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HELSINKI – Funding for the Independent GAC Secretariat  
Wednesday, June 29, 2016 – 12:00 to 12:30 EEST  
ICANN56 | Helsinki, Finland

CHAIR SCHNEIDER: So with this, we have to move to -- to an internal issue as well but a very important internal issue, which is something that we've started to discuss already at previous meetings.

This is about the secretariat of the GAC, the independent part of our hybrid secretariat of the GAC that is funded on a voluntary basis by GAC members.

I won't repeat all the history. We've discussed this, as I said already, sometime before. As a quick, maybe, wrap-up, the last time we discussed this in Marrakech, there was a request for those who were willing to see internally whether they could join the team, the group of funders, of donors to receive some material about what the secretariat is doing, how it is working, how it is financed, what the mechanisms are for money transfers and accountability and transparency, who is signing the bills, how the secretariat is reporting about what it does, and so on and so forth.

We sent a number of documents out since then to all of you. We hope that is sufficient. In case somebody needs additional

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information or has further questions, of course we're happy to answer them.

I think that the fact is, or to recall the facts, we've -- there was an agreement in the GAC some years back that we need an independent secretariat that would support us in -- not just in logistics and in communication but also in helping to -- supporting us in preparing decisions through briefing papers, draft of documents, and so on and so forth. Making documents of substantive minutes of meetings and the like. And we've had three countries who generously stepped ahead and voluntarily funded the secretariat for five years. Each of them contributed 200,000 euros per year; i.e, each of them gave one million euros over these five years.

We had some challenges in the beginning with the first version of the secretariat and then we slightly modified the arrangements and the concept, and we are now having ACIG in charge since, I think, Buenos Aires 2013 or so. So I think it's like almost three years. And we did some analysis about the appreciation of the secretariat. I won't go into detail. I think you all know that we highly value the value added that ACIG's work, in conjunction with, of course, ICANN staff, where there is excellent cooperation on all levels between both parts of our hybrid secretariat, on how important the quality and the timeliness, also, of our work, which is getting more and more

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crucial, is the contribution by ACIG. I think we don't have to repeat this.

So the issue that we would like to hopefully get one step closer to a sustainability is the funding. We have been informed already some time ago that the current donors rightly said that they will not be able to carry the burden alone forever; that they made the first step to make this possible, but that they think that this burden needs to be shared in a much broader way with others. And that has been understood by everybody, I think, and I think we've all acknowledged and thanked the current donors for helping us to start with this and getting used to it. But that now we need to spread this on many, many, many more shoulders than just three, which is only fair. This is every other international institutions, normally they have membership fees where you may have some leverage on how much or how little you can pay according to your available resources, but it's more or less normal in most other cases that in the long run, everybody has to somehow contribute to the funding also of the infrastructure, let's say, of your participation in a committee or in an institution.

So we've had the European Commission that has announced that they are ready and willing to contribute with 50,000 euros for the next five years to take on their responsibility. We've had Switzerland who had announced that they are willing to also

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take responsibility and contribute with 50,000 Swiss francs which is almost equal to euros for at least two years. We've had Peru who has announced that they would be ready and willing to contribute \$2,000, which is a small amount but -- sorry? Oh, but it's growing. So 2,500, and this is meant as a signal to other countries with limited resources that you don't have to contribute a very high amount. If -- if small amounts get together, they also become high amounts. So this is a very welcomed signal by Peru that everybody should somehow contribute with whatever you can, and this may also vary over time. Governments may have more resources one year, less another year. But this is a clear invitation to everybody to give something, because if that's not gonna happen rather soon, yeah, we -- we are getting to what will happen there so -- but I see Peru you have your hand up. So Peru and then the European Commission.

PERU:

I wanted to let everyone know and, of course, you Thomas, you know this better than no one, that for governments to give an amount of -- a fund for ICANN, it's impossible because this is not an international organization. So we have to find a way around this impossibility. And we did what Brazil had done before us, and we -- but the entity that is giving the \$2,500 is the .PE, the entity that is in charge of administering our name. So perhaps

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our experience can help others. In fact, I have been telling our colleagues from Latin America that we can all more or less do the same, no? Reaching out to the companies that administer our respective dot names, no? That's it.

CHAIR SCHNEIDER:

Thank you, Peru. Before giving the floor to the commission, European Commission, in fact, it is to different degrees a challenge for many governments, depending on your legal bases and of your ministries or your agencies and some innovative thinking, I would say, is required in many cases to find a way to actually be able to contribute. And using the common interest between a government agency and other private institutions who have the same goal in terms of delivering services to your citizens and your businesses. And Peru and Brazil are good examples of how this can be done in a multistakeholder corporation also to get the funding for the GAC for part of the GAC secretariat. So this is a very welcome initiative, and I'm very happy to hear that discussions are going on on how your solutions can be an inspiration for others finding solutions as well. European Commission.

EUROPEAN COMMISSION: Thanks, Thomas. I just wanted to correct the record for one thing. You said that the European Commission was going to

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contribute 50,000 per year over five years. And, of course, that's what we want to do, but our legal commitment for the moment is just for 2016, just so the record is clear, because otherwise I'll go back and get in trouble.

CHAIR SCHNEIDER: Thank you. And we don't want you getting in trouble. We want you to have a good life. So thank you for this clarification. Japan and Argentina and Brazil. Yes, go ahead. Thank you.

JAPAN: Let me express my appreciation to the colleague who donated for financially contributing to the GAC activities. Japan understands that funding from the more members necessary to maintain the services currently provided by ACIG.

On the other hand, the current funding scheme depends on voluntary contribution. Therefore, in general we feel it necessary to find other sustainable funding scheme, for example, membership as Thomas said, so that the GAC members can share the cost regularly. At the same time the scheme should be developed in order not to try to hinder any representatives in participating in GAC meetings due to economic reasons. So in the case of Japan, budgetary requests can be submitted to the finance authority in every summer and

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it is followed by a (indiscernible) Processes by the finance authority and the national (indiscernible) Which usually goes along to the next spring and later. Please note that making a transparent funding scheme is a prerequisite for this sort of budget request in my country. Thank you.

CHAIR SCHNEIDER:

Thank you very much. Just a quick answer. We know that -- that, of course, there's a procedure in every administration for asking for money and so on and so forth. This is why we have produced the documents that we were requested to produce, and as I said, if somebody needs some -- something additional, that will be provided.

Where is my list of lists. Argentina, Brazil, and Thailand, right? Argentina.

ARGENTINA:

Thank you, Chair. I would like to change a little bit the perspective of this exchange of ideas and share with you an idea that I have. And if you give me some feedback, that could be very useful.

There is a cross-community working group about auction proceeds. These funds that are received by ICANN from the auctions of the different new gTLDs that were in contention. So

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these funds are analyzed by this cross-community working group, and there is a charter that's being developed and a procedure to assign these funds. I thought that it could be possible if -- if it's a good idea for the GAC, that we may try to apply for some funds for funding the secretariat. We have to have in mind that these funds come from -- from ICANN in a way that it's from the auctions but it's from ICANN, so I don't know if this is a good -- acceptable or not for us. But the funds are there and it's for funding an independent secretariat of the largest group within the ICANN community, because we have more than 1 -- 160 -- more countries. So if you could give me some feedback, I am a member of the cross-community working group and I can bring some ideas if this is feasible to have in mind when we are drafting the documents. Thank you.

CHAIR SCHNEIDER:

Thank you. Maybe before -- before going through the speaker's list, I think there's one thing that I wanted to say before the discussion started, is that the fact is that for this year the money is there for having the secretariat resources on the level that we've got used to, knowing that the demands are rising and ACIG is actually already now working more hours than what is in the agreement so far. They have been flexible and tolerant. And for next year the contract that we currently have with ACIG that goes via ICANN, because the GAC is not a legal entity, the



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contract ends three weeks after the June meeting next year. That means somewhere mid-July. And for the time being there's no secured funding for 2017 as a whole. Not even for -- for the first half year of -- as long as the contract goes.

What we need to keep in mind is I'm confident that we somehow will be innovative enough to get the fund, but we need some time to develop a new contract in case that necessary because, of course, ACIG as a private company, they need to be able to plan their resources. Like we need to budget our budgets, they need to budget their budgets. They need to know what the expected income will be, ideally the year before. So that they can like budget like any other entity. We are at a critical moment now between now and Hyderabad where in Hyderabad at the latest we will have to plan based on the money that we have secured for the next year. So this is -- so that we're very clear, this is the situation that we're in. Whatever we will not have secured by Hyderabad we will not be able to build and plan on that. This is the situation. Or the end of the year. So there is a gap to fill, which is there. It is not impossible to fill. It depends on -- mainly on the political will of all of us to fight internally. Of course, we all have budget cuts and so on and so forth, but it's also a question about making -- making the benefit of this understood. And with regard to what Olga has said, that there are different ways of securing this funding. We can, as we have

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done so far, use voluntary contributions for this. We can discuss whether we would introduce a compulsory contribution of everybody. There are pros and cons of this. But this is a discussion that needs to be held. Like membership fees, whether that is something that we are more confident that in the long run it may make it more sustainable. An alternative is to see if ICANN as an institution is willing -- is seeing the value added of a good working GAC, including a good working secretariat and that ICANN, who's spending a lot of resources on government engagement in the countries on capacity and outreach, whether co-funding from ICANN to an independent part of the secretariat is something feasible is an idea that we should follow. This is not dependent on us. This is dependent on ICANN, whether or not this works. So I think we have to explore all possible channels to get there. Because we need to fill a gap that is currently existing. So if -- if nothing more is coming that what we have so far, we won't have a secretariat after July next year. That is the situation.

So let me --

UNKNOWN SPEAKER: (Off microphone).

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CHAIR SCHNEIDER: Excuse me? The gap for the time being is about 200, 300,000 Euros. So if we divide this through 168 countries, it's not that much. But, of course, not every country will be able to pay next year. So let me continue with the speaking order. I have Brazil, Thailand, and Norway for the time being.

BRAZIL: Thank you, Thomas. And as one of the original donors to the GAC secretariat through the generous contribution of the Brazilian Internet steering committee, CGI, let me publicly state once again that Brazil is very satisfied with the high quality services provided by ACIG. The regular briefings prepared for the GAC have proven to be, at least for us, extremely helpful in our preparation process to the ICANN meetings. As you know, Brazil has been one of the most vocal supporters of GAC having an independent secretariat who should, as has been the case, work together in a mutually reinforcing way with the staff provided by ICANN. This, I will call hybrid, combination has proven to be very effective and I would say essential to help specially-developing countries in preparing for the sometimes very technical discussions we have in the GAC.

After three years, however, the costs associated with the help funding ACIG have proven to be beyond our limited capacity. We therefore would like to state in public that at this point in time

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Brazil is not in a position to continue funding the GAC secretariat as of 2017 without a clear commitment of a broader number of countries to do so. We sincerely hope ACIG's valuable contribution can be continued. We encourage more countries to do so. Thank you.

CHAIR SCHNEIDER: Thank you for this very clear message. Thailand, Wanawit.

WANAWIT AHKUPUTRA: Okay. I've been discuss about this issue about a year ago, together with the CGI.BR. A big thanks for Brazil to initiate that and I support this. So I do see that the procedure of every government, especially in Asia Pacific, it will be very difficult. I also discussed it and currently I working with the Asia-Pacific TLD. We managed to get our agenda in in the APTLD meeting 70th in September 15 to 16 and APTLD is the association of the groups of the stakeholder that related to top-level domain. So all the AP country is participating in that. And we have a luxury that the chair is one of our ex-GAC. Lim, Singapore, is our chairperson.

So I have discussed briefly. And what I ask in here is also if we all agree on this move, so I will continue working with the APTLD. And I would like to request all the AP GAC to start talking to your

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members of APTLD to support us because I should not go there and then all the members in the TLD do not aware of this.

So at least if you could, please, help me communicate with your local TLD stakeholder in your territory telling them that this is a need and please do support.

So I think this also one of the very sustainable mechanism I do see because to have the entire AP to support this through the community of TLD, but I need all of your help.

So if you just getting the mail from the GAC regarding this issue and did not start to talk with the local stakeholder, I think please do so. Talking with them before September. So you can go to APTLD, see the board member, who it is, and if you know them. So please start to have a conversation with them how important it is to have their independent secretariat. That will help me to push this thing through in the board of APTLD. Thank you.

CHAIR SCHNEIDER:

Thank you, Wanawit.

I think this is another excellent idea. So you can also share the burden not just nationally with different stakeholders but actually also in a region and use channels that you have to maybe group your efforts together and come up with something jointly. So thank you very much for taking this initiative. I want

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to strongly urge all AP -- all GAC representatives from the AP region to see whether that would be something that you could also support and help get something together from that region.

We are running slightly towards the end, so let's try and be short all of us. I have Norway, Belgium, Canada, and Argentina for the time being. Thank you.

NORWAY:

Yes, thank you, Chair.

My comments would also be very much in line with the statement made by Brazil. Norway is also very happy with the support that we have got from the independent secretariat. Especially the preparation for the meetings, overview, issue papers, et cetera, have helped us and other delegations in the GAC to prepare and to participate in the meetings and to have an active dialogue in this crucial time of, for example, the IANA transition, et cetera.

So we think an independent GAC secretariat is crucial for GAC as a participant in the ICANN multistakeholder environment. So we really encourage other governments, countries to step forward and contribute to this secretariat.

And I think also this goes for the Netherlands as well, as Brazil said. If no major contributions will be provided by other

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countries, we would also not be able to provide any contributions from next year onwards.

So we really -- as our Chair said, we really need our contributions now to be put in process, to be committed by the end of this year, to be ready in 2017 onwards. If not, we will not have an independent secretariat from the mid next year. Thank you.

CHAIR SCHNEIDER:

Thank you. Talk about independence, if you are thinking about becoming a donor, you will have no influence on the secretariat. In terms of substance, the secretariat is also independent in its substantive work from the donors.

And I have to say that during my period, and also Heather's period, there has never, ever been an attempt by any donor to use that fact to have an influence on substantive work, which is something that is remarkable. And I think we may thank them for that because it's not like this in all institutions that I know.

But I can confirm that the secretariat is also independent from the donor. The donors give the money, make sure things are properly done in terms of management, and that's it. So just to make that clear.

Belgium.

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BELGIUM: Yes, quickly. Just to inform you that we think also it's important that the GAC has a secretariat like this and resources.

And we're currently in the process of asking our government (indiscernible) to support the GAC on a recurring basis, so -- and we're quite optimistic.

CHAIR SCHNEIDER: Thank you for this signal. I think that's very appreciated that we hear from countries that are preparing and working towards being able to contributing some money. So this is noted, Belgium.

Canada.

I put you on the list.

Next is Canada, then Argentina, and then the gentleman.

Canada, please.

CANADA: Thank you very much, Mr. Chairman. We believe the funding of the independent GAC secretariat is a very important issue for the long-term -- with long-term implications for the GAC. So we are



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very pleased to see it discussed in this open and transparent setting.

Certainly, we appreciate the urgency of the short-term situation. But we can and should, I think, challenge ourselves to put a long-term solution in place now so that we can avoid having this discussion on a regular basis.

The long-term solution we ultimately decide to go with should be sustainable and ensure that both accountability and transparency are met in addition to independence.

And in this regard, we agree with the point made by you and by Argentina that an ICANN-funding option should be explored by the GAC leadership. Thank you.

CHAIR SCHNEIDER:

Thank you. And, of course, you're right. We have two challenges. One is the short-term situation, and the other one is the long-term situation. And it's not an either/or. We have to get both things right.

Argentina.

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ARGENTINA: Thank you, Canada, for your comments. And, of course, we want to thank the donor countries and the excellent work made by our colleagues from ACIG.

So it is okay if we explore this option. I just see if there's a strong opposition or not so we move forward with that option of the funding from the auctions fund.

CHAIR SCHNEIDER: Thank you. I think we should explore all options.

Are you from Timor-Leste?

NIGERIA: We are from Nigeria.

CHAIR SCHNEIDER: Nigeria. Please, go ahead.

NIGERIA: We actually support the fact that ICANN should explore more options for funding. And we in Nigeria, we support the funding. Unfortunately, we receive the notice lately we could not have included it in our budget. But we will discuss with our government for possible funding by the next year. Thank you.

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CHAIR SCHNEIDER: Thank you very much, Nigeria.

Actually, there's some countries who are looking in this. And some according to your principles, if you can't give any -- if you can give something this year, perfect. If you can give something starting next year, equally good. There's some that say, well, we have even passed a budgeting process for 2017.

If you can only start giving something in 2018, you will be part of the sustainable solution of the future. It's basically welcomed. So thank you very much for this.

European Commission and Netherlands and Iran, and then I think we have to conclude the discussion here but the work, of course, has to go on.

So, briefly, European Commission.

EUROPEAN COMMISSION: Thank you very much.

Just with respect to the use of the proceeds from the auctions, I have no objection to raising it as one possibility. I think it will not be very successful, but let's see.

But perhaps you would like to think about that in combination with other ideas such as membership fee, such as offsetting the membership fee of countries under a certain per capita per

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annum income to allow them to participate more -- rather than just saying we want to use the funds from the auction.

So I think if we put it in a slightly different context, perhaps it will be easier to even get past the first hurdle in terms of discussion and looking at it. Thanks.

CHAIR SCHNEIDER: Thank you.

Iran.

IRAN: Thank you, Chairman.

The use of the money from auction was discussed at one of the public meetings, and it is under discussions. At least it was. I don't know.

But there is a procedure on that. It is not up to the ICANN board to decide, okay, I give 50,000 to that. It's whether the proceeds allows how to do that. There are many, many elements how that money should be spent. So before formally making, it is better we discuss to see where we are.

And then coming to the proposal from European Commission based on the income per capita and so on and so on, we don't want to repeat the U.N. practice. More money, more influence.

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If there is such a thing, it should be totally optional saying, okay, if you pay this, no influence. Don't say I pay this because of that, I want that influence. So I don't think we should take that approach.

CHAIR SCHNEIDER:

I think there's a slight misunderstanding. I think the idea of the European Commission was that if you introduce something like a membership fee, that would stem from the idea that everybody has to somehow contribute. But knowing that different levels of resources available, that there would be a choice of level of contribution.

Like you have it in the ITU, you have -- you can pay one unit. You can pay up to 30 units, but you can also go down to a fourth of a unit. So this is just something that is -- to float it. We could say we define one unit of a contribution is \$1,000 or 1,000 Swiss francs or a thousand euros. And every country should think about how many units can we take. Can I take one unit? Can I take 50 units? So far if a unit was a thousand euros, the free donor countries have taken 200 units per year, for instance. Peru will take two units. European Union will take 50 units. So that would allow everybody to have a concrete scheme that you could discuss internally and so on and so forth.

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But this is an idea for, let's say, a long-term, sustainable way. In the short-term, we just need pragmatic voluntary contributions in whatever amount. So there is two parallel tracks.

The Netherlands and then New Zealand, and then I think need to stop here because we want to have a few minutes to eat. But it's good that there is engagement on this.

Netherlands, please.

NETHERLANDS:

Yes, thank you. I will be very short. Just concurring with my colleague from European Commission that although this is an option proposed by Argentina, we really should not rely, let's say, on this as a kind of alleviating on the short-term. It doesn't make the urgency lower, I think, at this moment. We need really donations.

I'm really very glad to just -- adding to my two other donor colleagues, really glad that now we have two potential new donations. But I would like to add also that these are relatively small countries or, let's say, less developed countries. And I would urge also the bigger countries, the developed countries to be -- let's say, as we say, put butter to the fish in the Netherlands, meaning you get something and you get something in return for it. Thank you.

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CHAIR SCHNEIDER: Thank you, Netherlands, for that clear message again.

New Zealand.

NEW ZEALAND: Thank you, Chair. We do support having a look at ways that we can get long-term funding in place for the secretariat. They provide a marvelous service, particularly to developing countries and those who need briefings before they come to ICANN due to language challenges.

We support the proposal to have a look at different options within ICANN, including the gTLD proceeds from auctions but also the different ways that ACs already receive funding in ICANN and how GAC sits within that.

We do have some concern with the option of taking membership fees, and I'm happy to have a look at it. But we just want to flag that would probably make us, I understand, the first AC to take membership fees. And that for many of us, we consider our existing contribution through our ccTLDs to ICANN to represent our national contribution. Thank you.

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CHAIR SCHNEIDER: Thank you. I think we have an agreement that we should look at all options, and we have no choice because whatever we would miss is a missed opportunity.

So we need to continue the debate. What I would suggest is that we may form an informal team to look at the ICANN-related options. I see there's some traction for looking at this. But that is some work.

So what you said, New Zealand, there would need to be some analysis on what is the money available, how is money used in ICANN for other SO/ACs. How is money also used for engaging with governments, and what would be options to, yeah, get some out of this for supporting the hybrid secretariat.

So I think we have to stop here. Tom, do you want to add something maybe quickly? Thank you.

TOM DALE: Very, very quickly, Thomas. Thank you. It's good to be talked about, but I think I should just give you a very quick view of our company's understanding of the current situation.

As Thomas has said, there is a very hard and a very legal stop on the current contract. It is three weeks after the June meeting. That three weeks is to allow us to do final work on for that final meeting of preparing minutes and other documentation. There



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are no current negotiations for a new contract with ICANN or with anyone else at the moment.

The funding situation, you've discussed at the moment. Clearly, the funding for further services at this level beyond June next year is not currently available.

And, finally, our company is willing and able to continue to provide services to the GAC. And ACIG means a team of people, of course, not just me. But for the situation from the middle of next year, the matter is currently out of our hands and we will be happy to cooperate with any requests for information or other assistance. Thank you.

CHAIR SCHNEIDER: Thank you, Tom.

This is the lunch break.

**[ Lunch Break ]**