Input from Cherine Chalaby into the WP 1 comments regarding the BUDGET ISSUE.
1 October 2015

Personal View:
I wish to stress that everything I said on the WP 1 call represent my own personal views. I am not empowered to make commitments or take decisions on behalf of the Board.   If however new ideas emerge from the WP1 discussions, then I will be more than happy to take them back to the Board for its consideration. My comments below assume Enforceability will be dealt with separately on other calls.

Board and Community Requirements:
The following is my own assessment of the key requirements of the community and the Board regarding the ICANN budget.   I have based my requirements on the CCWG proposal and the community comments including those made by the Board. I have avoided talking about solutions (e.g. veto) because I believe we need to get alignment on the requirements before agreeing to solutions and mechanisms.   I have also avoided separating the community requirements from those of the Board.

First with regard to the 5 Year Strategic Plan and 5 Year Operating Plan:
1. These have to be developed with the community
2. They should be Subject to community approval
3. They must be Consistent with Purpose, Mission and role as set out in ICANN's Articles and Bylaws.

Second with regard to the annual Operating Plan

1. The Annual Operating Plan must be developed with the community
2. It must be consistent with the 5 Year Operating Plan
3. It must be consistent with Purpose, Mission and role as set out in ICANN's Articles and Bylaws

Third with regard to the annual Budget (financial costing of the Annual Operating plan)

 I have organized my thoughts under three headings:

Development of the Budget
1. The annual budget must be developed with the community
2. The community views and comments must be taken seriously and timely
3. The Board must be able to balance community interests, avoid Unfairness and discrimination
4. The Board must be able to align cost with revenue and not jeopardize the financial stability of ICANN.

5. There must be a formal Process of Consultation between the Board and the Community to resolve areas of disagreement before the budget is approved

Approval of the Budget:
6. Budget paralysis must be avoided.
7. The Board must be able to approve a Budget that is more appropriately allocated for the current fiscal year.   To ensure: (a) Strategic plan and 5 year operating plan are on target, (b) the organization's ability to deliver on key commitments such as contractual compliance enforcement, including issues relating to enhanced consumer protections and enhanced IP and rights protections, and other initiatives important to the community are not jeopardized.
8. There must be a stable and continued funding of the IANA function

Execution of the Budget throughout the fiscal year
9. The Board must retain the ability to approve certain new expenses not planned for in the annual budget. This allows the Board to act in cases of unforeseen urgent matters that put ICANN's operation and mission at risk.
10. However, any expenses related to New Initiatives that are not in the Strategic Plan or Operating plan and that are inconsistent with the purpose, mission and role set out in ICANN's Articles and Bylaws should be subject to community objection.