

**Report of the 40th Meeting of the
PERMANENT FINANCE COMMITTEE (PFC)
05 September 2019: 09:00-11:00 hours (Session I)
05 September 2019: 11:15-13:15 hours (Session II)
Bali, Indonesia**

Members Present: (1) Vice President Hon. Laurie Tollefson, Chairman (Canada, 2014); (2) Vice President Mr. Naoki Hayashida (Japan, 2014); (3) Vice President Dr. Irene Bondarik (Russia, 2014); (4) Vice President Engr. Husnain Ahmad (Pakistan, 2014), Represented By Mr. Waseem Nazir (Pakistan); (5) Mr. Ali Reza Salamat (Iran, 2016); (6) Dr. Marco Arcieri (Italy, 2017); (7) Prof. Mohamed Benmoussa (Morocco, 2018); (8) Mr. Gao Lihui, (China, 2019); and (9) Er. Ashwin Kumar Balwantray Pandya, Secretary General, ICID.

Observers Present: (1) Eng. Felix Britz Reinders (South Africa); (2) Dr. Saeed Nairizi (Iran); (3) Mr. Bryan Ward (Australia); (4) Mr. Kenji Miyagawa (Japan); and (5) Er. Harish Kumar Varma, Executive Director, ICID.

General Note: Conversion rate of US\$ versus INR(₹) (Indian Rupee) used in the budget and forecasts –

1. A conversion rate of US\$1 = ₹ 65 was assumed in the forecast for the FY 2018-19 on the basis of the exchange rate in the preceding 15 months commencing from April 2017 to June 2018. Subscriptions actually received were, of course, converted based on the prevalent rate. The difference in the subscription budgeted receipts and the subscription actual receipts due to change in the exchange rate are accounted for as part of 'Other Receipts'
2. Based upon average exchange rate of US\$ 1 for the last fifteen months from April 2018 to June 2019, an exchange rate of US\$ 1 = ₹ 70 has been assumed for the Revised Budget (proposed) for the FY 2019-2020, Budget for FY 2020-21 and Preliminary Budget for 2021-2022 and Forecast Budget for the FY 2022-2023.

PFC Minutes Item 1: Review of the Membership of the Committee

3. PFC noted and recommended for approval of two new nominations of Mr. Delbert M. Smith, P.E., USA NC (USCID) and Mr. Gao Lihui, China NC (CNCID).
4. PFC noted that the term of the Chairman of PFC, Vice President Hon. Laurie Tollefson will be coming to an end with the conclusion of 71st Executive Council meeting (IEC) at Sydney, Australia in September 2020. As per ICID By-laws 3,9,3(b), "The Chairperson of this Committee shall be chosen at the Executive Council meeting either from among Office-Bearers (preferably those in offices) elected to this Committee or others who shall have been in service on the Committee at the time of appointment of the Chairperson". The Committee deliberated on the matter and decided to elect VP Dr Marco Arcieri (Italy) as Vice Chairman as PFC Chair in 2020. IEC approved election of Vp Dr Marco Arcieri as Vice Chair, who will take over as Chairman PFC during the next meeting of the Committee at Sydney, Australia in September 2020 for a smooth transition.

PFC Minutes Item 2: Report of the Direct Membership Administering (DMA) Sub-Committee

5. Based on the report of DMA Sub-committee, the PFC recommended and IEC approved the following as Direct Members of ICID.

Sl. No.	Name of Applicant	Country	Type of Membership Applied for
1.	Maharashtra Water Resources Regulatory Authority (MWRPA)	India	The institution (3 years)
2.	Ningbo Yaofeng Hydraulic Electrics Co. Ltd.	China	Company (3 years)
3.	Prof. (Dr.) Mitthan Lal Kansal	India	Individual (Life Membership)
4.	Dr. Ajay Pradhan	India	Individual (Life Membership)
5.	Agricultural Growth of Rural India (AGRI)	India	The institution (1 Year)

6. The aspect of request of Islamic Development Bank (IsDB), who are also desirous of becoming an institutional member of ICID as a life member was discussed in detail. It was the general consensus that the membership of IsDB can be approved once they pay the fees for an initial term of 3 years as per the usual practice. In the meanwhile, the issue of the life membership for an institution category direct member can be decided by a Task Force. Some Members were of the view that while the life membership can be granted, the subscription payments can be made

every three years or for a longer period with the discounts as being offered now. The longer period between subscription payments can also be considered. The Committee recommended to IEC that all these aspects can be considered by the task force and can come up with the recommended approach. VP Dr. Marco Arcieri was proposed for chairing the Task Force with Secretary General as the member secretary. Other members will be included with the advise of the President, ICID. The recommendations of the task force will be brought up to PFC and further action then on can be taken. IEC in its meeting on 7 September 2019 approved setting up of the Task Force.

PFC Minutes Item 3: Review of the position of arrears of annual subscriptions from NCs and Membership status

7. PFC noted with regret that National Committees of Chad, Ethiopia and Niger continue to be in membership subscription arrears of three years, besides the membership subscription for the year 2019 so far. Several requests have been made to these NCs to clear their balance of subscription. PFC considered and recommended to IEC to apply By-law 13.2 to above National Committees declaring them as “Associate Members” from 1st January 2020 if their dues are not cleared by 31st December 2019. IEC approved the recommendation PFC.

8. *Slovenia* has not cleared their membership dues for two years 2017 and 2018. PFC considered and recommended IEC to apply By-law 13.1 to these National Committees debarring them from holding office whether it be as Office Bearer or as a member of a work body until such time the arrears are paid, which was approved by IEC. However, PFC noted that *Ukraine* has cleared their membership subscription which were due for two years 2017 and 2018. For the year 2019, their membership dues are yet to be received in both cases.

9. In case of Tajikistan, arrears are existing for the past years 2015 and 2016. However, they have paid their subscription for the years 2019. PFC recommended that the pursuation may be continued with the National Committee to clear their dues for the past gap period.

10. PFC noted with appreciation that The Saudi Arabian National Committee (SACID) has cleared their dues of US\$ 21,865 up to 2018 even after being associate member and now is an active member of ICID. PFC and IEC welcomed Saudi Arabia as active Member of ICID.

11. PFC was informed that Interest has been expressed by Senegal and Mongolia for obtaining membership of ICID and appropriate documents have been provided to them with the explanation to initiate action for the membership.

PFC Minutes Item 4: Review of the financial status of recently held ICID events

PFC Minutes Item 4.1: 68th IEC and 23rd Congress, Mexico, 08-14 October 2017

12. PFC appreciated and thanked Mexican National Committee of International Commission on Irrigation and Drainage (MXCID) to make a special contribution to ICID budget amounting to US\$ 57,419/-, 35% share of US \$ 1,64,055/- out of from the registration fee collected for the 68th IEC and 23rd Congress meetings held in Mexico City, Mexico held during 08-14 October 2017.

PFC Minutes Item 4.2: 8th Asian Regional Conference, Kathmandu, Nepal 02-04 May 2018

13. PFC thanked The Nepal National Committee of ICID (NENCID) for committing to make special contribution to ICID budget amounting to 5% share from the registration fee collected of the 8th Asian Regional Conference (ARC) held in Kathmandu, Nepal from 02-04 May 2018. The Committee recommends that IEC may like to record its appreciation to NENCID for the successful organization of 8th Asian Regional Conference (ARC).

PFC Minutes Item 4.3: 69th IEC, Saskatoon, Saskatchewan, Canada, 12-17 August 2018

14. PFC appreciated and thanked Canadian National Committee of International Commission on Irrigation and Drainage (CANCID) to make a special contribution to ICID budget amounting to US \$ 30,217/- equivalent to 15% of the registration fee collected for the 69th IEC meeting held in Saskatoon, Saskatchewan, Canada held during 12-17 August 2018.

PFC Minutes Item 4.4: 9th International Micro Irrigation Conference, Aurangabad, Maharashtra, India, 16-18 January 2019

15. PFC thanked the commitment of The Indian National Committee on Surface Water of International Commission on Irrigation and Drainage (INCSW) for making a special contribution to ICID budget amounting to 5% share from the registration fee collected for the 9th International Micro Irrigation Conference, Aurangabad, Maharashtra, India held during 16-18 January 2019.

PFC Minutes Item 5: Financial proposals for the forthcoming ICID events

16. PFC noted that the financial arrangements for the 71st IEC and 24th Congress, Sydney, Australia, 22-28 September 2020 were already approved as per minutes of the 37th meeting of the PFC of 67th IEC Meeting.

17. PFC also noted that the financial arrangements for the 5th African Regional Conference (5AfRC) at Rabat, Morocco in March 2020 were approved as per minutes of the 39th meeting of the PFC of 69 IEC Meeting. PFC was informed that MB in its meeting held in April 2019 at Rabat, Morocco considered ANAFIDE's request for changing the venue to Markesh from initially approved venue of Rabat.

18. Registration fee structure of these events are reproduced below in a tabular format.

Venue / Year	Sydney, Australia, September 2020	Marrakech, Morocco, March 2020
Event	71st IEC and 24th Congress	5 th African Region Conference
		Revised Rate*
Full Registration	\$ 800	\$ 350
Non-Member Fee	\$ 900	\$ 400
Young Professional (International)	\$ 400	\$ 175
Young Professional (Local)	--	\$ 100
Local Delegates	\$ 800	\$ 150
Retired Professionals (International)	\$ 400	\$ 150
Retired Professional (Local)	--	\$ 150
Accompanying Persons (International)	\$ 300	\$ 150
Accompanying Persons (Local)	--	\$ 150
Delegates from Low Income	--	\$ 300
*As approved in 39 th Meeting of PFC (69 th IEC)		

19. It was informed by Mr. Bryan Ward IACID that the early bird discounts of USD 50 have been provided till March 2020. The fee structure was noted. PFC was informed that the support for YPs as per the existing norms will be provided by the Central Office.

PFC Minutes Item 6: To discuss the audited accounts of ICID for the year 2018-2019 and recommend to the IEC

20. The Committee considered the Audit Report of M/s P.K. Chopra & Co., Statutory Auditors for the financial year 2018-2019 presented in **Annex 1, page 7** of PFC agenda notes. The PFC having been satisfied with the report, recommended that the Audit Report for the FY 2018-2019 submitted by M/s P.K. Chopra & Co., be approved.

21. The Committee observed that the arrears of subscriptions during the current year represent the normal time lag in remittance of subscription by NCs.

PFC Minutes Item 7: Budget and Expenditure for the FY 2018-2019

22. The Committee noted that there has been an overall surplus of ₹13.64 million (US\$ 209,914) against a surplus of ₹ 7.05 million (US\$ 108,492) envisaged in the approved revised budget for the year 2018-2019.

23. The Committee noted with appreciation that during the financial year 2018-2019 an amount of ₹ 0.34 million (US\$ 5,000) was received in March 2019 as a Special Subscription for technical support of activating YP Activities from Japan National Committee of International Commission on Irrigation and Drainage (JNC-ICID), Japan.

24. The Committee also noted with gratitude a sum of US\$ 20,000 out of US\$ 25,250 received in October 2018 as a Special Subscription from Food and Agriculture Organisation (FAO) for organizing a study tour on Solar Powered Irrigation Systems for FAO delegation to highlight good practices, gain insights into how the potential of SPIS is realized (through targeted policies, innovative financing and user arrangements, etc., to promote and regulate such systems) and how risks are addressed. The study was fully completed by 30th June 2019 and balance payment also received.

25. Suggestions were made for providing extra services to least Developed Countries (LDCs) out of the surpluses generated. The matter may be considered for charting out the course of action in the aspect in future.

PFC Minutes Item 8: To consider revised budget proposal for the current FY 2019-2020; budget proposal for FY 2020-2021; preliminary budgets for FY 2021-2022 and forecast budget for FY 2022-2023

26. The Committee considered the revised budget for the FY 2019-2020 and the budget proposal for the FY 2020-2021, preliminary budget for 2021-2022 and forecast budget for 2022-2023. PFC noted that the increase in the income projected are largely due to increase in rental comce from the central building. The Committee also noted that there is no deficit in proposed revised budget against approved budget 2019-2020. PFC appreciated the financial management of the Central Office for maintaining a healthy situation for future.

27. The PFC appreciated the efforts of the Central Office in maintaining Gratuity Fund and Leave Encashment Fund as per requirement of Government of India.

28. The committee recommended and IEC approved the revised budget for FY 2019-2020 and the proposed budget for FY 2019-2020, presented in **Annex 2** and also noted the preliminary budget for FY 2021-2022 and forcast budget for 2022-2023. There are various initiatives in pipelines which will be reflected in the proposals in the future years as and when they materialize.

PFC Minutes Item 9: Surplus/Deficit and Cash Reserves

29. The Committee noted that the Cash Reserves as at the beginning of the FY 2019-2020 were INR 42.11 million (US \$ 647,854) considering Cash, Bank and Investments. The reserves for the previous year of 2018-2019 were INR 40.38 Million (US\$ 621,230). The Committee appreciated the endeavours to improve the cash reserve vis-à-vis annual expenditure on an incremental basis.

PFC Minutes Item 10: Report of the Task Team to look into Financial Aspects of Special Contribution to ICID Budget from ICID Events (TT-FASCIB)

30. The Committee perceived that in compliance with the decision of 69th International Executive Council (IEC) Meeting held on 17th August 2018 (Resolution IEC-2/69, Saskatoon, Canada), a Task Team to look into Financial Aspects of Special Contribution to ICID Budget (TF-FASCIB) from ICID Events was set up, with the approval of the Management Board (MB) at its fourth virtual meeting (4/18) held on 01 November 2018.

31. The PFC also observed The Terms of Reference (ToRs) of the TF-FASCIB are as follows: (i) To look into the financial aspect of special contribution to ICID budget from ICID Events in the form of share of registration fees etc. and its implications, commensurate with the inputs from ICID Central Office towards the successful organization of the ICID events, and (ii) To evaluate the need, consequences and benefit of approving the initial registration fee in the local currency of host NC organizing the event and later converting it into US Dollar at the time of opening up of registration for a particular event to the public.

32. The PFC also noted that Virtual Meeting of the TF was organized on 27 June 2019 where SG Ashwin Pandya presented brief details of the background of setting up of the Task Team, past and present practices in respect of share of ICID from registration fees and status of contribution received by ICID from various events.

33. The PFC appreciated that the TF deliberated on the issue and in the light of background information, actual realization of special contribution to ICID budget from events and input provided by the ICID CO in organizing events and noted recommendation to continue with the present share of contribution from ICID events as indicated below.

34. 35 percent for IEC with World Irrigation Forum and Congress

35. 15 percent in case of ordinary IEC with or without regional conference

36. 5 percent in case of stand-alone Regional Conferences, International Workshops, Symposiums etc.

37. The PFC also noted and agreed with the opinion of the TT that generally registration is completed by the participants during last 4-5 months, mainly around last date for early bird discount. Thus, fixing registration fee in local currency or in USD may not have significant financial impact hence, continue with approving registration fee in USD as at present.

38. In view of the recommendations of the TT, PFC after deliberation approved to continue with the present share of contribtion from ICID events as indicated in para 33 above, which was subsequently also approved by IEC in its meeting held on 7 September 2019..

39. During deliberation, Chair C-CONGR pointed out the need for relook at the fixing of the fee structure once again in view of the fact that presently we have no bid for the 2023 congress which is the indication towards the

financial pressure being felt by the organizing committees of various countries. It was opined that the events have to generate adequate support from the sponsorships and exhibition and other areas for ensuring the financial viability. After extensive discussions, it was decided that the task force may continue to have a look at the options available with a short turnaround time for ensuring offers for the future events for ICID.

PFC Minutes Item 11: Report of the Special Task Force on Independent Service Unit (ISU)

40. The 69th IEC meeting held at Saskatoon in August 2018 vide Resolution IEC-1/69 has granted an 'in principle' approval for the development of a detailed project proposal and obtain necessary statutory approvals for potential launch of ISU as part of 70th year celebrations of ICID. Accordingly, ICID CO engaged SGH Mr. Avinash C. Tyagi to prepare detailed proposal for Techno-economic viability of Independent Service Unit (ISU) of ICID and M/s. U. Shankar and Associates to undertake registration process of Independent Service Unit (ISU) of ICID.

41. PFC noted that based on responses received from NCs to the questionnaire, feedback and suggestions received from NCs during virtual meeting with them and discussions with representatives of International organisations, draft final report of detailed proposal of ISU was finalized and put up to STF-ISU for discussion in its meeting held on 23 May 2019. STF-ISU approved the report with few suggestions which were incorporated in the final report of ISU. Final report of Detailed proposal of ISU was circulated to the members of the STF and Office Bearers for their views and suggestions, if any.

42. PFC further noted that taking into account the concerns raised and suggestions made by the some members of STF and Office Bearers, further consultations were made with the financial advisors and other Taxation experts who were of the view that presently establishment of a independent unit is not essential. Alternatively, in light of the new amendments made by the Indian Government, an NGO (ICID falls under this category) can undertake the work on fee based services and undertake such works to the extent of 20% of ICID receipts during the previous year for generating incidental income. Accordingly it is proposed to adopt a phased approach for Service Unit (SU).

43. PFC was informed that based on the discussions with the experts, following two phases for providing services by ICID are suggested :

- a. **Phase I:** Start ISU as a Service Unit (SU) of ICID and provide services to our stakeholder for generating incidental income up to the extent of 20% of total receipts of ICID.
- b. **Phase II:** Once SU reaches a turnover to the extent of 20% of ICID receipts in a year (likely period of this phase is 3-4 years), incorporate ISU as a separate legal entity under Indian Companies Act as suggested in the DPR, if considered necessary, otherwise.

44. PFC after deliberation agreed and recommended to adopt phased approach for setting up of Service Unit as indicated in para 43 above. PFC appreciated that the registration process of ISU has been put on hold for the time being.

45. The matter was discussed in great details and opinion was expressed by VP Waseem Nazir that unless the rules of operation and other details are codified, the implementation process may be put on hold. However, it was pointed out by Chairman of STF and others that the establishment of SU as proposed needs to be approved in principle with the requirement that the operationalization of the same can be started only after the suggested details are defined and approved. The announcement of intent will help in generating interest amongst NCs and will enable various potential partners and NCs to come forward with the specific conditions and requirements which will help in building the rules of operation. NCs and other members were once agains requested for providing their views on the basis of the documents circulated and suggest modifications therein for appropriately incorporating the same. TF may continue to monitor the initiative and provide guidance and approvals for further course of action on the above lines.

46. Based on the deliberations, PFC recommended and IEC approved the following:

- (a) In-principle approval for establishment of service unit within ICID along with proposed staff
- (b) To develop rules of operation and other details including operating procedure
- (c) SU to start operation only when rules and regulations are in place
- (d) To establish Service Advisory Group as proposed in the proposal to guide and monitor development of rules and regulations and further action in the matter

PFC Minutes Item 12: Report on the Status of addition to CO Building for financial sustainability of ICID

47. The PFC was informed that during the MB 4/15 meeting, post-66th IEC (4/15) in Montpellier, the President suggested to explore feasibility of expanding the Covered area of ICID Central Office Building. Subsequently, based on the approval of the Management Board in its meeting held on 5 July 2018 (MB-2/18), M/s Deependra Prashad Architects & Planners (DPAP) was engaged in August 2018 for Architectural Consultancy and Liaison works.

48. The PFC noted that MB in its meeting held on 12 April 2019 at Rabat, Morocco (MB-1/19) considered various options for extension of the CO building received from M/s DPAP and MB approved the option which will create more additional area of about 3324 sq. m (FAR-2405 sq m, Non-FAR-919 sq. m) so as to get more revenue by renting out the additional available area.

49. The PFC was informed that as advised by the MB, the issue of securing loan for expansion of CO building was also explored with the Banks and further consultations have been made with the Architect to firm up the design and layout. During discussions with the Banks, it transpired that the Banks will be providing loans up to 75% of the estimated cost which is presently approx. Rupees 140 million.

50. The PFC noted that it is expected that all statutory approvals may be obtained by 31 December 2019 and then tender for construction new building would be invited. Actual construction of the building is likely to start during April 2020 and the work shall be completed in 18 months' time. As per preliminary construction planning, 70% expenditure (Rs.100 million) will be done during the financial year 2020-21 and rest 30% (Rs.40 million) during the financial year 2021-2022.

51. At present, the financial institutions have provided the estimated rates of interest and terms of repayment of loans. The firm offer of terms will be provided by them only after the submission of the approved plans from the statutory authorities. The PFC took note of the progress and suggested that the exact financial implications once in hand, may be put up to the PFC for examination and approvals.

PFC Minutes Item 13: Miscellaneous Financial Issues

The PFC noted that ICID has already shifted PF accounts of its staff members to Employees' Provident Fund Organisation (EPFO) w.e.f. 01 April 2013. ICID EPF Trust has paid all dues to its members. PFC noted that the the process of dissolution of ICID EPF Trust is under progress. As per income tax department notices, liability for AY 2014-2015 & 2015-2016 is about of ₹ 03.81 million (US\$ 54,429) and case is under appeal with IT Department.

PFC Minutes Item 14: Any Other Business

The Permananet Finance Committee noted with appreciation the constant and sincere efforts of Central Office, ICID for revitalising registration under Foreign Contribution Regulation Act (FCRA) (renewal / restoration / fresh application).

