



## **[MOP9/D3] VOLUNTARY CONTRIBUTION FEE TO EAAFP (FINANCE COMMITTEE)**

### ***Rationale***

While EAAFP is a voluntary partnership of 35 organizations working to protect a shared biodiversity heritage, the costs of its operation, primarily through the Secretariat, have been borne largely by a single partner, the Republic of Korea, through the hosting arrangement with Incheon City Government. At MOP8 in January 2015, the Republic of Korea requested the Partnership to consider greater direct cash contributions by other Partners to help justify continued support to the Secretariat and to leverage increased funding by Korea and other Partners. The Finance Committee was established at MOP8 to make recommendations on increasing funding for EAAFP operations, including Partner contributions.

### ***Benefits***

While the practical benefit is increased support to EAAFP operational costs, there is a larger, longer-term benefit: a well-resourced Secretariat will better work with and assist Partners in achieving agreed Partnership goals and priorities. A fee structure can also build greater ownership and buy-in to EAAFP and leverage additional resources for priority actions.

Some Partners, meanwhile, have indicated that a fee structure, with standards and guidelines, would make it easier to secure funds to support EAAFP, in a way that current ad-hoc requests are unable to do.

### ***Considerations***

Because EAAFP is a voluntary partnership, it is recommended that any proposed fee structure also be voluntary, with minimum recommended contributions. Larger contributions will still be encouraged. A fee structure should be based on Secretariat needs and the ability of different Partners to pay a fee, given Partners vary so much in size, scope and level of resources. An indicative level of fee payment with differentiated scale is therefore suggested.

#### ***A. Country Partners***

For country Partners, it is proposed to use a modified version of the UN Scale of Assessments, since this broadly reflects ability to pay and all EAAFP Country Partners are also UN member states, thus providing a potential basis for individual partner contributions relative to an overall budget. For United Nations member states, the UN Scale of Assessments reflects a country's capacity to pay (measured by factors such as a country's national income and size of population). For each EAAFP Partner country, the proportion they contribute to the UN budget is expressed in the second column of the table below.

The total contribution, an arbitrary figure, has been set at around 46, by adding together the assessment percentages of all countries currently EAAFP Partners. By calculating each Partner

country's relative contribution to this total, and proposing a total annual budget to cover the Secretariat budget of shortfall (see Table 3) of USD 150,000 (see end of next paragraph for rationale of country and non-country Partner contribution), each country's annual fee is shown in Column 3. The variation among contributions is very high, with USA and Japan alone contributing more than 70%. If the assessment rate is adjusted for percentage of national territory in the Flyway for USA (Alaska) and Russia (Far East) by (again, somewhat arbitrarily) reducing their assessment by three quarters, an adjusted contribution is indicated in the far right column. USA and Japan still contribute almost 60%. While these figures exceed the maximum level of contribution under the UN Scale of Assessments, as a voluntary scale for a smaller group of countries, it may still be appropriate. One result of this approach is that for some less-developed countries of the Flyway, the annual fee is very low (although a minimum fee, e.g. USD 100 could be set). This fee structure could be the basis of initial discussions among Partner countries.

*Table 1. An indicative level of voluntary fee payment for Country Partners*

<b>Partner</b>	<b>UN Asst %</b>	<b>USD</b>	<b>UN Ass't % Adjusted</b>	<b>USD</b>
Australia	2.074	6,732	2.074	11,156
Bangladesh	0.010	33	0.010	53
Cambodia	0.004	15	0.004	22
China	5.148	16,710	5.148	27,692
Indonesia	0.346	1,125	0.346	1,861
Japan	10.833	35,160	10.833	58,274
Malaysia	0.281	912	0.281	1,511
Mongolia	0.003	12	0.003	16
Myanmar	0.010	33	0.010	53
New Zealand	0.253	822	0.253	1,361
Philippines	0.154	498	0.154	828
Republic of Korea	1.994	6,468	1.994	10,727
Russia	2.438	7,914	0.610	3,281
Singapore	0.384	1,248	0.384	2,066
Thailand	0.239	777	0.239	1,286
USA	22.000	71,406	5.5000	29,587
Vietnam	0.042	135	0.042	226
<i>Total</i>	<i>46.213</i>	<i>150,000</i>	<i>27.885</i>	<i>150,000</i>

### **B. Non-country Partners**

Half of EAAFP Partners are international non-governmental (including one private sector) and inter-governmental organizations. For these Partners, the UN Scale of Assessment is difficult to apply and there is no existing method of assessing capacity to pay, yet that task could be left to each Partner. Therefore the recommended fee could be proposed as a range from USD 2,000 to 4,000. The overall table is shown below.

Table 2. An indicative range of fee payment for Non-country Partners

Partner	USD	Partner	USD
AWSG	2,000 - 4,000	CMS	2,000 - 4,000
ICF	2,000 - 4,000	Ramsar	2,000 - 4,000
Wetlands Int'l	2,000 - 4,000	CBD	2,000 - 4,000
WWF	2,000 - 4,000	CAFF	2,000 - 4,000
Birdlife Int'l	2,000 - 4,000	FAO	2,000 - 4,000
WBS Japan	2,000 - 4,000	IUCN	2,000 - 4,000
WWT	2,000 - 4,000	ASEAN Biodiv Center	2,000 - 4,000
Pukorokoro Miranda	2,000 - 4,000		
WCS	2,000 - 4,000	Rio Tinto	2,000 - 4,000
Hanns Seidel	2,000 - 4,000		
<b>Total</b>			<b>36,000 - 72,000</b>

The difference between country and non-country Partner calculations in this example is that the former calculations represent a percentage of a total budget (in this case USD 150,000), while the latter is expressed as a range for each Partner's fee. The total annual contribution in this case would be USD 36,000 - 72,000. Clearly an overall annual target will need to be established based on EAAFP needs, which could be reviewed at each MOP, or every two MOPs. The relative contributions of country Partners and non-country Partners will need to be refined in terms of their payment ability. Based on the financial projection of the EAAFP Secretariat personnel and support activities (see Table 3), there will be a shortfall of USD 103,000 for personnel in 2017 if a Fundraising Officer is added. At the same time there will be a deficit of USD 109,000 for core activities supported by the Secretariat. The total for current personnel and activity shortfall is therefore USD 212,000. According to Table 1, USD 150,000 could be supported by Country Partners and USD 62,000 by non-country Partners (if non-government Partners all use the higher end of the range for their donations).

Meanwhile, it should be noted that some country Partners may have difficulty in providing funds directly as fee payment and alternative mechanisms for those Partners including project-based contributions, needs to be developed separately.

### **Recommendation**

There is a need for a fee-based system for Partner contributions, which must take into account the different situations of the various Partners. The voluntary fee system and scale developed above is recommended for Partner consideration at MOP9. Partners are requested to approve (i) the principle of a voluntary fee-based system; (ii) the system proposed and (iii) the scale for different Partners.