**IATI-reporting partnerships – Partnerships reported in IATI format**

The IATI-standard increases transparency, allowing any partner in development cooperation to publish their data in the same digital format. This, in itself, has huge advantages. When the optimal frequency of updates to the various data-elements have been reached, it is a potent tool for the fulfilment of mutual obligations to pursue effectiveness in our cooperation (ref. eg. The Busan commitment and Grand Bargain).

It has been difficult to provide general advice for organisations that embark on the process of becoming IATI-publishers. Concepts like ‘open data standards’, digital data-management skills and the ability to read and write xml are not at the core of development cooperation. Tools are available, to ease the technical task – e.g. the AidStream portal – but the real challenge is most likely of another nature; the broader ‘capacity’ needs to be addressed in ways that few organisations are capable to do on their own.

A few general advices does provide valuable clues, like:

* Start publishing the data used internally by your own organisation, for management purposes; the existing attention to these data is the best guarantee for their quality, and thus their usefulness
* Use your own IATI-data, e.g. designing your IATI-publication to feed the data needed for maintenance of organisational web pages; this will not just reduce the overhead cost, but also allow you better chances to recognise errors in the data feed, and errors will occur.

This document intends to take the consideration of relevant advices a bit further, in the context of the ongoing pilot-phase of IATI-reporting by strategic partners in Denmark.

The ambition is to identify a minimal set of strict ‘requirements’, but to add questions and principles to guide partners to realise how their, uniquely shaped organisation is best presenting itself in the IATI format while allowing and enabling linkages to data from other sources.

Recognising that IATI, the standard, is and will continue to be adding new opportunities for digital publication, the aim is not to consider ‘complete’ reporting as the end target, but rather to use the common standard as a vehicle for communication. Denmark’s partners are obliged to report according to guidelines and other instructions; the task ahead is to make each organisation responsible for own decisions on when to convert their reporting into IATI format. Choosing this approach, IATI-reporting will hardly require any additional effort, but will largely be a question of doing the same in a different manner.

The digitalisation of reporting procedures is likely to challenge existing guidelines and instructions. This is one reason for Denmark to opt for an undramatic, phased approach.

**Modality Matters**

The cooperation between partners can take many forms. For the sake of exemplification, three modalities are however enough in this paper:

* Core contributions
* Loosely earmarked contributions
* Project-funding

Entering into an agreement (a contract, or whatever is the legal format for entitlement to receive funds for developmental purposes) the chosen modality will determine the relevant reporting structure in several ways.

Providing **core contributions**, the partner with the Role 1=Funding has decided to contribute to the core funds of the receiving organisation. Core funding are thus not earmarked in any way, and cannot be quoted as contribution to one rather than another, specific activity downstream. In the activity-file of the receiving organisation, there can and should only be an activity that carries the reporting of transaction-types 13=Incoming pledge, 11=Incoming commitment and 1=Incoming Funds; no outgoing transactions should be reported. In order to ensure valid interpretation of such Activities, it is pertinent for the receiving organisation to report the aid\_type, as well as the reference to Funding Organisation, and the relevant activity in the activity-file of this organisation.

Providing **project-funding**, the partner with Role 1=Funding has chosen to finance one or more very specific activity/activities, either carried out or managed by the immediate partner (thus having either Role 4=Implementing or Role 3=Extending). In the first instance, most incoming funds are expected to be consumed by expenditures, in the other instance it would largely be disbursements to the next partner. In it’s simplest form, this structure resemble a chain where data from one partner must fit data from another, enabling digital transparency all the way from one or more ultimate funding partners to one or more ultimate implementing ones. However, considering the other modalities, it is more feasible to conceptualise it as a ‘web’ rather than a chain.

Providing **loosely earmarked funds** is a modality that tends to foster misunderstandings. Any earmarking of any sort implies the need to track and monitor the utilisation of the contribution. Loosely earmarked funds calls for another kind of reporting than the project-funding modality, but it cannot be confused with core-funding. Providing funds for implementation of humanitarian activities is an example; whether humanitarian activities constitutes 10 or 90 percent of the portfolio of the receiving organisation, such loosely earmarked contributions do not resemble core funding.

**Planning and Budgetting matters**

Finding the project modality well described in existing guidelines, this document focuses on the other three examples. They share the need to be published in a way that anchors the information firmly in the overall planning and budgeting decisions of the organisation. The real danger is that IATI-reporters starts to re-define or re-enact their budgeting practice in IATI activity file format, in the shape of ‘internal flows’; efforts are more adequately invested in the reflection of the organisations existing budget-structure in the budget element of the organisation-file:

* Core Contributions are simple, in this regard. The incoming transactions (reported in the activity-file) needs no further explanation – they are general contributions to all elements of the budget presented in the organisation file, since they become indistinguishable part of the very core.
* Loosely earmarked contributions must be mapped to the relevant section of the budget of the receiving organisation. Publishing an Activity, that only holds incoming transactions, the budget Identifier tag (using budget identifier vocabulary=4) can constitute a key, identifying the budget-line tag in the organisation-file. The same key can be applied in all activities, under this budget-line, that carries outflow-transactions.

Without any ‘internal flows’ within the activity-file of the organisation, these guidelines would make it possible to obtain optimal transparency regarding the funding of any individual activity, and thus allow analysts to consider how the ultimate results depends on the behaviour of individual partners:

* Project-funding is published as incoming transactions, at the level of the individual activity that is funded.
* Any outflow / expenditure over and above the total incoming funds on these activities are drawn from the identified budgetline, referring to the organisation-file
* Any funding over and above the softly earmarked contributions to that budgetline must be interpreted as drawn from the core

Obviously, such a stringent interpretation of IATI-data sets the bar quite high, when it comes to data-quality and –completeness. One useful principle would be: Both the funding and receiving partner should report the chosen modality; it simply needs to be confirmed, as it is a precondition for understanding the nature of the cooperation, and thus the structure of the data.

**Organisational structure matters**

Some organisations consists of several legal entities. It is hardly feasible to dictate a universal solution to this challenge, but it is feasible to consider how different solutions affect partners in their effort to enhance transparency. It should at least be considered to segregate IATI-reporting into ‘compartments’ that represents the individual legal entity. This need not conflict with intentions to centralise the technical task of reporting; it could just be taken as the segregation of data into feasible file-formats by one and the same central reporting-unit.

Other organisations choose to establish complex hierarchies in their Activity-file, just to reflect their internal organisational structure. Clearly, IATI should become able to advise on ‘best practice’, but this paper is not the place to go deeper into the issue – apart from the suggestions:

* When you design the data-model in the activity-file, make it the primary concern to ensure the usefulness of data, in the publishing of partnerships
* Use the budget-element of the organisation-file for the general data and information about the organisations own budget, not replicating such structures in the activity-file but using the budget identifies vocabulary=4 as reference to the overarching Budget-line.

**Enabling downstream reporters to become IATI publishers – or requesting?**

If a hierarchy is created in the activity file, or when a hierarchy is considered, it is feasible to reflect on how to facilitate the IATI-reporting from downstream partners – whether such reporting is incentivised or not. Basically, two different approaches are available:

* Having the individual partnership agreement/engagement as leaf-level activity: All documents, results, descriptions published by the organisation with Role 1=Funding will thus be regarding the engagement/contract entered into with this specific partner. This holds numerous benefits (easy interpretation of budget-figures and robust use of default-coding of underlying transactions).
* Having individual partnerships reflected in transactions only: This will allow traceability on individual transactions, but requires much information on the relative role of multiple partners in one and the same activity – information that can be provided in document etc but is hard to translate to machine readable data.

Seen in the perspective of the partner-organisation with role 3=Extending or 4=Implementing, the above choice of the funding partner sets different priorities. In the first instance, the downstream-partner can rely on the scope presented in the bilateral agreement as the relevant context for IATI reporting. In the second instance, it becomes less clear.

Denmark recommends strategic partners to choose the first approach. Whether or not next-level partners are incentivised to become IATI-publishers, or choose it by themselves, it should be a prioritised concern of any IATI-publisher to make it easy for their partners to join the IATI community.