

## EXTRAORDINARY NECSTouR GENERAL ASSEMBLY MEETING 2017

### PROPOSAL TO RAISE THE NECSTOUR ANNUAL CONTRIBUTION

#### Reasons for raising the NECSTouR annual contribution

This document results from the Executive Committee's reflection and decisions taken during their meetings held on the 20<sup>th</sup> of June and 18<sup>th</sup> of September 2017, about the reasons for raising the NECSTouR annual contribution and the procedure for doing it so.

#### 1. BACKGROUND

The Executive Committee acknowledges the following facts:

- NECSTouR is a fully self-financed network. All NECSTouR's revenues depend on the annual membership fee, contributions in kinds from its members and grants through European Union projects.
- With regard to the annual membership fee the NECSTouR statutes indicate:  
**Article 31. Annual contributions**  
*The annual contributions cannot exceed the amount of 10000 euro.*  
*The annual contribution will be stipulated in the rules and regulations and will be subject to a vote by the General Assembly*
- The Annual Fee has not been changed since the creation of NECSTouR in 2009 and is of 2000€ for the Full Members and of 500€ for the Associated/Academic Members.
- NECSTouR 's Full and Associated members normally pay on time they fee and there are just a few pending payments from the previous years.
- The main expenditures from NECSTouR correspond to the staff. Salaries of the Permanent Secretariat payed by NECSTouR are two: one Coordinator and one Communication Officer. The salary of the Project Officer is covered as an in-kind contribution by NECSTouR 's Presidency.

The Executive Committee has analysed the financial sustainability of the network and considers:

- **The overall revenues from the annual membership fee (70.000€ in 2016) makes unable to cover NECSTouR Total Expenditures (132.980€<sup>1</sup>) € even to cover the costs of the Permanent Secretariat staff (109.374€) and other related operational costs, communication costs and project costs. As it is shown in the *NECSTouR 2016 Accounts and draft 2017 Budget approved by the AGM 2017*, NECSTouR expenditures - staff and associated costs, operational costs, communication costs - **are covered only thanks to some other extra revenues, from projects and contributions in kinds from members.****
- **The lack of financial autonomy is affecting the network sustainability:** if an unexpected lack of the above mentioned extra incomes happened or the combined withdrawal of some of its current members, **NECSTouR could be exposed to bankruptcy.**

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<sup>1</sup> The decision of the NECSTouR Annual General Meeting 2017 in Seville was to include the in-kind contributions of Members in the NECSTouR Accounts. Therefore, in the NECSTouR Total Expenditures 110.000€ and the NECSTouR Staff Costs 86.294€ we are including 22.980€ corresponding to the NECSTouR's Presidency contribution to cover the Project Officer salary.

- Following the 2016-2018 Strategy, **NECSTouR is repositioning itself in the framework of the European Tourism Policy and it is constantly expanding the type of services offered to members while improving their performance.**

This entrusts a very positive impact for the network in terms of positioning, visibility, recognition, member's loyalty, attraction of new members, among others, but it has a strong impact on the daily workload of the Permanent Secretariat staff. To successfully implement the NECSTouR strategy, at least one additional permanent person should be integrated in the Permanent Secretariat team, however, besides counting with temporary trainees, this is not possible for the moment due to the lack of financial resources. This may jeopardise the network capacity to achieve its goals.

- **Benchmarking NECSTouR membership fee with other similar European networks** where NECSTouR members are also members, shows how the **NECSTouR fee is considerably lower** although the type of services and performance seem quite alike.
- The **inflation rate, from 2009 until 2017, should be taken into consideration** when raising the membership fee. This rate corresponds to: 282€.

**Conclusions of the Executive Committee NECSTouR membership fee analysis:**

To ensure the financial sustainability and the autonomy of the network a raise on the standard membership fee is proposed to respond to the following, challenges/opportunities:

- **Fee vs Costs:** ensuring the fees cover the totality of NECSTouR expenditures without depending on extra income
- **Services payed vs Services delivered:** acknowledging the evolution of the services provided: its number, quality and performance
- **Staff:** guaranteeing the Permanent Secretariat salary is in coherence with the performances provided and the workload and giving the opportunity to think on the possibility to enlarge the staff
- **Risk management:** anticipating possible worst-case scenarios that could affect the financial stability of the network
- **Inflation rate:** integrating the inflation rate as to remain competitive

Thus, the NECSTouR Executive Committee states that in order to ensure the financial sustainability and autonomy of the network a raise of the NECSTouR annual membership fee must be implemented as from 2018.

## 2. NECSTouR MEMBERSHIP SERVICES EVOLUTION

NECSTouR has been progressively becoming a structured, consolidated and professional organisation. Thus, the services provided by the network to its members have been evolving in a qualitative and quantitative way with a particular upgrade due to the establishment of NECSTouR 2016 - 2018 Strategy.

Type of services	Services 2009 - 2015	Services 2016 - onwards
Membership	- Informal follow up	- Strategy for attract new members and reinforce the loyalty of the current members
Advocacy	- Position Papers - Raising the Regional voice at EU Level - Cooperation with other EU networks and stakeholders	- Members of the Steering Committee at the European Tourism Manifesto Group - Representation with EU Institutions: European Parliament and Committee of the Regions, besides European Commission - Recognition of NECSTouR in the Committee of the regions Opinion Paper: "Tourism as a driving force for regional cooperation across the EU" - Representation of NECSTouR interests through amendments to policy documents published and/or ratified by the different EU institutions - Memorandum of Understanding with UNWTO

Working Groups	<ul style="list-style-type: none"> <li>- Sharing good practices during events and meetings</li> <li>- Organising events</li> <li>- Developing good practices catalogues</li> </ul>	<ul style="list-style-type: none"> <li>- Sharing good practices during events, meetings and website/database on the bases of established long- term objectives</li> <li>- Access to NECSTouR's database</li> <li>- Strategic alliances with EU Stakeholders and Initiatives</li> <li>- Working group events</li> <li>- Information intelligence through previous analysis and targeted with the working group strategy and objectives strategic</li> <li>- Weekly updates in Hop On</li> </ul>
Communication	<ul style="list-style-type: none"> <li>- Monthly Hop On</li> <li>- Access to website</li> <li>- Semester Newsletter - Newstour</li> </ul>	<ul style="list-style-type: none"> <li>- Weekly Hop On</li> <li>- Monthly Newstour</li> <li>- Website – member account</li> <li>- New website</li> <li>- NECSTouR Communication officer</li> </ul>
Visibility	<ul style="list-style-type: none"> <li>- Participation Organisation of Events and some high level events</li> </ul>	<ul style="list-style-type: none"> <li>- Participation/Organisation of Events and more frequently organisation of high level events</li> </ul>
Projects	<ul style="list-style-type: none"> <li>- Project engineering, consortium building, know how contribution</li> <li>- Participation to projects</li> </ul>	<ul style="list-style-type: none"> <li>- Strategic participation to EU projects to implement NECSTouR strategy</li> <li>- Strategical support on project engineering: partnership building, knowledge based contributions, strategic alliances</li> <li>- Projects Hub for Members</li> </ul>

### Annex I: NECSTouR 2016 Accounts and draft 2017 Budget appr

	BUDGET 2015	Accounts 2015 up to 07/06/2016	DRAFT BUDGET 2016	ACCOUNTS 2016: CASH FLOW	DRAFT BUDGET 2017
<b>REVENUES</b>					
Fees	108.000,00	80.488,00	84.000,00	86.600,00	82.600,00
FULL	27 54000	17 34000	26 52000	26 52000	37 71000
ASSOCIATED	27 13500	14 7000	16 8000	36 18000	23 11500
Special fees	1 15500	2 17500	0 0	2 15500	10000
Due fees 2013-2014	23000	5F 2A 16498			
Due fees 2015 paid 2016		2F 3A 5500		Included in row 485	
2016 Fees paid in 2015			2 4000		
Miscellaneous			0,00	370,60	0,00
Bank - State/ONSS reimbursements				370,50	0
Projects	86.133,67	47.391,87	73.278,84	46.878,88	44.872,24
Skills & Education (tender)				13.000,00	
NEZEH				0,00	28.113,00
Spirit Youth				32.878,88	18.668,24
MITOMED +					na
Provision from 2016 savings			22.000,00	22.000,00	
Contributions in kind (not recorded)					
Secretariat Rental Costs: Tuscany	8.000,00	8000			
Payroll Projects officer: Catalonia					
Hosting AGM 2016: Scotland, Flanders					
Hosting AGM 2016: Andalucla					
Sponsoring events 2016: Catalonia					
<b>Total of the foreseen revenues</b>	<b>201.133,67</b>	<b>137.389,87</b>	<b>169.278,84</b>	<b>163.769,48</b>	<b>137.172,24</b>
<b>EXPENDITURES</b>					
Staff and associated costs	76.844,00	77.870,63	83.631,00	88.384,84	88.000,00
Permanent Secretariat	72050	73442,84	77381	82801,89	83000
Experts	0	0	0	0	0
Accountancy + Payroll services	2144	4127,76	5000	3592,75	6000
Bank expenses	150	99,93	150	Included in miscellaneous	Included in miscellaneous
IT support (external)	100	0	1000	Included in row 41	Included in row 41
Trainees	1200	0	0	0	0
Operational costs	11.454,90	11.203,81	8.060,00	8.408,97	7.460,00
Rent	8000	8000	3000	0	2000
Rent related costs (cleaning...)	0	280,64	0	60	0
Telephone charges & internet	2204	1721,85	2000	1996,52	2200
Postal charges	250	72,45	150	115,99	150
IT (senior)	0	0	200	Included in row 41	Included in row 41
IT equipment	500	243	2200	3287,85	2000
Office supply	500	885,67	500	948,61	1100
Communication	7.600,00	8.480,24	11.800,00	16.802,23	13.000,00
Publications for promotion	0	0	0	0	0
Communication Tools	500	0	8300	7475	10000
Events costs	2500	5997,5	2000	7217,86	2000
Travels	4000	2054,39	1000	909,37	1000
Representation costs	500	428,35	500	0	0
Miscellaneous	1.000,00	2.064,38	600,00	804,01	600,00
Administrative				604,01	500
Unforeseen	1000	0	500	0	500
Projects	33.700,00	13.482,31	63.863,33	38.429,13	18.169,88
Skills & Education (tender)				0,00	
NEZEH				28.212,09	
Spirit Youth				10.217,04	18.169,88
MITOMED +					na
<b>Total of expenditures</b>	<b>128.288,60</b>	<b>112.901,08</b>	<b>167.834,33</b>	<b>146.438,88</b>	<b>128.108,88</b>
<b>RESERVES</b>					
Savings 2009	14.380,38	14.380,38	14.380,38	14.380,38	
Savings 2010	28.172,80	28.172,80	28.172,80	28.172,80	
Savings 2011	6.714,47	6.714,47	6.714,47	6.714,47	
Savings 2012	- 1.827,02	- 1.827,02	- 1.827,02	- 1.827,02	
Savings 2013	- 6.406,48	- 6.406,48	- 6.406,48	- 6.406,48	
Savings 2014	3.897,20	3.897,20	3.897,20	3.897,20	
Savings 2016	71.836,67	28.642,88	28.642,88	28.642,88	
Savings 2018					
Use of reserve					
Operational Reserve					
NECSTouR Development					
<b>Balance</b>	<b>71.836,67</b>	<b>28.642,88</b>	<b>1.446,61</b>	<b>8.311,61</b>	<b>8.982,27</b>

Proposal of the NECSTouR Executive Committee decided by majority  
in its meeting of the 18th of September 2017, Brussels,  
submitted to the vote of the General Assembly in its extraordinary meeting  
held on the 26<sup>th</sup> of September in Brussels

#### **Full Members:**

**The NECSTouR annual contribution of the Full Members is 4000€ as from the 1<sup>st</sup> of January 2018.**

**A transition period during the financial exercise 2018 is foreseen only for those Full Members, which might face procedural constraints about their budget amendment at this time of the year. The above-mentioned members should formally notify the situation to the Executive Committee, which will analyse their request on a case per case basis, before the end of this year. Proven evidence of the above-mentioned situation as well as the commitment to apply the new annual contribution as from the 1<sup>st</sup> of January 2019 is required by the concerned member in view of a decision taken by the Executive Committee.**

**Any Member willing to contribute with a higher amount can do it so provided it does not exceed the amount of 10.000€.**

#### **Associated Members:**

**The NECSTouR annual contribution of the Associated Members is 750€ as from the 1<sup>st</sup> of January 2018.**

**Any Member willing to contribute with a higher amount can do it so provided it does not exceed the amount of 10.000€.**