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**Agenda Item: 7(a)(ii) Member Contribution Fund**

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**Recommendations**

The Regular Annual Meeting is invited to:

- a) **note** that Members contribute annually to the Member Contribution Fund based on a tiered approach with each tier linked to an agreed amount;
- b) **endorse** that the Members' contribution for 2018/19 Financial Year is to remain at the same level as previously endorsed by Members at the 2014 Regular Annual Meeting;
- c) **welcome** the commitment shown by Members in supporting the Member Contribution Fund;
- d) **welcome** efforts by the Secretariat to collect previously outstanding Member contributions; and
- e) **encourage** Members to pay their agreed contribution in full before August 2018.

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**Purpose**

This paper seeks to guide discussions on contributions towards the Member Contribution Fund for the 2018/19 Financial Year as required under Regulation 6 of the Financial Regulations.

**Background:**

2. The activities of PIDC's Annual Workplan and Budget (AWPB) are funded in part by member contributions to the Member Contribution Fund constituting 5% of the total budget (programme and operations). The current contribution and respective tier levels were endorsed by Members at the 2014 Regular Annual Meeting (RAM) in Papua New Guinea.

3. Members at the 2016 RAM in Majuro Marshall Islands tasked the Secretariat to issue invoices using the exchange rate prevailing on the first business day of the new financial year to convert New Zealand dollars to Samoa Tala with contributions paid directly into the PIDC bank account.

4. The Membership Contribution Fund was established primarily to contribute towards Members attendance at PIDC organised event including secondment, Board and Regular Annual Meetings. For the current financial year, total budgeted programme expenditure was 1,306,159 with Members Contribution fund of 99,180 remaining at 8%. In the 2016 – 2017 financial year, PIDC receipted Membership Contribution of 85,218 being 8% of programme expenditure 1,058,258 (actual spent).

5. As Members are aware, PIDC is at the end of its current strategic plan with the new strategic plan coming into effect next year. The 2019 – 2021 strategic plan will introduce a more targeted approach to advance the baseline workshops and studies that have been completed. This would subsequently result in increased in country technical missions and secondment of officers to develop Members capacity and capabilities impacting change and making real difference for PIDC Members.

**Financial Implications**

6. The current contribution and tier levels were last changed at the 2014 RAM. Members Contribution towards the total budget for the 2018 – 2019 financial year will represent approximately 5% or 100,753. Members failing to pay contributions in time may result in delays in the Secretariat implementing its workplan.

7. The 2014 endorsed tier levels and respective contributions are detailed in the following table:

<b>Member Country – Tier Levels</b>	
<b>Exempt</b>	
Australia and New Zealand	
<b>Tier 1 - NZD 5,000</b>	<b>Tier 2 – NZD 4,000</b>
French Polynesia	American Samoa
Guam	CNMI
New Caledonia	Cook Islands
Papua New Guinea	Fiji
Samoa	Solomon Islands
	Vanuatu
<b>Tier 3 – NZD 3,000</b>	<b>Tier 4 – NZD 2,000</b>
Kiribati	FSM
Marshall Islands	Nauru
Tonga	Niue
	Norfolk Island
	Palau
	Tuvalu
	Wallis and Futuna

*Table 1: Member Contribution Fund tier.*