

**I EXCO MOTION FOR SI DISTANT VOTE May 2021**

<b>1. Heading for motion (No more than 10 words)</b>
<b>Securing Servas International (SI) resources through a new funding model</b>

<b>2. Member Group(s) proposing motion (note that only SI Exco and Member Groups may propose motions)</b>
Servas International Executive Committee (SI Exco)

<b>3. Exact wording of the motion to be voted on</b>
<b>That Servas International adopt a new funding model for the financing of the its activities as follows:</b>
<b>1/ The annual fees to be paid by Member Groups are based on the number of individuals from that country with personal profiles registered in the Servas Online System.</b>
<b>2/ The key elements of the new funding model and its implementation are:</b>
<b>a/ The annual fees payable by a Member Group will be calculated using the formula shown in Appendix 1.</b>
<b>b/ The formula calculates the annual fees so that the total for all Member Groups is sufficient to meet the SI Budget for the year. An example budget for 2022-23 is shown in Appendix 2.</b>
<b>c/ Under the formula, the amount per individual would vary by Member Group and is based on the financial ability of the Member Group to pay the annual fees.</b>
<b>d/ The new funding model shall be implemented for the calendar year 2022, the fees will be calculated based on the personal profiles registered in Servas Online on 31 December 2022 and become payable to SI in January 2023.</b>
<b>e/ The fees payable in January 2023 will be reported as SI income for the financial year 1 April 2022 to 31 March 2023.</b>
<b>3/ SI Exco will be responsible for implementing the new funding model.</b>
<b>Appendix 1 Formula for New Funding Model</b>
<b>Appendix 2 Example budget for 2022-23</b>

<b>4. Background information and reasons for proposing the motion</b>
This motion is based on several reflections.  Previously, Servas International resources was based on payments for International Stamps by each Servas member country. With a SI stamp a Servas traveler’s Letters of introduction becomes valid and allows her or him to visit Servas hosts. Consequently, SI was funded primarily by travelers. During SICOGA 2018, the membership decided to explore a new funding model based on individual membership. While the model was being developed, the annual payment by member groups was set at the average of the 2016-18 period. If a new funding model is not approved, funding for SI will revert to the old system based on stamps from 2022. The logic for exploring a funding model based on individual membership is based on the fact that the resources of Servas International are expended on all members, not just travelers. Under the previous system, travelers therefore subsidize all other Servas members for services provided by Servas International. Unfortunately, that

system has several negative points and can put Servas International's finances in jeopardy. This has been most evident during this pandemic when travel has dropped to an all-time low.

According to its Statutes from 2018, "Servas International is an international, non-profit, non-governmental federative organization of national Servas member groups, interest groups and **individual members** [...], The purpose of the network is to provide and develop opportunities **for personal contacts** between people of different nationalities, cultures, ethnic and religious backgrounds." Its budget is used to develop and maintain its online system (with over around 15 000 individual profiles), to organize its international conference and general assembly every 3 years, and to develop its presence in many countries by helping Servas groups structure themselves.

The services provided by Servas International are enjoyed in equal measure by all members – whether they are travelers, hosts or supporters. We believe that the pleasure of welcoming is as great as that of being welcomed and undoubtedly as enriching. The proposal of fees per member (whether they travel or not) is more in line with the values of Servas. Belonging to Servas means belonging to a peaceful non-profit organization with a representative to the UN, and also benefiting from all the services of Servas International, starting with the servas.org site, but also the SI News Bulletin, and access to information from other countries. All members must feel that they are members of our international organization and a peace movement, not just of a country group. And paying an annual fee is a sign of belonging. It is a natural extension of membership and support.

The funding model and formula proposed has been developed after much discussion in a google group specifically set up for the purpose. The formula was developed with the aim of making the cost per member/per year as low as possible while taking into considerations the financial and development conditions for each member group.

**The objectives and results of these new procedures are:**

- 1) Having a fair participation system, whatever the country.
- 2) Securing SI finances over time.
- 3) Ensuring that members who do not travel are real members, like the others.
- 4) Simplifying financial procedures and calculations for countries, between national membership fee and SI.

**5. Who is responsible for accomplishing the results of the motion?**

SI Exco, including Servas International Treasurer.

**6. Benefits for SI**

**Long-term security of financial resources.**

With a funding model based on individual fees for personal profiles registered in the ServasOnline System SI will be more robust and sustainable system for the financing of the organisation's activities than with the previous system which is based on travelers paying for LOI stamps.

SI's system based on revenue from LOI stamp is fragile for several reasons. It's vulnerable to global recessions, caused for example by pandemics, which slows down international traveling.

In a system financed with fees for all individuals having their personal profiles registered in the ServasOnline System will strengthen the sense of a Servas global community for all people who sympathise with the foundation that is expressed in the preamble of the SI Statutes (2018) as reproduced below:

**Principles, Ethos and Values, Vision and Mission Principles:** The fundamental **principle** of Servas International is the belief in the dignity and worth of the human person, and in the equal rights of all human beings as a foundation for a more peaceful world.

**Ethos and Values:** We, the members of Servas, believe that our lives are enriched when we meet, interact, share and learn from each other. Members of Servas promote peaceful coexistence by embracing values of

\* Friendship based on openness, trust and respect.

\* Hospitality and generosity, through travel, hosting and other opportunities for meetings.

\* Diversity and inclusivity, extending widely across cultures, traditions and religions.

**Vision and Mission:** The aim of the networking is to create conditions for exchange of ideas, experiences and knowledge that promote tolerance and understanding between the peoples of the world.

The overarching and long-term vision of Servas International is a more peaceful world and the mission is to contribute to the progress towards this goal.

#### **7. Resource needs - time, human resources and specialist expertise**

Simplification of procedures, and potentially less work for national treasurers. Counting the number of members from each country and taking the rate per member (which will be determined based on the budget for the year and communicated) will be sufficient to know the amount for that year to be paid to SI.

#### **8. Budget implications**

**There are no new budget implications for implementing these procedures. It does not affect the current/existing system of developing Servas International budgets.**

#### **9. Does it affect the SI statutes?**

**No**

#### **10. What is the impact if the motion is not passed?**

If this motion is defeated the financing of SI's activities will revert to the old system based on stamps provided to SI's member groups for the issuing of valid Letters of Introduction, LOI.

There are significant risks for Servas International finance if we continue with an inequitable system where all the burden is met by travelers, and in which two countries out of 75 contribute 50% of SI revenues

It does not send a proper signal for membership – that each member pays a fee. All members must feel that they are members of our international organization, and not just of a member/country group.

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**Amendments (Passed or defeated)**

**Final Motion (Passed or defeated)**

**Appendix - 1 Formula for New Funding Model**

The funding model agreed upon and the formula to calculate it is given below. Several models were considered and discussed in developing this model. This is the final model.

The amount that will be charged per member profile will be computed by taking the average amount payable per member profile to fund the approved SI budget for the year, and adjusting it for a cutoff. The average amount payable by a member profile is computed by weighting it by the member country HDI and an additional weight based on the HDI as given below. The most recent published Human Development Index (HDI) published by the UN agencies will be taken for this weighting. A cutoff of CHF 100 is used to determine if any amount is payable by a member group. Amounts below CHF 100 are voluntary.

In developing this model, several factors were considered.

1. The amount payable should reflect to the extent possible, the ability of the member groups and its members to pay. This was achieved by using the HDI and putting weights on the use of HDI.
2. To reduce the burden, the amount charged will be limited so that no more than what is needed to fund the budgeted activities of that year is collected. This will keep the fee each year to the absolute minimum needed for funding the budget.
3. The funding model should be kept as simple as possible - to be transparent and easily implemented. This was achieved by using just one weight (HDI) that seemed to best capture the ability of member groups to pay.

HDI greater than	Weight
0.75	1.00
0.60	0.50
0.50	0.25

A numerical example is given on the next page.

The example below shows the calculation for a budget of CHF 75,000 and a cut-off amount of CHF 100.

Exco fees calculated with Human Development Index						
Budget: 75,000		Cutoff (CHF): 100				
	Member Profiles (June 2020 Servas Online Profiles)	HDI 2018	HDI Weight	Variable Coefficient Calculation (for average rate)	Amount per member profile (Average Rate x HDI X Weight)	Amount per Country (# members x amount per member) >100 CHF
Albania	8	0.791	1.000	0.000	4.40	0
Argentina	277	0.830	1.000	229.910	4.62	1,279
Armenia	2	0.76	1.000	0.000	4.23	0
Australia	700	0.938	1.000	656.600	5.22	3,654
Austria	260	0.914	1.000	237.640	5.09	1,322
Bahrain	1	0.838	1.000	0.000	4.66	0
Bangladesh	29	0.614	0.500	0.000	1.71	0
Belarus	42	0.817	1.000	34.314	4.55	191
Belgium	354	0.918	1.000	324.972	5.11	1,808
Bhutan	1	0.617	0.500	0.000	1.72	0
Bolivia	4	0.703	0.500	0.000	1.96	0
Botswana	22	0.728	0.500	0.000	2.03	0
Brazil	147	0.761	1.000	111.867	4.23	622
Britain	655	0.920	1.000	602.600	5.12	3,353
Bulgaria	28	0.816	1.000	22.848	4.54	127
Burundi	1	0.423	0.000	0.000	-	0
Cambodia	5	0.581	0.250	0.000	0.81	0
Cameroon	29	0.794	1.000	23.026	4.42	128
Canada	422	0.922	1.000	389.084	5.13	2,165
Chile	29	0.847	1.000	24.563	4.71	137
China	27	0.758	1.000	20.466	4.22	114
Colombia	115	0.761	1.000	87.515	4.23	487
Congo (Brazzaville)	11	0.608	0.500	0.000	1.69	0
Congo (Kinshasa)	8	0.459	0.000	0.000	-	0
Costa Rica	63	0.794	1.000	50.022	4.42	278
Croatia	17	0.837	1.000	0.000	4.66	0
Cuba	14	0.778	1.000	0.000	4.33	0
Cyprus	1	0.873	1.000	0.000	4.86	0
Czech Republic	137	0.891	1.000	122.067	4.96	679
Denmark	447	0.930	1.000	415.710	5.18	2,313
Ecuador	6	0.758	1.000	0.000	4.22	0
Egypt	5	0.700	0.500	0.000	1.95	0
Estonia	3	0.882	1.000	0.000	4.91	0
Ethiopia	7	0.470	0.000	0.000	-	0
Finland	63	0.925	1.000	58.275	5.15	324
France	2,216	0.891	1.000	1974.456	4.96	10,987
Gambia	22	0.466	0.000	0.000	-	0
Georgia	21	0.786	1.000	0.000	4.37	0
Germany	2,021	0.939	1.000	1897.719	5.23	10,560
Greece	16	0.872	1.000	0.000	4.85	0
Guatemala	33	0.651	0.500	0.000	1.81	0
Hong Kong	10	0.939	1.000	0.000	5.23	0
Hungary	145	0.845	1.000	122.525	4.70	682
Iceland	2	0.938	1.000	0.000	5.22	0
India	216	0.647	0.500	69.876	1.80	389
Indonesia	34	0.707	0.500	0.000	1.97	0
Iran	90	0.797	1.000	71.730	4.43	399
Ireland	74	0.942	1.000	69.708	5.24	388
Israel	182	0.906	1.000	164.892	5.04	918
Italy	1,196	0.883	1.000	1056.068	4.91	5,877
Japan	209	0.915	1.000	191.235	5.09	1,064
Jordan	2	0.723	0.500	0.000	2.01	0
Kazakhstan	2	0.817	1.000	0.000	4.55	0

Kenya	19	0.579	0.250	0.000	0.81	0
Korea	186	0.906	1.000	168.516	5.04	938
Kyrgyzstan	19	0.674	0.500	0.000	1.88	0
Laos	2	0.604	0.500	0.000	1.68	0
Latvia	10	0.854	1.000	0.000	4.75	0
Lebanon	4	0.730	0.500	0.000	2.03	0
Lithuania	2	0.869	1.000	0.000	4.84	0
Luxembourg	16	0.909	1.000	0.000	5.06	0
Madagascar	5	0.521	0.250	0.000	0.72	0
Malawi	33	0.485	0.000	0.000	-	0
Malaysia	23	0.804	1.000	18.492	4.47	103
Mali	10	0.885	1.000	0.000	4.92	0
Malta	5	0.885	1.000	0.000	4.92	0
Mexico	80	0.767	1.000	61.360	4.27	341
Moldova	1	0.711	0.500	0.000	1.98	0
Mongolia	6	0.735	0.500	0.000	2.04	0
Morocco	1	0.676	0.500	0.000	1.88	0
Myanmar	3	0.584	0.250	0.000	0.81	0
Nepal	51	0.579	0.250	0.000	0.81	0
Netherlands	273	0.933	1.000	254.709	5.19	1,417
New Zealand	291	0.921	1.000	268.011	5.12	1,491
Nicaragua	1	0.651	0.500	0.000	1.81	0
Nigeria	1	0.534	0.250	0.000	0.74	0
Norway	122	0.954	1.000	116.388	5.31	648
Pakistan	8	0.560	0.250	0.000	0.78	0
Palestine	1	0.690	0.500	0.000	1.92	0
Panama	12	0.795	1.000	0.000	4.42	0
Paraguay	23	0.724	0.500	0.000	2.01	0
Peru	39	0.758	1.000	29.562	4.22	164
Philippines	17	0.712	0.500	0.000	1.98	0
Poland	141	0.872	1.000	122.952	4.85	684
Portugal	53	0.850	1.000	45.050	4.73	251
Romania	45	0.816	1.000	36.720	4.54	204
Russia	102	0.824	1.000	84.048	4.59	468
Rwanda	46	0.536	0.250	0.000	0.75	0
Saudi Arabia	14	0.857	1.000	0.000	4.77	0
Sierra Leone	4	0.438	0.000	0.000	-	0
Singapore	9	0.935	1.000	0.000	5.20	0
Slovakia	35	0.857	1.000	29.995	4.77	167
Slovenia	2	0.902	1.000	0.000	5.02	0
South Africa	67	0.705	0.500	23.618	1.96	131
Spain	667	0.893	1.000	595.631	4.97	3,314
Suriname	12	0.724	0.500	0.000	2.01	0
Sweden	364	0.937	1.000	341.068	5.21	1,898
Switzerland	279	0.946	1.000	263.934	5.26	1,469
Taiwan	139	0.907	1.000	126.073	5.05	702
Tanzania	31	0.528	0.250	0.000	0.73	0
Thailand	40	0.765	1.000	30.600	4.26	170
Turkey	240	0.806	1.000	193.440	4.49	1,076
Uganda	38	0.528	0.250	0.000	0.73	0
Ukraine	9	0.750	0.500	0.000	2.09	0
United Arab Emirates	1	0.866	1.000	0.000	4.82	0
United States	1,751	0.920	1.000	1610.920	5.12	8,964
Uruguay	34	0.808	1.000	27.472	4.50	153
Uzbekistan	5	0.710	0.500	0.000	1.98	0
Venezuela	20	0.726	0.500	0.000	2.02	0
Vietnam	31	0.693	0.500	0.000	1.93	0
Zimbabwe	5	0.563	0.250	0.000	0.78	0
<b>Total</b>	<b>15,879</b>	<b>0.731</b>		<b>13478.247</b>	<b>4.72</b>	<b>75,000</b>

APPENDIX 2 - Example budget for 2022-23

<b>(All numbers in CHF)</b>	Budgeted annual spend 2019-21 (Approved in SICOGA 2018)	Amended Budget for 2021-22	Budget from 2022-23 (To be included in the DV Proposal)
<b>INCOME</b>			
Member Fees (1)	56,280	56,280	75,000
Bank Interest Income	25	25	25
<b>TOTAL INCOME</b>	<b>56,305</b>	<b>56,305</b>	<b>75,025</b>
<b>EXPENDITURE</b>			
Youth/Regional Meetings	7,000	7,000	7,000
EXCO Expenses			
Meetings (2)	6,500	6,500	2,000
Internet/Misc/Admin	1,000	300	300
Peace/UN Projects	2,000	2,000	2,000
Audit Committee	150	0	0
Information Technology Maintenance Expenses (3)	75,450	10,000	8,376
Information Technology Build Expenses (4)		60,000	30,106
Other operating expenses (5)	6,016	6,000	6,000
GA expense Provision (6)	0	0	20,000
Special Projects (7)	0	7,000	
<b>TOTAL EXPENSES</b>	<b>98,116</b>	<b>98,800</b>	<b>75,782</b>



## Notes

**(1)** Budget 2022-23 revenue is contingent on proposed DV motion scheduled for May 2021

**(2)** Reduction in 2022-23 is based on provision required per year for one meeting every three years

**(3)** Amended budget amounts for 2022-23 based on MTS input. Amount for 2022-23 is based on: Web hosting CHF 3,000 + EUR 400 per month maintenance (EUR 1.00 = CHF 1.12)

**(4)** Amended budget amounts based on MTS input. Development cost in a 3 year cycle is EUR 80,640 [EUR 3,360 per month for 24 months of development]. This is averaged over a 3 year cycle (EUR 1.00 = CHF 1.12)]

**(5)** Includes Audit/Bookkeeping/Bank charges/ Graphic Design/ Printing/ Postage: Based on actual expense trend.

**(6)** Provision per year for a total provision of CHF 60,000 over three years.

**(7)** Legal Expenses (One time) - this was budgeted in the 2015-18 cycle and this amount is still available for spending on SI registration. That is why there was no budget for 2018-21 from SICOGA 2018