

Waivers of membership contributions	
Issue	<p>The IATI Governing Board has requested the SOP Working Group to examine the issue of waivers with reference to requests received from CSO members. A timely decision is needed as it has implications for IATI governance in 2024.</p> <p>Many smaller CSOs face challenges to raise funds to cover their membership contributions and wish to have the same opportunity as partner countries. In addition, some non-member CSOs have enquired with the Secretariat about membership but have opted not to proceed at the time, citing inability to pay contributions.</p>
Current situation	<p>General deviation provision</p> <p>The Governing Board has the authority to approve a deviation from the annual membership contribution for individual cases, based on an official request and detailed justification. This provision (described in SOP paragraph 2.3.1) is not restricted to a specific constituency or type of members; however, no CSO member or other member type has made a request for a deviation (i.e. a waiver) of the annual membership contribution under this provision.</p> <p>Partner countries</p> <p>Following decisions during the 2017 MA made on the basis of an Institutional Review (Recommendations 5 and 6), the SOP were amended to further specify (in paragraph 2.3.6) conditions in which the Board can either 1) allow a partner country to fund its own participation at a formal IATI meeting in lieu of its annual membership contribution¹ or 2) waive a partner country's contribution (currently set at \$2,200). The waiver is valid for one year.</p> <p>The Board subsequently asked the Secretariat to take a proactive approach to clarify member status and promote the availability of waivers among the partner country constituency. As a result, 22 partner countries (about 65% of the constituency) requested and received waivers in 2023. These waivers, totaling \$48,400, represented 0.08% of IATI's overall 2023 budget and are valid up to the end of 2023.</p> <p>CSOs</p> <p>CSO contributions currently range from \$1,100 to \$2,200 per year, depending on their total expenditures (below or above \$10 million). In what appears to be an editing error in the SOP, there is text referring to applicability of the waiver provision to CSOs as well: the section describing CSO eligibility (paragraph 2.1.4), d) refers to the exception at 2.3.6. However, 2.3.6 itself specifies only partner countries.</p> <p>Financial support for participation in formal IATI meetings has only been offered for CSOs as exceptions when they have particular speaking roles. Therefore, the option of funding their own travel in lieu of membership contributions (as at 2.3.6 and 3.3.5 of SOP Rev.7) does not apply to CSOs.</p>

¹ Whilst this reference is contained in the SOP in the context of partner country waivers, this goes against the general principle at 3.3.5 that all members should pay their costs of participation. De facto, the Board has historically retained a budget line to support travel of partner country representatives.

<p>Considerations</p>	<p>The SOP WG seeks to clarify the scope and simplify the process to request a waiver from annual membership contributions for different member types with limited financial capacity. In developing its analysis and proposal, the WG considered several aspects including:</p> <ul style="list-style-type: none"> ● Governance. Members unable to meet their financial commitments to the initiative or to obtain a waiver currently cannot take part in its governance processes, which results in the exclusion of important voices. For instance, they cannot take part in governance working groups, the forthcoming 2024 Board elections, and decisions that may be taken during the 2024 MA. Members addressed this issue for partner countries (provisions in 2.3.6), but other types of members were overlooked at the time. ● Demonstrating commitment to IATI. Can members properly show their commitment to the initiative without paying any financial contribution? Alternatives have been discussed before (such as hosting of events, offering translation work if applicable). However, these solutions are burdensome to apply and monitor meaningfully. What is very clear is that the non-financial contributions of CSOs (or other smaller organizations), such as their participation in working groups and advocacy in their sectors / countries / regions, are as valuable to IATI as those of partner country representatives. ● Budget implications. The administration of all member contribution agreements requires a similar level of effort (such as negotiation, drafting, review, legal oversight, due diligence, and often repeated chasing), whether for a small or a large contribution. Revenue from CSO membership represents 0.03% of the total IATI budget. The Secretariat achieves cost savings when fees are waived for partner countries; similar savings would be achieved by waiving fees for organisations with limited financial capacity. ● Administration. Expanding access to waivers could translate in an increased burden on the Board and Secretariat to assess and administer requests, and this should be carefully monitored. On the other hand, establishing clear eligibility criteria and more transparent reporting can help make the process simpler, clearer, and ultimately fairer. Waivers are also easier to administer than member contribution agreements (per Budget implications above). ● Scope. While the waiver extension discussion has focused on CSOs, similar considerations can apply to other types of members, including those from the private sector (which can include, for instance, individual consultants and small firms). Eligibility criteria applicable across constituencies (as currently defined, see “Out of scope” section below) may serve the initiative better than defining specific conditions and criteria based on the type of members. Notwithstanding, unexpected scenarios may always arise, and there should be a mechanism to deal with exceptional circumstances. To this end, the Board should retain the ability to approve – once per member – a special waiver where it is determined to be in the best interest of IATI to do so.
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SOP Working Group - Proposed updates to SOP v.7 (March 2020)

Proposal	<p>Extending access to waivers to other types of members (i.e. not partner country governments) based on simple eligibility criteria: ODA eligibility of the country where a member’s HQ is located, and financial capacity. Limited financial capacity is defined as having annual expenditures below \$1 million². This would be determined based on the member’s most recent financial statement or annual report, as is the case for the membership categories.</p> <p>In addition:</p> <ul style="list-style-type: none"> ● Provisions for partner countries would remain unchanged; ● All waivers would continue to be granted only upon request; ● All waivers would be granted for a duration of 2 years (rather than one year), which would alleviate the administrative burden; ● The Secretariat would report annually on waivers granted (including name of member country or organisation, value, and rationale for the waiver). <p>This would allow a greater number of CSOs and other smaller members to engage in IATI at a very low cost to the initiative.</p>
Questions for members’ consideration	<p>Considerations: are key aspects overlooked in the analysis?</p> <p>Eligibility: are the proposed criteria the right ones? What else / more should be included?</p> <p>Scope: should waivers be extended only to CSOs, or to or all members meeting the proposed eligibility criteria?</p> <p>Duration: is it acceptable to grant waivers for 2 years (instead of 1 year)?</p>
Applicability	Once approved, until amended.
Out of scope	Questions of long-term financial strategy may result in changes to the membership contribution structure and scale; these are not addressed here.

² The \$1 million threshold in annual expenditures aligns with the membership category threshold for PS3 (the smallest private sector organisations). The current CSO membership category has a \$10 million threshold, which the WG considers too high for waivers. If or when membership categories are revised, the threshold for waivers should be reviewed and, ideally, aligned on the new categories.