking workplan items

In Year 1 the Technical Advisory Group meeting was made possible by the generous financial support of the Government of Canada. This contribution was offered to IATI on the basis that the funds would be used to underwrite the costs of the meeting but without a requirement for a separate detailed report on the use of these specific funds. Instead, the funds were added to the pooled fund and used to cover the costs of what is one of the larger activities in the work plan, and reported on as part of the overall reporting arrangements.

Considering the success of this mutual arrangement, similar arrangements could be considered by other donor members in relation to specific activities in the workplan which align with their own particular strategic priorities. IATI furthers donors' own development effectiveness and transparency efforts and this approach may help them to justify programming resources beyond the membership dues alone. Soft earmarking could be considered for larger Y2 line items such as the TAG meeting (Activity 4.C.1), the costs of two annual Steering Committee meetings (Activity 4.A.1) and regional workshops (Activity 3.A.3).

This coming year requires higher ambition and increased support to members to enable them to meet their 2015 transparency commitments. Some upgrades to the underlying technical infrastructure have been identified as extremely desirable (Activities 1.A.1, 1.A.2, 1.A.3) and these could potentially attract 'soft earmarked' support. Similarly, activities 2.C.2, 2.C.3 which relate to enhanced staffing beyond the core staffing requirement in the technical team could be the subject of soft earmarking.



In presenting this option, it should be understood that soft earmarking is only a complementary approach to support regular fundraising; it does not and cannot replace generous core programming contributions from members to sustain the initiative.

B Allowing for fundraising outside of the membership

Any adjustments to the funding model that the members approve will depend more heavily on voluntary contributions. There may be opportunities for certain activities to be underwritten by organizations/governments that are currently not official members but that are in the preliminary stages of becoming members, or are at a much earlier scoping or observer phase. Funding could also be sought from philanthropic foundations and private sector actors. Funding could also be sought from organizations which do not have a role to play in publishing or consuming IATI data, do not want or need stake in governance of IATI at Steering Committee level, but which do have aims that are philanthropic or driven by corporate social responsibility priorities to contribute financially to IATI.

C IATI branding changes to reinforce membership value and incentivize voluntary contributions

A more stringent set of criteria around the use of IATI's brand could reinforce the value of the brand for all stakeholders as well as potentially incentivize voluntary contributions by introducing the possibility of 'patronage'. This status could be used for those organizations/governments that have made a voluntary contribution to IATI above and beyond their expected contributions. Patronage could also be a means by which to incentivize contributions from the private sector.

If the members are not comfortable with allowing private sector organizations into the IATI funding ecosystem, there is still potential value in offering the accolade of patron to members who do provide voluntary resources in addition to their dues as a further incentive. Patrons could be given higher profile in IATI communications products including the website and the Annual Report as part of this arrangement.

Action required

Members are not expected to take action on this Annex but to use it to stimulate discussion on possibilities for fundraising for IATI.