

Draft ATRT2 recommendation finances

B. Proposed new recommendations

Hypothesis of problem

ICANN is a private not-for-profit multi-stakeholder organization. One of the fundamental principles for being a multi-stakeholder organization is to be a transparent and accountable organization.

At the moment ICANN as an organization is growing rapidly, partly because of a new management which is aiming for a global outreach and partly because of the new gTLD program. At the same time, ICANN income has grown significantly and with this the complexity of the organization and its finances have also grown.

This changes the scope of ICANN from being an organization with a limited number of fairly fixed TLDs, which might provide growth in the number of second level domain names, to an organization that aims to expand the numbers of its gTLDs. This puts pressure on an organization that is not-for-profit and multi-stakeholder because it expands both its business and its stakeholder groups. This is why it is important to ensure that the organization's finances are managed in an accountable, transparent and nondiscriminatory way.

Strategy and finances are closely related because many of the projects outlined in the strategy are dependent on the funding. So without explicit trajectories between the budget and the project it becomes very difficult to evaluate how ICANN plans to implement the strategy in reality.

- Background research undertaken
 - o *Summary of ICANN input*
None yet
 - o *Summary of community input via the public comment process and face to face meetings*

Public comments to the questionnaire regarding finances from: Shawn Gunnarson, Spain, Denmark,

Comments from last ICANN meeting in Durban from GNSO and GAC (included in the GAC Communiqué),
 - o Summary of other relevant research
- Relevant ICANN bylaws

- ARTICLE III: TRANSPARENCY
 - o Section 2. WEBSITE
 - “... (iv) information on ICANN's budget, annual audit, financial contributors and the amount of their contributions, and related matters;...”
- Article XVI: Fiscal Matters
 - o Section 3. ANNUAL REPORT AND ANNUAL STATEMENT
 - o Section 4. ANNUAL BUDGET
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- Relevant ICANN published policies
- Relevant ICANN published procedures
- ATRT2 analysis

- ***Draft recommendation including rationale***

The rationale for these recommendations is to ensure that ICANN is transparent and accountable regarding its financial dispositions. Some commenters were expressing that they had difficulties to link the budget to the exact project. The budget should be linked to the strategy in a way that makes the reader able to understand what are used on different projects. Furthermore in order to be accountable comments should be evaluated and there should be a possibility of be able to affect the budget by ICANN changing the actual numbers to according to comments.

R1. ICANN shall ensure that its finances are used in an accountable, transparent and non-discriminatory way. This means that the budget shall have explicit links to the projects in the strategy.

R2. ICANN shall use its finances according to the published operating plan and in cases of deviation make and publish a deviation report as soon as possible. A quarterly report could be made.

R3. ICANN shall report to the international internet society done in an accountable and transparent way including doing this in a timely manner in order to give time to comments and adjustments afterwards. The timing of the reporting shall be made in such a manner that it allows the internet society to have an impact on the budget.

R4 Independent expert on use of finances

R5 Budgets that are related to the timeline of the strategy – more than one year – preferred for a period of three years.

- Public Comment on Draft Recommendations (to be completed later)
- Final recommendation (to be completed later)

Note: Links to relevant documents can be included, provided the link refers to a specific section of a given document. Alternatively, relevant section of other documents may be copied and pasted.

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