

Xavier Calvez  
Chief Financial Officer  
ICANN

15 February 2021

Dear Xavier,

**Statement of the Generic Names Supporting Organization Council on  
ICANN's Draft FY22-26 Operating & Financial Plan + Draft FY22 Operating Plan & Budget**

The Generic Names Supporting Organization (GNSO) Council welcomes the opportunity to provide input on those aspects of the draft FY22-26 Operating & Financial Plan ("FY22 OFP") including the draft FY22 Operating Plan & Budget ("FY22 Budget") that are of relevance to the GNSO Council's remit. Thus, while this statement is made on behalf of the GNSO Council, our comments are intended to complement, and not replace, any input that may be provided by individual GNSO Stakeholder Groups and Constituencies.

This comment was prepared by the Council's Standing Committee on Budget and Operations (SCBO), whose membership includes both Councilors and Subject Matter Experts from across the GNSO. The SCBO focused its efforts on exploring whether or not the resources directed at policy development are appropriate, both in relation to current workload, and in view of planned policy activities for FY22 and the risks or threats to the fulfillment of the GNSO Council's responsibilities within ICANN's larger mission and remit.

**General Comments:**

- The GNSO Council recognizes and takes seriously its responsibilities as a part of the Empowered Community in ensuring ICANN's accountability not only to the GNSO's communities, but to the global community overall.
  
- These comments are focused on issues directly related to the role of the GNSO Council. As set forth in ICANN's Bylaws, the GNSO "shall be responsible for developing and recommending to the Board substantive policies relating to generic top-level domains" and the GNSO Council "is responsible for managing the policy development process of the GNSO." As highlighted in last year's comments a significant aspect of the GNSO Council's responsibilities is to serve as a manager of the various policy-making and implementation projects. In this respect, expenses related to staff, travel, and resources such as software and non-ICANN employed consultants, are important data points for the GNSO Council to understand. It is also extremely important that the ICANN Finance and Planning team coordinates with the GNSO Council to be prepared for expenses related to these projects.
  
- [ICANN Org \(2.5\):](#)
  - [A general pointer...no quote taken](#)
  
- As we have mentioned in previous comments, as part of its review, the GNSO Council examines the proposed budget to understand what resources have been allocated to each GNSO Stakeholder Group, and to the other Supporting Organizations and Advisory Committees. In prior years, that information was available to the community in the proposed budgets. However, this information is missing in the FY22

Budget. The GNSO Council requests that this level of information be provided. Although we have budget experts drawn from the various GNSO constituencies as part of the SCBO, we find it is difficult (as noted in prior comment submissions) without greater detail to approximate the levels of financial support provided directly and indirectly to the various Supporting Organizations, Advisory Groups, and associated Stakeholder Groups and Constituencies. This information is essential for each of these groups, including the GNSO Council to hold ourselves, and others, mutually accountable.

- [ICANN Org \(2.5.2\):](#)

- [The GNSO Council requested additional event details of items listed under 3.3.1 of the Draft FY22 Budget. The items listed in section 3.3.1 Constituent Travel refer to all SO/AC activities managed through the ICANN Constituent Travel department. The FY22 Budget includes additional SOAC support, but is not clearly stated in this section. ICANN org is working on a better report format to more comprehensively communicate and display all the support given to SOs and ACs throughout ICANN org.](#)
- [The NCSG commented on the funds budgeted for the GAC and ALAC. In response: ● After reviewing the Draft FY22 Budget, ICANN org noted a few discrepancies and errors in the constituent traveler figures found in Section 3.3 Travel and Community Engagement. The Governmental Advisory Committee \(GAC\) travelers for ICANN74 were overstated. There should have been 40 GAC travelers listed for ICANN74 instead of the 74 travelers that were listed. The expected travel rates listed for ICANN72 and ICANN74 were reviewed, updated and realigned. The Proposed for Adoption version of the FY22 Budget will reflect these travel rate changes.](#)
- [In response to the BC's comment on the ABR application, ICANN org did not display that \\$30K was approved for the core budget to cover general communication requests. The \\$15K that the BC requested in FY21 is included in this \\$30K. ICANN org will update the ABR section in the FY22 Budget to appropriately reflect these items as FY22 core budget.](#)
- [Regarding the ABR procedure mentioned by the RySG, each year, a team of executives and other personnel manage the ABR process in accordance with published guidelines aiming to ensure transparency and equity across all SOs and ACs that submit requests. The process includes a periodic evaluation of successful requests in the pilot phase, to consider funding such activities on a more permanent basis through the core budget. In addition, ICANN org conducts a number of capacity development and outreach programs through its Government Engagement \(GE\) and regional stakeholder engagement teams. These programs can supplement or target regional or other identified needs of government participants at ICANN. In response to comments received on the ABR process by the RySG, ICANN org encourages the RySG to work with the GE team to identify specific opportunities and topics for which training can be developed or provided.](#)

- The GNSO Council further appreciates the Fiscal Year Budgets and the Operating & Financial Plan are being presented in a uniform manner. For instance, the Operating & Financial Plan contains 15 Operating Initiatives that describe how ICANN org will achieve the objectives and goals set out in the ICANN Strategic

Plan, including low, midpoint and high fiscal year and five-year financial estimates. These uniform sections and information will allow the GNSO Council through the SCBO's work to track and discuss comments and requests that it made in the previous year and in future years.

- ICANN Org (2.1.1):

- ICANN org continually strives to provide more information in published documents to enhance transparency and accountability. It will continue to implement further controls and align formatting and style for future operating and budget plans.
- ICANN org recognizes that the Draft FY22–26 Operating and Financial Plan document is extensive and lengthy. As ICANN org considers that the community would likely focus on the areas of their interest, the draft plan is intentionally repetitive in places to make it easier for readers to quickly find the content they seek, as a result, some sections in the draft plan might appear duplicative, for example, the Purpose and Strategic Goals and Targeted Outcomes Supported in each of the 34 functional activities for both the Five-Year and One-Year Plans are repetitive content. Thus, ICANN org enhanced this document with embedded navigation tools within the document.
- ICANN org plans to improve the planning documents continually and will evaluate these suggested improvements for future planning cycles as follows:
  - 1. Seek to improve how information is presented to and shared with the community. Presentation of information in a digestible manner will offer more transparency and accountability.
  - 2. Review how to present progress reports that allow the community to gain insight and perspective.
  - 3. Review a process to provide brief narratives that link achievements, ongoing work in the current fiscal year, and next year's plans and priorities would help the community to assess a project's progress toward its goal better.

- Finally, the time window for the SCBO review always occurs between the last ICANN meeting of the calendar year and the first ICANN meeting of the following year. In the spirit of continuous improvement for future budget and planning cycles, the SCBO will now aspire to be active year-round, which may include, for example, earlier collaboration with ICANN Org prior to the release of the draft budget and planning documents to better inform ICANN Org of anticipated resource needs within the GNSO. The SCBO is cognizant that this increased activity may impact already stretched resources and before making commitments, The SCBO will collaborate with the GNSO Council to consider the expanded scope of work and further collaborate with the SOPC to prevent duplication across both Supporting Organizations.

- ICANN Org (2.5):

- A general pointer....no quote taken

**Specific Comments Related to the draft FY22-26 Operating & Financial Plan:**

In the GNSO Council's comments on the Five Year Strategic and Operating Plan ("5YS&OP") it identified the following specific issues that are applicable to the FY22 OFP:

- Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking
  - OFP Issue 1. Maintain adequate staffing for Policy Development Support. See also FY22 Budget Issue 2. In FY22 the level of resources allocated to this Functional Activity indicates 34 FTE and \$7.1M USD. In various sections throughout the FY22 OFP, the document states that "extended operations by the Policy Development Support department's 35 full-time employee (FTE) level runs the risk of: (i) Lower levels of service to the community and regional disparity; (ii) Delayed policy and advisory outputs; (iii) Community frustration and loss of active participants.; (iv) Potential team member burnout. "The GNSO Council notes that over the next several years the Community will need to be engaged in a growing number of workstreams. Further, some of these work streams are highly technical or divisive and the GNSO Council wants to ensure that there are processes and tools in place and consistently utilized by the Community to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws. As such, the GNSO Council recommends that additional budget, number of FTEs, or outside contractors are placed into the FY22 OFP for the next five years.
  - ICANN Org: Regarding how ICANN org evaluates the need for and funding of policy support, ICANN org will review how it presents the budget documentation to the community in future budget cycles. With respect to estimating policy support levels needed to facilitate the community's policy work, ICANN org relies on a combination of factors, such as each community group's projected work plans, the status of ongoing work, the workload of existing staff, and the org's overall staffing needs and available resources. It is important that the community clearly prioritize and plan its work over the short and longer term to enable a more accurate estimate of resourcing and support needed.
  - ICANN Org (2.7.3):
    - Regarding the GNSO Council's comment, with the launch of ICANN org's Project Management Framework, ICANN org encourages all its functions to adopt a project/program management approach to their work, including support for the community's policy projects. Also, ICANN org has been working on a customer relationship management (CRM) solution likely to improve efficient management of the policy process across the various community structures.
    - The operating plan for the operating initiative Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking

expressly acknowledges the possible need for a program or project manager to support the community's policy projects and activities' full breadth. ICANN org hopes that the outcome of the planning and prioritization process will demonstrate the extent to which additional staffing is needed and what type of skills and expertise might be necessary (e.g., project management and possibly others).

- About external support (e.g., consultants, professional facilitators or subject matter experts), ICANN org continues to encourage the GNSO Council to use the various planning tools at its disposal to formulate specific and early requests for such support as much as feasible, to better facilitate budgeting for additional resources.
- ICANN org appreciates the feedback that the GNSO Council and community provided to the meetings survey and the discussion contributions (e.g., at ICANN69 and with the SO/AC leaders) on how ICANN org can better support the community's work in a virtual environment. ICANN70 will see several improvements (e.g., in live interpretation and real-time transcription services) implemented following testing and a full internal review, based on the community's feedback through the survey and these discussions. Regarding resources, the proposed addition of a project manager to ICANN org's Policy Development Support function was envisaged to be a full-time hire to assist with the management and tracking of all projects supported by the policy staff. With the recent rollout of ICANN org's Project Management Framework and the community's expected workload, this staff hire may need to have different or additional expertise and responsibilities, such as experience managing programs instead of projects. ICANN org will review current and expected needs prior to the start of the hiring process.
- ICANN org agrees that relevant aspects of PDP 3.0 can and should be used by community groups and work efforts outside the GNSO.
- The BC continues to believe that the PDP 3.0 is an important step towards the improvement of the multistakeholder model. The recent rollout of an org-wide Project Management Framework is meant to provide a uniform approach for the scoping, initiation, management and conclusion of projects within each ICANN org function. ICANN org staff are being trained on the Framework and associated tools. The Framework was developed to be flexible so as to be usable by different functions for multiple types of projects.
- Also, PDP 3.0 and progress on the priority areas identified as part of the Evolution of the Multistakeholder Model work should contribute toward reducing overlap and increasing clarity as to expected outcomes, especially in relation to the need to more precisely scope community work.
- The Project Management Framework and associated templates and tools are intended to enable more accurate and comprehensive planning, tracking and management of all

Deleted: ¶

projects, including policy development processes. A key factor in improving the effectiveness of the multistakeholder model is to eliminate work overlap by clarifying ongoing processes and their expected outcomes. This means that projects will need better defined goals from the start and cannot rely on organic discovery of issues as work unfolds. More research is needed so that discussions take place on top of a solid and fact-based foundation.

- OPF Issue 2. Strategic Priority should be given to collaboration between the GNSO Council, ICANN Org’s Policy Development Support and the ICANN Board and Community on prioritization and planning for anticipated future work. Similarly, the GNSO Council notes that there has been no increase in the FY22 OPF as it pertains to expenditures to increase collaboration and planning for future ICANN Policy Work. The GNSO Council notes that the following program management tools have been developed: Program Management Tool (PMT), Action/Decision Radar (ADR), Project List, and Action Items. However, it is not clear how much budget is allocated to continuous development of the technology platforms devoted to tracking and analysis of the projects from the policy development and implementation support efforts. The GNSO Council requests that this information is provided to it.
- ICANN Org: Refer to section 2.7.3 extract above
- OPF Issue 3. Examine the benefits of Face-to-Face Meetings. In its FY21 comments the GNSO Council acknowledged the usefulness of dedicated face-to-face meetings for certain policy efforts and commented that “[a]lthough the expense of such meetings is more immediately felt, ICANN should examine whether long-range cost savings can be achieved through greater efficiencies and shorter PDP periods from such face-to-face meetings. Due to the COVID-19 Pandemic, in FY21 no Face-to-Face Meetings were held and the GNSO Council is aware that ICANN Org has undertaken feedback from the ICANN Community concerning such remote participation meetings. The GNSO Council will await the results of such a survey and recommend that its data be utilized to look for cost savings where remote participation has served the ICANN Community well. Whilst the virtual meeting format has generally enabled GNSO’s work to proceed during the pandemic, there is also recognition (through community survey, the meeting strategy approach etc.) that either some specific policy issues have been more difficult to address ‘virtually’ or community engagement has proved more challenging, both at SO/AC and SG/C levels. As a result, consideration may be given to specific community or PDP F2F meetings in addition to ICANN F2F meetings to make the expected return-to-normal more ‘efficient and effective’.
- ICANN Org (2.7.3):
  - ICANN org appreciates the feedback that the GNSO Council and community provided to the meetings survey and the discussion contributions (e.g., at ICANN69 and with the SO/AC leaders) on how ICANN org can better support the community’s work in a virtual environment. ICANN70 will see several improvements (e.g., in live interpretation and real-

time transcription services) implemented following testing and a full internal review, based on the community's feedback through the survey and these discussions.

- The COVID-19 pandemic remains uncertain. The ICANN Board and ICANN org Executive Team monitor developments closely so that decisions to resume face-to-face meetings — whether regionally or as smaller, focused meetings to progress work by a specific group — are made according to the latest and most comprehensive information. The Board and org remain committed to continuing support for the community's policy work throughout this time and toward resuming face-to-face meetings when safe, in accordance with the approach described in the paper on “Phased Return to Face-To-Face Meetings” published before ICANN69.

- Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking

○ OPF Issue 4. Ensure that the annual Operation and Financial Plan provides Working Group Chairs with tools and support to ensure effective and efficient leadership. In the GNSO Council's FY21 comments, the following non-exclusive list of tools and support were identified: additional staff resources, software tools, advice from legal/consultants, independent facilitators and data or research. For instance, independent facilitators successfully helped consensus-building during EPDP on the Temporary Specification for gTLD Registration Data face-to-face meetings and supported this EPDP's leadership. With respect to software tools, the GNSO Council asserted that a cloud-based project management tool that can be integrated with existing ICANN systems, such as CRM software connected to dashboard(s) to visualize workload and metrics to assist with prioritization, is an essential tool to keep track of its complex and numerous workstreams. With respect to personnel, in its FY21 comments, the GNSO Council recommended an FTE program manager and project manager to support PDP management (including WG chairs and policy staff), and the GNSO Council. The GNSO Council was disappointed that an FTE program manager was not hired and reiterates its recommendation for FY22. If this request is denied, the GNSO Council requests a written explanation as to why.

○ ICANN Org (2.7.4):

- The GNSO Council noted that ICANN org should provide Working Group Chairs with the tools and support to help ensure effective and efficient leadership. With the launch of ICANN org's Project Management Framework, ICANN org is encouraging all its functions to adopt a project/program management approach to their work, including support for the community's policy development projects. In addition, ICANN org has been working on a CRM solution that is likely to facilitate more efficient management of the policy development processes across the various community structures.
- ICANN org's FY22–26 Operating and Financial plan expressly acknowledges the possible need for a program or project manager to support the full breadth of the community's

policy projects and activities. ICANN org is hopeful that the planning and prioritization process outcome will demonstrate the extent to which additional staffing is needed and what type of skills and expertise might be necessary (e.g., project management and possibly others).

- Planning at ICANN

- OFP Issue 5. Adequately funding planning and project management oversight. In its FY21 comments, the GNSO Council suggested that ICANN should set aside a substantial line-item budget for planning and project management oversight. The FY21 OFP indicates that

The number of ICANN org resources involved over the five-year plan period are expected to increase as compared to the previous five-year plan period. This is to accommodate the need for operational alignment, prioritization, increased number and quality of plans, and increased communication. Limited external resources will be needed to help with education, skills, and facilitation at the beginning of the period as internal capabilities ramp up.

Resources for this initiative are included within the functional activities of the financial plan core budget and therefore no incremental resources are needed.

The GNSO Council reiterates its suggestion that a line-item entry for planning and project management oversight be added or that these specific resources be identified. This will allow the GNSO Council to evaluate and track the funding of this important resource. Furthermore, the GNSO points out that ICANN acknowledged both in the FY20 and FY21 OFP that ICANN resources dedicated to planning would be increasing. However, no increase appears to be built into the FY22 OFP.

- ICANN Org (2.7.14):

- The BC made several comments regarding the resources involved over the five-year plan period and external resources needed to help with facilitation skills, and facilitation at the beginning of the period. To respond, the number of ICANN org resources involved in this Operating Initiative over the five-year plan period are expected to increase as compared to the previous five-year plan period. At the beginning of the period, limited external resources will be needed to help with process improvements in the Planning project and project management for these improvements. These external resources will complement the skills of the Planning department as best practices in Planning are implemented. The Planning at ICANN Operating Initiative strives to improve the quantification of resources, evaluation of needs, prioritization, flexibility, and transparency of the ICANN's resource and activity management. An essential element of this initiative's success is effective cross-functional collaboration. In addition, planning involves all stakeholders of the ICANN ecosystem, including the ICANN Board, community, org, and the public. Please also see section 2.6 of this report for more information about Operating Initiative Resources.
- The BC noted that newer community members need time to learn ICANN's planning process and may not fully engage in Public Comment proceedings. ICANN org will

- need to provide information and engagement opportunities to ensure that the Bylaws-mandated reviews and Empowered Community timelines are achievable. ICANN org will continue to provide engagement materials during each planning cycle and at ICANN Public meetings. ICANN org acknowledges that newcomers may find the documents too long. The org continues to improve the Operating Plan and Budget documents to provide clarity, while being concise with high-level explanations. Please also see the suggestions for future improvements in section 2.1.2 of this report.
- ICANN org appreciates the BC's comments stating that "a clear definition of what consensus means in relation to the current scale of ICANN needs to be laid out, as the community has grown to a scale that fundamentally alters the prerogatives initially set for this model." The BC also notes its observation that within some Working Groups (WG), a false sense of consensus or lack thereof can be unduly created through stalling tactics and by consuming working calls with parallel or trivial debates, discouraging the participation of more goal-oriented volunteers. The BC goes on to write that leaders of WGs should have the power to call for consensus and act upon results, seeing as it is easy to call into question the legitimacy of a consensus but difficult to prove it, which allows for obstructionism. Recent initiatives such as PDP3.0 and the Consensus Playbook development have allowed ICANN org and the community to better understand the challenges of consensus-building as the multistakeholder model evolves and as the community grows. Consensus is not always defined or used uniformly across the various community structures, which might add to potential confusion and misunderstandings. ICANN org will be pleased to support and facilitate the community's continued efforts to improve how consensus is defined and understood, including providing the community with clear information and assistance as to existing processes and definitions.
  - One of the milestones in this operating initiative is the Prioritization of ICANN's work project, during which ICANN org will engage with the ICANN community and the Board as it continues to research and develop a prioritization framework and related processes.

**Specific Comments related to the draft FY22 Operating Plan & Budget:**

In the GNSO Council's comment on the FY21 Budget, the following issues were identified:

- Policy Development and Advice
  - Budget Issue 1. The initiatives, tools and resources associated with PDP 3.0 should be explicitly individualized in the activities to enable the GNSO Council to adequately evaluate whether the recommended changes associated with PDP 3.0 are being adequately funded. Whilst the FY22 OFP provides numerous statements supporting ICANN Org's commitment to "improve multistakeholder model processes, such as Policy Development Process 3.0 (PDP 3.0)", there still are not specific references permitting the GNSO Council to verify that PDP3.0 improvements are funded under the FY22 Budget. This level of detail is lacking. The GNSO Council requests additional detail and insight into future budgets to determine whether PDP 3.0 initiatives, tools and resources are funded in the yearly ICANN Budget.

- [ICANN Org: The GNSO Council commented that the initiatives, tools and resources associated with PDP 3.0 should be explicitly individualized in the activities to enable the GNSO Council to adequately evaluate whether the recommended changes associated with PDP 3.0 are being adequately funded. As PDP3.0 was a particular initiative intended to inform and improve the GNSO's conduct of all its policy processes, ICANN org is not able to individualize the resources that support the work in the manner requested by the GNSO Council. ICANN org will be happy to meet with the GNSO Council to discuss whether and how, in the future, more specific ways can be identified to allocate and report on funding for different types of policy activities and projects.](#)
  - [Budget Issue 2. Maintain adequate staffing for Policy Development Support. In the GNSO's comment on the FY21 Budget, the GNSO Council remarked that with respect to Policy Development the total budget for FY21 was the same as for FY20, \\$6.9M and 35 FTE. See ICANN FY21 Operating & Financial Plan at p. 245. However, the FY22 Budget reports that there were 34 FTE dedicated to Policy Development in FY21 and that the budget was \\$5.1M for personnel and \\$1.4M for non-personnel \(for a total of \\$6.5M\). The GNSO Council would appreciate an explanation as to why budgeted expenses for Policy Development dropped by \\$.4M. In addition, the FY22 Budget holds FTEs steady at 34 and increases personnel and non-personnel budgeted expenses by \\$.6M, which appears to be an insufficient increase given the amount of Policy Development work the GNSO is facing for FY22. Lastly, the FY22 Budget indicates that Non-personnel expenses are \\$1.7M. The GNSO Council requests details as to what activities make up these expenses. Further, the GNSO Council notes that prior years' budgets had detail to "Project ID number" and were grouped by portfolio and project. This level of detail should be provided in a spreadsheet format.](#)
  - [ICANN Org: Regarding maintaining adequate staffing for Policy Development Support, the overall staff numbers remained steady. To the extent that the GNSO and wider community choose to take on additional work requiring more staff support, ICANN org requests notification of these new, different, or expanded projects and activities so that resource allocation and, if necessary, additional staffing, can be planned for and managed.](#)
  - [ICANN Org: ICANN org notes the GNSO Council's suggestion to provide information grouped by portfolio and project and associated project ID numbers. ICANN org will consider the feasibility of providing this information in light of the current budgeting and accounting practices in future budget documents. Finally, non-personnel expenses describe a range of expenditures associated with support for the community's policy development and advice work, such as meetings, travel, administration, and professional services.](#)
- Policy Research
    - [Budget Issue 3. Last year the GNSO Council questioned whether 4 FTE and \\$500,000 is sufficient allocation of funds to support data, research, and study project requests for implementation work for the Competition, Consumer Trust, and Consumer Choice Review Team \(CCT-RT\) recommendations on data collection, Phases 1 and 2 of the Temporary Specification for gTLD](#)

Registration Data Expedited Policy Development Process Team (EPDP), and the anticipated policy recommendations from the New gTLD Subsequent Procedures PDP. For FY22, the GNSO Council notes that Policy Research has been combined with Stakeholder Programs and questions whether 8 FTE an \$1.8M USD is sufficient allocation of funds to support data, research, and study project requests for implementation work for Phases 1 and 2 of the Temporary Specification for gTLD Registration Data Expedited Policy Development Process Team (EPDP), and the anticipated policy recommendations from the New gTLD Subsequent Procedures PDP and RPMs PDP (the latter is not reflected, but there also will be the implementation of the multi-year effort of RPMs PDP).

- [ICANN Org: Related to work with the ccNSO and the GAC to develop consensus recommendations in the functional activities plans for Policy Research and Stakeholder Programs, the high-level description includes the function's work in supporting community work. The Policy Research and Stakeholder Programs team does provide subject matter support to help inform the ccNSO and GAC considerations during their respective processes. ICANN org is updating this section of the Operating Plan to include explicit reference to Supporting Organizations and Advisory Committees.](#)
- [There was commentary about the sufficiency of FY22 resources to support data, research, and study project requests for implementation work for Phases 1 and 2 of the Temporary Specification for gTLD Registration Data Expedited Policy Development Process Team \(EPDP\), and the anticipated policy recommendations from the New gTLD Subsequent Procedures \(SubPro\) PDP and RPMs PDP. The Board must first direct the org to allocate funds and resources to implementation of recommendations. Thus the numbers do not account for projected resources for PDP recommendations on New gTLD Subsequent Procedures, Rights Protection Mechanisms \(RPMs\), and Registration Data \(EPDP Phase 2\). ICANN org agrees that these are significant undertakings, especially if implemented simultaneously, and that resources must be carefully planned and allocated. As the comment describes, this function will play a key role in leading and supporting much of the implementation work, and as such, will require more resources. One should also note that project resource needs extend into other functions, e.g., Policy Development Support, Legal, and others.](#)

- Constituent and Stakeholder Travel

- [Budget Issue 4. In its FY21 Comment, the GNSO Council requested additional information to understand the criteria by which some events are listed under the Constituent Travel functional activity, while others were not. The GNSO Council suggested that criteria be explained or that all events be listed, which is a critical component to transparency. Again, for FY22 the same events are listed with the addition of the GNSO/GDD Summit: Placeholder for SO/AC Additional Budget Requests - \\$300,000, NARALO General Assembly in Seattle - \\$40,200, LACRALO General Assembly in San Juan - \\$142,800, GNSO – GDD Summit/Working Sessions - \\$113,440, and CROP Program - \\$50,000. The GNSO reiterates its request for additional event details, if any.](#)

- [ICANN Org \(2.5.2\):](#)

- [The GNSO Council requested additional event details of items listed under 3.3.1 of the Draft FY22 Budget. The items listed in section 3.3.1 Constituent Travel refer to all SO/AC activities managed through the ICANN Constituent Travel department. The FY22 Budget includes additional SOAC support, but is not clearly stated in this section. ICANN org is working on a better report format to more comprehensively communicate and display all the support given to SOs and ACs throughout ICANN org.](#)
- [The NCSG commented on the funds budgeted for the GAC and ALAC. In response: ● After reviewing the Draft FY22 Budget, ICANN org noted a few discrepancies and errors in the constituent traveler figures found in Section 3.3 Travel and Community Engagement. The Governmental Advisory Committee \(GAC\) travelers for ICANN74 were overstated. There should have been 40 GAC travelers listed for ICANN74 instead of the 74 travelers that were listed. The expected travel rates listed for ICANN72 and ICANN74 were reviewed, updated and realigned. The Proposed for Adoption version of the FY22 Budget will reflect these travel rate changes.](#)
- [In response to the BC's comment on the ABR application, ICANN org did not display that \\$30K was approved for the core budget to cover general communication requests. The \\$15K that the BC requested in FY21 is included in this \\$30K. ICANN org will update the ABR section in the FY22 Budget to appropriately reflect these items as FY22 core budget.](#)
- [Regarding the ABR procedure mentioned by the RySG, each year, a team of executives and other personnel manage the ABR process in accordance with published guidelines aiming to ensure transparency and equity across all SOs and ACs that submit requests. The process includes a periodic evaluation of successful requests in the pilot phase, to consider funding such activities on a more permanent basis through the core budget. In addition, ICANN org conducts a number of capacity development and outreach programs through its Government Engagement \(GE\) and regional stakeholder engagement teams. These programs can supplement or target regional or other identified needs of government participants at ICANN. In response to comments received on the ABR process by the RySG, ICANN org encourages the RySG to work with the GE team to identify specific opportunities and topics for which training can be developed or provided.](#)

- General

- [Budget Issue 5. The GNSO Council further notes that the Contingencies section for the FY21 Budget was 4% of total expenses and had some analysis of upcoming work streams. The FY22 Budget has no such analysis and has maintained the same without discussion concerning the appropriateness of the 4% contingency. The GNSO Council requests an explanation of the factors used to determine an adequate contingency amount.](#)

- [ICANN Org \(2.2.1\):](#)

- [Based on its fundamental principle of financial responsibility, ICANN org continues to ensure its expenditures remain within its available funding. However unplanned or variable expenses are expected due to the uncertainty of forward planning. To ensure funding is available to cover for such uncertainty, ICANN org budgets for contingency. The contingency corresponds to a budgeted amount of expenses but is unallocated to any specific activity function or cost nature to enable appropriate flexibility throughout the fiscal year. As stated in Draft FY22 Budget document, ICANN org budgets for contingency as part of its planning process. The contingency in the Draft FY22 Budget document is \\$5.2M, or approximately four percent of total expenses.](#)
- [This contingency amount remains unchanged based on historical usage compared to the previous year and will cover unforeseen and unpredictable FY22 expenditures.](#)
- [Any department's request for contingency spend goes through a rigorous and extensive financial review process. Proposals are vetted and reviewed by the requesting executive, the Chief Financial Officer, and the President and Chief Executive Officer \(CEO\) for approval before any contingency spend occurs.](#)

- New Issues

- [Budget Issue 6. The GNSO Council notes that there is an entry of \\$5.5M USD for the FY22 Budget for Incremental Operating Initiatives. The GNSO Council requests specific details as to the allocations across the eight Operating Initiatives that show funding throughout the five-year plan.](#)

- [ICANN Org \(2.6.2\):](#)

- [Several community groups provided comments related to the operating initiatives Resources. operating initiatives describe how ICANN org will achieve the objectives and goals set out in the ICANN Strategic Plan. The 15 operating initiatives listed in the plan represent significant areas of work supporting the strategic objectives identified in the Strategic Plan. The functional activities of the financial plan and the core budget included resources for operating initiatives.](#)
- [Several operating initiatives need incremental resources that are outlined on the Five Year Financial Projections tables on page 180 and page 181 of the Operating and Financial Plan document. These amounts relate to the incremental or additional expenses for operating initiatives that require resources in addition to functional activity plans. An additional table of incremental expenses budgeted by the Operating Initiative by year, including FY22, will be added to the Draft FY22–26 Operating and Financial Plan and the Draft FY22 Operating Plan and Budget documents. The budget for some operating initiatives is included in the functional activities' core budget or the implementation is self-funded such as SubPro and Auction Proceeds.](#)

- The Five-Year operating initiatives projections highlight the financial estimates for the operating initiatives requiring resources in addition to the plans indicated in the functional activities. The resources indicated for the operating initiatives display low, mid-point, and high estimates. The estimates provide information on possible scenarios rather than definitive expectations. As planning work advances on each initiative, the nature of activities and resources required to support them will become clearer. ICANN org will continue to refine these estimates as it determines relevant costs and efforts.
- The RySG commented that the budget should include an overview of anticipated costs and support for initiatives that are awaiting Board consideration but where implementation is expected to commence within this FY22 Budget term. Understanding that for initiatives awaiting Board consideration (e.g., RPM and SubPro recommendations) the expenditures would be estimated. The contingency is an amount included in the budget, but not allocated to any specific activities. This allows for the flexibility to cover the difference between projected and actual costs, expenses impossible to forecast, or activities that the Board has approved for implementation after the budget was finalized.
- The BC noted the desire to develop mechanisms to alert the community about issues relating to rapid growth of the Root Zone, a monitoring system to collect data on the operations of the Root Server Systems as discussed in RSSAC 047, and mechanisms to further distribute and scale the Root of the DNS. More details would be required before ICANN org can judge if the budgeted midpoint sum of \$4.5M would be adequate over the five-year period. ICANN org seeks to improve the quality of the documents describing the incremental expense for operating initiatives will be evaluated as the operating initiative progresses. ICANN org will also evaluate the use of graphs or other analytical charts for future planning cycles. The BC encourages ICANN to conduct more DNS ecosystem health research.

**Conclusion**

The GNSO Council appreciates this opportunity to share our perspectives on these important issues. As the GNSO is a part of the Empowered Community we look forward to reviewing all inputs from the public comment process which addresses ICANN's broader strategy and budget. Finally, the GNSO Council would be happy to answer any clarifying questions that you may have regarding the contents of this document.

Yours sincerely,

Philippe Fouquart  
GNSO Council Chair