**APPENDIX XV**

**Background Information on the Review of TCTF Status**

**and Member’s Annual Contribution**

**1. Review of the income and expenditure of Typhoon Committee Trust Fund (TCTF)**

**(Ref : AWG Annual Report 2021, Agenda item 9.2 of TC54)**

1.1 In 2021, the AWG conducted a review on the income/expenditure status of the TCTF and revealed a long-term decreasing trend of the TCTF during 2012-2019 (Figure 1). The observed structural deficit was mainly attributed to :

1. Increases in the Working Groups’ expenditure
2. Increases in the IWS expenditure due to inflation in passages and DSA
3. Extra expenses for special events (e.g. TC50 anniversary)
4. Very low interest credits during the concerned period
5. No change in the recommended Member contribution of USD 12,000 for TCTF since 1985 (Figure 2)

1.2 The AWG identified some possible options to alleviate the deficit on the TCTF which includes:

1. Reduce the cost/support of IWS
2. Control the Working Group budget/expenditure
3. Increase the Member’s annual contribution to TCTF

1.3 AWG Chair briefed the Members the TCTF status and the observed structure deficit in TC54 as well as possible options to alleviate the deficit. The Committee was also informed that Working Group Chairs will make a concerted effort to reduce the budget in coming years.

**2. Trend of TCTF from 2021 to 2023 (COVID-19 period)**

2.1 During 2021 – 2023, as requested by the AWG, the Working Group Chairs have also made an effort to either maintain or reduce the increase of the annual budget. Moreover, the Committee endorsed the proposal of shortening the duration of future face-to-face IWS to 3 or 3.5 days in TC55, incurring saving in TCTF support.

2.2 The outbreak of the COVID-19 in early 2020 significantly affected the activities of the Typhoon Committee with many of the planned events cancelled or conducted virtually from 2020/21 to 2023/24. Consequently, many of the proposed budget items were underspent, resulting in a rebound in the TCTF during 2020 – 2023 (Figure 1 and Table 1).

**3. Review of Member’s Annual Contribution to TCTF**

**(Ref : AWG Annual Report 2024, Agenda item 9.2 of TC57)**

3.1 After the COVID-19 impacts faded away in 2023, the activities of the Typhoon Committee resumed normal in phases in 2023/24 with the expenditure increasing gradually.

3.2 With the regaining of normalcy in 2023/24 and the introduction of new initiatives (e.g. AI projects, Typhoon Committee Research Award for Young Scientist, Celebration of the 60th Anniversary of the Typhoon Committee in 2028, etc.), the AWG anticipated that the TCTF expenditure will return to the 2017-2019 level of about USD 200,000 each year (Table 1) in the coming few years and trigger the structure deficit again.

3.3 In view of the above, the AWG and TCS revisited the issues on income/expenditure of TCTF and resource mobilization in 2024 with a view to maintaining a healthy status for TCTF and the sustainable development of the Committee. In addition to the research on possible arrangements/rules and procedures for resources mobilization (Agenda Item 11 of TC57), the AWG agreed that Members should be encouraged to increase their annual contribution to TCTF in due course as the amount of contribution has not been changed since 1985 and the corresponding accumulated inflation from 1985 to 2024 should have well exceeded 150%[1, 2].

3.4 The AWG and TCS further discussed the preferable amount and the suitable timeframe of the proposed increase in Member’s annual contribution to TCTF. It is considered that a “break even” for the budget could be achieved if Members can increase the annual contribution from USD 12000 to USD 18000 (around 50% increase, see Figure 3) by taking into account the following statistics and assumptions:

(a) On average 11 Members contributed to TCTF each year; and

(b) Maintaining the long-term annual expenditure at about USD 200,000 (i.e. around 2019 level).

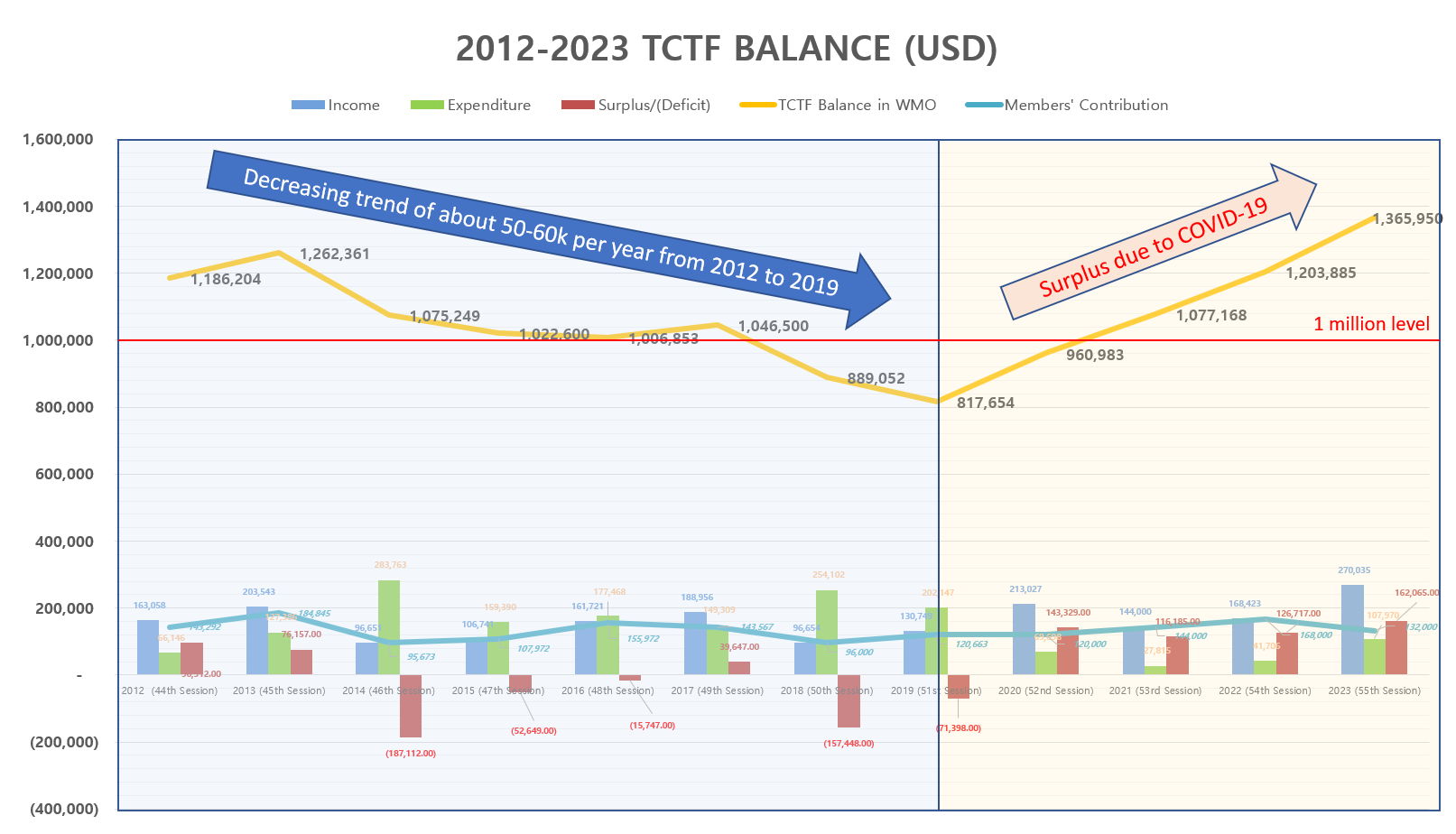
3.5 For the implementation timeframe, given the TCTF currently has a reserve of around USD 1.3 million mainly due to the surplus during COVID-19 period, the urgency of increasing the annual contribution immediately is not high. It is proposed that the increase in annual contribution could be considered at an opportune time in the next 5 to 10 years or when the reserve of the TCTF falls well below USD 1 million again. This could allow sufficient time for Members to discuss this matter in advance and start the processes for requesting additional funding from their government.

3.6 The AWG decided to present the findings and proposal for Members’ consideration during TC57.

[1] <https://www.usinflationcalculator.com/>

[2] <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>

Annex Typhoon Committee Budget Request 2012-2023

 Figure 1

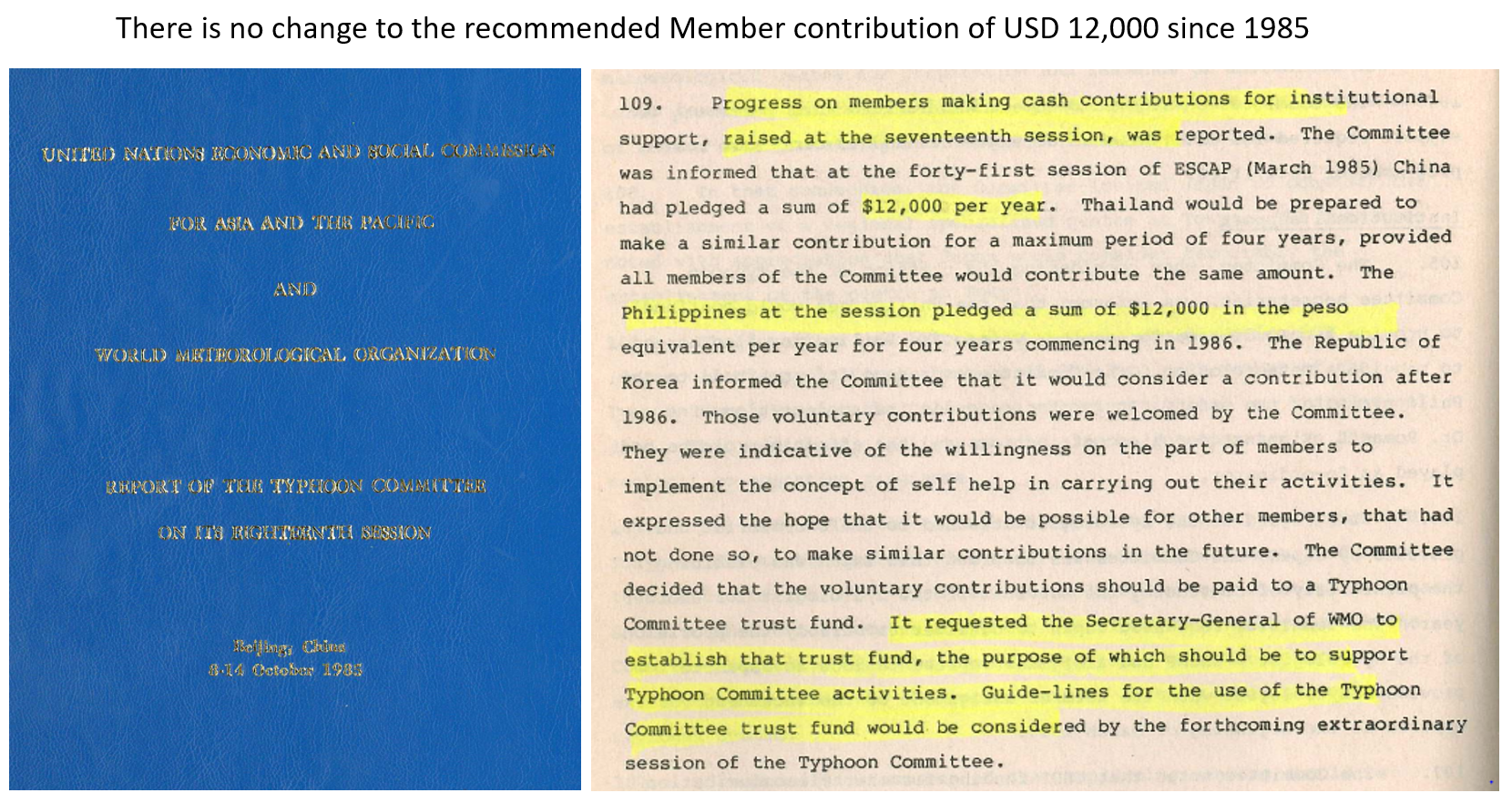


Figure 2

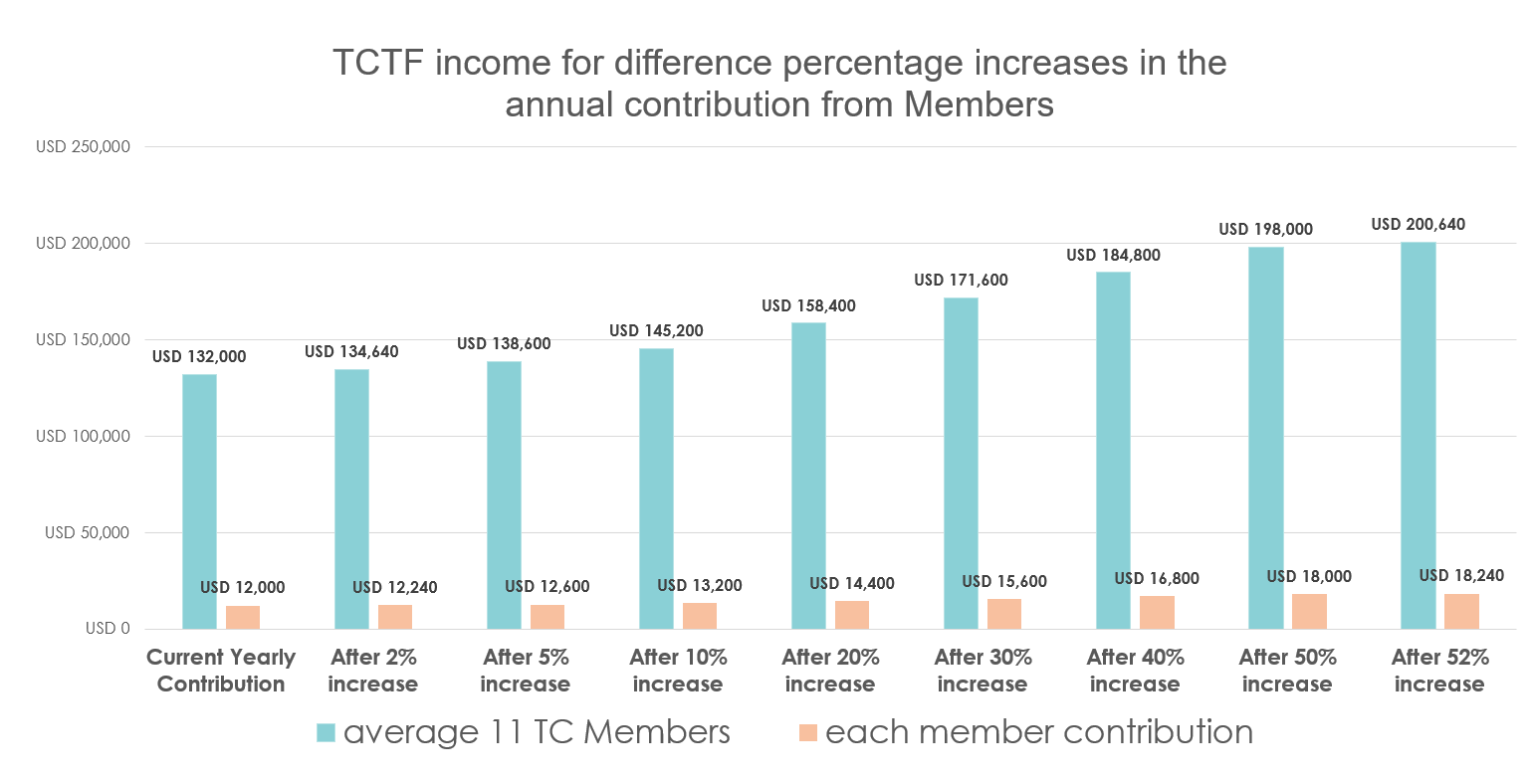


Figure 3

**Table 1 TCTF Income, Expenditure and Balance (2011-2023)**

*The estimated expenditure of 2024/2025 is about 124,321.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Income** | **Expenditure** | **Balance** |
| 2011 | 111,222 | 121,061 | 1,089,292 |
| 2012 | 163,058 | 66,146 | 1,186,204 |
| 2013 | 203,543 | 127,386 | 1,262,361 |
| 2014 | 96,651 | 283,763 | 1,075,249 |
| 2015 | 106,741 | 159,390 | 1,022,600 |
| 2016 | 161,721 | 177,468 | 1,006,853 |
| 2017 | 188,956 | 149,309 | 1,046,500 |
| 2018 | 96,654 | 254,102 | 889,052 |
| 2019 | 130,749 | 202,147 | 817,654 |
| 2020 | 213,027 | 69,698 | 960,983 |
| 2021 | 144,000 | 27,815 | 1,077,168 |
| 2022 | 168,423 | 41,706 | 1,203,885 |
| 2023 | 270,034 | 107,970 | 1,365,950 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **TCS** | **All WGs IWS\*** | **TRCG** | **WGM** | **WGH** | **WGDRR** | **Special Request** | **AWG** | **Total for four WGs**  **and special request** |
| **2025/2026#** | **42,500** | **58,000** | **27,000** | **47,000** | **29,000** | **28,500** | **0** | **0** | **131,500** |
| **2024/2025** | **38,500** | **55,000** | **27,000** | **39,500** | **29,000** | **24,500** | **0** | **0** | **120,000** |
| **2023/2024** | **34,000** | **68,000** | **27,000** | **38,000** | **25,000** | **15,500** | **0** | **0** | **105,500** |
| **2022/2023** | **25,000** | **68,000** | **11,000** | **38,000** | **25,000** | **12,000** | **14,000** | **0** | **100,000** |
| **2021/2022** | **34,000** | **68,000** | **11,000** | **44,000** | **30,000** | **30,000** | **12,000** | **0** | **127,000** |
| **2020/2021** | **34,000** | **69,000** | **28,000** | **44,000** | **25,000** | **30,000** | **22,000** | **0** | **149,000** |
| **2019/2020** | **34,000** | **73,000** | **26,000** | **36,500** | **25,000** | **13,500** | **28,000** | **0** | **129,000** |
| **2018/2019** | **33,000** | **40,000** | **23,500** | **27,000** | **15,000** | **24,000** | **28,500** | **0** | **118,000** |
| **2017/2018** | **33,000** | **50,000** | **7,500** | **21,000** | **14,000** | **21,500** | **96,000** | **0** | **160,000** |
| **2016** | **33,000** | **0** | **23,000** | **27,000** | **24,000** | **20,000** | **10,000** | **3,000** | **104,000\*** |
| **2015** | **33,000** | **0** | **23,500** | **27,000** | **23,000** | **19,000** | **21,000** | **5,000** | **113,500\*** |
| **2014** | **33,000** | **0** | **20,000** | **26,000** | **23,000** | **23,000** | **28,000** | **7,000** | **120,000\*** |
| **2013** | **33,000** | **0** | **4,000** | **32,000** | **28,000** | **27,000** | **55,000** | **7,000** | **146,000\*** |
| **2012** | **28,000** | **0** | **18,000** | **32,800** | **31,200** | **28,000** | **0** | **9,000** | **110,000\*** |

**Annex Typhoon Committee Budget Request 2012-2025**

**\* Before 2017/18, the request of support for IWS was included in the budget of each WG**

**#Based on the proposed budget for 2025/26 (Agenda Item 17.3/TC57)**