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AT-LARGE ADVISORY COMMITTEE
ALAC Statement on ICANN Draft FY23-27 Operating and Financial Plan and Draft FY23
Operating Plan and Budget

Introduction

On 07 December 2021, Public Comment opened for the [ICANN Draft FY23-27 Operating and Financial Plan and Draft FY23 Operating Plan and Budget](#). On the same day, an At-Large [workspace](#) was created for the statement. The At-Large Operations, Finance and Budget Working Group (OFB-WG) decided it would be in the interest of end users to develop an ALAC statement on the Public Comment, and Holly Raiche, Chair of OFB-WG, Ricardo Holmquist, Vice Chair of OFB-WG and Marita Moll ALAC member and member of the OFB-WG, volunteered to form a small drafting team for the ALAC statement.

On 27 [January 2022](#), Holly Raiche, Ricardo Holmquist and Marita Moll presented the draft ALAC statement to the OFB-WG for feedback. ICANN Policy staff in support of the At-Large community created a Google Doc for drafting purposes, and shared the draft statement to its [workspace](#) and on the weekly [OFB-WG agenda](#). ICANN Policy staff in support of the At-Large community shared the draft statement on the OFB-WG and ALAC mailing lists for final comment.

On 3 February 2022, Holly Raiche, Ricardo Holmquist and Marita Moll finalized the ALAC statement with input from Cheryl Langdon-Orr, Sébastien Bachollet and Sivasubramanian Muthusamy OFB-WG members. On 07 February 2022, the ALAC Chair, Maureun Hilyard, requested that the statement be transmitted to the ICANN Public Comment process, with a note that the statement is pending ALAC ratification.

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Introduction

The ALAC appreciates the opportunity to comment on both the FY23-27 Operating and Financial Plans, and the more specific FY23 Operating Plan and Budget. Our comments on the documents will first be on the more general FY23-27 Operating and Financial Plans, including specific comments and questions on both the figures themselves and the Operating Initiatives included in that plan. We will then comment on the more specific FY23 Operating Plan and Budget, again commenting first on the figures themselves and then on the Operating Initiatives.

We appreciate the navigational improvements in the budget documents. With respect to reorganization of content, we note that last year's "strategic goals and targeted outcome supported" section within each operating initiative has been omitted. If Appendix B is meant to replace this section, a great deal has been lost in translation. The Appendix provides none of the colour that was previously included. We feel that this has been a loss—making it more difficult, especially for newcomers, to gain a comprehensive view of the scope and intent of the activity. We also no longer have the 5-year financial estimate—which was interesting to us.

The ALAC appreciates the 5-year road map provided and suggests this method could/should be used to track other elements of the plan.

There is still no fulsome way to follow progress on the full set of multistakeholder model (MSM) issues identified in community discussions. In addition, there is no overall strategy to recognize efforts—especially community-led efforts towards those initiatives. We reiterate our suggestion made last year, that there be a regular, inclusive (all issues) progress report to stakeholders, including a call-out to communities for contributions.

The ALAC reiterates our previous comments that tracking and progress evaluation has to include qualitative as well as quantitative measures. We have suggested facilitated focus groups which are designed to take a deeper dive into the meaning of the data collected. Numbers alone only tell part of the story.

FY23-27 Operating and Financial Plan

The ALAC is pleased that the Plan is easier to digest than in previous years. We note that the strategic planning is to include ACs and SOs, starting in FY23 for FY24. There is no additional budget set out for this, and we question whether that will accommodate possible additional costs including facilitators and translation for meetings—which, at this stage, are to be face-to-face. These facilitators should help on the possible training for designated SOs and ACs representatives in the chosen strategic planning tools, prioritization of initiatives and activities, among others.

The ALAC notes that inflation does not seem to be taken into consideration for expenses, although inflation is rising in the US and Europe. Further, the number of full time employees (FTE) is set at 427—the same as for FY23—but elsewhere, the documentation talks about new initiatives, with more people to be needed. Will the planned additional staff be temporary, or should the FTE headcount for at least FY24 be larger?

FY23-27 Operating Initiatives

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking

The ALAC and At-Large community do not wish to see the Holistic Review delayed. This pilot, set to deliver a first Holistic Review, to identify information gaps and challenges, should be organized before ICANN74 so that the actual review can begin the 1st of July 2022 (1st day of FY23).

The Continuous Improvement program of all SOACs will be an ongoing effort, in parallel with the new Holistic Review. Budget allocation must be provided in FY23 and beyond, in order to ensure its completion before a second Holistic Review¹ no more than 2.5 years after the initial implementation of recommendations from ATRT4².

Documenting existing community efforts to enhance diversity of participation—the community to inventory, document and improve its processes re: diverse and inclusive participation.

The ALAC recognizes the need to collect this data, but the real emphasis should be on education and support mechanisms to make better use of the diversity we already have in our ranks. At-Large, given its RALO-based structure, is already a very diverse community. The challenge is to make sure there are accessible entry points for all who wish to participate. We would also like to emphasize that diversity must be evident at all levels, most particularly at all leadership levels, including the Board of Directors.

To this end ALAC and At-Large welcome the recent Request For Proposals call for the proposed [DEI Consultant](#) on 14 January 2022, to facilitate this important process and aid in, amongst other things, the development of the DEI Toolkit as recommended in WS2 Rec 1.6. The stated goals for this consultancy are (at least) to:

1. *Assist ICANN org to support ICANN groups in the development of uniform definitions of seven diversity elements (geographic/regional representation, language, gender, age, physical disability, diverse skills, stakeholder group/constituency) and provide guidance regarding best practices and appropriate vocabulary during this process.*

¹ As outlined in Recommendation 3.5 of the ATRT3 Report.

² See p.21: <https://www.icann.org/en/system/files/files/atrt3-report-29may20-en.pdf>

2. *Draft a practical diversity toolkit to help ICANN community groups in the assessment and elaboration of diversity strategies and objectives and associated reviews.*
3. *Assist ICANN org to support the ICANN community in developing a process for dealing with diversity-related complaints and issues for community groups.*

This will assist in evaluating the progress made in relation to specific community-led initiatives identified in the October 2020 paper, including addressing the issue of representation and inclusivity. The intention is to consider what additional work may be needed.

The ALAC and At-Large community are anxious to cooperate with this effort, but a plan will be needed to get such work underway.

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

The ALAC would like to know how and when the evaluation of progress will take place, regarding the work identified to date in Evolving the ICANN Multistakeholder Model. We would also like to see regular reporting showing progress or lack of progress in the issues identified.

FY23-27 Functional Activities

Policy Development and Advice

The ALAC notes that the FY22 operating plan for the operating initiative, "Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policy Making" (p.37) acknowledged the possible need for a program or project manager to support the full breadth of the community's policy projects and activities. It was expected that the outcome of the planning and prioritization process would demonstrate the extent to which additional staff was needed and what type of skills and expertise might be necessary. Is the position of project manager mentioned in FY22 now redundant, or has this been incorporated into an existing staff role?

The ALAC would also like to have a staff member specifically assigned as policy support for the At-Large community.

Public Responsibility and Support

The ALAC notes that \$1.7M has been allocated to support this set of initiatives. We suggest that the crucial process of bringing new participants into the ICANN process and keeping them deserves a higher level of support. Since the purpose of this activity is to increase diversity and lower barriers to participation, which directly addresses the multistakeholder model issue of recruitment and demographics, we suggest that funding in this area be increased to \$2.2M and that \$.5M be made available for innovative education and recruitment programs suggested by the community.

ICANN Learn remains an excellent resource but there is a gap between the curious observer and those who are already engaged enough to go through the registration process and have the discipline to follow through with the courses on an individual basis. Increasing support for tools such as Internet Governance Schools—both in-person and virtual—and the volunteers who organize them would help bridge this gap in outreach. These schools offer group experience and have been very successful in bringing new participants into the ICANN stakeholder groups—particularly civil society and end user participants

FY23 Operating Plan and Budget

General comments:

- Incomes seem to be in line with previous budgets.
- The draft budget does not seem to be in line with the ATRT3 recommendations both for periodic review by community groups, and particularly for the recommendation for a ‘Holistic Review’.

Specific comments and questions:

- The Reserve Fund increase is significantly higher than other funds—at 3.48%.
- On new gTLD funds listed, are the costs being funded through the new gTLD program, or through general operations?
- Are there remaining new gTLD names to be assigned from the 2012 round?
- There is a significant increase in headcount (from 395-427) which was not in the previous year’s budget. Why the increase?
- In the expenses service group, the costs are assigned based on the actual FTE, but at the bottom, there is a general basket of 37 (nearly 10% of the actual FTE) without breakdown. Is there an explanation for where they will be within ICANN org?

4.4 Expenses by Service Group and Functional Activity

The following table compares the ending headcount (as FTE or Full-Time Equivalent) and expenses by ICANN Operations service group in the FY23 Draft Budget with the headcount and expenses in the FY22 Forecast. There are five service groups under which ICANN org's functional activities are included. To view the expenses by functional activity, please download the Excel file [here](#).

In millions, USD	FY23 Draft Budget Expenses				FY22 Forecast Expenses				Increase/(Decrease) Expenses			
	FTE ⁽¹⁾	Pers.	Non Pers. ⁽²⁾	Total	FTE ⁽¹⁾	Pers.	Non Pers. ⁽²⁾	Total	FTE ⁽¹⁾	Pers.	Non Pers. ⁽²⁾	Total
Technical and DNS Security	73	\$14.9	\$10.4	\$25.3	73	\$14.2	\$5.9	\$20.1	0	\$0.6	\$4.6	\$5.2
Policy Development and Implementation Support	73	\$13.9	\$6.9	\$20.8	71	\$12.6	\$4.4	\$16.9	2	\$1.4	\$2.5	\$3.9
Community Engagement & Services	92	\$18.7	\$12.5	\$31.2	91	\$17.4	\$8.2	\$25.6	1	\$1.4	\$4.2	\$5.6
ICANN Org Governance	34	\$11.2	\$7.7	\$18.9	34	\$10.8	\$6.7	\$17.5	0	\$0.4	\$1.0	\$1.4
ICANN Org Shared Services	118	\$24.6	\$24.0	\$48.6	118	\$22.2	\$21.5	\$43.8	0	\$2.3	\$2.5	\$4.8
Subtotal⁽³⁾	390	\$83.3	\$61.5	\$144.8	387	\$77.2	\$46.7	\$123.9	3	\$6.1	\$14.8	\$20.9
Budgeted New Hires	37	\$5.7	\$0.0	\$5.7	23	\$2.6	\$0.0	\$2.6	14	\$3.1	\$0.0	\$3.1
Contingency	0	\$0.0	\$6.0	\$6.0	0	\$0.0	\$5.2	\$5.2	0	\$0.0	\$0.8	\$0.8
Organizational Adjustments and Allocations	0	(\$2.4)	(\$2.0)	(\$4.5)	0	(\$1.4)	(\$1.0)	(\$2.4)	0	(\$1.1)	(\$1.0)	(\$2.1)
Total	427	\$86.5	\$65.5	\$152.0	410	\$78.4	\$50.9	\$129.4	17	\$8.1	\$14.6	\$22.7

⁽¹⁾ Full-Time Equivalents at the end of the fiscal year

⁽²⁾ Non Personnel Expenses include Travel & Meetings, Professional Services, Administration and Capital

⁽³⁾ Subtotal of allocated Functional Activities. Items below the Subtotal are not allocated and are defined in the Glossary of the FY23 Draft Budget document

- From the table, the FTE for years FY22 and FY23 does not seem to correlate. FY22 starts at 387 and ends at 410, FY23 starts at 390 and ends at 427.