

ACT Alliance Membership Engagement Model

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1. Background

A fundamental strategic element of the global ACT Alliance strategy 2015-2018 ‘Full life and dignity for all’ is the focus on enabling engaged members and dynamic forums that underpin the strengthening of a robust alliance which at the same time will enable the other three strategic aims of human dignity, community resilience and environmental sustainability to be achieved. To support the implementation of this strategy, a membership strategy was approved in 2016 which envisions a strategic membership composition, committed to sharing and working together at all levels and capable of adding value with an effective humanitarian response, high quality long-term development and advocacy, and which seeks to advance the engagement of the alliance members.

In order to implement this strategy effectively, and particularly in recognition of some of the barriers to effective member engagement in the current membership model, the Membership and Nominations Committee (MNC), guided by the Governing Board and Executive Committee, has been developing alternative membership models for consideration. In early 2017, a consultation process on a proposed tiered model of membership was conducted with ACT members. The consultation process included a member-wide survey in addition to more in-depth consultations with a broad cross-section of members, including with the leadership of WCC and LWF, as well as some financial modelling. In March 2017, the results of the consultation process were analysed and the key findings were as follows:

- The vast majority of those consulted agreed that something has to change in the proposed direction – we cannot remain with the status quo – but differences were expressed among the membership on what that change should exactly look like and how much change there was appetite for.
- There was general support for moving away from a ‘one size fits all’ approach to membership, in order to reflect the diversity of our members and offer more/different opportunities.
- Strong concerns were expressed by some over the perception that the tiered model could look like ACT is replicating global systems of power imbalance and that this risk needs to be avoided, particularly in relation to participation in governing the alliance.
- Endorsement that all members should have the possibility to participate in decision-making on key strategic issues of the alliance in one way or the other.
- While the proposals to more strongly incentivise active engagement in the life of the alliance were welcomed, the system of ‘engagement points’ seemed to be overly complex and could be difficult to manage.
- The changes to fee structure in the proposed tiered model did nothing to address the issue of smaller members struggling to pay the USD 1,000 membership fee to the global Secretariat or of attempting to recognise non-financial contributions.
- There was strong support for raising the threshold for members paying Income Based Fee (IBF) from ‘members with income under USD 1 million’ to ‘members with income under USD 5 million’.

- Consistent feedback from members, who would place themselves in the 'global tier', that a raise in IBF from 0.15% to 0.2% would not be feasible. This would lead to either substituting the fee increase from voluntary contributions or a decision to leave the alliance, hence not resulting in a net increase of funding for the Secretariat and risking the exclusion of larger members.

Based on these findings, a number of scenarios were put forward to the MNC for consideration at their face-to-face meeting in April 2017 and three options were discussed at the Governing Board meeting in June 2017. Unanimously, and based primarily on the excellent engagement of members in the consultation process and the valuable feedback received, the Governing Board decided to proceed with the development of an **engagement model of membership** and discontinue the development of the tiered model. Maintaining the Status Quo was also an option that the Governing Board rejected.

2. Rationale for a new membership model

There is a strong rationale for developing a new model for ACT membership. This rationale is based both on a need to contribute to a future vision of an alliance membership that is inclusive and enables engagement of members according to their interest and capacity and adds more meaning to the ecumenical cooperation and work of national and regional forums, as well as to address some existing barriers to membership for smaller local members and to active engagement of members.

Objective: To develop and implement a new model of inclusive ACT membership that fosters active engagement by ACT members in the life of the alliance and contributes to increasingly dynamic forums.

To achieve this objective, the new membership model needs to:

- Foster a culture of active member engagement in the life of the alliance.
- Offer an inclusive model of membership for organisations of all sizes.
- Value non-financial contributions to the life of the alliance, as well as financial contributions.
- Offer opportunities for participation in decision-making for all members.
- Stimulate dynamic forums as a national, sub-regional and regional hub of ACT membership.
- Concretely address the fee structure to enable participation of members with lower income.
- Ease the burden of the Secretariat in monitoring and debating the membership fee with members not able or willing to pay the membership fee.

3. Description of the proposed engagement model of membership

The following principles are foundational to the nature of ACT Alliance and therefore are integral to the proposed engagement model of membership:

- Churches and church-based organisations of all sizes can become members and contribute to the alliance according to their potential.
- The alliance model is responsive to members' needs and capacities and expressed motivations of engagement.
- ACT membership remains committed to working together and sharing resources.
- The alliance builds on members' active engagement.

- ACT members comply with all mandatory policies.
- ACT members engage in decision-making processes.

The proposed engagement model is built on these principles.

In summary, the engagement model takes key elements from the previously proposed tiered model that from membership feedback were found to be helpful in enabling inclusive and increased engagement of members. Following concerns previously expressed by the Governing Board, and heavily drawing on the feedback from the member consultations, **it only proposes one category, of voting membership**, simplifying the model (compared to the tiered model) and addressing the concerns raised about the perceived hierarchy of membership with the previously proposed tiered model. The new engagement model introduces requirements of demonstration of engagement in the life of the alliance, proposes some changes to governance that prioritises principles of engagement and capability, and includes proposed changes to the fee structure. These changes would imply changes in ACT Alliance Statutes which can only be approved by the General Assembly.

Key Implication of Engagement Model:

- The alliance maintains one category of voting membership
- Changes to ACT Alliance Statutes

3.1. Incentivising a culture of engagement

The proposed engagement model of membership places a strong emphasis on incentivising a culture of engagement amongst the members. In the previous proposed tiered model of engagement, a system of engagement points was suggested. The feedback, however, was not positive in response to this, mainly due to the complexities of agreeing what constitutes an 'engagement point' and the amount of time that would be taken by the Secretariat to monitor such a complex system.

With the newly proposed engagement model, the principle of incentivising engagement remains, but the proposed system has been radically simplified.

There is an expressed desire to encourage, incentivise and enable engagement and contribution of all members. There will be a requirement to demonstrate active engagement in the life of the alliance prior to accessing certain privileges, events or positions of responsibility within the alliance. The requirement would be to state previous engagement in the life of the alliance at organisational member level, or at individual level, or both.

At a member level, engagement in the life of the alliance could include examples such as active participation in a relevant ACT Forum, implementing or funding an ACT Appeal, staff representation in Communities of Practice, Advisory Groups, Governance Bodies, hosting of events, providing secondments, being part of an advocacy campaign, etc.

At an individual level, engagement in the life of the alliance could include examples such as personal engagement in Communities of Practice, Advisory Groups, Governance Bodies, Forum Coordination, etc.

The proposal is that this will apply minimally to the following situations, but could also be extended to others as required:

- Attending the General Assembly and voting in the Assembly.
- Serving on the Governing Board, or on a Committee (MNC, Finance Committee, etc.).
- Serving as member of strategic advisory bodies (Advisory Groups, etc.).

Introducing these reforms means that there are multiple ways to incentivise engagement (and to sanction non-engagement) of members in the life of the alliance, leading to a more robust, engaged, member-driven alliance.

Key Implication of Engagement Model:

- Introducing a requirement to demonstrate active engagement in the life of the alliance prior to accessing certain privileges, events or positions of responsibility within the alliance. The requirement would be to state previous engagement in the life of the alliance at either member level, or at individual level, or both.

3.2. Decision-making and ACT governance structures

3.2.1 ACT General Assembly

The Assembly is the highest decision-making body of the alliance. Decision-making power at the General Assembly is through a “one member one vote” system.

Currently the only members excluded from attending the assembly are those that have not paid their fees. This means that those members that can afford to pay fees but have not engaged at all in their forum or in other ACT initiatives are still allowed to come and vote at the assembly, while those members that may be very active in their forums, responding to emergencies, etc., but had difficulty paying fees are prevented from coming.

In future, under the proposed engagement model, all members will need to demonstrate member level engagement in the life of the alliance, in addition to being up to date with fees, to enable registration for participation at the General Assembly. This seeks to ensure that the members that are allowed to attend the assembly and are empowered to make decisions at the assembly are those that have been engaged in the life of the alliance, in some way, in the intervening years.

This enables access to power and decision-making at the General Assembly to be based on a fairer system where restrictions for participation are not only for those members that had not paid their financial contributions, but also those members who have not minimally engaged in the life of the alliance.

3.2.2 ACT Governing Bodies (including Governing Board, Executive Committee and Membership and Nominations Committee)

Currently the ACT Governing Bodies are composed based primarily around a principle of regional representation; in the By-laws, a specific number of spaces are allocated per region for the Governing Board. This means that, in some cases, strong candidates who have demonstrated active engagement in the life of the alliance and with strong governance experience are not able to serve on the board due to the limited number of spaces of the region where their organisation is based. Meanwhile, other regions have struggled to present qualified candidates to fulfil their number of seats.

Under the proposed engagement model, membership to any of the governing bodies of ACT Alliance prioritises principles of *engagement and capacity* over regional representation. Regional balance would still be assured through the preparation of the slate and in line with the current regional seat allocation, provided that nominations in the relevant regions fulfil the agreed criteria of engagement. This reform would lead to more effective, competent governance bodies that are composed of individuals who are more engaged in the life of the alliance in their context.

As the vote on the approval of this engagement model and any resulting changes in Statutes will take place in the 2018 General Assembly, these governance reforms would only be able to be implemented in the nominations process for the Governance mandate following the one to be voted on at the 2018 General Assembly, under the existing Statutes.

3.2.3 Decision-making processes through consultation

Overall, the decision-making model of the alliance under the new proposed engagement model of membership remains bottom up, where the local realities heavily inform and initiate approaches and engagements at the regional and global levels. Therefore, the national level engagement in decision-making processes would be a high priority.

The issues which would be actively consulted with all membership, including an intentional consultation in the context of the ACT national forums, include constitutional changes, global strategic framework and mandatory standards. The consultation process includes informing the membership on the process and its timeline; requesting input from members either directly, through a consultative body (reference group or other) or the governance structure; sharing the proposal and gathering input from the members; sharing the input with the governing bodies prior to decision-making and finally sharing the outcomes with the ACT membership and forums.

The final decisions on constitutional changes and global strategic framework would only be made by the General Assembly and all other items by the Governing Board, either directly or through adopting the ACT Secretariat workplan.

Key Implication of Engagement Model:

Decision-making power at the General Assembly is through a “one member one vote” system. However, members in breach of financial obligations, not in good standing and/or members that cannot demonstrate a minimal level of active engagement in the life of the alliance (see section 3.2 above) will not be allowed to attend the assembly or to vote.

Membership to any of the governing bodies of ACT Alliance prioritises principles of *engagement and capacity* over regional representation. Regional balance would still be assured through the preparation of the slate and in line with the current regional seat allocation – provided that nominations in the relevant regions fulfil the agreed criteria of engagement.

3.3. Proposed reforms to ACT Forums structure and fee structure

One objective of the new proposed engagement model is to stimulate dynamic forums as a national, sub-regional and regional hub of ACT membership. In this model a new ‘Forum Fee’ is introduced in place of the current membership fee, seeking to increase the sense of ownership and responsibility of all members towards the ACT forums as one key structure of the alliance.

The use and immediate impact of the forum fee on the life of the alliance will be more transparent to members than the current membership fee. The mode of operationalising the forum fee seeks to transfer power, responsibility and resources directly to the members at the forum level and should stimulate more dynamic forums with resources to work together.

Under the proposed engagement model, smaller organisations (with annual income below USD 1 million) will have the option to contribute their forum fee in cash or in kind based on a number of factors, including financial scale, expressed interest, self-assessed and peer-assessed capacity. Introducing a forum fee in place of the membership fee should therefore significantly reduce the number of ACT members facing suspension on an annual basis due to struggling to pay the membership fee to Geneva, thus creating a more inclusive, engaged membership.

3.3.1. Membership Fee changes to Forum Fee

The current annual membership fee of USD 1,000 per member, payable to the Secretariat, would be removed. In its place a ‘Forum Fee’ would be introduced to incentivise the engagement of the member at the forum level.

The forum fee would be required by all members and would be paid to the national forum where the organisation has its headquarters. The added benefit of collecting forum fees at a local level, is that fees can be paid in local currency within the country of operation. This addresses the constraint that some members have had of sending foreign currency to Geneva.

If there is no national forum, then it is paid to the sub-regional or regional forum that the member is a part of at its Headquarters level.

Global members and members who are not part of any forum, due to no forums existing in that country or region, would pay the USD 1,000 to the ACT Secretariat. However, this should be exceptional cases only, as the strategy is to ensure that all members are actively engaged in an ACT Forum and that new forums are established to enable this to happen.

For members with an income below USD 1 million, the member can choose to pay its forum fee in cash or in kind contributing to the forum costs foreseen as per forum workplan (e.g. contribute meeting space, time of staff to coordinate forum, facilitate a training event, host an ACT event, facilitate a joint monitoring visit, invest in capacity building of other ACT members, translating ACT materials to local languages, etc.).

For members with an income over USD 1 million and who are part of more than one national, sub-regional or regional forum, the member is required to pay the forum fee in cash to the relevant forum at its Headquarters location. For all other forums that the member is a part of, the forum fee will be paid in either cash (without reducing the sum from other fees like Income Based fees or Voluntary Contribution) or in kind contributing to the forum costs foreseen as per forum workplan (e.g. contribute meeting space, time of staff, facilitate a training event, host an ACT event, facilitate a joint monitoring visit, invest in capacity building of other ACT members, translating ACT materials to local languages, etc.).

Please see **Appendix 1** for some example of how the forum fee could work for different types of members and different types of forums.

As indicated in the ACT National, Sub-Regional and Regional Forums Policy, the forums will exercise a more proactive role and responsibility in monitoring their own resourcing and implementation of their annual workplan. The decisions on how to use the forum fees to further the work of the alliance are to be made at the forum level. Some forums already operate a similar system currently, with funds from members being pooled at a forum level to be spent on agreed workplan activities such as joint trainings, salary of a forum coordinator, joint projects, etc.

The forum Convenor would be responsible on an annual basis to ensure that all members of the forum have contributed their forum fees. If a forum considers that a member has not contributed their fair share in either cash or in kind contribution (depending on level of income) of at least USD 1,000, and any reasons given by the member are not accepted by the forum, then the Convenor of the forum can lodge a formal complaint to the ACT Secretariat for non-payment of fees which will be followed up and could lead to suspension of the member.

For reasons of accountability and stability this may lead to a more formal organisational set-up of fora. This has to be monitored, evaluated after a while and best practices would be shared.

The ACT Forums are required to provide an annual report to the global Secretariat, therefore forums will be asked to report the level of forum fees collected and how they were used.

At a Secretariat level, the introduction of the forum fee reduces a number of opportunity costs for staff who are currently engaged in lengthy processes for collecting membership fees of USD 1,000, and investing significant time in following up outstanding fees and suspending members for non-payment.

The one adverse impact that the forum fee has is on the Secretariat income. A loss of USD 140,000 of membership fees to support the Secretariat budget on an annual basis will need to be raised from other sources to enable the forum fee concept to be implemented. This financial impact will be factored into the work on the alliance fundraising strategy and the ACT Secretariat fundraising plan that is already being actively worked on.

It is important to note that while there will be a loss of income for the Secretariat, the financial resources diverted to the national forums will be a strengthening factor for many. It will enable many forums to undertake activities, including coordination and capacity building activities which in term will strengthen the alliance. Furthermore, it will ease the administrative burden in Geneva in terms of financial management and invoicing processes.

Key Implication of Engagement Model:

- Removal of annual membership fee of USD 1,000 to be paid to Secretariat in Geneva.
- Introduction of annual forum fee of USD 1,000 to be paid to relevant national, sub-regional or regional forum.
- Forum fee can be paid in cash or in kind by members with annual income below USD 1m and international organisations in other fora then their homebased one without a reduction in other contributions to the secretariat.

3.3.2 Income Based Fee (IBF) threshold raised

Currently, an Income Based Fee (IBF) is paid by all members with an annual income above USD 1 million. For a number of members with an annual income between USD 1 million and USD 5 million, there have been difficulties paying the IBF resulting in their suspension from the alliance. This risks damaging the implementation capacity and the legitimacy of the alliance as some of our strongest members based in the global south are not able to pay their fees.

Therefore, in order to strengthen the inclusiveness, the legitimacy, the engagement and the capacity of the alliance, IBF will only be paid by those organisations with an annual income of more than USD 5 million under the proposed engagement model.

While this proposed fee reform addresses the difficulties some members have faced in paying IBF, it does have a financial implication for the Secretariat with a loss of income from the IBF of members currently with an annual income between USD 1 million and USD 5 million of approximately USD 64k. This financial impact will be factored into the work on the alliance fundraising strategy and the ACT Secretariat fundraising plan that is already being actively worked on.

Key Implication of Engagement Model:

- Threshold for paying Income Based Fee (IBF) raised from USD 1m to USD 5m, so that only organisations with an annual income above USD 5m need to pay IBF.

4. Process for decision-making and transition towards proposed engagement model

The following chart summarises the key steps in the process moving forwards for decision-making by the members at the General Assembly and the process of transition related to the engagement model. Note that as a consequence of the consultation process, it is suggested that if approved by the General Assembly, the model comes in to effect as of January 1, 2019 (start of a fiscal year being the most practical from a management point of view), but with 2019 being a transitional year. This would mean that the Governing Board with the support of the Membership and Nominations Committee, as well as the Secretariat, would use 2019 to further develop an implementation plan for the revised membership model. The focus would be on:

- How to compensate for the loss of income to the Secretariat as part of the development of a business model.
- Management of the forum fees taking into account:
 - Principles and guidelines for collection of the forum fee
 - Administration capacity of national forums
 - Roles and responsibility of forums vs. the ACT Secretariat (with special emphasis on the role of ACT regional offices) related to the forum fee management.
- Clear guidance of how to calculate value of in-kind contribution.
- Development of clear criteria of demonstrated engagement and the process for assessing such engagement.

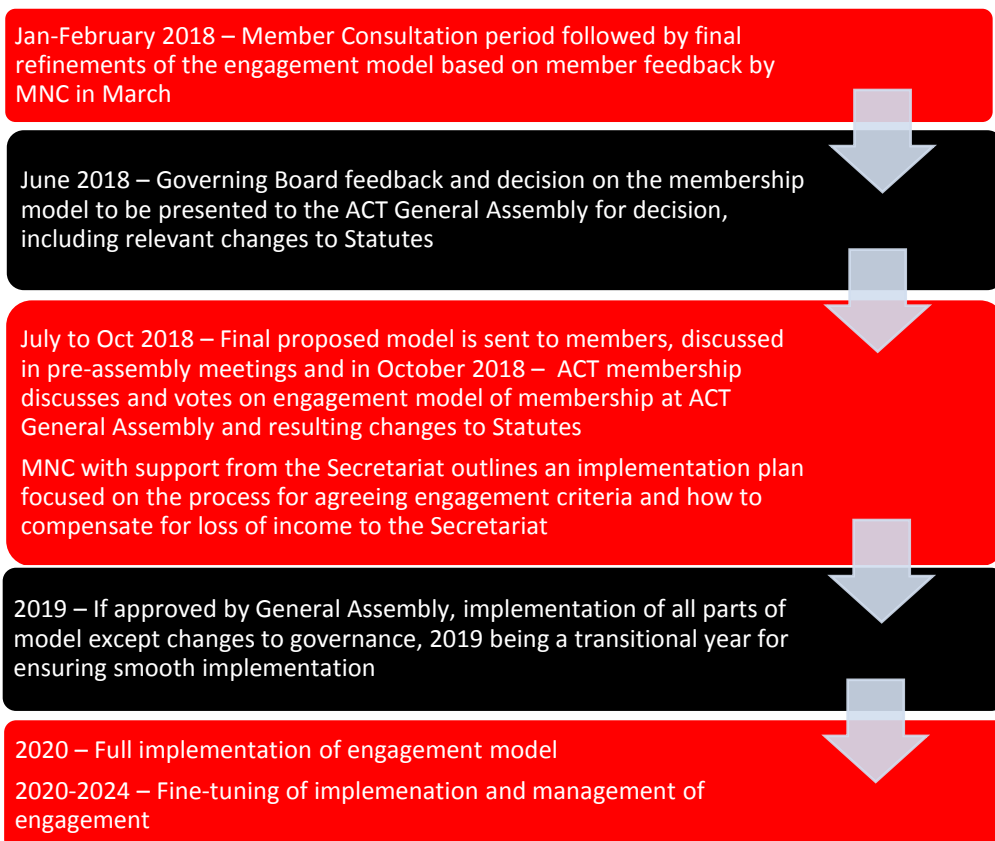


Fig 1: Proposed process for decision-making and transition to engagement model of membership

5. Implications for members currently suspended due to non-payment of fees

It should be noted that there are currently a number of members suspended from the alliance due to non-payment of fees. Exclusion from the alliance was put on hold until a new model of membership, with a change in fee structure, was approved. If this proposed engagement model is approved, there are the following implications:

- i) The members suspended for non-payment of fees pay the outstanding fees to the alliance and continue as full members;
- ii) The members suspended for non-payment of fees would be excluded if the members do not/cannot pay the outstanding fees owed;
- iii) However, these members would be encouraged to re-apply as a new applicant, expressing their future engagement in the alliance. The applicants would need to follow the annual governance cycle period (physical Governing Board meeting); there would not be an automatic acceptance for members that re-apply.

6. Evaluation

The new membership model should be evaluated after 4 years of implementation, i.e. by 2024.

7. Conclusion and next steps

In conclusion, the Secretariat, the Membership and Nominations Committee (MNC) and the ACT Governing Board will seek to put forward this revised membership model to the ACT membership for approval at the General Assembly in Uppsala in 2018.

This consultation period with the members has been critical for receiving final member feedback including both endorsement of the model and/or constructive suggestions for improvement in order to enable final revisions prior to the decision-making point at the General Assembly. The proposal for development of an implementation plan, as well as for 2019 being a transitional year, comes from consultation with the members.

This has been an iterative process that has sought extensive consultation across the membership in order to meet the stated objectives. We thank the membership for their engagement in the process so far. We believe the end result will put forward an exciting new model of membership that seeks to foster active engagement by ACT members in the life of the alliance and also contributes to increasingly dynamic forums. The approval of this engagement model for ACT membership will mark an exciting new phase in the life of the alliance and will strongly support the enabling aim of building a robust alliance as an integral part of the ACT Strategy – Full life and dignity for all.

Appendix 1 – Case Studies of Forum Fee Application

1. What if I am a member that doesn't belong to a forum?

- If there is no national, sub-regional or regional forum present in your country or region, then you pay the USD 1,000 forum fee direct to the ACT Secretariat.
- If you do not belong to any forum and your income is below USD 1 million, then you can discuss with the Global Secretariat if there are opportunities to contribute in kind. For example, if the Secretariat is holding a regional workshop in your region, could you host it or contribute towards the event planning in some way that demonstrates your active engagement and contribution to the work of the alliance.
- These cases should be rare and the relevant ACT Regional Office should seek to establish a forum at country or sub-regional or regional level to enable each member to be part of an active forum.
- For example, Dignus Burkina Faso is the only ACT member in Burkina Faso. There is currently no sub-regional (e.g. West Africa) or regional (e.g. Africa) forum. Their income is below USD 1 million. In this case they would need to contact the Secretariat and either pay USD 1,000 (as per the current membership fee arrangement) directly to the Secretariat or establish an alternative way to contribute through in-kind contributions, such as hosting a regional workshop.

2. What if I am a member that has an annual income below USD 1 million?

- You are required to contribute to the activities of the forum at an estimated value of USD 1,000, to be agreed by the relevant forum.
- Alternatively, you can contribute in cash a value of USD 1,000 to your forum.
- In kind contributions are agreed at the forum level.
- For example, the Zimbabwe Council of Churches has an annual income of less than USD 1 million. They are part of their national forum in Zimbabwe. Therefore, they can choose whether to contribute the equivalent of USD 1,000 in cash or in kind to support the activities of the forum. In kind contributions could include hosting meetings, providing staff time to support ACT Forum activities, facilitating a training or learning event, etc.).

3. What if I don't belong to a national forum?

- If your member does not belong to a national forum, due to there being only one member present in your country, or due to no functioning forum existing, then the forum fee should be paid to the sub-regional or regional forum to which you belong.
- For example, the Middle East Council of Churches does not belong to a national forum, however they are part of the JSL (Jordan, Syria, Lebanon) sub-regional forum. Therefore, they contribute their forum fee to the JSL Forum.

4. What if my organisation is part of many country and regional forums?

- Where members are part of more than one national, sub-regional or regional forum, and their annual income is over USD 1 million, the member is required to pay the forum fee in cash to the relevant forum at its Headquarters location.
- For all other forums that the member is a part of, the forum fee will be contributed in either cash or in kind to a value of at least USD 1,000 (e.g. contribute meeting space, time of staff to coordinate forum, facilitate a training event, etc.).
- For example, Christian Aid is a member that has an income over USD 1 million, therefore, they are required to pay a USD 1,000 forum fee at their Headquarters location forum. However, they do not have a national forum in the UK, but they are part of the Europe Regional Forum. Therefore, they contribute USD 1,000 cash to the Europe Forum. In addition, they are members of many country forums in locations where they work. In these forums, they have the option of paying the forum fee in cash or as an in kind contribution.