



42ND GENERAL ASSEMBLY
ASEAN INTER-PARLIAMMENTARY ASSEMBLY
Brunei Darussalam, 23-25 August 2021

*Forging Parliamentary Cooperation in Digital Inclusion
Towards ASEAN Community 2025*

EXPLANATORY NOTE

**DRAFT RESOLUTION ON
GRANTING PERMISSION TO USE SPECIAL FUNDS FOR THE
PAYMENT OF COST-SHARING OF THE NEW PREMISES OF AIPA
SECRETARIAT AND FOR THE MINOR ADJUSTMENT IN THE
SALARY OF THE LOCALLY RECRUITED STAFF OF THE AIPA
SECRETARIAT**

1. The 41st AIPA General Assembly in September 2020 adopted the Resolution on the relocation of the AIPA Secretariat to the ASEAN Heritage Building. Complying with the Resolution, the AIPA Secretariat conducted intensive communication with the ASEAN Secretariat to immediately realize the relocation and start the renovation of the new office which has been offered to the AIPA Secretariat free of charge.

The cost sharing agreement was signed on 20th of May 2020 with the initially agreed amount of operational cost-sharing approximately USD.900 per month . However, several months after the signing of the agreement, the AIPA Secretariat was informed by the ASEAN Secretariat that the total amount of the operational cost-sharing expenses increased to approximately USD.2,270 per month (USD.28,000 per year). The AIPA Secretariat has negotiated this issue with the ASEAN Secretariat. However, the ASEAN Secretariat argued that the increase is due to the large number of spaces in the building that are not yet occupied due to COVID-19 pandemic situation, and that unilateral price increase is lawful as it is mentioned in the agreement that the price is subject to change.

At the Working Group Meeting on the Transformation of the AIPA Secretariat, the Secretary General of AIPA used the opportunity to consult this issue with the AIPA Members. The Delegates were aware that the cost sharing of the new premises of USD.2,270 per month must be paid by AIPA as the ASEAN Secretariat has already offered the office free of charge. Furthermore, the relocation of the AIPA Secretariat to the Heritage Building of ASEAN Secretariat has been unanimously agreed upon by AIPA members during the 41st General Assembly.

2. Also discussed in the Working Group Meeting was the welfare of the home-based staff of the AIPA Secretariat. It is a fact that there is a gap in the salary scheme of AIPA Secretariat employees, both internally among Secretariat staff and externally with the staff of ASEAN Secretariat and other similar organizations based in Jakarta. It is also a fact that employee turnover rate of the AIPA Secretariat in the last five years reached 64,7%, in which 44% of the employment separations was by reason of seeking for higher salary and for better career opportunity. Despite the inflation that occurs every year, where the general price level rises, the salaries of AIPA Secretariat staff have only been increased very

slightly in the last five years, not to mention the basic salary which is already relatively below the average.

From this perspective, most of AIPA Members expressed their agreements to the Working Group Meeting that the welfare of AIPA Secretariat Staff is not only essential, but also part of moral and ethical obligation of the AIPA Member Parliaments. Further, it was also discussed that annual incremental, bonuses, employee benefits, and privileges such as supplemental contributory pension, in the interest of creating psychological bonding between employer and employee, could be considered as a solution to address the issue of high employment turn-over rate.

3. However, it is comprehensible that increasing the annual contribution to address the two above-described issues might not be a prudent idea in this difficult time as the economies of ASEAN countries are currently struggling due to the COVID-19 pandemic. In consideration that the issues are urgent to address and following the suggestions conveyed in the Working Group Meeting on the Transformation of the AIPA Secretariat to use some available financial resources of AIPA, the AIPA Secretariat proposes to re-allocate the annual cost-sharing expenses of the new premises, as well as the minor increase to the salary of the AIPA Secretariat staff **to the Special Fund** as follows:
 1. USD 28,000 total annual cost-sharing expenses of the new premises;
 2. USD 15,210 to slightly increase the salary of the AIPA Secretariat staff (details of the employee salary increases can be found in the excel file attached to this document).

The budget re-allocation of the Special Fund is deemed as the most feasible approach to address the issues at this juncture for the following reasons:

- + During the pandemic time, all physical meetings under the current budget allocation of the AIPA Special Fund have been conducted via videoconferencing format (*see the current allocation of a Special Fund below*);
- + As a consequence, the use of the Special Fund is not yet optimal, while the allocation in the main budget of USD 300,000 annually is getting tighter and no longer available to accommodate the cost sharing of a premises;
- + During the Working Group Meeting on the 8th June 2021, most AIPA members agreed that the use of AIPA alternative funds (reserved/savings/special funds) to address the two above-described issues is only limited until 2023, assuming that the economy has recovered and AIPA member parliaments are able to increase their annual contributions.

The current budget allocation of the AIPA Special Fund is shown in the following table:

No.	Expenses	Amount
1.	Attendance of the President of AIPA to the ASEAN Summit	USD 3,000
2.	Part-Financing AIPACODD	USD 5,000
3.	Part-Financing of Hosting Study/Ad-Hoc Committees or Expert Research/Consultant	USD 20,000
4.	Renovation and Refurbishment of AIPA House	USD 5,000
5.	Undergraduate Attachment Program	USD 1,500
6.	ASEAN/AIPA Day	USD 6,500
7.	Other Expenditures as Approved by GA: a) Awareness Program	USD 5,000

	b) Activities on SECTT/Plastic, Marine Debris	USD 4,000
	TOTAL	USD 50,000