

## **Local Operating Costs**

**A discussion paper prepared by C. R. Aleta, RCA Coordinator**

### **1. Summary:**

This discussion paper was prepared to address the concern related to providing financial support to local organizers when hosting RCA events. The different activities being implemented in RCA and the nature of local operating costs are described.

A table showing the average costs of hosting activities is also presented.

### **2. Background**

Under regional projects the agency implements the following activities under the human resources component<sup>1</sup>:

#### **2.1 Meeting/Workshops**

These include project committee meetings, project formulation meetings, expert group meetings, advisory group meetings, management meetings, workshops etc. The meeting is hosted by one of the participating countries in the project<sup>2</sup>. The agency pays for travel and DSA and/or honoraria. The local host is expected to take care of the local operating costs.

#### **2.2 Expert missions:**

These include single or team missions, to one or more duty stations. The Agency normally pays for the travel, DSA and fee per working day. The host country(ies) arranges for the schedule, provides transportation arrangements, and other local operating costs to support the mission, e.g. office supplies, computer use, copying, communication costs. National consultants working on behalf of their country receive DSA and travel only.

#### **2.3 Group training**

These include regional training courses. The agency provides travel, stipend to participants; and recruits lecturers who are normally paid travel, DSA and fee; the local organizer arranges for the lecture venues and accommodations of participants, selects local lecturers, and shares local operating costs with the agency. The Agency may or may not pay for all or part of the local operating costs; some items are

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<sup>1</sup> The other component on procurement has also associated local costs, but this is not covered in this paper.

<sup>2</sup> The Meeting/Workshop could also be hosted at the Agency headquarters; in this case there is no issue on support for local operating costs. This Meeting/Workshop component has replaced the Group Activity component.

expected to be paid by the hosts. A few examples of the local operating costs are transportation costs, supplies and materials-e.g. kits, chemicals; photocopying, technical tours, rental of equipment (e.g. computer, audiovisual facilities, hospitality, etc.)

#### 2.4 Fellowships

This refers to fellows placed in other countries in a host institute for at least 1 month up to 6 months or 1 year. The fellowship could be Type I or Type II. For type II fellowship the local host pays for the local costs of the fellows, e.g. accommodation; for type I the agency supports the fellow; a placement fee would be accepted by the local institute. Local costs may include consumables, lab supplies, office supplies and communication costs.

#### 2.5 Scientific visits

This refers to senior technical personnel visiting selected institutions in more than 1 country or facility and for duration of 1 week to 4 weeks. The Agency usually pays for travel and the DSA; the local host pays for all local operating expenses during the visit. Local costs would include transportation arrangements, photocopying, office supplies, communication costs.

As described above all the enumerated activities include local expenditures or local operating costs, either in actual cash disbursements or in-kind contribution.

Under the RCA Programme the bulk of activities<sup>3</sup> is on the regional events, i.e. Meeting/Workshops and group training. In 1999 there were 61 regional events that were implemented: 37 training events and 24 meetings (this could be compared with 47 total regional events in 1998 and 30 in 1997). The magnitude of local operating costs would vary depending on several factors, such as but not limited to the following: nature of the regional event, the venue, number of participants and the duration of the event. Table 1 indicates the relative magnitude of the expenditure involved in these activities.

### 3. RCA Operating Rules and Guidelines

Under the RCA Operating Rules and Guidelines Section 6 refers to Funding Arrangements governing the local operating costs. Section 6(a) states that the MS are expected to contribute cash or in kind contribution to the RCA Programme to the maximum extent feasible and wherever possible, make contributions to TCDC. The TCDC contribution may be in the form of providing cost free experts, making equipment available, bearing the costs of subsistence of participants in events hosted by the country or any other form of contribution. **A country hosting a training event is expected to make its best efforts to cover all local costs and provide the required logistical support.**

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<sup>3</sup> Fellowships, scientific visits or even expert missions comprise a relatively minor share in the RCA programme.

For meeting events, although the Rules and Guidelines has no mention on local operating costs, it is expected that the local organizers would be responsible for this.

For that matter there was also no mention of local operating costs in the case of fellowships, expert missions, and scientific visits. This would be expected to be paid out of the placement fee for fellows and scientific visits (if any was charged) and as in-kind contribution<sup>4</sup> by MS.

#### **4. RCA Member States**

Several Member States have indicated the total amount of in-kind contributions they have provided RCA Programme, based on the RCA Annual Report, Part III. In 1999 it is estimated that the total in-kind contribution from MS ranged from \$500,000 to \$800,000. The lower figure represents slightly over 10% of the adjusted programme in 1999.

#### **5. Financial Data**

The statistics on the level of support given by the agency for hosting of local events in recent years is unavailable at present<sup>5</sup>. However, the local costs may be inferred based on average estimated costs levels provided to MS. The estimated average cost for each category of activity (group training, meeting, etc.) is indicated in Table 1.

#### **6. Conclusions/Recommendations**

6.1 Section 6 of the RCA Operating Rules and Guidelines describes the obligation of Member States as this relates to hosting of training events; all Member States are requested to observe this to the extent feasible.

6.2 At present the RCA Operating Rules and Guidelines does not mention anything about local costs for hosting of meeting events. The local operating costs for meeting events are also recommended to be shouldered by the host country to the maximum extent feasible; the costs will then be reported and reflected as in kind contribution to the RCA programme. Furthermore the MS may consider incorporating a statement in the guidelines to address this issue (as well as for fellowships, Scientific visitors, expert missions).

6.3 The bulk of RCA programme is on regional events-i.e. group training and group meetings. Efforts at the Agency should be made to obtain statistics on local operating costs for these regional events, at least.

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<sup>4</sup> For the purpose of this paper, the in-kind contribution includes the expenditures incurred by the MS in implementing activities outside of their extrabudgetary contributions (**in cash**) given to the Agency. The RCA MS has discussed in previous meetings how to calculate this in kind contribution (refer for example to the report on the 27<sup>th</sup> RCA GC in 1998).

<sup>5</sup> The RCA Office has been informed that, at present, this data cannot be generated electronically and cannot be done manually given the manpower resources available. However, it is informed that for year 2000, the Agency's Financial Information Management System (AFIMS) has been designed to pick up these statistics

**Table 1 : Magnitude of cost of each event**

(Assumptions: travel is \$1100 per person; DSA is \$100 per day)

Activity	Average estimated costs	Equivalency. This column is intended to provide a comparative view of the level of effort associated with implementing each category of activity.
Expert mission	\$12,500 per man month. Local hosts normally do not ask for agency support for local operating costs outside of the mission cost <sup>6</sup> .	\$450/man day; small group meeting of 8 for 3 days
Group meeting <sup>7</sup>	The cost will vary depending on the number of persons and duration of the meeting. Organizers are expected to shoulder the local operating costs, but in some instances, the agency has been requested to provide financial support.	
10 persons for 3 days	\$14,000	Equivalent to a little over a manmonth of expert mission; or over 4 fellowship manmonths.
10 persons for 5 days	\$16,000	Equivalent to nearly 1.26 manmonths of expert mission or 4.5 fellowship months
17 persons for 3 days	\$25,000	Equivalent to 2 mm of expert missions or 7.6 fellowship manmonths.
17 persons for 5 days	\$30,000(rounded figure)	Equivalent to 2.4 expert manmonths or about 9 fellowship manmonths.
Group training <sup>8</sup>		
15 participants , 1 week, 2 lecturers	\$35,000(this estimate could be higher/lower depending on local operating costs)	Equivalent to nearly 3 expert manmonths or 10.6 fellowship manmonths
15 participants , 2 wks, 4 lecturers	\$52,000(could be higher /lower depending on local operating costs)	Equivalent to nearly 4.2 expert manmonths or about 16 fellowship manmonths.
Fellowship & Scientific Visit <sup>9</sup>	\$3300 per man month( some MS charge a placement fee(minimal ) from which local operating expenses might	About 10,000 for a 3-month fellowship; 3300 for a 1 manmonth SV.

<sup>6</sup> In a few cases the local host has paid or may pay for inland transportation (boat or air) within the country.

<sup>7</sup> For group meetings the local hosts normally shoulders the local operating costs.

<sup>8</sup> For group training course, the Agency normally provides funds for some local operating costs, and the host country provides the others as in kind contribution.

<sup>9</sup> For fellowship placements the host country may also charge a placement fee or training fee.

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