

## **A Workable Plan to Fund the Conference Secretariat**

*[Note: This is a NZ Proposal that was prepared and circulated for discussion at September 2015 meeting of ICDPPC Executive Committee. However, due to a lack of support on the Committee the proposal was not adopted by the Committee. As this was the last full Committee meeting prior to the 37<sup>th</sup> Conference the Chair decided to suspend work on the proposal and not prepare a revised proposal and instead leave the matter for further consideration by a new Committee to be elected at the 37<sup>th</sup> Conference.]*

**Task 3(b) of the 2013-15 ICDPPC Strategic Plan calls upon the Strategic Direction Working Group in close liaison with the Executive Committee to ‘develop a workable plan to fund the Secretariat’.**

### **The Plan**

The Proposed Plan has the following elements:

- The Conference would agree in principle to adopt the target of funding 60% of the cost of providing the Secretariat (with the secretariat itself bearing 40% of the cost).
- These funds would be raised by imposing an average levy of €300 per member authority (with large members paying slightly more and small members paying slightly less).
- The funds would be collected as a mandatory fee for attending the closed session of the annual meeting.
- The fee would commence with the 39<sup>th</sup> Conference with an adjustment, if necessary, in the level of fee to achieve the target level of funding.
- The Conference hosting authority would remit the entire sum collected to the authority that provided the Secretariat in the preceding year on production of an invoice.

### **Rationale**

Without its own funding stream the Conference is reliant upon the willingness of a single member authority to resource the Secretariat. This is inefficient, ineffective and out of step with the Conference’s purpose of combining the efforts of the world’s privacy authorities. While the Conference has 100+ member authorities its operational model has made the functioning of its Secretariat dependent upon the resources of a single authority.

This model operated by the Conference would easily satisfy a small local network where the demands are small and every participant takes a turn at carrying the load. However, the model is ill suited to such a large forum with high expectations of collective global action in an especially challenging area of regulation and public policy.

A lack of resources means that the Conference is constrained from reaching its goals. Viable and sustainable funding of the Secretariat is an important step towards unlocking the Conference’s potential.

### **Quantum**

The current Secretariat estimates that it will have spent €80,000 on servicing the Secretariat for the 2014/15 year. This has been an especially time-consuming year for the Secretariat and a more usual year's expenditure is estimated to cost €50,000.<sup>1</sup>

The funding plan seeks to fund 60% of the estimated usual cost). The plan therefore would provide an annual subsidy of €30,000 leaving the authority providing the Secretariat to continue to bear a substantial portion of the costs. If the Conference were ever to establish a permanent Secretariat this might be an opportunity to move to a full funding model.

The conference has approximately 100 members. Accordingly, the sum of €30,000 could be raised with an average €300 contribution per member. This could be collected either as a standard levy on every member or varied by the size of the authority, as illustrated in the table.

	Standard levy	Varying levy by size
Small DPAs <sup>2</sup>	100 @ €300	20 @ €100
Average DPAs		60 @ €300
Large DPAs		20 @ €500
Total	€30,000	€30,000

### Collection

Given that the individual sums to be collected are relatively small,<sup>3</sup> it is desirable to adopt a collection process that imposes the least additional administration costs on the Secretariat. Accordingly, the proposal is that funds be collected as part of the registration fee process for annual meeting. In this way the collection is simply an additional element of a process that has to be established anyway for conference purposes.

The funds would be levied as a per-authority fee for member authorities to attend the closed session.

Of course, not every member authority attends the Conference every year. Accordingly, some members will not pay any levy in a particular year and the funds raised will inevitably fall short of the target which was based upon the total membership. It is expected that the amount will be fall short by 10-30%. However, this shortfall is not of such magnitude as to warrant incurring the expense of creating a separate method of collection.

It is recommended that after the funding scheme has been operated for one year using an average €300 levy that the level of fee be reviewed and, if need be adjusted, having regard to the actual costs of the Secretariat and the amount of funds raised. The target should be that the funds raised should cover approximately 60% of the costs of maintaining the Secretariat.

### Payment

<sup>1</sup> Current year's expenditure principally based upon 55% of a policy officer's time, 25% of senior manager's time, and associated support staff time and overheads. Resources required for more usual years are estimated to drop to 35% of a policy officer's time and 10% of senior manager's time.

<sup>2</sup> Including DPAs from UN recognised least developed countries.

<sup>3</sup> By 'relatively small' it is illustrative to compare the proposed average levy of €300 with the undiscounted per person Conference fees for the 35<sup>th</sup>, 36<sup>th</sup> and 37<sup>th</sup> Conferences of €650, €650 and €775 respectively.

It is proposed that the funding scheme be devoted entirely to subsidizing Secretariat costs. Accordingly, when the funds are available they can be paid, on production of an invoice, in a single payment to the authority that provided the services of a Secretariat in the preceding year.

The simplicity of this arrangement obviates any need for creating corporate vehicles for receiving and holding funds and for accounting in any detailed way for expenditures. No discretionary payments are anticipated and no judgments need to be exercised. The Executive Committee need not be involved in approving any payments. The hosting authority simply collects the funds and pays them out to the Secretariat that has already incurred a year's costs.

### **Recommendation**

That the 37<sup>th</sup> Conference approve the funding plan proposed in this paper in principle and direct the Executive Committee to ready the scheme for formal approval by resolution at the 38<sup>th</sup> Conference. The first levy would be made at the 39<sup>th</sup> Conference which would be used to subsidize the expenses of the Secretariat that undertook work from the date of the 38<sup>th</sup> Conference.