



## AEC Sustainability Plan

1. Setting targets for AEC's sustainability: the AEC beyond 2021 - which expenditure?
2. Setting targets for AEC sustainability: which income strands and in which proportion?
3. Revising AEC income strands
4. Implementation of the Plan: adjusting the income strands progressively, from 2018 to 2022

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### 1. Setting targets for AEC's sustainability: the AEC beyond 2021 - which expenditure?

The 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 the Association's income is dependent on project funding.

The level of expenditures in 2022 is estimated as follows:

#### Estimation of expenditure (beyond 2021)

##### Goods and services costs

- *Based on costs of goods and services in 2016, from which all project activity costs are deducted and to which inflation is applied (+1.5% per year for 6 years)* € 189'979.46

##### Staff costs

- *Based on an Office Team composed of 6 FTE and 2 interns (i.e. 5 FTE for AEC and 1 FTE for MusiQuE<sup>1</sup>)*
- *Based on the estimation of salary costs in 2017 (all taxes included), to which inflation is applied (+1.5% per year for 5 years)* € 386'666.47
- *Including an additional 21% raise of the brutto salaries to adjust to the living costs in Brussels and to salaries in comparable organisations*

##### Additional travel, accommodation and subsistence costs

- *Travel, accommodation and subsistence costs of 4 working groups meetings and of 2 Council meetings* € 50'000.00
- *An increased budget for travel bursaries o support member institutions with difficulties (about 12'000.00 euros)*

<b>Estimated expenditure (beyond 2021)</b>	<b>€ 626'645.93</b>
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<sup>1</sup> These staff costs (1FTE) will be fully reimbursed by MusiQuE – see next page and section 4D.)

## 2. Setting targets for AEC sustainability: which income strands and in which proportion?

The following income structure is proposed for 2022:

Income strands	<i>Income received in 2016 for comparison</i>	<i>Future income if only inflation was applied (+1.5% per year)</i>	<b>Future income to be received</b>	Proposed raise (or decrease) of each income strand <sup>2</sup>
A. Membership fees to be received	€ 262,395.99	€ 282,075.69	<b>€ 365,091.27</b>	29 %
B. Events fees to be received	€ 121,788.15	€ 130,922.26	<b>€ 172,480.00</b>	32%
C. Fees to be received for services (C1. Pre-AEC event seminars, C2. sponsorship at events, C3.project applications reviewing or writing)	€ 3,750.00	€ 4,031.25	<b>€ 20,800.00</b>	416 %
D. Project funding for staff costs and indirect costs	€ 98,881.33	€ 106,297.43	<b>€ 24,000.00</b>	- 77 %
E. Income from MusiQuE: coverage of staff costs (1FTE) and of overhead costs	€ 15,562.71	€ 16,729.91	<b>€ 45,000.00</b>	169%
<b>Total</b>	<b>€ 502,378.18</b>	<b>€ 540,056.54</b>	<b>€ 627,371.27</b>	
<b>Reserves to be built in 2018-2021</b>			<b>€ 62,737.13</b>	

<sup>2</sup> The raise (or decrease) presented in column 4 is the actual raise (or decrease): it expressed the difference between the income to be received in 2022 following the Plan (column 3) and the income expected in 2022 if only inflation was applied (column 2).

### 3. Revising AEC income strands

#### A. Membership fees to be received

##### Guiding principles for this revision

- i. Reinforcing equity between AEC members based on the Gross National Income (GNI) of the country in which they are situated. Indeed, AEC members situated in countries with a high GNI are currently paying proportionally a (much) smaller membership fee than members situated in countries with a lower GNI. This trend should be reversed.
- ii. Taking into account the size of AEC member institutions based on the number of music-related students enrolled.

##### Proposal for the revised calculation of AEC membership fees:

**Step 1: As in previous years, an inflation rate is applied to ALL membership fees (+1.5% per year).**

**Step 2: For countries in which the GNI is lower than 35,000 international dollars<sup>3</sup>:**

- The fee (incl. inflation) is adjusted based on the number of music-related students in the institution as follows:  
3 categories of institutions have been formed based on the amounts of students.

<b>Category 1: More than 700 students</b>	<b>Category 2: 200 – 700 students</b>	<b>Category 3: Less than 200 students</b>
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A raise of 25% is applied for institutions in category 1 and a decrease of 25% for institutions in category 3. For institutions in category 2, the fee is not further adjusted.

**Step 2: For countries in which the GNI is equal to or higher than 35,000 international dollars:**

- The membership fee (incl. inflation) is raised in order to reach a proportion of the GNI that is close to 3%
- The fee is then adjusted based on the number of music-related students in the institution as explained above:

<b>Category 1: More than 700 students</b>	<b>Category 2: 200 – 700 students</b>	<b>Category 3: Less than 200 students</b>
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A raise of 25% is applied for institutions in category 1 and a decrease of 25% for institutions in category 3. For institutions in category 2, the fee is not further adjusted.

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<sup>3</sup> In order to compare economic statistics across countries and to better reflect people's living standards uniformly, the World Bank converts the data it collects into a common currency. This is why the gross national income (GNI) is expressed in international dollars using purchasing power parity (PPP) rates. An international dollar has the same purchasing power over GNI as a U.S. dollar has in the United States.

Provisional calculation of revised membership fees to be charged in 2022 (see 3 last columns on the right)

Country	Late membership fee currently invoiced (2017) in EUR	GNI expressed in 2015 PPP International dollars	Current membership fee level (2017) shown as a % age of GNI	Number of institutions per country	Fee in 2022 with inflation (=1.5%*5) in EUR	NEW FULL FEE IN 2022 Category 1 (>700 students) in EUR	NEW FULL FEE IN 2022 Category 2 (200-700 students) in EUR	NEW FULL FEE IN 2022 Category 3 (<200 students) in EUR
<b>ACTIVE MEMBERS</b>								
LUXEMBOURG	1 091,00	70 750,00	1,54	2	1 172,83	2 437,50	1 950,00	1 462,50
NORWAY	1 091,00	64 590,00	1,69	7	1 172,83	2 437,50	1 950,00	1 462,50
SWITZERLAND	1 091,00	61 930,00	1,76	8	1 172,83	2 437,50	1 950,00	1 462,50
NETHERLANDS	1 091,00	48 400,00	2,25	9	1 172,83	2 062,50	1 650,00	1 237,50
GERMANY	1 091,00	48 260,00	2,26	27	1 172,83	2 062,50	1 650,00	1 237,50
DENMARK	1 091,00	47 810,00	2,28	4	1 172,83	2 062,50	1 650,00	1 237,50
AUSTRIA	1 091,00	47 510,00	2,30	10	1 172,83	2 062,50	1 650,00	1 237,50
SWEDEN	1 091,00	47 390,00	2,30	9	1 172,83	2 062,50	1 650,00	1 237,50
IRELAND	1 091,00	46 410,00	2,35	3	1 172,83	2 062,50	1 650,00	1 237,50
ICELAND	1 091,00	46 120,00	2,37	1	1 172,83	2 062,50	1 650,00	1 237,50
BELGIUM	1 091,00	44 100,00	2,47	9	1 172,83	1 937,50	1 550,00	1 162,50
FINLAND	1 091,00	40 840,00	2,67	9	1 172,83	1 937,50	1 550,00	1 162,50
UK	1 091,00	40 550,00	2,69	8	1 172,83	1 937,50	1 550,00	1 162,50
FRANCE	1 091,00	40 470,00	2,70	19	1 172,83	1 937,50	1 550,00	1 162,50
ITALY	1 076,00	35 850,00	3,00	54	1 156,70	1 625,00	1 300,00	975,00
ISRAEL	1 014,00	34 940,00	2,90	1	1 090,05	1 362,56	1 090,05	817,54
SPAIN	1 014,00	34 490,00	2,94	17	1 090,05	1 362,56	1 090,05	817,54
CYPRUS	1 014,00	30 840,00	3,29	2	1 090,05	1 362,56	1 090,05	817,54
SLOVENIA	1 014,00	30 830,00	3,29	1	1 090,05	1 362,56	1 090,05	817,54
CZECH REP.	1 014,00	30 420,00	3,33	2	1 090,05	1 362,56	1 090,05	817,54
PORTUGAL	941,00	28 590,00	3,29	2	1 011,58	1 264,48	1 011,58	758,69
SLOVAKIA	941,00	28 200,00	3,34	1	1 011,58	1 264,48	1 011,58	758,69
ESTONIA	941,00	27 510,00	3,42	2	1 011,58	1 264,48	1 011,58	758,69

GREECE	941,00	26 790,00	3,51	3	1 011,58	1 264,48	1 011,58	758,69
LITHUANIA	941,00	26 660,00	3,53	2	1 011,58	1 264,48	1 011,58	758,69
POLAND	941,00	25 400,00	3,70	8	1 011,58	1 264,48	1 011,58	758,69
HUNGARY	827,00	24 630,00	3,36	1	889,03	1 111,29	889,03	666,77
KAZAKHSTAN	827,00	24 260,00	3,41	1	889,03	1 111,29	889,03	666,77
LATVIA	827,00	24 220,00	3,41	1	889,03	1 111,29	889,03	666,77
RUSSIA	827,00	23 790,00	3,48	4	889,03	1 111,29	889,03	666,77
CROATIA	827,00	21 730,00	3,81	2	889,03	1 111,29	889,03	666,77
ROMANIA	827,00	20 900,00	3,96	4	889,03	1 111,29	889,03	666,77
TURKEY	795,00	19 360,00	4,11	7	854,63	1 068,29	854,63	640,97
BELARUS	795,00	16 840,00	4,72	1	854,63	1 068,29	854,63	640,97
BULGARIA	795,00	16 790,00	4,73	1	854,63	1 068,29	854,63	640,97
LEBANON	795,00	14 120,00	5,63	3	854,63	1 068,29	854,63	640,97
MACEDONIA	795,00	13 570,00	5,86	1	854,63	1 068,29	854,63	640,97
SERBIA	795,00	12 800,00	6,21	3	854,63	1 068,29	854,63	640,97
ALBANIA	795,00	11 140,00	7,14	1	854,63	1 068,29	854,63	640,97
EGYPT	795,00	10 690,00	7,44	1	854,63	1 068,29	854,63	640,97
BOSNIA HERZ.	795,00	10 610,00	7,49	2	854,63	1 068,29	854,63	640,97
GEORGIA	763,00	9 410,00	8,11	1	820,23	1 025,29	820,23	615,17
ARMENIA	763,00	8 720,00	8,75	1	820,23	1 025,29	820,23	615,17
UKRAINE	763,00	7 810,00	9,77	2	820,23	1 025,29	820,23	615,17
<b>ASSOCIATE MEMBERS</b>	795,00	n.a	n.a	41	854,63	854,63	854,63	854,63

Estimated income from membership fees in 2022: € 365,091.27

## B. Events fees to be received

The event fees charged by the AEC can be considered as quite low, given their intensity, their quality (the positive feedback received by participants in the last years), their length, and compared to what other organisations charge for similar events. AEC Office recommended in 2013 to plan to move progressively over the coming years to a situation where the event fees fully cover costs (including 100% of the salary of the Events Manager) but there has been no further raise of the events fees since 2014.

The following raise is proposed (see columns ‘New Early Bird fee’ and ‘New Full Fee’):

Event	<i>Old Early Bird fee</i>	<i>Old Full fee</i>	<b>NEW Early Bird fee</b>	<b>NEW Full fee</b>	Number of paying participants	<b>NEW income (based on current percentage of participants paying early or full fee)</b>
Congress	200.00	300.00	300.00	400.00	280	€ 92,100.00
IRC	150.00	210.00	180.00	240.00	170	€ 33,000.00
PJP	140.00	190.00	160.00	220.00	118	€ 21,660.00
EPARM	130.00	170.00	150.00	210.00	90	€ 15,120.00
New AEC event (e.g. L&T platform?)			140.00	200.00	65	€ 10,600.00
						€ 172,480.00

Estimated income from events fees in 2022: € 172,480.00

## C. Fees to be received for services

### C1. Pre-AEC event seminars

The fee for pre-conference seminars could be increased, as well as the frequency of the seminars (e.g. 1 seminar offered at each AEC event, i.e. 5 seminars a year). The seminar could be delivered by speakers attending the conference or possibly by AEC staff members concerning project funding and project applications (i.e. at limited cost).

The following seminar fee structure is proposed:

Event	Old fee	NEW fee	Number of paying participants	NEW income
Pre-Congress seminar	30.00	80.00	40	€ 3,200.00
Pre-IRC seminar	50.00	60.00	40	€ 2,400.00
Pre-PJP seminar		60.00	40	€ 2,400.00
Pre-EPARM seminar		60.00	40	€ 2,400.00
Pre-L&T seminar		60.00	40	€ 2,400.00
				€ 12,800.00

Estimated income from pre-conference seminars in 2022: € 12,800.00

### C2. Sponsorship at events

The current policy is as follows for commercial companies: in addition to the participation fee for non-members, display fee (stand) is € 500.00 (for a stand placed in the hosting venue during the event) and € 600.00 for a spot at the information forum (i.e. for a 2 minutes plenary presentation and a stand at the information market).

Estimated income from sponsorship at AEC events in 2022: € 2,000.00 (4 companies either holding stands or presenting at the information forum)

### C3. Project applications reviewing or writing

New services could be offered to AEC members, e.g. in order to assist them with drafting project applications for European funding: AEC Office Team members could either revise project applications written by AEC member institutions or fully write these proposals. The following tariffs are proposed (still under investigation):

Service	Unit cost
Writing a project application	€ 4,000.00 excl. VAT
Revising a project application	€ 1,000.00 excl. VAT

Estimated income from project applications' writing/revising in 2022: € 6,000.00 (1 application written and 2 applications revised per year).

### D. Project funding for staff costs and indirect costs

AEC will still be involved in project applications beyond 2021, but to a smaller extent.

Estimated income from project funding for staff costs and indirect costs in 2022: € 24,000.00

### E. Income from MusiQuE

According to the AEC-MusiQuE convention, MusiQuE hires AEC staff to conduct its activities. It is expected that, in 2022, staff costs for MusiQuE will represent 1 FTE. MusiQuE will reimburse these staff costs in full as well as overhead costs (amounting to 7% of MusiQuE's direct costs).

Estimated income from MusiQuE in 2022: € 45,000.00



#### 4. Implementation of the Plan: adjusting the income strands progressively, from 2019 to 2022

The current membership fee levels for 2018 will remain unchanged (i.e. 2017 membership fees + 1.5% raise to compensate for inflation). Independently from the Sustainability Plan, events fees may be raised to ensure that direct costs are fully covered in 2018.

The following implementation plan is proposed from 2019 onwards:

2019	<b>A. Membership fees are:</b> <ul style="list-style-type: none"> <li>i. Subject to indexation (+1.5% raise to compensate for inflation).</li> <li>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 envisioned</li> <li>iii. Adjusted based on student figures</li> </ul>
	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.

2020	<b>A. Membership fees are:</b> <ul style="list-style-type: none"> <li>i. Subject to indexation (+1.5% raise to compensate for inflation).</li> <li>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 envisioned</li> <li>iii. Adjusted based on student figures</li> </ul>
	B. Events fees are raised to reach the level envisioned by 2022 (see section 3B above)
	C. Fees to be received for services: new services offered at appropriate tariff
	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 € 30'150.00 to € 35'100.00.

2021	<b>A. Membership fees are:</b> <ul style="list-style-type: none"> <li>i. Subject to indexation (+1.5% raise to compensate for inflation)</li> <li>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 envisioned</li> <li>iii. Adjusted based on student figures</li> </ul>
	B. Events fees remain at the 2020 level
	C. Fees to be received for services: services offered at appropriate tariff
	D. Project funding for staff costs and indirect costs is received for the new SMS (Strengthening Music in Society) project
	E. Income from MusiQuE is increased from € 35'100.00 to € 40'100.00.

2022	<b>A. Membership fees are:</b> <ul style="list-style-type: none"> <li>i. Subject to indexation (+1.5% raise to compensate for inflation).</li> <li>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 envisioned</li> <li>iii. Adjusted based on student figures</li> </ul>
	A. Events fees remain at the 2020 level
	B. Fees to be received for services: services offered at appropriate tariff
	C. Project funding for staff costs and indirect costs is received for the new SMS (Strengthening Music in Society) project
	D. Income from MusiQuE is increased from € 40'100.00 to 45'000.00.