

# **EIGHTH ANNUAL MEETING**



## **THE ASIA PACIFIC FORUM OF NATIONAL HUMAN RIGHTS INSTITUTIONS**

...a partnership for human rights in our region

### **MEMBERSHIP FEES**

**Discussion paper on the introduction of an annual membership fee to  
the Asia Pacific Forum of National Human Rights Institutions**

**16<sup>th</sup> – 18<sup>th</sup> February 2004  
Kathmandu, Nepal**

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## 1. PURPOSE

The purpose of this paper is to present a variety of options for the introduction of membership fees for the Asia Pacific Forum of National Human Rights Institutions (APF) for the consideration and decision of all Forum Councillors.

## 2. BACKGROUND

At the Sixth Annual Meeting of the APF held in Colombo, Sri Lanka in 2001, the issue of membership fees was discussed by the Forum Council. Forum members noted that while the introduction of membership fees was *“important for funding the continuing operations of the Forum, most importantly [they] also provide a clear demonstration of commitment from members.”*<sup>1</sup>

On 27 May 2003, the Chairperson of the APF wrote to all Forum Councillors requesting their assistance in addressing this issue. In this correspondence the Chairperson stated that *“the APF has achieved a level of maturity and standing that requires us to consider the feasibility of introducing membership fees. I have therefore requested that the secretariat prepare a discussion paper on this issue for the consideration of all Forum Councillors. This discussion paper should present a variety of options for the consideration of all Forum Councillors taking into account the varying financial capacities of each of our institutions and the provision of non-monetary ‘in-kind’ support.”*<sup>2</sup>

It should be noted that, for the purposes of this paper, the issue of membership fees is kept separate from the request of the Chairperson for member institutions to also seek financial contributions to the APF from their governments and/or other donor organisations.<sup>3</sup> It may be, however, that in the discussion of this issue Forum Councillors may wish to link these two issues.

## 3. OPTIONS FOR MEMBERSHIP FEES

The expanding membership of the APF has significantly increased the workload of the secretariat, which is currently staffed by 3.5 staff members. In order that it may continue to provide services to existing and future members of the APF, it will be necessary to strengthen the capacity of the secretariat. Membership fees would help facilitate this by:

- increasing funds available to the APF for its activities,
- providing an alternate and diversified funding source to the APF,

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<sup>1</sup> [www.asiapacificforum.net/activities/annual\\_meetings/sixth/meeting\\_papers.htm](http://www.asiapacificforum.net/activities/annual_meetings/sixth/meeting_papers.htm)

<sup>2</sup> See pp 41-42 of the APF Finance and Administration Report to the 8<sup>th</sup> Annual Meeting at [www.asiapacificforum.net/activities/annual\\_meetings/eighth/meeting\\_papers.htm](http://www.asiapacificforum.net/activities/annual_meetings/eighth/meeting_papers.htm)

<sup>3</sup> This issue is dealt with in more detail in the APF’s ‘Finance and Administration’ report tabled to members at the 8<sup>th</sup> annual meeting.

- providing funding that reflects the geographical span of membership of the APF, and
- demonstrating the commitment of member institutions to the APF.

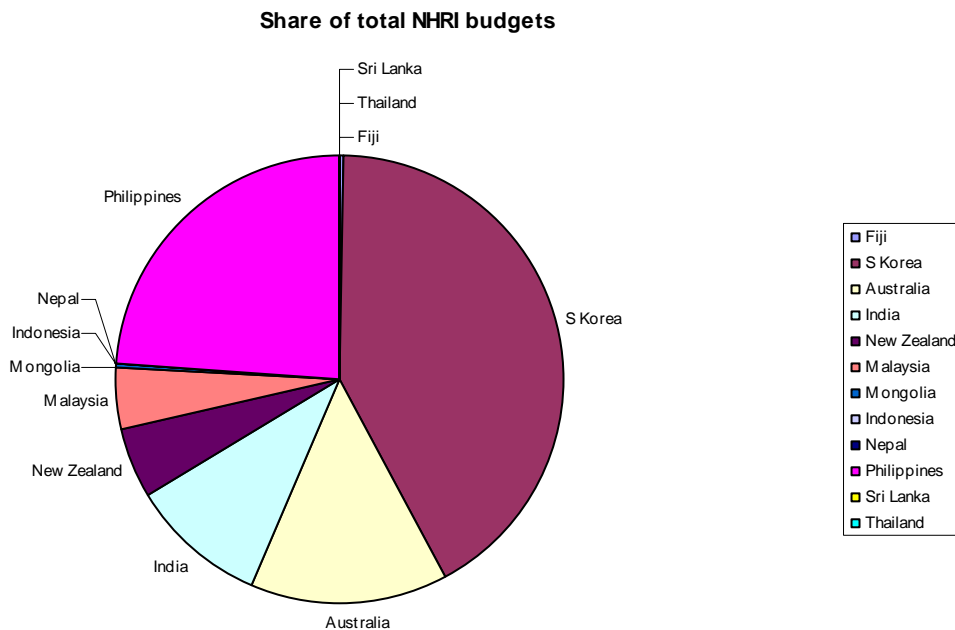
In the development of the options for the introduction of membership fees for the APF, the secretariat carried out research into how membership fees are structured in similar organisations (such as, for example, regional Ombudsman institutions). In addition, the secretariat has attempted to obtain the most recent financial information available on each APF member institution.

On the basis of this research, the following three options relating to (i) a capped percentage of a member institution’s budget, (ii) a tiered fee structure and (iii) a flat rate scheme are presented for the consideration of Forum Councillors.

### 3.1 Option 1 – Capped Percentage of Member Institution’s Budget

The first option is to set the membership fee according to a ‘capped’ percentage allocated against an institutions budget. This option is the most widely used formula for determining fees for international and regional organisations.

The allocated budget of member institutions varies widely across the region. In addition, some members receive 100% of the budget from recurrent government expenditure while others receive a much smaller percentage from this source which is then supplemented by funding from non-governmental sources. Utilising the most recent information available to the APF, a comparison of the budgets of APF member institutions can be illustrated by the following graph.



Note – the above data uses the most recently available funding statistics. Some of these statistics are not, however, from the same financial year for certain institutions (the data range comes from 2002 to 2004 financial years depending on the institution). In addition, there is no information or at least incomplete funding information for some institutions. Finally, for the purposes of the graphic illustration, the respective dollar amounts of each institution's budget have been adjusted using the most recent World Bank price parity data.

A proportionate allocation, for example set at  $\frac{1}{4}$  of one percent (0.0025%) of a member institution's budget, would allow member institutions to contribute funds commensurate with their ability to pay. A 'cap' on the maximum amount payable would also need to be considered for institutions with a large budget.

The following budgets of a small, medium and large institution illustrate how this option would work. For example, on the most recent financial figures available to the secretariat, the Mongolian Commission would have the smallest recurrent budget of \$65,000 USD (which is then supplemented by assistance received from a United Nations funded capacity development project). Using the recurrent budget figure, if membership fees were set at 0.0025% of the institution's budget, the APF membership fee would total \$162.50 USD.

The Human Rights Commission of Malaysia receives approximately \$9,695,000 RM or \$2,550,980 USD. Applying a 0.0025% membership fee would total \$6,377.50 USD.

Finally, the Human Rights Commission of the Republic of Korea has the largest recurrent budget of approximately 19.2 billion Won which equals approximately \$16,342,400 USD. Again, if membership fees were set at 0.0025% of the institution's budget they would total \$40,856.00 USD.

The excessive disparity between these figures indicates, that if this option were adopted, a 'cap' on the maximum amount payable may need to be set to ensure that membership fees were not excessive for those institutions with a large budget.

If this option were adopted, there are three issues that need further consideration:

Firstly, should the membership fee percentage be allocated only against recurrent governmental funds or should it be against an institution's total budget, including any funds an institution receives from non-governmental sources. This question is particularly relevant for those institutions which receive no recurrent governmental funds (such as the Palestinian Independent Commission for Citizen's Rights which is currently applying for APF membership) or a small recurrent budget from their government which is then substantially enhanced by donor funding (such as the Mongolian or Nepalese Commissions). Ideally, in these instances, membership fees for the APF could be taken into consideration by donor organisations in the determination of the amount they provide to these institutions so that they do not take away from funds provided for an institutions operations but rather are 'additional' to these funds.

Secondly, if a maximum ‘cap’ on membership fees was desired, Forum Councillors would need to determine and set the dollar amount for the ‘cap’. The setting of this ‘cap’ would, presumably, be determined in discussions with the relevant institutions.

Finally, in determining the membership fee, APF member institutions and applicant institutions would need to provide up to date financial information.

### **3.2 Option 2 – Tiered Fees**

A tiered approach to annual membership fees would set a pre-determined rate for member institutions. The rate or fee would vary according to the category an institution was designated, as determined by its budget (for example, “small”, “medium” or “large”). Member institutions falling into the “large” category with a budget greatly exceeding the “large” threshold, may in addition be required to pay multiple “large” fee instalments, proportionate to the amount their budget exceeds the “large” threshold. This scheme is currently used, for example, by the British and Irish Ombudsman Association.

An example of a suggested fee structure (in USD) for the APF is provided below:

<b>Category</b>	<b>Budget</b>	<b>Membership Fee</b>
Small	Under \$500,000	\$2,000
Medium	\$500,000 to \$5,000,000	\$6,000
Large	Over \$5,000,000	\$10,000

The above dollar amounts are used for illustration purposes only and, of course, would need to be determined by Forum Councillors. It should be noted that equity considerations would need to be taken into account for those institutions placed at the extreme of the categories. This is demonstrated by the Mongolian Human Rights Commission which, under Option 1, may be liable for \$162.50 USD, while under this Option 2 would be liable for \$2000 USD.

### **3.3 Option 3 – Flat Rate**

A third alternative for a membership fee scheme is a “flat rate” fee. This would involve all APF members paying exactly the same amount for their annual membership fee. This approach to membership fees is used, for example, by the European Ombudsman Association.

For example, Forum members may wish to set a flat rate of \$5,000 USD. Again, this approach does not take account of equity considerations for those institutions with a very small or very large budget. It is noted that in the European context, equity considerations are addressed by the payment of ‘multiple’ memberships for institutions with large budgets.

## **4. ISSUES FOR CONSIDERATION**

The following additional issues should be considered and discussed by Forum Councillors.

### **4.1 Non-Monetary Payment “In-Kind”**

Some APF member institutions function under extremely limited financial conditions, and consequently may be unable to pay any membership fee. Other institutions may face domestic legal obstacles to pay membership fees or simply may prefer to provide the APF with other forms of support rather than membership fees. It is clearly not the desire of the APF to introduce membership fees which would limit the type of support provided to the APF by its members or prohibit or deter continued or future membership.

A solution to this issue would be the introduction of a “payment in kind” fee. This would involve the normal levying of a membership fee as determined by the Forum Council, but then providing institutions with the capacity to pay for this fee ‘in kind’. A member institution seeking to pay in kind would propose, for approval by the Forum Council, activities or services it would contribute to the APF for the upcoming year in lieu of an annual membership fee. These services would be approximately equivalent in value to the fee the institution would otherwise have paid to the APF (depending on which membership fee option is in place). The provision of a smaller monetary contribution and the provision of services ‘in-kind’ that, in combination, were approximately equivalent to the membership fee would also be possible.

Examples of ‘in-kind’ payments could be (i) an agreement to host an annual meeting or workshop of the APF and the associated costs of supporting such a meeting; (ii) the placement of a staff member at the secretariat; (iii) the provision of expertise on a APF project; (iv) the participation of a Commissioner or a staff member in an APF delegation or technical cooperation project and so on. All APF institutions have already, during the life of the APF, provided it with ‘in-kind’ assistance of some sort or another. In the future it would be a matter of making sure that this, previously un-costed, free and invisible subsidy to the APF, was appropriately recognised and costed.

### **4.2 Categories of Membership**

The Constitution of the APF provides for three categories of membership: full, candidate and associate members.<sup>4</sup> The Forum Council will need to determine how it wished to apply membership fees across these three categories.

For example, should all categories be subject to the same fee scale, or should different criteria be applied between full members on the one hand and candidate and associate members on the other? It may be argued that developing a ‘two tiered’ membership fee would be in line with the difference accorded to full members and candidate/associate

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<sup>4</sup> Rule 11 of Forum Constitution. <http://www.asiapacificforum.net/about/constitution/constitution.doc>

members in being able to exercise a decision-making capacity in APF affairs. If this was adopted, for example, Option 1 could apply to full members while Options 2 or 3 could apply to candidate/associate members.

### **4.3 Timing of the Introduction of Fees**

In the Chairman's correspondence to APF members concerning this issue he requested that the APF secretariat develop this paper and distribute it to APF members three months in advance of any possible decision on membership fees.

In line with the above decision, any possible fee structure would not be put in place prior to June 2004. If Forum Councillors do determine to introduce fees then it would seem sensible to start these from the 1 July 2004 as this date is the start of a new financial year for many APF member institutions. This timing would also allow for further discussion with institutions concerning 'in-kind' payments and the provision of up to date financial information.

## **5. RECOMMENDATIONS**

That Forum Councillors consider:

- i. the introduction of annual membership fees to the APF,
  - ii. the various options for a membership fees scheme presented in this paper,
  - iii. how these options could be applied to their individual institutions.
2. That at the Closed Session of the Eighth Annual Meeting of the APF Forum Councillors:
- i. present any other issues to the Council that they believe are relevant to the issue of membership fees to the APF,
  - ii. decide to accept or reject the proposal of introducing annual membership fees to the APF, and
  - iii. if the Forum Council decides to accept the proposal, decide which fee structure the APF will adopt commencing on 1 July 2004.