

Update on AEC Sustainability Plan

The Sustainability Plan aims at ensuring AEC's financial sustainability after the end of the SMS project on 30 November 2021. The main objective is to progressively decrease the extent to which AEC's income is dependent on project funding, while keeping the costs and the financial burden on AEC members as low as possible.

Decision reached at AEC GA 2017 in Zagreb

The General Assembly approved the principles of the plan (including the overall levels and the implementation of the plan from 2019). It was agreed that AEC would continue to collect feedback by the end of February 2018, consider all comments (including those mentioned during the regional meetings in Zagreb and during the GA in Zagreb), adjust the plan and propose the final version at the 2018 GA.

Summary of the comments received:

Although all AEC members were invited to send written comments, there were no further comments received other than those mentioned during the Regional meeting in Zagreb and during the GA itself (see respective reports).

Some groups of countries shared their full support for the plan: the Dutch and Belgian group and the French group considered it as a positive development for the organisation that shows the maturity of the AEC and found it important to have this anticipatory vision. The Spanish-Portuguese group appreciated the moderate raise of the membership fees (for their group) and of the events fees.

Two concerns were expressed about the content of the plan: first by the UK and Irish group about the raise of membership fees for the so-called 'richer' countries, which still face challenging government cuts (thereby giving them less room for financial manoeuvre than a gross national income - GNI - may indicate); and secondly, by the Nordic and Baltic countries asking if the raise of the income coming from services is realistic. There were also some discussions in the Italian group around linking membership fees to data other than the GNI, i.e. the weight of the country within AEC - but no agreement was reached within the group.

Finally, it has to be mentioned that the AEC budget plan also includes income and expenditure related to MusiQuE even if these do not impact the AEC sustainability plan as such.

Conclusion: as these comments do not undermine the vote of AEC members at the 2017 GA, the Council has decided that there is no need to adjust the plan and present it again to the GA in 2018. The principles of the plan which have been approved will be progressively implemented from 2019 onwards and members will be asked every year to vote on the budget of the following year.

Reminder of the principles agreed on at the 2017 GA (see also 2017 GA Report)

After the SMS project period (2017-2021):

1. the Office Team composition shall remain significant (current estimation: 5 FTE and 2 interns + 1FTE dedicated to work for MusiQuE) and gross salaries will have been raised by 21%
2. AEC shall cover travel, accommodation and subsistence costs of four working groups' meetings and of two Council meetings and shall provide travel bursaries to support member institutions with difficulties
3. AEC shall have built up financial reserves amounting to 10% of AEC total annual budget
4. The income shall be structured in the following way:
 - Membership fees shall represent 58% of the total income (i.e. raise by 29%)
 - Events fees shall represent 27% of the total income (i.e. raise by 32%)
 - Fees to be received for services (Pre-AEC event seminars, sponsorship at events, project applications reviewing or writing) shall represent 3% of the total income (i.e. raise by 416%)
 - Project funding for staff costs and indirect costs shall represent 4% of the total income (i.e. decrease by 77%)
 - Income from MusiQuE shall cover the staff costs and overhead costs related to the 1FTE of staff working for MusiQuE

A four-year implementation plan running from 2019 to 2022 was approved. For 2019, the following elements are planned:

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| A. Membership fees are: <ol style="list-style-type: none">i. Subject to indexation (+1.5% raise to compensate for inflation).ii. For members situated in a country with a GNI higher than 35 000 euros (in PPP international dollars), raised by ¼ of the total raised envisionediii. Adjusted based on student figures |
| B. Events fees remain at the 2018 level |
| C. Fees to be received for services: a plan is prepared |
| D. Project funding for staff costs and indirect costs is received for the SMS (Strengthening Music in Society) project |
| E. Income from MusiQuE is increased from € 25'200.00 to € 30'150.00. |