

**XXXIV SCAR Delegates Meeting****Kuala Lumpur, Malaysia, 29-30 August 2016**

Simplification of Membership levels

Executive Summary

Authors: E Griffin, J Lopez-Martinez, J Baeseman, B Storey**Important Issues or Factors:**

SCAR currently has a complex structure with regard to National Contribution levels for its Member countries. There are 4 levels (Categories A-D) for Full Members and one level (Category E) for Associate Members. These levels have been in place for over a decade with the intention to provide options for Members to choose their appropriate level and advance levels as their programme develops. The expectation was that there would be movement between levels and for the Associate level in particular to be a temporary point before moving to Full Member levels. This paper discusses some possibilities for simplification of the current Membership level structure and to promote the intended use of the level structure.

Recommendations/Actions and Justification:

Members are asked to decide on the series of options relating to the structure of the Membership levels for national contributions presented in this paper.

Budget Implications:

Any changes to the Membership levels will directly impact SCAR revenue and hence budget distributions.

Introduction

At the 2015 SCAR ExCOM Meeting discussion the need to revisit the categorisation of membership fees (see Table 1 below) was noted. This was prompted by the apparent inertia in movement between the levels and confusion over the potential motivation for Members to do so. It was pointed out that there were several discrepancies between the contribution levels for countries with larger, more well-established Antarctic research activities and those with developing research activities. It was also noted that movement between levels by individual countries might serve as an incentive for others to do the same.

Category	Contribution	No. of Members	Total Contributions	In 2015 and 2016:
A	\$27,500	2	\$55,000	Russia, USA;
B	\$21,200	10	\$212,000	Argentina, Australia, France, Germany, India, Italy, Japan, Republic of Korea, Spain, UK;
C	\$17,100	6	\$102,600	Brazil, China, the Netherlands, New Zealand, Norway, South Africa;
D	\$12,400	13	\$161,200	Belgium, Bulgaria, Canada, Chile, Ecuador, Finland, Malaysia, Peru, Poland, Sweden, Switzerland, Ukraine, Uruguay;
E	\$5,000	8	\$40,000	Czech Republic, Denmark, Iran, Monaco, Pakistan, Portugal, Romania, Venezuela.
Total:		39	\$570,800	

Table 1 Current SCAR National contribution categories and Members

To address this situation a clarification of the role of the level structure and the expectations of Member countries with regard to its application is provided here. The major point underlining the purpose of the structure was that it was intended to be dynamic rather than static, with countries moving to higher levels as their Antarctic activities developed. In particular, the Associate Member level was intended to be a temporary categorization, whereby countries joining SCAR would begin at this level and then progress to one of the Full Member levels in time. It is apparent that this is not working as intended.

In some other funding models for international organisations, such as the UN version where its based on GDP, there are clear expectations as to the contribution level. SCAR however wishes to be flexible to reflect that for individual Members the size and maturity of their Antarctic scientific activities does not necessarily reflect their GDP and/or is not sufficient context in itself to suggest a particular level is relevant. SCAR is also aware that the contributions are balanced differently in each national context, often within a broad spectrum of international subscriptions.

At present National Contributions are fixed until Delegates approve increases to each of the contribution levels, producing a stepped profile in contributions over the long term. An alternative would be to have annual increases rather than stepped changes to national contribution levels. Delegates are asked to consider whether this would be a practical arrangement to include increases at a set annual percentage as it would allow the overall SCAR budget to keep pace with the increases in fixed costs, allowing the proportion of funds spent on Science to be maintained.

The present situation clearly provides little incentive for individual countries to move between levels, as evidenced by the extremely rare instances of movements between categories over the last decade.

There is a clear need to address the issue of membership levels in the medium to long term given the impact of expected increases to the costs incurred by SCAR and the impact this has on the funds available for Science activities. For example, Figure 1 shows the projected salary costs for the Secretariat over 10 years (using a flat rate of increase of 4% based on a combination of inflation and incentive based raises) compared to revenue from national contributions and the percentage of the total income expended on salaries as a result. The increase in income from 2017 (dashed blue line in Figure 1) reflects the expected addition of 4 new members at Associate level. It should be noted that

the membership contribution would increase with possible incorporation of new members and changes of categories.

Clearly if the fraction of funds remaining to be spent on Science is to be maintained the revenue base from national contributions needs to keep pace.

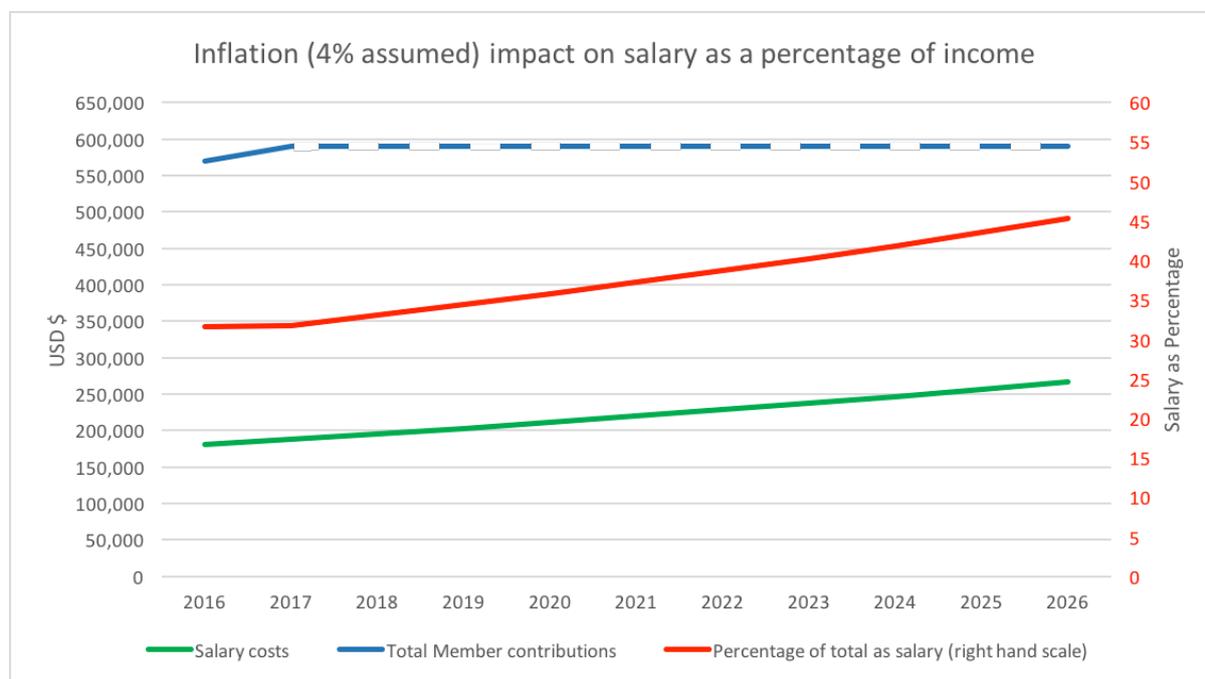


Figure 1 – Increasing percentage of income expended as salary given flat national contributions profile over 10 years. Dashed blue line indicates addition of 4 new Members in 2017. Note that the Total Member contributions would increase with possible incorporation of new members and changes of categories

Proposals for consideration

When considering options to address the issues outlined above with the Membership level structure a number of principles have been identified as key to producing an effective outcome. Any solution should seek to combine

- i) advancing the simplification and rationalization of the categories,
- ii) reducing to a minimum the number of countries that would need to change category or modify the contribution that they are paying currently except in the case of those countries that decide move to a higher category
- iii) avoid reducing, and if possible to increase, the current total national contribution income for SCAR, and
- iv) to facilitate the promotion of Associate members to Full members.

With these principles in mind a number of options have been proposed for discussion and are outlined below. The details and financial impact of each option are tabulated in Table 2.

Option 1 – No Change

To maintain the current 5 categories: A, B, C, D (for Full members) and E (for Associate) with the same contribution levels.

Option 2 – Reduce to 4 Categories - 3 for Full members and 1 for Associate.

Within the categories for Full Members there would be :

A - Special Contributors:

(Identical to the the current category A, Contribution level \$27,500)

B - Countries with well-developed Antarctic scientific research activities:

(Identical to the current category B, Contribution level \$21,200)

C - Countries with Antarctic scientific research in initial stages:

(Identical to the the current category D, Contribution level \$12,400);

For Associate members:

D - New members:

(\$2,000 increase compared to the current category E, Contribution level \$7,000).

With this structure the intention would be to promote the movement to a higher level of contribution for some countries with well-developed Antarctic scientific research activities that are now in the current categories C or D. It also has the advantage of maintaining the current category level of Full member closest to that for the Associate members. This maintains the option of the most affordable option for those Associate members who wish to move to Full members. A category for Special Contributors is maintained as it provides the opportunity to those countries who are willing and able to make a larger contribution and serves as the Category other countries may aspire to join, with the potential for increased income for SCAR.

Option 3 – Reduce to 3 Categories with 2 categories for Full members (A, B) and 1 for Associate (C).

A - Special Contributors:

(Identical to the the current category A, Contribution level \$27,500)

B - Countries with established Antarctic scientific research activities:

(Identical to the current category B, Contribution level \$21,200)

For Associate members:

C - New members:

(\$2,000 increase compared to the current category E, Contribution level \$7,000).

For this option there are only 2 categories for Full members. This presents a large gap between the lowest Full member level and the Associate level in terms of contributions so a further option (below) is included to retain the simplified structure but address this gap in contribution.

Option 3(a) – As for Option 3 above but with a change to the lower Full member Category (B)

A - Special Contributors:

(Identical to the the current category A, Contribution level \$27,500)

B - Countries with established Antarctic scientific research activities:

(Identical to the current category B, Contribution level \$17,100)

For Associate members:

C - New members:

(\$2,000 increase compared to the current category E, Contribution level \$7,000).

Option 1 : Current Levels - 2015/16			
	Contribution	Countries	Total
A	\$27,500	2	\$55,000
B	\$21,200	10	\$212,000
C	\$17,100	6	\$102,600
D	\$12,400	13	\$161,200
E (Associate)	\$5,000	8	\$40,000
		Overall	\$570,800

Option 2 : Reduce to 3 Full Member levels, 1 Associate			
	Contribution	Countries	Total
A Special Contributors	\$27,500	2	\$55,000
B Well Developed Programmes	\$21,200	16	\$339,200
C Initial Stages Programmes	\$12,400	13	\$161,200
D (Associate)	\$7,000	8	\$56,000
		Overall	\$611,400
Notes: Current A, B, D and E move to A, B, C and D Current C members in new "B"			

Option 3 : Reduce to 2 Full Member levels, 1 Associate			
	Contribution	Countries	Total
A Special Contributors	\$27,500	2	\$55,000
B Active Research Programmes	\$21,200	29	\$614,800
C (Associate)	\$7,000	8	\$56,000
		Overall	\$725,800
Notes: Current A and E move to A and C Current B,C,D members in new "B"			

Option 3a : Reduce to 2 Full Member levels, 1 Associate			
	Contribution	Countries	Total
A Special Contributors	\$27,500	2	\$55,000
B* Active Research Programmes	\$17,100	29	\$495,900
C (Associate)	\$7,000	8	\$56,000
		Overall	\$606,900
Notes: Current A and E move to A and C Current B,C,D members in new "B"			

Table 2 Options for National Contribution Structure

Related measures

Within each of the options presented, there still remains the issue of promoting movement between the levels and in particular the move from the Associate level to a Full Member level.

While the level structure is intended to produce a situation where countries with larger well-established Antarctic activities will be contributing more, it is clear more active means need to be considered to promote movement between levels for countries with activities that have developed.

Possibilities would include highlighting the Special Contributors in SCAR publications and updates but could include more significant changes such as differentiating voting rights between the Full member levels and imposing a time limit on the period for which members would be allowed to stay in the Associate level, e.g. no longer than 6 years.

The more significant changes would require separate approval by Delegates for the resulting changes to the Rules of Procedure.

Recommendations

Delegates are invited to provide feedback and their opinions relating to the options presented and structure of the levels in general, and to choose the preferred structure from those options.