



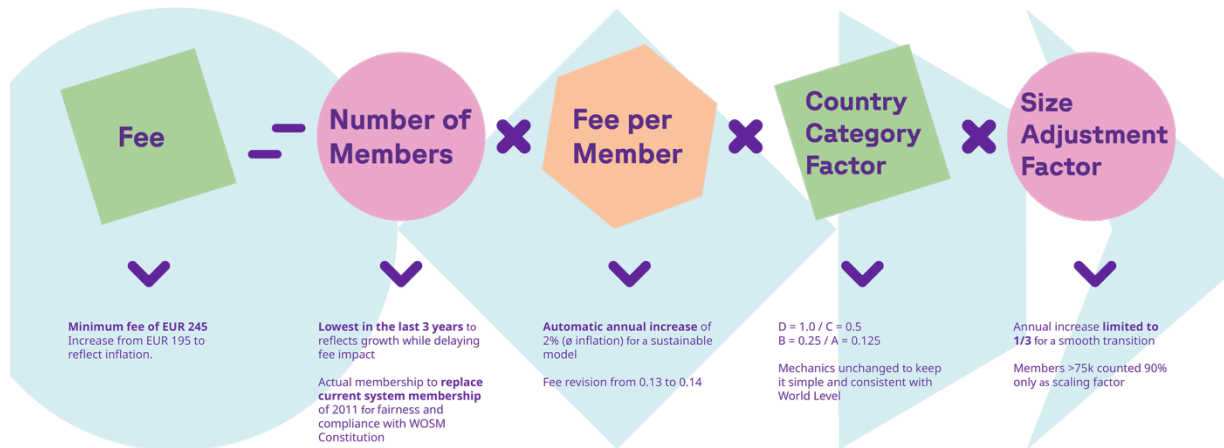
# BACKGROUND DOCUMENT TO THE REGIONAL REGISTRATION FEE PROPOSAL

The following document was developed by the Regional Fees Task Force of the European Scout Region established to carry forward the work called by the European Scout Conference Resolution 2022-03 Regional Registration Fees Review. It constitutes the Background Document to the Regional Registration Fee Proposal as approved by the European Scout Committee.

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## 1. REGIONAL REGISTRATION FEE PROPOSAL



As outlined in the visual above, there are several components to the proposed model.

- 1) **Membership:** This will be the lowest reported membership figure in the previous three calendar years. Note that for the last three calendar years, not the last three reported census figures, if a country does not report census data for a year, the previously reported census data will be carried forward to subsequent years until updated census data is provided. For example, if a Member Organization submits census data in 2010, 2015, and 2020 to calculate the 2024 fees, the 2020 figure will be considered the reported figure for the last three calendar years. This is a significant change as it will mean current membership/census data will replace the membership figures from 2011 in fee calculations, both for fairness and to ensure compliance with the Regional Constitution. Using the rolling, three-year approach to identify the membership figures used for calculating Regional Registration Fees allows Member Organizations (MOs) to grow without having an immediate increase in costs. If a Member Organization grows yearly, it will have two 'free' years for each new member before paying for them. If a Member Organization experiences a sustained growth surge, it will never need to pay for new members that were not retained. Additionally, Member Organizations with declining membership figures will not be penalised for members they no longer have.
- 2) **Calculating 'Per Capita' Rate**
  - a) **EUR Amount:** Proposal to increase per capita fee from €0.13 to €0.14. The proposed increase is minimal and does not reflect actual rates of inflation. Still, it is kept at this level to compensate for Member Organizations' potentially significant fee increase due to the unfreezing of membership figures used for calculating fees. Despite being minimal, this increase is still considered an essential element of the proposed system to address the significant loss in purchasing power in the Region since 2011.
  - b) **Category Factor:** This remains unchanged (Cat. D - 100%, Cat. C - 50%, Cat. B - 25%, Cat. A - 12.5%). The fee category (including the percentage pertaining thereto) an MO is assigned to by the World Scout Conference (resolution 2011-2) will be the fee category (and percentage) used for calculating Regional Registration Fees. If the World Scout Conference decides to re-categorise countries, this will also be applied to the Regional Registration Fees.

- c) **Inflation Factor:** An automatic annual increase of 2% to the per capita fee. 2% was chosen as it is the inflation target of most Central Banks. Although the actual inflation number varies over time and between countries, 2 % is considered long-term sustainable.
- 3) **Minimum Fee:** If the calculated fee for a Member Organization is less than €245, a minimum registration fee of €245 will apply. This is an increase of €50 from €195 to reflect the economic inflation that has occurred since 2013, when the minimum fee was last changed, yet still below the previously set minimum fee of CHF 300 in 1992.
- 4) **Size Adjustment Factor:** A multiplier of 0.9 is applied to all members exceeding 75,000 in any Member Organization. This adjustment is introduced to help adjust that a few Member Organizations pay a large share of the fees in the new proposed system. The adjustment is considered appropriate as there is no direct correlation between the size of a Member Organization and the number of services it receives from the Region. The figure of 75,000 members was identified as a threshold that has already been reached by 6 Member Organizations, who contribute approximately 66.6% (two-thirds) of the Regions Registration Fees.
- 5) **Implementation Consideration:** To ensure a smooth transition for the Member Organizations most impacted by the increase, the fee in any given year will not increase by more than  $\frac{1}{3}$  compared to the previous year. For example, a Member Organization that paid EUR 1000 will pay EUR 1333 ( $1.33 \times 1000$ ) the next year and EUR 1777 ( $1.33 \times 1333$ ) the following year until they reach the new fee. This should reduce immediate financial demands on those Member Organizations that grew significantly over the past 15 years, ensuring they do not have an unbearable increase in their expenditures. Note that this implementation consideration only applies for the initial transition period and will not apply in the future if there is a significant increase in reported members.

## 2. BACKGROUND TO PROPOSAL

The Regional Registration Fee is an annual institutional registration fee paid at a per capita rate by all Member Organizations (MOs) yearly unless remission or postponement has received prior authorisation from the World Scout Bureau. These figures are based on the membership figures reported by Member Organizations as part of the annual reporting package. Fees are charged to Member Organizations. Where countries have a federation, it is the federation that is charged, and it is up to the federation to determine how the fee is divided amongst National Scout Associations. The Regional Registration Fee differs from the Region's participation fees for participation in Regional Events.

### ***Brief History of Regional Registration Fees***

Regional registration fees have existed since 1970 when the 6th European Scout Conference sought the World Scout Committee to grant Europe full status and facilities of a Region (1970-R04 - European Unity in Scouting, Status of Europe as a Region). Before this, the 4th European Scout Conference in 1966 adopted a sharing of annual subscriptions (1966-09 - Permanent Secretariat). Resolutions in 1972 at the 7th European Scout Conference recognised the importance of the regular expenses of the budget being met by membership fees (1972-R07 - Financial Resources) and welcomed some Member Organizations' desire to increase their annual [membership fees] voluntarily (1972-01 - Accounts and Budget). Resolutions at the 10th, 12th, 13th and 14th European Scout Conferences raised the per capita rates from CHF 0.15 to CHF 0.19 (1980-R03, 1986-R02, 1989-R02, 1992-R03). A 'floor' was also in 1992, setting a minimum regional registration fee per Member Organization of CHF 300 (1992-R02).

Following the decision at the World Scout Conference in 1996 to introduce a four-category fee system—A, B, C, D—based on the Gross National Income per capita (GNIPC) of Member Organizations, the 18th European Scout Conference decided to increase the fee for category D countries to CHF 0.20 per member (2004-R17—New European Fee Structure). The per capita fee has since remained unchanged.

The last Regional Registration Fees developments were at the 21st European Scout Conference in 2013, where it was decided to collect the Regional Registration Fees in Euro instead of Swiss Franc and, in the light of the decision at the World Scout Conference 2011 where the WOSM Registration Fees were frozen for the period 2011-2020, it was also decided to freeze the Regional Registration Fees based on the census figures of 31.12.2009 (2013-R02 - Regional Fees). The basis for this decision at the World Level is outlined in Conference Document 10 of the 30th World Scout Conference, citing the need for certainty, which cannot be provided through the use of a Cost Price Index (CPI) and potential changes in the GNIpc base, as well as the obstacle a registration fee system based on per capita fee poses to encouraging Member Organizations to grow their membership (30WSC/02; Conf Paper 10).

### ***Role of Regional Registration Fees***

The existence of a Regional Fee, paid by Member Organizations (MOs), is enshrined in the Constitution. Since the conference resolutions in 1972, the European Scout Region has successfully diversified its income beyond Registration Fees, as currently, approximately 10% of the budget of the European Scout Region comes from Regional Registration Fees. Other sources of income for the Region include the Fund for European Scouting, Institutional Funding from the EU and Council of Europe, and WOSM contribution. Details can be found in the yearly audited accounts ([last version 2023-2024](#)) introduced by the Regional Treasurer. However, the Regional Registration Fee remains one of the most important sources of income for the European Scout Region for several reasons, including:

1. **Financial Autonomy:** Registration Fees are among the few sources of 'unrestricted' funds (i.e. no specified purpose). This allows for flexible and autonomous budget decisions for the Region. An area these unrestricted funds often support is the costs associated with governance duties, which are sometimes difficult to integrate into other funding applications.
2. **Support for Services:** The Region provides numerous services to MOs, including development and capacity building, advocacy and partnerships, training, events, networking opportunities, and operational support.
3. **Unlocking External Funding:** External funding often requires a certain percentage of its budget. Unrestricted membership fees can be used for this purpose, unlocking external financing.
4. **Alignment of Regional Priorities:** The Member Organizations define the Region's strategic priorities, and the fees directly contribute to their implementation and ensure the Region's accountability to Member Organizations.

### ***Time for Change***

During the 2019-2022 Triennium, the European Scout Committee initiated a review of the Regional Registration Fee structure to analyse how a future fee model could look, especially in the light of WOSM's review work for an updated registration fee model at the World level. Due to the COVID-19 pandemic and its significant impact on the organisation, the European Scout Committee decided not to move forward with a proposal to change the fee model but instead continue the review. Therefore, it was proposed to keep the regional fees at the current level for 2022-2025 to undertake a holistic review of the Regional Registration Fees system and to deliver its final considerations and proposal for a future Regional Registration Fees system, along with a clear rationale, to the 25th European Scout Conference (29ESC/03). The aim was not to abolish the Regional Registration Fee but to review and propose updates based on the current situation in the Region.

### ***The Regional Fees Task Force, 2024-2025***

The Task Force began work in early 2024. The first stage of work focused on a thorough desk review and informal consultations. This involved a review of all previous European Scout Conference resolutions relating to fees and finances, the European Scout Region's constitution, quantitative analysis of the Member Organizations finances and the role both Regional and World fee plays in them, discussions at the

International Commissioners Network meeting in June 2024, developments at the World Scout Conference in Egypt in August 2024, insights from the European Scout Committee, and a review of previous desk-based research and working group outputs relating to fees within the Region. Following this, several possible models were developed and shared with the European Scout Committee for feedback. Based on this feedback, one preferred model was identified and refined over a number of phases of feedback through regional communications, online forms and a Padlet, an online campfire consultation, interviews with interested Member Organizations, and informal reachouts through the International Commissioners network. The work of the Task Force was closely monitored by the European Scout Committee and was supported by the present and, most recently, former Regional Treasurers.

In reviewing the history of the Regional Registration Fee System, it is clear that the current system was designed to distribute the burden of fees in the most equitable manner possible, taking into account the size (i.e. the per capita principle) and means (i.e. the categories) of all Member Organizations. In consulting Member Organizations, it seems this is no longer the case, and the existing model is unsuitable. There is a need for the Regional Registration Fee System to be transparent, fair, sustainable and based on current membership figures. There is an appetite for a sustainable system that ensures a small group of Member Organizations do not pay the bulk of the fees, which will not require revisiting in a few years, but also a system that will counteract the impact of an increased fee on limiting growth. The Regional Fees Task Force aimed to propose an updated, financially sustainable system that reflects the current realities of Member Organizations (MOs) and ensures the Region has a stable, predictable, and long-term source of income. The goal was to maintain the value of collected fees at approximately 15% of the regional budget (the level it represented when the freeze was implemented) to preserve the value of the Region's income from membership fees deteriorated by inflation. This is important as, over the last 10 to 15 years, inflation has significantly reduced the actual value of these fees. Finally, it was determined that an evolutionary approach to revising the Regional Registration Fee system was preferred to a radical overhaul.

As the task was to provide a holistic review of the system, several other topics were identified through informal discussions or brainstorming potential considerations. However, they were later deemed not appropriate for exploration at this time. These topics included consideration of the size of Member Organizations' budgets, or for the voting power at the Conferences (instead of just its membership size or the economic development of the country), considerations of an operations tax that might be added to participation fees at regional events, formalisation of volunteer increases in contributions, and a discount for membership within both World Scouting and WAGGGS.

The resolution (2022-03) called for the review to consider all sources of funding to meet the Region's needs. The European Scout Committee has carried out part of this work separately in the plan for diversifying income for the Region. This, together with the work carried out by the Task Force, will be the foundation for the region's future financing.

### 3. KEY CONSIDERATIONS

The current system presents some challenges. The Task Force identified and explored these, and they were considered in developing the new proposed Regional Registration Fee System.

**Per Capita Fee / Membership Figures:** The European Scout Region's Constitution (Article VI Financial Provisions) states that each Member Organization shall pay an annual registration fee at an agreed per capita rate to be determined by the European Scout Conference. Due to the Regional Registration Fee being calculated on outdated membership figures, most Member Organizations are not paying an accurate per capita registration fee. The European Scout Region currently charges approximately 1.4 million members, even though the regional census data shows we have approximately 2 million members. This led

to the conclusion that **a preferred model should be a per-member model** to fulfil constitutional requirements **and include current membership figures in fee calculations**, not historic, outdated membership figures.

**The Risk of Limiting Growth:** One of the reasons cited for the freeze on membership figures used to calculate World and Regional Registration Fees in 2011 and 2013 was the risk that Member Organizations would view growth as expensive, which would serve as a deterrent to growth. Unfortunately, it is difficult to navigate this challenge when the constitution calls for a per capita rate for fees, and it seems that part of the reason that the fee system remained frozen for so long was that there was no readily available solution. In light of this, it was concluded that **a preferred model should include a protective factor to help avoid discouraging growth within Member Organizations while maintaining a per capita rate.**

**Category Bands:** Throughout the present review, it became evident that many Member Organizations feel they are miscategorised in the four fee categories, highlighting that indices like GDP or GNIpc often do not accurately reflect the budget of a Member Organization. It must be acknowledged that determining the economic power of a country is a challenge and that although GNI is not a perfect indicator, in the absence of a better indicator, it is considered the fairest, most pragmatic available option. Given the significant and more essential changes in unfreezing the membership numbers and maintaining alignment with the World Level, it was determined that the fee categories should stay aligned with the World Level. This would ensure a simpler model and keep complexities for the Member Organizations at a minimum (i.e. not introducing new categories). The **preferred model should continue to use existing World Level fee categories.**

**Inflation:** Inflation is a challenge facing organisations, companies, and countries worldwide. It is important that any proposal brought to Member Organizations is 'future-proofed' and robust enough to remain fit for purpose in an ever-changing economic climate. While creating space for economic changes and developments within a fee system, the more dynamic approaches to addressing this (for example, a CPI like previously used at the World Level) add a level of uncertainty and risk which most Member Organizations are unwilling to accept, as evidenced by the previous freezing of changes to registration fees at World level (2011) and European level (2013). Based on this, the model proposes **to include a fixed 'inflation factor' adjustable by Conferences, which balances predictability and flexibility.**

**Imbalanced Burden of Responsibility for Fees:** Desk research indicates that approximately 70% of Regional Registration Fees are paid by just seven Member Organizations. Some feel that this reality contradicts the intent behind the existing fee system to distribute the burden of fees in the most equitable manner possible. Additionally, given the importance of having diversified funding sources, the Region mustn't overly rely on one or a few contributors. On the other hand, the per capita principle precludes us from making significant changes, such as introducing a hard cap. This led to the conclusion that **a preferred model should include an adjustment to help slow the impact of ever-increasing Regional Fees on Member Organizations beyond a specific size**, as it is clear there is a level of services each Member Organization needs. It is not correlated with its size.

**World Level Developments:** When exploring the impact of any change in Regional Registration Fees for Member Organizations, it is crucial to consider the evolving situation of World Level Registration Fees. For many Member Organizations, Regional Registration Fees are approximately 12% of what they pay to the World Level. The Task Force followed the developments on Registration Fees at the World Level, specifically the adopted resolution at the 43rd World Scout Conference, which mandated a 5% increase to the registration fees paid by each Member Organization in light of global inflation (2024/02). While adopted at the Conference, this flat percentage increase is not a long-term solution and will require further review in the future (as requested by Conference Resolution). There is no requirement for the Region to adapt the Regional Registration Fees based on a new World Level Fee system, and it is clear that a long-term sustainable model is preferred over a one-time adjustment.

**Currency and Exchange Rates:** A challenge in global and regional economies is the variance that arises when several different currencies are involved in a system. The EUR is by far the most used currency in the Region. Although approximately half of European Member Organizations do not use it, paying the fee in domestic currencies would introduce an unnecessary risk and operational burden on the Region. Based on

this, it was determined that **the EUR should continue to be the currency used in invoicing and paying Regional Registration Fees.**

## 4. IMPLEMENTATION STRATEGY

Undeniably, this proposal will result in higher fees for most Member Organizations. On the other hand, delaying action in our growing Region would only worsen the situation in the coming years as the difference between what is being paid and what would be paid based on actual membership numbers would grow, making it even more difficult. This means that unfreezing membership numbers and fees — the most impactful change — are easier to do earlier than later.

### *Timeline*

If the European Scout Conference adopts the proposed fee model resolution immediately, the new fee model will apply to the invoices sent to Member Organizations for the fiscal year from October 1, 2025, to September 30, 2026. These invoices will be issued in December 2025, based on the latest available membership data from 2024. Census data from 2024, 2023, and 2022 will be considered to calculate the lowest membership number of the past three years. If a Member Organization has not reported membership figures for one of the three calendar years considered in the calculation, the most recently reported figure will be used in its place.

### *Monitoring and Review*

If this new fee system is adopted, the European Scout Committee should produce a report on implementing the new Regional Registration Fees system before the subsequent two European Scout Conferences in 2028 and 2031. This would allow the European Scout Committee and Member Organizations to have time to propose a resolution for the European Scout Conference (e.g. on the rate of inflation adjustment or any other aspect of the model) if they are not satisfied that the newly adopted model has the desired effect. This will ensure periodic reviews and reporting of the new model's implementation while preserving the European Scout Conference's (comprising Member Organizations) ability to adjust it as required.

## 5. STAKEHOLDER ENGAGEMENT AND FEEDBACK

Below is a summary of the different stakeholder engagements conducted during the Task Force's work.

**Increase in *Per Capita* Fee:** Member Organizations generally accepted this element of the new system. They recognised that it offered a fair, sustainable model that was mindful of current economic realities and developments in the last 15 years.

**Unfreezing of Membership Figures:** During the initial scoping consultations, it appeared that there was a strong appetite to unfreeze membership figures used to calculate the Regional Registration Fee, particularly in the spirit of fairness, both for those Member Organizations who have grown and those whose membership figures have declined. As the consultations progressed, there continued to be support for this element. Still, the conversation turned more to exploring how to mitigate the likely impact of this unfreezing on Member Organizations, both financially and strategically. It is hoped that these concerns are adequately addressed through the rolling three-year membership figure, limiting the fee increase paid by any Member Organization to 33.3% and introducing an adjustment for Member Organizations beyond a specific size.

**Inflation Factor:** There was significant engagement on the inflation factor, mainly if there should be a permanent increase at all, how it will be determined and how, if required, it could be adjusted. Several Member Organizations were raising concerns about whether 2% is reasonable and how best to change this number if needed. The Task Force introduced explicit reporting during the next two Trienniums to address this. This reporting would allow both Member Organizations (who can express their concerns and make adjustments at the Conference) and the Committee to facilitate the discussion and make it easier to open the topic if they wish to do so.

**Large Member Organization Adjustment:** The question of whether larger Member Organizations should pay for all of their members, resulting in a small number of Member Organizations contributing a disproportionately large amount of the Regional Registration Fees, was one of the most thoroughly discussed topics during consultations. On the one hand, it was suggested that a more significant adjustment or stepped approach should be implemented to allow for more equitable fee distribution among Member Organizations. On the other, it was argued that a *per capita* system should apply to all Member Organizations, not just the moderately sized ones, and that no significant adjustment should be taken. It was a challenge to address these contrasting views. The implementation of a minimum fee, established in 1992, creates a precedent for adjustments that can lead to some Member Organizations paying fees not proportional to their membership numbers. This undermines the *per capita* approach, which was intended to ensure fairness. Given this context, it was determined that the proposed mechanism for a 10% fee adjustment for all members with more than 75,000 members is acceptable. Although it does not fully address the concerns of larger Member Organizations who feel that the Region's fee system should not have a small number of Member Organizations paying such a large portion of the fees, it is thought that it recognises the contributions from large Member Organizations and dependency on them, while still respecting the *per capita* principle.

## 6. FINANCIAL AND OPERATIONAL IMPACT

The following table presents an overview of the anticipated impact on Member Organizations, including a comparison with the current fee and the 2011 census used. The table presents the Proposed Fee but also estimates the most recent fee (the one that would include a transition adjustment, if applicable).

	Census 2011	Census 2021	Census 2022	Census 2023	Category	Current Fees	Proposed Fees	Proposed Fee 2025- 2026 (transition)
Albania				399	C		245	
Armenia	2 287				B	195	245*	245
Austria	10 277	27 274			D	1 336	3 818	1 781



Azerbaijan	1 654	1 571	616	638	B	195	245	245
Belarus	1 200	1 251	1 268	1 358	B	195	245	245
Belgium	96 780	121 600	118 492	119 604	D	12 581	15 980	15 980
Bosnia	1 235			2 289	B	195	245	245
Bulgaria	2 109	304	346	373	B	195	245	245
Croatia	3 787	3 111	3 259	3 210	C	246	245	245
Cyprus	5 328	4 280		5 099	D	692	599	599
Czechia	19 196	68 479	70 818	71 519	C	1 247	4 794	1 663
Denmark	40 299	46 946	44 835	43 166	D	5 238	6 043	6 043
Estonia	1 328	1 154	1 125		C	195	245	245
Finland	55 621	54 900	56 433	53 949	D	7 230	7 553	7 553
France	75 547	113 335	120 054	121 908	D	9 821	15 330	13 094
Georgia	1 343				B	195	245*	245

Germany	115 344	110 096	118 242	118 839	D	14 994	14 922	14 922
Greece	15 269	12 671	17 835	17 849	D	1 190	1 774	1 587
Hungary	8 098			14 673	C	526	1 027	701
Iceland	1 702	1 756	1 800		D	221	246	246
Ireland	37 686			34 678	D	4 899	4 855	4 855
Israel	21 920				D	2 849	8095*	3 799
Italy	102 770	98 616	101 153	101 922	D	13 360	13 476	13 476
Latvia	463				C	195	245*	245
Liechtenstein	752	712	714		D	195	245	245
Lithuania	2 295	3 004	2 689		C	195	245	245
Luxembourg	5 241	7 776	7 702		D	681	1 078	908
Malta	2 707	3 633	3 977		D	351	509	468
Moldova	2 414				A	195	245*	245
Monaco	47			144	D	195	245	245

Montenegro	1 100	1 509	1 657	1 709	B	195	245	245
Netherlands	48 845				D	6 349	7351*	7 351
North Macedonia	1 964	2 957	3 017	3 028	B	195	245	245
Norway	17 348	15 771		15 285	D	2 255	2 140	2 140
Poland	34 809				C	2 262	2516*	2 516
Portugal	75 321	71 246	71 246	74 428	D	9 791	9 974	9 974
Romania	2 272	6 087	6 902	6 797	B	195	245	245
San Marino	147				D	195	245*	245
Serbia	3 746				B	195	245*	245
Slovakia	3 149	7 465	7 918	8 497	C	204	523	272
Slovenia	5 173	6 065		5 953	D	672	833	833
Spain	53 089	63 911	67 486	71 534	D	6 901	8 948	8 948
Sweden	49 182	41 713	43 698	44 280	D	6 393	5 840	5 840
Switzerland	23 855	26 737	26 505	26 505	D	3 101	3 711	3 711

Turkey	33 938			272 337	B	1 119	8 841	1 492
Ukraine	2 429	1 580	1 812		B	195	245	245
United Kingdom	442 617	558 351	561 875		D	57 540	71 402	71 402

*The table is indicative only, as the final numbers will be confirmed after the 2025 reporting period and once the 2024 census data is available. If you notice any inconsistencies, please get in touch with the Task Force and/or the Europe Support Centre.*

*\*These countries have not submitted census data in the past three years, making it difficult to estimate their fees accurately. This table's calculations are based on the most recent available data, often from 2020 or 2019.*