

WORLD ASSOCIATION OF GIRL GUIDES AND GIRL SCOUTS

# European Contribution

# **Consultation Pack**

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### 1.Introduction

The European Contribution (EC), also sometimes known as the European Voluntary Contribution (EVC), was established by Member Organisations (MOs) to deliver enhanced activities in the Region.

In 2025, EC contributes approximately one-third of the Europe Region's total income.

Increasingly divergent positions across European MOs have driven the need to review the EC. In addition, WAGGGS has just completed a global membership fee review which has resulted in a new <u>Membership Fee Policy</u>.

Therefore, this is an opportune moment to engage with European MOs, and other stakeholders, to **co-create a sustainable funding model for the Region.** 

The European Contribution Review Working Group (consisting of the Regional Chair and Treasurer, supported by relevant staff including the Head of Region, Head of Membership and Regional Support, Head of Governance and Finance Director) are leading this consultation and develop a **proposal for adoption at the Regional Conference in July 2025.** 

The recommendations within this paper build on previous work in the Region by the Financial Governance Task Force (2017) and the Europe Region Task and Finish Group (2020).

Through this consultation, the Working Group aims to explore whether an additional EC should continue and, if so, what form this should take from 2026.

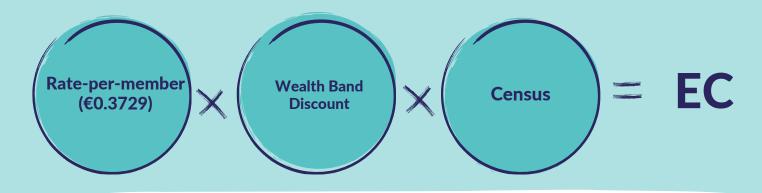
Without EC, Europe would be resourced from the WAGGGS Global Allocation (which currently provides for one staff member and an allocation of circa £30,000 per annum for regional governance and activities); potentially supplemented by external grants.

### 2. European Contribution

The EC has existed in some form for about fifty years and is used to deliver regional priorities identified in the Triennial Action Plan (TAP).

It is currently calculated in a similar way to the global membership fee by multiplying the total number of members each MO has by a specific 'rate-permember' (RPM) which is approved at the Regional Conference (set at €0.3729, with a 2.5% annual inflationary increase, for 2023-2025).

A discount is applied based on the wealth band of the MO calculated using the country's <u>Gross National Income</u> (GNI) per capita, <u>Atlas method</u> (World Bank).



There is a **minimum contribution** of €100 for Full Members and €50 for <u>Associate Members</u>.

In 2020 the Region introduced two additional caps:

- 1. MOs pay the full RPM for up to 250,000 members and subsequently only 50% of the rate for any additional members
- 2. No MO pays more than €130,000

The **EC** is a voluntary scheme. However, MOs are expected to meet their financial commitments once they have been approved at Conference. There are currently no governance sanctions to non-payment, but the Committee may use the criteria of up-to-date payment before enabling MOs to access regional grants or host an event.

Some MOs have a **repayment plan** in place where they are in arrears.

### 3. IC Forum Feedback

The Working Group and Committee had the opportunity to gather initial consultation feedback during the International Commissioners' Forum (December 2024). The main themes that emerged suggest that any new model for EC needs to be:

1	Aligned to WAGGGS Global Membership Fee principles and, therefore, it should be: • equitable • transparent • objective • sustainable
2	Simple and clear
3	Enable <b>long-term financial planning</b> for MOs and the Region
4	Provide clarity on any consequences of non-payment
5	Achieve the <b>support of all</b> MOs
6	Support the drive for <b>cost efficiency</b> and greatest <b>return on investment</b>
7	Deliver financial transparency
8	Align to the TAP and demonstrate how activities are being resourced
9	Able to <b>deliver additional resources</b> for the Region ( <b>in-person events</b> are greatly valued and these opportunities should continue, wherever possible)

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### 4. EC Assumptions

In line with the principles of the WAGGGS Global Membership Fee, the European Contribution should:

- Support the delivery of WAGGGS's strategy, adopted at World Conference
- Use an equitable, transparent and objective methodology
- Deliver a sustainable model to support a strong and thriving Movement now, and in the future



To strike a balance between finding a model that can be supported by all and deliver priority regional activities, the Working Group and Regional Committee propose:

A **mandatory and simple European Contribution model** that is less financially demanding on the majority of MOs whilst maintaining sufficient additional income, at least in the midterm, to ensure continuity and resource stability.



Greater opportunities for **MOs to deliver specific projects / work streams** within the TAP. For example, MOs successfully lead WAGGGS Europe events with the support of the Region.

Opportunities for **MOs to support** those struggling to meet their financial obligations.



Clarity on **consequences of non-payment**, such as limiting access to Regional Offer.

**Renegotiation of Joint Work** enabling a transparent and equitable collaboration with Scouting Europe, providing cocreation spaces to support MOs to make Girl Guiding and Girl Scouting more relevant to every and any girl.





Prioritisation of **in-person events and activities** that are highly valued by MOs, with **full cost recovery**, wherever possible.

Fully utilising **fundraising and grant opportunities** within the Region.

Delivering the most **high quality and cost effective** operational infrastructure for the Region.

**Clarity in the TAP of activities, resources, and funding sources against each project line.** Activities only delivered where sufficient investment is achieved.





Maintain regional **Reserves of €60,000 - €80,000** at the end of each triennium.

<u>Reserves</u> in excess of this figure could be used in 2026-2028 to support the transition to the new model.

### 5. EC Options Appraisal

The Working Group, with the Regional Committee's input, have considered a range of alternative models for EC and seek consultation input on five initial options. New suggestions on alternative models, not already outlined here, are also welcome.

#### 5.1 'Status Quo' Model

EC continues to be calculated in largely the same way (potentially updated to more closely align with the new Global Membership Fee methodology and possibly with an inflation-adjusted 'rate-per-member').

For 2026-2028, the EC would be calculated with the most recent World Bank GNI per capita (Atlas method) and Census data.

The Status Quo currently delivers approximately €190,000 per annum.

This is below the c. €300,000 outlined in the <u>'European Contribution Proposal:</u> <u>2023-2025'</u> at the last Regional Conference, due to reduced payment adherence.

#### Implications

Whilst maintaining the Status Quo Model potentially delivers the greatest overall income from EC, the Working Group do not believe this achieves a consensus in the Region and therefore does not deliver an equitable source of future funding.

To continue to operate with the Status Quo, MOs would need to acknowledge that it does not have the support of all Members and, therefore, that EC is either genuinely voluntary or apply sanctions to those that do not meet their obligations.

#### 5.2 Basic Fee Model

With this model, all MOs are placed into a membership size band with a set fee (potentially subject to inflationary uplift in future triennia). For the sake of simplicity, there is no wealth band adjustment. The Basic Fee could fall somewhere between the range suggested in Table 1 below.

Table 1: Example of Three Potential Different Levels of Fee	Table 1: Exa	ample of Thre	ee Potential	Different Lev	vels of Fee
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Membership Band	Low EC	Mid EC	High EC
<1,000	€100	€150	€200
1,001-5,000	€250	€300	€500
5,001-10,000	€1,000	€1,500	€2,500
10,001-30,000	€2,500	€3,500	€5,000
30,001-60,000	€5,000	€7,500	€10,000
>60,000	€10,000	€15,000	€20,000

If this approach were adopted, it could deliver EC of c. €100,000 per year at the low end of the range; c. €150,000 at mid range; and c. €200,000 at the higher end of the range.

#### Implications

Whilst the overall income from EC could reduce from the Status Quo, the Working Group hope this model could potentially achieve a consensus in the Region and therefore deliver an equitable and sustainable source of future funding.

Any reduction in EC income could partially be offset by other measures, such as:

- Continuing to implement cost efficiencies
- Seeking increased income from grants and fundraising
- Exploring equitability, rather than equality, in Joint Work

#### 5.3 Ad-hoc Purchase Model

With this model, there would be no Basic Fee, and MOs could instead opt to purchase specific parts of the regional offer, as required. This enables MOs to decide exactly what they wish to purchase with their regional investment.

The main challenge of this model is that there is no clarity on likely income.

#### **Implications**

With no certainty of income, the Working Group do not believe that this model offers a sustainable source of future funding. It would be difficult to financially plan and recruit the staff needed to support delivery of additional regional activities.

The model is also unlikely to support equitability as those needing the most support may be least able to pay for it.

#### 5.4 Combined Model - Basic Fee + Optional Extension

This model could combine the financial security of a <u>Basic Fee (option 5.2)</u> with the possibility to supplement with optional additional activity. For example, activities identified in the TAP could be resourced or delivered by a MO, or a group of MOs, or other partners without a direct payment to the Region.

This Combined Model could assume a baseline income of potentially €150,000; plus the possibility to supplement this where there is additional investment.

#### Implications

This model delivers some additional regional funding with the option to supplement this where MOs wish to invest further in a variety of ways.

It could also potentially lead to different delivery methods, such as more MOdelivered activities (where funding or resources are supplied from a specific MO or group of MOs).

#### 5.5 No EC

No further additional contributions to regional funding from MOs. The remaining <u>Reserves</u> could be utilised in the short-term to help to transition to the new model.

If this approach were adopted, it would deliver no guaranteed additional resources to the Region (losing c. 30% of the Region's current income).

However, it might be possible to supplement the WAGGGS Global Allocation through fundraising and other global opportunities.

Without sufficient resources, it would not be possible to deliver the Regional Offer set out in TAP.

#### Implications

The Working Group believe that it is unlikely that this model could achieve a consensus in the Region. Without any EC some regional priorities could not be delivered including many existing activities and Joint Work.

### 6. Consultation Process

If you have questions or feedback about this consultation, or would like to request a conversation with members of the Working Group, please send an email to the Committee Treasurer @ Evelyn.Dick@wagggs.org



We invite a representative from each MO to **<u>complete this online</u> <u>survey</u>** by 1 March 2025 to gather some quantitative consultation data.

The questions include:

- 1. Please place the five outlined models in order of preference.
- 2. Do you have any comments you would like to make on any of these five models?
- 3. Are there other funding models or ideas that you think should be considered?

#### **Next Steps**

- 10 February 2025 EC Consultation Pack launches
- 25 February 2025 First online consultation session TAP and EC
- 1 March 2025 Deadline for EC Consultation Pack survey feedback
- 17 March 2025 Draft EC Proposal shared with MOs and stakeholders
- 10 April 2025 Second online consultation session TAP and EC
- 17 May 2025 Regional Conference papers distributed with Final EC Proposal
- 19 to 23 July 2025 Regional Conference
- 1 January 2026 New funding model takes effect
- 2026 2028 triennium Implementation and review of new funding model

# 7. Glossary

- Associate Member a national organisation working towards Full Membership.
- Atlas method the Atlas conversion factor reduces the impact of exchange rate fluctuations in cross-country comparisons of national incomes. The Atlas conversion factor for a given year is the average of a country's exchange rate for that year and the two preceding years, adjusted for the difference between the rate of inflation in the country and international inflation.
- **Census** each year Member Organisations report the total number of their members to WAGGGS.
- **Gross National Income (GNI) per capita** is the dollar value of a country's final income in a year divided by its population.
- Member Organisation (MO) a Member of WAGGGS, these can take different forms including WAGGGS-only, Scout and Guide National Organisations (SAGNOs) and Federations.
- **Reserves** funds set aside for future use or contingencies created from retained financial surpluses.
- **Restricted income** funds that are required by the funding source to be used to purchase certain goods or services or to pay for certain expenses. They may be in the form of grants or donations.
- Scout and Guide National Organisation (SAGNO) a national organisation, which is a member of both WAGGGS and WOSM, is known as a SAGNO.
- **Triennial Action Plan (TAP)** establishes the Region's priorities for the next three years and is approved at the Regional Conference.
- Unrestricted income income that can be used for any purpose so long as it meets the aims and objectives of the organisation outlined in their governing document (i.e. WAGGGS's Constitution). Unrestricted funds tend to support the operating costs or costs that are difficult to fund.