

Legal Entity & Location Options for ILTER

August 14, 2006

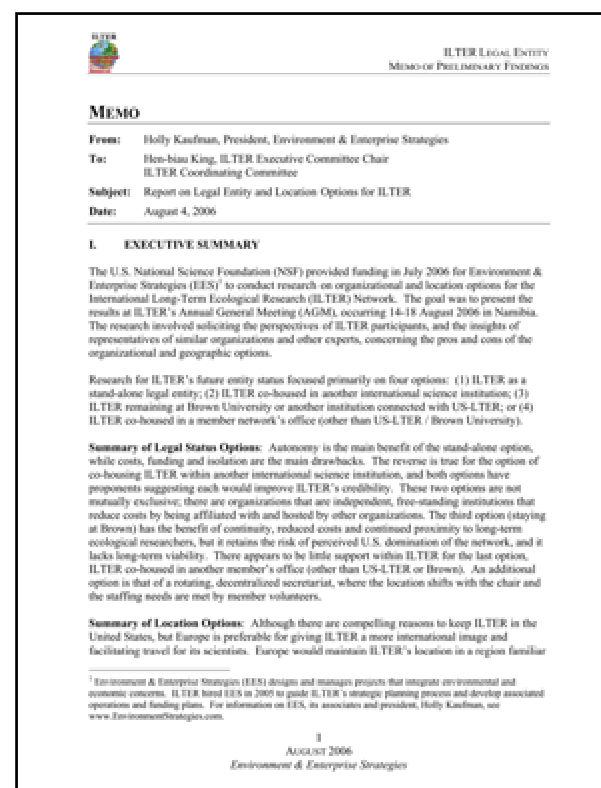
Miranda Anderson

Environment & Enterprise Strategies



OVERVIEW

- Background
- Methodology
- Findings
 - Entity Options
 - Location
 - Funding Considerations
 - Interim Arrangement
 - Decision Process
 - Staffing
- Recommendations



BACKGROUND

- ILTER is evolving
 - from an informal association of networks of LTER scientists
 - to a more formal umbrella organization with a headquarters office
- U.S. NSF provided a small grant in July for EES to do quick research on the best **legal entity** and **geographic** options for ILTER's headquarters

METHODOLOGY

- Distributed survey to **Coordinating Committee**; interviewed ILTER participants
- Interviewed representatives of **similar organizations** (e.g., ICSU, IAI)
- Interviewed representatives of **funding community**
- Interviewed other **experts**

Methodology: Entity Options

Research for ILTER's future entity status focused primarily on four options:

- (1) **Become a stand-alone legal entity**
- (2) **Co-house in another international science institution**
- (3) **Remain at Brown University or another institution connected with US-LTER, or**
- (4) **Co-house in a member network's office (other than US-LTER / Brown)**

Other options include rotating and decentralized secretariats.

FINDINGS: Entity Options

Become a Stand-Alone Entity

PROS	CONS
Autonomy	Costs
Strong identity	Funding
Credibility	Credibility
	Risk of isolation

Some ILTER participants preferred being a stand-alone entity **in the long-term, but did not necessarily think it was the best immediate solution.**

FINDINGS: Entity Options

Co-house in an International Scientific Institution

PROS	CONS
Costs	Loss of autonomy
Funding	Loss of identity
Credibility	Hard relationship to arrange
Connections / Synergy	Potential competition

Basically, opposite pros and cons of being stand-alone.

FINDINGS: Entity Options

Independent entity and co-housing are not necessarily mutually exclusive:

- Global Biodiversity Information Facility (GBIF)
 - Independent organization through Denmark law: legal status as an international organization
 - Secretariat hosting with Zoological Museum of the University of Copenhagen that spells out services that University provides
 - **GBIF's solution provides the independence of stand alone legal status and convenience of secretariat support**

FINDINGS: Entity Options

Stay at Brown University or other US-LTER Institution

PROS	CONS
Costs	Risk of US dominance
Funding potential	Overdependence on US funds
Continuity	Reduced engagement of other ILTER members
Maintaining functional arrangement	Not viable long-term

Could be a good interim solution.

FINDINGS: Entity Options

Co-house in another Member Network

PROS	CONS
Costs	Risk of host dominance
Proximity to LTER researchers	Overdependence on national funds
Ease	Reduced engagement of other ILTER members

ILTER representatives expressed little support for this option.

FINDINGS: Entity Options

Additional options: Rotating and/or Decentralized

- Rotating: Secretariat location moves with ILTER Chair
- Decentralized: Members fill staff needs

PROS	CONS
Minimal administrative, staff and funding needs	Reliance on volunteerism
Shared responsibility	Potential inefficiency
Flexibility	Hard to track effectiveness

FINDINGS: Location

➤ Key Considerations

- ❖ Proximity to funders
- ❖ Labor pool
- ❖ Ease of travel
- ❖ Local rules & laws

➤ **For domination concerns, hosting may not be nearly as important as funding.**

➤ **Geographic options not mutually exclusive. Could establish a headquarters in one location and then establish affiliate offices and/or partnerships elsewhere.**

FINDINGS: Location

- Europe or United States
 - Proximity to funders
 - Familiarity with concept of LTER
- Most ILTER participants who responded to this question preferred Europe over U.S.
 - 6 members chose Europe
 - 3 members chose United States

FINDINGS: Location

United States

PROS	CONS
US-LTER's role in creating and developing ILTER	Would not alleviate potential US dominance
US-LTER's experience and connections	
US-LTER is the largest network, lots of LTER scientists in US	Perpetuates impression of ILTER as American and as NSF tool, rather than as international organization
US has strong funding sources and support for scientific community	
Excellent support from Brown	Difficult for non-US scientists to travel to U.S. because of visa challenges & immigration policy
Easy to travel to US East Coast	

FINDINGS: Location

- EUROPE:
 - Could improve ILTER's "international" image
 - Provides "centrally"-located and relatively easy travel for ILTER participants
 - Potentially easier collaboration with international environmental organizations based in Paris and Geneva

FINDINGS: Funding Considerations

- Primary factor to consider in determining ILTER's future entity status & location
- Could come from:
 - Foundations
 - National science funding agencies
 - Host country / institution
 - Membership contributions

FINDINGS: Funding Considerations

- **Foundations**

- Still more research to do, especially outside U.S.

- **National science agencies**

- Many do not fund outside their borders
- U.S. NSF prefers to fund science collaborations instead of networking or organizational administration

- **Membership dues**

- Many organizations use as major source of revenue, often tied to country's GDP
- Can be time-consuming to collect, but gives broader sense of program ownership

FINDINGS: Funding Considerations

- Organizational implications
 - Co-housing / hosting can result in financial support
 - Provision of services & personnel
 - Enhanced credibility & connections can improve fundraising potential
 - Independent entities must do their own fundraising

FINDINGS: Funding Considerations

- Geographic implications
 - If located in US, may have hard time getting funding from other countries
 - If located in EU, might access EU funding and could still keep US options open with US not-for-profit (“501(c)(3)”) office
 - Can create funding options globally with partnerships

FINDINGS: Interim Arrangement

- 12 of 19 ILTER respondents supported interim secretariat before implementing long-term solution
- Most supported about 3 years
- Time to develop credibility, contacts, profile, program, influence, and funding
- Time to prepare for permanent arrangement

***“I can hardly imagine starting with something else [right away], as this would likely lead to collapsing the ILTER network.”
—ILTER participant***

FINDINGS: Decision Process

- Need more information on potential hosts
- Could issue Request for Proposal to host ILTER
- Precedents for this approach: CIESIN, GBIF, IAI
- Can target governments, national science agencies, int'l science institutions

FINDINGS: Staffing an ILTER Entity

- Interviewees repeatedly mentioned the importance of the type of staff needed:
 - Know both science & administration
 - International staff – maximum 30-40% of staff being domestic; Director not a national of host
 - Director should be people-oriented

No need to deal with now, just to keep in mind

RECOMMENDATIONS

- Stay at Brown for approx. 3 years
 - Develop organization, solidify reputation, increase & diversify funding, and develop science products
 - Hire Exec. Dir. and Admin. Coordinator to alleviate need for volunteer labor and time from Brown
 - Initiate membership dues
- Optimal model may be similar to GBIF's
 - Legally-independent organization
 - Hosting arrangement that covers percentage of expenses

Discussion

- Need decide on this during the AGM