ICANN Organization's Report of Public Comment Proceeding

ICANN Organization's Draft FY20 Operating Plan and Budget, and Five-Year Operating Plan Update	
Publication Date:	22 March 2019
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Public Comment Proceeding	
Open Date:	17 December 2018
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Section I: General Overview and Next Steps

ICANN's Strategic Plan for fiscal years 2016-2020 was developed through a community-based process and adopted by ICANN's Board in October 2014. The Strategic Plan underpins ICANN's Five-Year Operating Plan, which also includes community input, strategic goals, and corresponding accountability performance indicators, dependencies, five-year phasing, a list of portfolios, and a five-year financial model. The first ICANN FY16-20 Five-Year Operating Plan was adopted in April 2016. It is updated each year to reflect what has been achieved and to refine future planning. Accompanying each update to the Five-Year Operating Plan is a Fiscal-Year Operating Plan and Budget for the coming fiscal year.

On 17 December 2018, ICANN published for public comment the FY20 draft update to its Five-Year Operating Plan along with the draft FY20 Operating Plan and Budget documents. Community webinars took place on 18 December 2018 and 15 January 2019 during the 53-day public comment period.

ICANN received submissions from 13 community groups and one individual. From those submissions, we identified 143 specific comments covering 18 different themes. All comments are listed in the Appendix of this report along with a reference to a corresponding ICANN response in this document. We received 1 submission after the submission deadline for public comments had expired. From this submission, we identified 12 comments which are listed separately in the Appendix along with a reference to a response.

Following the public comment period, ICANN organization (ICANN org) held a public session at ICANN64 to discuss the community comments with several community organizations during their working sessions to which the Finance team was invited (ccNSO, GNSO Council, NCSG, ALAC,…). These interactions enabled ICANN org to develop better responses and identify appropriate revisions to the draft plans that were posted.

The updated Five-Year Operating Plan and FY20 Operating Plan and Budget will be presented to the ICANN Board for adoption at a Board meeting in May 2019.

Each year, ICANN uses the comments and other feedback about the draft planning documents to identify areas of strength, areas that need improvement, and specific changes to the planning process for the following planning year. This is a part of ICANN's process of continuous improvement.

Monetary references are in U.S. dollars unless otherwise stated. All references to suggested changes in the FY20 Operating Plan and Budget are subject to approval by the Board.

Section II: Contributors

At the time this report was prepared, 13 communities and one individual posted comments to the forum. The following table lists these contributors in alphabetical order. Any quotations taken from contributor comments will reference the contributor's initials.

Organizations and Groups:

Name	Submitted by	Initials
Blacknight Internet Solutions Ltd	Michele Neylon - Blacknight	Blacknight Internet Solutions Ltd
Business Constituency	Steve DelBianco	BC
Country Code Names Supporting Organization - Strategic and Operational Planning Committee	Giovanni Seppia	ccNSO-SOPC
Customer Service Committee	Byron Holland	CSC
Generic Names Supporting Organization Council	Berry Cobb	GNSO
gTLD Registries Stakeholder Group	Samantha Demetriou	RySG
ICANN At-Large Advisory Committee	ICANN At-Large Advisory Committee	ALAC
ICANN Governmental Advisory Committee	Robert Hoggarth	GAC
Intellectual Property Constituency	Brian Winterfeldt	IPC
Non-Commercial Stakeholders Group	Rafik Dammak	NCSG
Registrar Stakeholder Group	Zoe Bonython	RrSG
Security and Stability Advisory Committee	Rod Rasmussen	SSAC
The Centre for Internet and Society	Akriti Bopanna	The Centre for Internet and Society

Individuals:

Name	Affiliation (if provided)	Initials
Ricardo Holmquist	ALAC	RH

Section III: Summary of Comments

General Disclaimer: This section summarizes the nature of the public comments by grouping them into 18 themes. If you are interested in specific aspects of any comments or in the full context of others, refer directly to the specific contributions at the link referenced earlier (View Comments Submitted).

To better present responses to the comments submitted, we organized the responses into 18 themes instead of displaying them adjacent to each comment submitted by a group or individual. The 18 themes are listed below in alphabetical order. The analysis section (Section IV, Analysis of Comments) provides a high-level description of the comments addressed within each theme.

- Budget Development Process & Document Contents/Structure
- Community Outreach/Engagement/ Programs
- Community Support/Funding
- Contractual Compliance
- CROP (Community Regional Outreach Program)
- Financial Management
- Funding
- Funds Under Management
- GDPR (General Data Protection Regulation)
- Global Domains Division (GDD) Operations and generic Top Level Domains (gTLDs)
- ICANN Org Headcount
- ICANN Public Meetings
- Information Transparency Initiative
- Language Services
- Open Data Initiative
- Organizational Reviews
- Policy Development Support
- Reserve Fund

Section IV: Analysis of Comments

General Disclaimer: This section provides a brief description of the comments submitted within each theme.

Budget Development Process & Document Contents / Structure
A total of 27 comments were submitted on this theme by six working groups. Several comments pertained to recommendations that would improve ease of readability and clarity for the community.
Community Outreach / Engagement / Programs
There were 13 comments submitted on this theme. These comments varied in scope, some expressing a need for more outreach in specific areas or regions. Others indicated a need for more explanation of resources allocated to outreach.
Community Support / Funding
There were 27 comments by five different community groups submitted.
Contractual Compliance
One comment by one group was submitted on this theme. The comment focused on resources and budget for continuing audit support and GDPR implications.
CROP (Community Regional Outreach Program)
Two comments by two different groups were submitted about funding for community travel and participation guidelines.

<u>Financial Management</u>
There were 28 comments submitted by nine groups on various aspects of ICANN's expenses and funding assumptions.

<u>Funding</u>
There were nine comments submitted by groups on various aspects of ICANN's funding assumptions.

<u>Funds Under Management</u>
Three comments were submitted regarding replenishment of the reserve fund and use of new gTLD auction proceeds.

<u>GDPR (General Data Protection Regulation)</u>
Five comments by four different community groups were submitted, generally seeking clarification of expenses included in the draft documents.

<u>Global Domains Division (GDD) Operations and generic Top Level Domains (gTLDs)</u>
There were three comments submitted by two working groups. Some comments sought a more detailed explanation of GDD funding; others sought clarity on the next new gTLD application round.

<u>ICANN Org Headcount</u>
A total of nine comments were submitted by six community groups regarding headcount and/or staffing. These comments primarily suggested a need for further explanation of and rationale for increases in headcount and personnel expenses.

<u>ICANN Public Meetings</u>
One comment was submitted regarding cost management for the ICANN Public Meetings.

<u>Information Transparency Initiative (ITI)</u>
One comment was submitted regarding resources to foster greater and easier access to information to engage the community.

<u>Language Services</u>
One comment was submitted regarding the level of translation and transcription services.

<u>Open Data Initiative</u>
One comment was submitted seeking clarification of the initiative's current status.

<u>Organizational Reviews</u>
One comment was submitted regarding the review process.

<u>Policy Development</u>
Six comments by five different community groups were submitted with a general theme of funding for policy programs.

<u>Reserve Fund</u>
Five comments were submitted by three community groups expressing concern about the reserve fund and plans to replenish the fund.

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1   Introduction

ICANN published the FY20 draft update to its Five-Year Operating Plan, along with the draft FY20 Operating Plan and Budget documents on 17 December 2018 for public comment. We received 143 specific comments from 13 community groups and one individual.

Following the public comment period, ICANN org held a public session and several community discussions at ICANN64 to gain a better understanding of the comments. This session helped ICANN org develop better responses and develop changes in the draft plans.

This document provides ICANN org's responses to the 143 comments submitted through the public comment process. These responses were organized into 18 relevant themes, which constitute the 18 sections that follow this Introduction and precede the Appendix. To more effectively address the comments, this document has adopted a new presentation format. This new format differs from the one used previously in the Staff Report of Public Comment on the FY19 update to the Five-Year Operating Plan and the FY19 Operating Plan & Budget. Instead of displaying each question and each response in side-by-side columns, this document presents all of the questions in the Appendix. Responses, however, are featured in the 18 sections that immediately precede the Appendix and follow this Introduction. To find responses to submitted questions:

- Community organizations and individuals should first locate their organization name (or individual name) in left-hand column (the Contributor column) of the Appendix.
- The middle column (the Question / Comment column) displays the comment submitted by the organization or individual. If an organization or individual submitted more than one comment, these are located sequentially in the middle column adjacent to the name of the organization or individual.
- The right-hand column (the Reference column) displays the section of this document that contains the response to the submitted comment.

ICANN welcomes and recognizes the diverse participation from stakeholders as ICANN's planning process continues to evolve, including the Strategic Plan, Operating Plan, Budget, and on-going operational and financial updates.

2 Budget Development Process & Document Contents/Structure

2.1 Transparency and Accountability

ICANN org continually strives to provide more information in the published documents to enhance transparency and accountability. ICANN org will implement further controls and align formatting and style for future Operating and Budget Plans. In addition, ICANN org will consider adding a more comprehensive and clear layout to tie budget ownership to the Executive Group.

The objective of increased Accountability Indicators for the organization has been part of the Operating Plan and Budget for multiple years and continues to evolve. As this objective matures, ICANN org will evaluate the Accountability Indicators and continue trying to present them in a more transparent way within the Operating Plan and Budget.

ICANN provides a detailed view of the FY20 Budget by Portfolio and Project as part of the Planning Documents publication. Please review the ICANN Draft FY20 Operating Plan by Project to see budgeted amounts for each project across all cost categories.

2.2 Document Structure

The modules in the ICANN FY20 Operating Plan document are based on community feedback through the public comment process and on interaction at the ICANN Public Meetings. ICANN org is open to recommendations on areas of interest from the community for future publications.

2.3 Current Financial Data

ICANN org currently publishes quarterly reports within 45 days of a quarter's close. The reports can be found on the website at the following link:
https://www.icann.org/resources/pages/governance/current-en

3 Community Outreach/ Engagement/ Programs

3.1 The Global Stakeholder Engagement (GSE) and Government Engagement (GE) Roles

The Global Stakeholder Engagement (GSE) team works collaboratively with the Government Engagement (GE) team to bring active participants into ICANN technical and policy work. While GSE has personnel in the regions and at a national level, the GE team has its personnel in Brussels, Geneva, New York, and Los Angeles. The GE team manages the global government engagement strategy and works with International Governmental Organizations (IGOs), International Organizations (IOs), and regional governmental organizations in collaboration with the GSE team. GE coordinates weekly with the Global Stakeholder Engagement (GSE) team and frequently uses regional and national expertise to support engagement with government stakeholders in national capitals. GE works with the Governmental Advisory Committee (GAC) Under Served Regions Working Group (USRWG) to develop demand driven capacity building workshops. GSE often assists with GAC capacity development training, outreach to individual GAC member representatives, and support that brings new GAC members into ICANN to be active contributors to ICANN's work. GSE provides a point of contact in regions and in specific cities where there are GSE personnel, such as in India, China, Russia, Brazil, and other locations. The GSE team also conducts engagement with other stakeholders, including the academic and non-commercial community, business stakeholders, the technical community in collaboration with the Office of the Chief Technology Officer (CTO), and contracted parties in collaboration with the Global Domains Division (GDD).

The GSE team has partnered with the Regional At-Large Organizations (RALOs) to include them in engagement activities and collaborate on regional efforts to raise awareness of ICANN and its technical and policy work. These partnerships have been successful in events with the APRALO, LACRALO, and AFRALO, among others. GSE regularly briefs the At-Large meetings on engagement activities; likewise, GSE works with At-Large Structures in the regions on Domain Name System (DNS) events, capacity development opportunities, and skill building.

3.2 The Domain Name Services and Industry Engagement (DNS and IE) and Global Stakeholder Engagement (GSE) Roles

Among other duties, the Domain Name Services and Industry Engagement team in ICANN's Global Domains Division (GDD) is tasked primarily with managing ICANN org's relationship with contracted parties in the course of service and policy implementation as well as contract management. The Global Stakeholder Engagement (GSE) team is responsible for leading engagement and outreach with all stakeholders on ICANN's mission around the world. The team provides a point of contact in the regions for ICANN org and the ICANN community for raising awareness, providing outreach and understanding of ICANN's role, driving participation in ICANN policy development, and in technical activities. The team is at the forefront to deliver on ICANN's commitments and core values to ensure broad, informed participation that reflects

the functional, geographic and cultural diversity of the Internet. The GDD and GSE teams work closely and coordinate their activities to increase the impact of their respective target areas of engagement.

Some of these collaboration activities include joint delivery of registrar training, so that participants from registrars can become more aware of how to be active in ICANN policy work. GSE also assists GDD with outreach to contracted parties, particularly in Asia, Latin America & the Caribbean, Eastern Europe & Central Asia, where GSE staff have language skills to help resolve issues that arise. The GSE often works with the Office of the CTO ad Government Engagement team to deliver capacity development training (DNSSEC, DNS abuse training) for ccTLDs, regional TLD organizations, GAC members, public safety entities such as Interpol, Europol, among others. GSE conducts the regional DNS Forum events, which drive awareness of the DNS industry in Africa, Middle East, Latin America & Caribbean, and Eastern Europe & Central Asia. These events have been quite successful in educating regulators, ISPs, gTLD and ccTLD operators, and regional Internet registries in aspects of the new gTLD program, technical and security issues impacting the DNS ecosystem, ICANN policy issues including discussions on the General Data Protection Regulation and Registration Data policy work.

3.3   ICANN Fellowship

The Fellowship Program recently underwent a broad community review. This resulted in an overall 25% reduction in the number of fellowship slots annually. Supporting Organizations (SOs) and Advisory Committees (ACs) have nominated Fellowship Program Selection Committee representatives and mentors who have decision-making authority over final selections and onboarding, respectively. Program participants now must take pre-requisite online courses to strengthen their knowledge and improve on-site engagement and participation post-Fellowship. New metrics are also in place to track fellows' contributions to ICANN's policy and advice work. Together, these changes will help strengthen the program and the quality of the newcomer volunteer pool. The response to the request made under ICANN's Documentary Information Disclosure Policy (DIDP) referenced in the comment on this topic includes links to all relevant resources and information.

3.4   At-Large Outreach

In the FY17 budget, the Board approved the At-Large Advisory Committee (ALAC) timetable for a regular schedule of At-Large Summits and General Assemblies. ALAC's cost-effective implementation of the ATLAS III will be appreciated. Regarding the General Assemblies, ALAC was asked to submit a schedule for the next round. Holding the General Assemblies on the sidelines of regional Internet Governance events rather than during ICANN Public meetings should be considered.

ICANN org acknowledges that certain regions need tools that enable them to communicate across languages more clearly on their mailing lists. ICANN org will review the need for a more comprehensive solution than the current translation tool used by the Latin American and Caribbean Islands Regional At-Large Organization (LACRALO). It is understood that the current translation tool is not seen as sufficient to ensure effective communication.

At-Large could benefit from the creation of new policy-related ICANN Learn content and courses, which is currently underway. The courses were funded by the FY19 Additional Budget

Request and will provide guidance for public comment writing and policy development effectiveness. Both will be ready in time for the ATLAS III program and used accordingly.

4   Community Support/Funding

4.1   Governmental Advisory Committee

ICANN org appreciates the Governmental Advisory Committee's (GAC) interest in and attention to efficient and effective use of budgeted resources – particularly regarding support of travel by GAC members to ICANN Public Meetings. Maturation of the DNS, growing impact of community policies, increased interest in ICANN activities, and new obligations created by the new Empowered Community Administration have contributed to growing levels of participation within the GAC (now with a total of 178 members and 37 observing organizations) as well as within other ICANN communities. In that context, support for active and effective in-person participation by all parts of that growing community poses an operational and resource challenge. In the coming year, ICANN org will value the GAC's work on increasing the efficiency and effectiveness of its allocated travel support resources and looks forward to considering that progress in future (FY21) budget planning.

An effective and active GAC – populated by informed and engaged member governments and intergovernmental organizations – is critical to the health of the ICANN Multistakeholder ecosystem. The success and effectiveness of the recent capacity-building workshops – which are collaboratively planned and implemented between the GAC and ICANN org's Government Engagement (GE) team – has demonstrated the value of this type of activity to generate more informed engagement and participation by GAC members and observing organizations. The competing challenges of a steady-state budget environment do not permit full support of the GAC request; nonetheless, ICANN org will provide funding through this core budget exercise so that when it is combined with allocations from the FY20 Additional Budget Request process, it will meet the goals set by the GAC to provide capacity-building workshop opportunities to the GAC community in FY20 (not to exceed $20,000 of total support).

4.2   Supporting Organizations (SOs) and Advisory Committees (ACs)

ICANN org appreciates the opportunity to demonstrate to the Government Advisory Committee (GAC) that effective secretariat support services can be offered directly to the Advisory Committee (AC) by ICANN personnel on a permanent basis. The GAC will continue to receive direct secretariat support from the ICANN Policy Development Support department at the level committed by the ICANN President and CEO in December 2018 (see the GAC response) through the entire FY20 period. ICANN org looks forward to any further updates from the GAC leadership regarding its satisfaction with this arrangement.

ICANN org will determine if it can be more specific about the levels of financial support it provides directly to the various Supporting Organizations (SOs), ACs, and associated Stakeholder Groups and Constituencies. This will be considered in the ICANN FY21 budget development process without compromising the production of useful information and engagement with the community. ICANN org also will evaluate the impact of increased analysis on resource requirements.

As noted in the Draft FY20 Operating Plan and Budget (page 22), the number of funded seats and costs SO and AC constituent travel support remain stable at the same level as in FY19. Due to anticipation of minimal growth in funding, the Additional Budget Request (ABR) envelope was maintained at the FY19 level. ICANN org encourages the community to continue to plan activities, such that requests submitted through the ABR process are directly and demonstrably related to current policy activities for which success is measurable. This enables a consistent and equitable assessment of ABRs across time and in accordance with each community group's documented needs and priorities.

ICANN org anticipates continuing support for the existing membership management support service used by the Non-Commercial Stakeholder Group (NCSG) and some Generic Names Supporting Organization (GNSO) groups in FY20.

The new Community Travel Support Guidelines went into effect in October 2018, following community consultations conducted between September 2017 and January 2018 and taking into account community input that was provided during the public comment period between May and July 2018. The new Guidelines replace the previous guidelines and represent the consolidation of community feedback and the experiences of ICANN travel support personnel. Currently, ICANN supports more than 300 community members to attend each ICANN Public Meeting and spends considerable resources on travel support for community members. To facilitate the community's work while ensuring fiscal responsibility, ICANN Travel Support requests early check-in for a supported traveler arriving between midnight and 08:00 (local time) on the approved arrival date if the itinerary shows there is no other alternative to arriving at that time due to airline routing and schedule. ICANN also continuously seeks ways to improve participation, for example, by providing remote participation tools.

4.3   Document Development and Drafting Pilot Program

The Document Development and Drafting Pilot Program was administered as an Additional Budget Request (ABR) in FY17 & FY18. A review of the pilot program indicated that the community's acceptance rate and experience with this program was mixed, with some groups either not using the service at all or only partially. In FY19, other ABRs were granted for capacity development and skills training (e.g., policy writing) that were intended for use by a broader audience via the ICANN Learn online platform. In light of the stabilized budget, it will not be possible to fund external research assistance for the groups mentioned in the Non-Commercial Stakeholder Group's (NCSG's) comment. We invite each community group to continue to evaluate its specific needs and use the ABR process to pilot or continue similar skills-related programs.

4.4   Non-Contracted Parties House Intersessional

ICANN org thanks the Non-Commercial Stakeholder Group (NCSG) and other constituent groups of the Generic Names Supporting Organization (GNSO's) Non-Contracted Parties House for the collective decision to postpone the FY19 NCPH Intersessional. For FY20, it is anticipated that the core budget will cover funding for an Intersessional meeting, but this may be at a slightly lower level than for previous meetings due to the stabilized budget and the priority projects identified for FY20.

4.5   Constituent Travel

For FY20, ICANN continues to anticipate minimal growth in funding. The need to exercise fiscal responsibility and prioritize critical issues, including the specific projects identified in the FY20 Operating Plan, means that the number, cost, and support of funded seats for Supporting Organization (SO) and Advisory Committee (AC) constituent travel remain at the FY19 level (see page 22 of the FY20 Operating Plan and Budget). Currently, ICANN supports more than 300 community members to attend each ICANN Public Meeting and spends considerable resources on travel support for community members. To facilitate the community's work, ICANN org is continuously exploring alternative cost-effective ways for community members to participate (e.g., via remote participation tools). Any decision to increase the number of travel slots to an ICANN Public Meeting should be made only after broad community consultation and consideration for any expected budgetary impacts and longer-term financial planning; this ensures equitable, consistent treatment of all constituent groups. We expect such consultation to take place for FY21 to align with the Five-Year Operating Plan and Budget and the upcoming Fiscal Year 2021-2025 Strategic Plan.

ICANN's funding is expected to remain stable year-on-year. As a result, the Board, community and org together need to make choices about which projects to prioritize and how to allocate funding. Any new activity or expenses in requires to be reviewed so as to determine its level of priority compared the core budget unless they are clearly identified as community priorities or other projects are reduced or eliminated to accommodate the new activity.

In light of these constraints, the Additional Budget Request (ABR) process has enabled various ICANN community groups to submit requests for specific activities to be funded. Some activities may be available under the Community Regional Outreach Program (CROP).

4.6   Constituent Travel- Customer Service Committee (CSC)

ICANN org thanks you for the comment and you request will be evaluated during the Budget Review Process. A final decision will be determined once the Board has adopted the FY20 Operating Plan and Budget, we anticipate this to occur in early May 2019.

5   Contractual Compliance

With respect to the budget and the list of potentially costly projects, ICANN org has a process to facilitate additional requests that are based on approved initiatives or projects, if needed.

Regarding transparency in contract interpretation and Contractual Compliance outcomes, the department shares the enhanced-transparency goals of the Intellectual Property Constituency (IPC) and others. The Contractual Compliance department recently enhanced transparency related to complaint resolution and reporting by providing additional details about individual complaint responses and by publishing a quarterly report (on ICANN.org) that specifically details contractual compliance outcomes for registrar and registry complaints. Please visit the performance report link. As ICANN org considers the next round of enhancements, IPC input and ideas are welcome.

6 Community Regional Outreach Program (CROP)

In line with a stabilized budget, ICANN org anticipates maintaining Community Regional Outreach Program (CROP) funding in FY20 at the same levels as in FY19. As noted in the response to community comments about CROP during the FY19 budget process, CROP funding was subjected to new guidelines and additional criteria for all trip requests to fulfill CROP objectives while respecting the need to balance other community priorities. These guidelines include an assessment (at the end of FY19) to inform decisions about CROP funding in future planning cycles. ICANN org thanks the Business Constituency (BC) for its feedback, which will be considered during this review exercise.

Eligible groups for CROP are currently limited to the Regional At-Large Organizations (RALOs) and specific constituencies of the Geographic Names Supporting Organization (GNSO). The guidelines and criteria that currently apply to CROP will be reviewed during the assessment of program efficacy and effectiveness in meeting program goals.

7   Financial Management

Based on its fundamental principle of financial responsibility, ICANN continues to ensure its expenditures remain within its available funding. The FY19 Adopted Budget is $138M for Funding and $138M in Cash Expenses. In our FY19 Forecast, although we now expect Funding to decrease slightly to $137M, we are projecting Cash Expenses to be $135M, thereby reducing costs by more than the Funding reduction.

The following list highlights topics of interest in the Public Comments and how we are being cost conscious:

7.1   Travel & Meetings

Travel & Meetings expenses have decreased as a percentage of total expenses because ICANN is budgeting a lower cost for ICANN Public Meetings. Through constant evaluation and cost optimization, we expect ICANN Public Meetings to cost $300K less than in FY19. ICANN's total cash expenses increased by $3M in FY20 compared to the FY19 Forecast, thereby reducing the relative percentage of Travel & Meetings expenses.

7.2   Contingency

Instead of budgeting for uncertain expenses at the department or project level, ICANN org budgets for Contingency at the company level. As stated in Draft FY20 Total Budget, ICANN org budgets for Contingency as part of its planning process. Contingency in the Draft FY20 Budget is $5.2M, or approximately 4% of total expenses. This Contingency amount remains unchanged compared to the previous year and will cover unforeseen and unpredictable FY20 expenses.

7.3   Additional Budget Request (ABR) process

Although the budget for the Additional Budget Request (ABR) process was reduced in FY19, it remains the same for FY20. It does not constitute the core of ICANN's Community Support and Constituent Travel, which remained constant for the past two fiscal years. Please see Section 4 (Community Support/Funding) for more details.

7.4   Professional Services

ICANN provides a detailed view of the FY20 Budget by Portfolio and Project as part of the Planning Documents publication. Please review the ICANN Draft FY20 Operating Plan by Project to see budgeted amounts for each project across all cost categories, including Professional Services.

More generally, about 50% – 60% of ICANN org's Professional Service expense is related to consulting and temporary staffing services. The largest vendors in this category are engineering and information technology resources that are outsourced to meet the changing technical needs of the organization and the lower cost of off-shore resources. About 15% is legal services for such items as contracted party agreements, accreditation matters, and litigation and dispute resolution. About 10% covers ICANN's language service needs, such as translation and

transcription services related to ICANN Public meetings. The remaining 5 – 15% of Professional Services is fragmented across various categories.

7.5   Policy Support and Development

Policy development is entirely community-based. Non-policy decisions around ICANN activities or support follow a different mechanism that relies on the interaction between a party that identifies a need, whether a community member, a member of the public, or an ICANN resource, and how ICANN addresses the need in question. This interaction often consists of ICANN organizing a process to define the need and offering to the community a path to addressing it through various means of interaction (at ICANN meetings, during webinars, through public comment processes, etc.).

ICANN offers public comment for the Operating Plan and Budget to foster community involvement and to influence those draft positions that are not related to policy-development and are therefore not made through a bottom-up development process. After receiving input, ICANN may amend the draft positions offered. It should be noted that the Operating Plan and Budget is not a policy statement; instead, it simply offers an intended plan of actions, with its financial impact (the budget) established at a fixed point in time, based on partial information and assumptions. This plan of action changes as actions are carried out and circumstances change.

7.6   Third-Party Support / Sponsorships

The Board Working Group on Internet Governance provides consultation and advice on ICANN's efforts related to involvement in Internet governance work. ICANN org and the Board Working Group on Internet Governance seek to retain a strategic focus on how ICANN sets criteria for alliances in the future. These should extend to all key areas, not only to Internet Governance. ICANN org continues its work on a comprehensive sponsorship strategy and criteria to apply to contributions made to third parties to ensure that they correspond to ICANN's mission.

7.7   Specific Department and Project Funding

Board Operations

The ICANN Board budget consists of Board compensation, travel, training, administrative expenses, and the ICANN Board operations personnel expenses. Travel for the Board consists of travel to ICANN Public Meetings, Board Workshops, the Global Domains Division (GDD) summit, and other events that Board members attend on behalf of ICANN. Other expenses supporting the Board include scribing services and educational training sessions.

GDD

ICANN org believes that the GDD budget is appropriate and adequate. GDD's expense budget, as with all other departments, is planned via a both bottoms up and a top-down process to ensure adequate availability of budget, as well as staffing. Nearly 85% of GDD's projects and programs are relatively "fixed" - meaning there is reasonable visibility into their operations and timelines. The amount of "fixed" work helps create a confidence in the budget and staffing

assumptions. In a relatively large department such as GDD, it is not unusual to have open positions on a regular basis.

Global Human Resources and Admin

Maintenance of a complex global workforce in the current global employment environment is critical to ICANN's ability to deliver its mission. To succeed, an adequate human resources team is required. In addition, the Global Human Resources and Admin department includes administrative roles dedicated to providing facilities administration and management globally. Global Human Resources positions account for 3.5% of ICANN org headcount.

Please see Section 13 (ICANN org Headcount) for additional details.

Governance Support

Governance support includes the ICANN Legal and NomCom support resources.
Based on the current trend of spend, it is expected that the FY19 Budget will be insufficient to address the needs for legal advice and support, which is expected to be more in line with the actual expenses incurred in FY18, and potentially higher, largely driven by GDPR-related activities. The FY20 budget allocated to legal services is partially reflecting this trend. The Governance Support budget therefore reflects an additional $0.9M in FY20 operating expenses to ensure adequate support to ICANN org's recurring legal needs, such as reviews of contracted party agreements, accreditation, and litigation and dispute resolution.

The Governance Support team also has added $0.9M in Personnel expenses to the FY20 Budget for full time employees whose positions are currently being filled by temporary resources. Until those positions are filled, the Governance Support Personnel expense will continue to be lower than budget and higher in Professional Services.
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Office of Chief Technology Officer (OCTO)

ICANN is responsible for coordinating the Internet's system of unique identifiers, a highly technical subject. To succeed, ICANN org needs personnel who are proficient technically and understand ICANN's mission thoroughly. The Office of Chief Technology Officer (OCTO) fulfills this requirement. An important part of ICANN's mission is to ensure the security, stability, and resilience of these identifier systems; consequently, a significant portion of OCTO's expertise and expenditure go toward this activity. ICANN org also needs to track and help steer the evolution of these identifier systems, which is another OCTO activity. All of these activities require engagement with various stakeholders in the Internet technical community, which is coordinated by OCTO. OCTO sometimes refers to itself as a "think tank" due to the functions it performs for ICANN, but it is not a separate entity within ICANN org.

In FY18, members of the SSR Team participated in a diverse range of regional engagements lending expertise on DNS Abuse, including: International Communications Digital Data and Forensics Conference (London, UK), Middle East DNS Forum (Ankara, Turkey), UADOM, FIRST Technical Forum (Kathmandu, Nepal), CENTR Security Workshop (Tel Aviv, Israel), EEDNSF (Kiev, Ukraine), South School on Internet Governance (Washington, D.C.), Combined Capabilities Workshop (San Francisco, USA), Microsoft Digital Crimes Consortium (Panama), National Cyber Forensics and Training Alliance (Pittsburgh, USA), Ukrainian Bar Association,

Conference on IT Law (Kiev, Ukraine), Segundo Encuentro Internacional de Cíber Seguridad e Informática Forense (Bogota, Colombia).The OCTO SSR team expanded security and abuse related trainings in Latin America and the Caribbean (Mexico, Brazil, Paraguay, Argentina, Uruguay, Colombia, Panama, and Costa Rica), Europe (Belarus, Estonia, Hungary, Istanbul, Latvia, Lithuania, Poland, Portugal, Spain, the United Kingdom, Latvia, Ukraine, Austria, and Slovakia), and Middle East/Africa (Tunisia, and Madagascar). These complemented trainings in both Canada and the United States. The OCTO SSR Team also continued to provide subject matter expertise to public safety agencies in international operations that abuse the DNS ecosystem, most notably with the dismantling of the Andromeda botnet.

Regional Offices / Government Engagement (GE) / Global Stakeholder Engagement (GSE)

The office structure remains aligned with the overall strategic plan of ICANN, including efforts to bring active participants into ICANN technical and policy work. For example, the Government Engagement (GE) team has personnel in Brussels, Geneva, New York, and Los Angeles. The GE team manages the global government engagement strategy and works with International Governmental Organizations (IGOs), International Organizations (IOs), and regional governmental organizations in collaboration with the GSE team. GE coordinates weekly with the Global Stakeholder Engagement (GSE) team and frequently uses regional and national expertise to support engagement with government stakeholders in national capitals.

In addition, GE works with the Governmental Advisory Committee (GAC) Under Served Regions Working Group (USRWG) to develop demand driven capacity building workshops. GSE often assists with GAC capacity development training, outreach to individual GAC member representatives, and support to bring new GAC members into ICANN to be active contributors to ICANN's work. GSE provides a point of contact in the regions and in specific capitals where there are GSE personnel – in India, China, Russia, and Brazil, among other locations. The GSE team also conducts engagement with other stakeholders, including the academic and non-commercial community, business stakeholders, the technical community (in collaboration with the Office of the CTO), and contracted parties (in collaboration with Global Domains Division (GDD).

In the FY20 Budget, GSE is adding $0.5M in personnel but is offsetting this with a $0.2M reduction in operating expenses. The shift to personnel provides additional resources to manage the regional offices; by doing this, GSE has realized administrative savings.

Workstream 2

The FY20 Budget allocated funding based on facts and plans at the time of the budgeting process. If timing and costs are unknown, ICANN org uses Contingency or other prioritization mechanisms. Because the implementation stage of Workstream 2 (WS2) is still being planned, ICANN org will use Contingency and/or budget for future costs in FY21.

The WS2 Co-Chair's forwarded the Cross Community Working Group (CCWG)-Accountability WS2 Final Report to the Board for consideration on 9 November 2018 upon Chartering Organizations' approval. This was outside of the planning and preparation window for the FY20 budget.

The WS2 Final Report provided the following implementation guidance, noting that "Prioritization and funding for implementation of recommendations is beyond the scope and capacity of WS2 and rests with ICANN (Board and Organization) and the community."

The Budget to cover the implementation of WS2 recommendations will come from within the ICANN organization, which the WS2 Report notes: "The CCWG-Accountability understands that the implementation of its WS2 recommendations cannot proceed in a similar fashion as the implementation of its WS1 recommendations. If all recommendations are endorsed by the Chartering Organizations and then approved by the ICANN Board, implementation of the nearly 100 recommendations contained in the WS2 report will be a multi-year project based on a detailed implementation plan agreed to by the ICANN organization and the broader ICANN community, after public consultation on the implementation plan."

ICANN operates within a specific budget based on limited funding. Recommendations that add costs or resourcing to ICANN's operations result in the organization making trade-offs with other items, such as implementation of new policies or innovation of existing programs or services. Tradeoffs and prioritization are issues for community discussion with regards to implementation of new recommendations.

Regarding WS2 implementation, the Board held an open session on 27 January 2019 at its Los Angeles Workshop to discuss the WS2 report, and next steps. The meeting was recorded and [posted](#).

Specific Department and Project Funding

ICANN provides a detailed view of the FY20 Budget as part of the Planning Documents publication. This document provides insight into staffing and spend by Objective, Goal, Portfolio and Project. Please review the [ICANN Draft FY20 Operating Plan by Project](#) to see budgeted amounts for each project across all cost categories.

7.8   Risks and Opportunities

Section 3.4 of the Draft FY20 Total Budget outlines the Risks and Opportunities of ICANN org at a high level. In addition, the Draft FY20 Operating Plan also contains Risks and Opportunities sections relating to the functional areas within each Module. We appreciate the feedback regarding more cohesion around Risks and Opportunities and will try to coordinate this effort in future publications.

8 Funding

8.1 Overview

In the FY20 Budget, funding for ICANN Operations is estimated to be $140M. This is up 1.7% from the FY19 Budget. The projected funding values are intended to be between realistic and conservative, given the available data, notably considering public projections of domain name registrations which indicates higher growth rates. ICANN org is committed to continuing reviews and updates of its projections based on the most recent data. The highest-confidence estimates at the time of budget planning, or "best estimates," are used in the draft budget.

Many factors are considered in the funding projections; these include input from industry participants (provided directly and in public statements/documents), trends from historical data, recent marketplace developments, and other sources. ICANN org evaluates and uses these sources to develop estimates on future funding. Moreover, under the current budget cycle, funding values for a fiscal year are developed 15+ months in advance. ICANN org also welcomes the opportunity to further expand direct engagement with contracted parties to gain additional insight on their market projections.

In line with sentiments expressed in some comments, ICANN org is forecasting lower growth rates compared to previous fiscal years. This arises from expectations of a maturing Domain Name marketplace. Nonetheless, this is different from expecting an outright halt in marketplace growth. Evaluated alongside the projects and activities that ICANN org is tasked to undertake are the resources needed to complete these tasks – personnel and otherwise. The FY20 Budget was developed to prudently undertake these projects and activities.

8.2 Accreditation / Privacy Proxy

All applicants for ICANN Registrar accreditation undergo a detailed review process that includes an evaluation of the working capital available to the applicant. All applicants must present evidence of independent verification of this working capital, sufficient resources to meet business needs, and adequate cash reserves as a condition of accreditation.

The additional questions related to the status of Accounts Receivables from contracted parties are not a comment on budget so will not be addressed here. Those questions will be considered and addressed as Correspondence.

The draft FY20 budget includes an assumption of $0.4 million in funding associated with a Privacy Proxy Accreditation program. Applicant fees for existing contracted parties have been assumed to consist of a one-time accreditation fee of $1,500 and an annual fixed fee of $2,000; non-contracted entities are expected to pay a one-time accreditation fee of $2,500 and an annual fixed fee of $2,000. During the fiscal year, it is assumed that the program will attract 65 contracted and 30 non-contracted entities as applicants.

It is important to note that under the current budget cycle, funding values for a fiscal year are developed at least 15 months in advance. Although the Privacy Proxy Accreditation program was delayed, ICANN org expects it to start in FY20. ICANN org is committed to continue reviewing and updating projections based on latest data in future forecasts.

All ICANN-accredited registrars are now under the 2013 Registrar Accreditation Agreement (RAA).

Regarding portfolio registrars (registrars with multiple accreditations) with the aftermarket business model, and the corresponding funding from these registrars' activity to ICANN, references are made in the submitted comments to past reductions of the number of accredited registrars specifically from portfolio registrars.

ICANN processes application for accreditation consistent with the requirements of the 2013 RAA (Registrar Accreditation Agreement). While large numbers of new accreditations occurred over the past several years since the adoption of 2013 RAA, ICANN had anticipated the possible contraction of the accreditations for some after-market registrars, and budgeted a reduction of funding accordingly in its FY18 Budget. ICANN's expected funding was therefore unaffected, as the anticipated contraction did occur, but to a smaller extent than ICANN had reflected in its budget.

8.3   RIR Contribution

The $823,000 Regional Internet Registries (RIR) contribution that ICANN receives consists of one contribution from the Number Resource Organization (NRO) on behalf of five Regional Internet Registries. For more information on the contribution, ICANN org suggests contacting the NRO.

9   Funds Under Management

ICANN's investment policy indicates that it should maintain a Reserve Fund of a minimum of one year (12 months) of operating expenses. The Reserve Fund is currently below that level. The existence of the Reserve Fund directly supports the ability of the organization to carry out ICANN's long-term mission to ensure the stable and secure operation of the Internet's unique identifier systems. The Reserve Fund enables ICANN to face unforeseen events, or disasters, and still continue to carry out its mission. It is a fiduciary requirement for any nonprofit organization to be able to continue its mission for the public benefit; a Reserve Fund is one of the elements that allows a nonprofit organization to remain accountable to the public. The ICANN Board recently reassessed the Reserve Fund requirement in the context of ICANN's mission of public benefit. Please review the replenishment strategy document.

The decrease in the new generic Top Level Domain (gTLD) fund from $120M in FY18 to $112M in FY19 is due to $12M in FY18 expenses. Operating expenses (which were partially offset by an investment gain on the funds) included $7M of ICANN personnel and Program Administration costs, $6M in refunds for Rights Protection Mechanism (RPM) Access Fees, and $3M in Risk Costs (unanticipated and harder to predict).

Auction proceeds: the Cross-Community Working Group on Auction Proceeds is currently finalizing its recommendations to the ICANN Board on a mechanism to disburse the auction proceeds collected. This CCWG was initiated after it was clear that significant proceeds would be available (in 2016).

The expenses associated with the disbursement process and mechanism, and the grants themselves will all be funded from the auction proceeds available.

10 General Data Protection Regulation (GDPR)

ICANN org expects to continue working on General Data Protection Regulation (GDPR) through FY20. That said, GDPR-related expenses, especially legal matters, are difficult to predict. Instead of inaccurately budgeting for unpredictable expenses, ICANN org will use Contingency for GDPR-related expenses in FY20. The only exception is GDPR-related travel and temporary resources, which have been budgeted at the department level.

As stated in Draft FY20 Total Budget document, ICANN org budgets for Contingency as part of its planning process. GDPR is an example of an initiative that will use Contingency.

Regarding the mention of GDPR in the Risks and Opportunities section of the Draft FY20 Total Budget, we estimated $1.5M in FY20 for total GDPR compliance. We recognize, however, that this estimate is imprecise and decided to remove it from the Adopted Budget document.

For more information on GDPR, please see Section 7.4 (Data Protection and Privacy) of the FY20 Operating Plan and Budget Introduction and Highlights.

11 Global Domains Division (GDD) Operations and generic Top Level Domains (gTLDs)

As per the standard and approved ICANN annual operating plan and budget process, no funding is allocated in FY20 to implement subsequent procedures policy recommendations because the Subsequent Procedures Policy Development Process (PDP) Working Group is still working to determine whether changes or adjustments are needed to the existing policy recommendations in the Final Report on the Introduction of New Generic Top-Level Domains. Once a Final Report is available, the ICANN Board will consider the policy recommendations and any funding needed to implement the recommendations.

Separately, ICANN org provided the Board with a briefing on planning for the launch of subsequent procedures at the Los Angeles Board retreat in January 2019. The Board tasked ICANN org with developing a work plan for the Board's consideration at ICANN65. Any preparatory work that the Board directs ICANN org to undertake and that requires resources not allocated in the FY20 Operating and Budget will be brought to the Board for consideration. A Board decision to allocate resources that are not already budgeted may affect the FY20 Operating Plan and Budget.

12 ICANN org Headcount

12.1   Headcount Growth

The FY20 Draft Operating Plan and Budget includes an anticipated average headcount of 405 positions during FY20, which represents the relative stability of ICANN's headcount. While it represents, arithmetically, an increase of 10 positions from the FY19 average headcount of 395, 10 FTEs (full time equivalents) is within the "margin of error" of headcount projections performed between 8 and 20 months in advance of the period considered. This is illustrated further by the headcount trend in FY19 during which ICANN's headcount is 388 as of 31 January 2019, compared to a budgeted headcount of 423 for the same period in the FY19 Budget.

The stability of the headcount going forward, and the fact that actual headcount is consistently below budget is the result of ICANN org's careful management of headcount and resources, notably illustrated by a systematic requirement of the CEO's approval for any hiring, whether for new positions or for replacements in positions being vacated. Such a strict control is a "high bar" rarely in place in organizations that encounter the funding stability that ICANN does. It demonstrates ICANN 's fiscal realism, and even conservatism since ICANN's headcount has actually decreased by 3% between the 2017 and 2018 (as of December end, from 400 to 389).

Recently we have implemented a policy regarding the hiring for backfill positions (replacements for roles that have been vacated). When an individual leaves ICANN org, we do not automatically re-hire for that position. Each hire, whether it is for a new position or backfill for a vacated role, needs approval from the SVP of Human Resources, CFO, and CEO. This process allows the organization to strategically evaluate each hire. This rigorous process has helped control headcount growth and ensure that we are properly allocating resources and headcount. This measure along with other strategies have helped drive a decline in headcount.

ICANN provides a detailed view of the FY20 Budget as part of the Planning Documents publication. This document provides insight into staffing and spend by Objective, Goal, Portfolio and Project. Please review the ICANN Draft FY20 Operating Plan by Project.

12.2   Merit Increases

The FY20 budget proposes to reduce the average increase in ICANN org staff compensation from 4% (the historical average) to 3% due to the funding levels and our need to stabilize costs. We believe that 3% is necessary to account for inflation and moderate compensation increases.

12.3   Personnel Expense

ICANN org expects to increase Personnel expenses by $4.3M in FY20 due to headcount growth of 10 positions along with merit increases of 3%. As noted above, the headcount growth is very modest in comparison to prior trends and the merit increase of 3% is also lower than the historical average.

12.4   Contractors and Consultants

We do not have a breakout of contractors in the FY20 drat Operating Plan and Budget since those can fluctuate based on needs and demands. Contractors' expenses are categorized as Professional Services, and we are projecting a decrease in those expenditures by $2M in FY20. ICANN org is careful in its use of consultants; they are engaged primarily when we have a temporary need for specialized expertise. When we have a longer term need for expertise, we create personnel roles, which is a more cost effective practice. In other cases, we develop partnerships with outsourcing organizations that can provide us with a pool of skilled workers at competitive rates. One example of this approach is our partnership with the IT outsourcing provider, Zensar.

12.5   Benchmarking

Because ICANN is a unique organization, many market trends and industry benchmarks do not always apply. To demonstrate our progress, we use methods such as satisfaction surveys (to measure perceptions) and the impact of Board composition on performance. ICANN org continued to review and refine Accountability Indicators after publication of the draft Operating Plan and Budget and will continue to do so after adoption by the Board.

13 ICANN Public Meetings

Regarding proposals to reduce the number of ICANN Public Meetings, ICANN org will consult with the ICANN community, support organizations, and advisory committees to discuss objectives and issues related to such a reduction.

In addition, ICANN org has already begun to implement a cost-reduction plan for ICANN Public Meetings to be held in 2021-2022; we are selecting more cost-effective cities and venues that will continue to provide the high-quality meeting experience that the community expects.

14 Information Transparency Initiative (ITI)

It can be difficult to find information on ICANN.org and other sites used by the community. A permanent solution is needed; in response, the Board approved the Information Transparency Initiative (ITI) on 23 September 2017. A primary objective of this initiative is to make it easier to find ICANN's public content in all six United Nations languages. This objective responds to ICANN's mission and Bylaws – i.e., helping the community to do its work and meet commitments to accountability and transparency.

The ITI team appreciates the feedback and support that the At-Large Advisory Committee (ALAC) has shown for this project. ICANN conducted several sessions with ALAC at ICANN Public Meetings and held meetings with ALAC members. The resultant input helped to shape the content findability strategy, a key deliverable of ITI. Similarly, the advice provided by ALAC and the Government Advisory Committee (GAC) on increasing the availability of content in plain English is another critical ITI goal. This project focuses on the needs of the ICANN community and ICANN.org users; we look forward to ongoing collaboration and guidance from ALAC for this project.

15 Language Services

Multilingualism is essential for a global, multistakeholder organization. Consequently, ICANN strives to have information and meetings accessible in a variety of languages. ICANN's working language is English, and the policy is to provide language services in the six United Nations languages (Arabic, Chinese, English, French, Russian, and Spanish) where and when appropriate as detailed in the Language Services Policies and Procedures. ICANN also attempts to make available languages services in the language of the country where it organizes its 3 ICANN annual meetings, if this language is not one of the 6 UN languages, either directly or through partnership with local hosts.

The ICANN Language Services team's primary objective is to provide timely, consistent, high-quality interpretation and translation services that reflect appropriate current use of technical terms by native speakers. ICANN also works to provide these services cost-effectively in accordance with current budget constraints.

Various online tools produce translations cheaply and quickly, but these tools do not produce consistently accurate, high-quality translations. ICANN does not endorse or use these tools, but, ICANN org continues to monitor these tools and advancements in machine translation capabilities. We will revise this guidance and use of these tools if the quality improves significantly. ICANN org looks forward to working with the At-Large Advisory Committee (ALAC) as our policies and tools evolve to meet current needs and technological advancements.

16 Open Data Initiative

The Open Data Initiative (ODI) was a pilot project and is now called the Open Data Program (ODP) because it is now operational within ICANN org. During ICANN 64, ICANN updated the community on ODP progress. The program budget is $240K for FY20 (see portfolio 3.1.1 Internal Facing Operations).

17 Organizational Reviews

Bylaws Section 4.4 mandates organizational reviews to assess the effectiveness of ICANN's Supporting Organizations (SOs) and Advisory Committees (ACs) by determining: (i) whether that organization, council, or committee has a continuing purpose in the ICANN structure; (ii) if so, whether any change in structure or operations is desirable to improve its effectiveness; and (iii) whether that organization, council, or committee is accountable to its constituencies, stakeholder groups, organizations, and other stakeholders.

This Section of the Bylaws also states: "These periodic reviews shall be conducted no less frequently than every five years, based on feasibility as determined by the Board. Each five-year cycle will be computed from the moment of the reception by the Board of the final report of the relevant review Working Group."

ICANN org collected extensive feedback from the ICANN community in 2018 during public comments on next steps for reviews and long-term options to adjust the timing of reviews. ICANN org is currently streamlining the organizational reviews with the Board and the Organizational Effectiveness Committee; we anticipate that a proposal on the process for streamlining organizational reviews will be discussed with the community and posted for public comment after ICANN64.

The annual Operating Plan and Budget process is designed to collect input from ICANN constituency groups, stakeholders, the Board of Directors, and the ICANN organization. It sets forth the focus of efforts and organizational commitments for the upcoming fiscal year. As noted in the Operating Plan, there are opportunities to improve efficiencies – such as amending the Bylaws so that a review starts five years after the last review's recommendations are adopted by the Board. This would enable: (1) implementation, trials, and testing of review recommendations before launching the next round of reviews; and (2) staggering of reviews so that the next review does not start immediately after recommendations are implemented. This type of approach would enable ICANN org to plan costs and resources more efficiently while incorporating community input on how to shift timing and prioritization of various projects.

18 Policy Development

The Policy Development Support department budget mainly reflects direct support for personnel and related activity expenses for the three Supporting Organizations (SOs), four Advisory Committees (ACs), and the Empowered Community. Other indirect support is reflected in other parts of the budget related to services provided to the community for policy work (and advice) from departments such as legal, communications, compliance, Global Domains Division (GDD), Information Technology, Global Stakeholder Engagement (GSE), regional offices, language services, finance and Constituency Travel. Because we anticipate minimal funding growth, ICANN org is engaging in long-term financial planning in consultation with the Board and community to ensure that the community receives the support it needs to perform its policy work while remaining fiscally responsible. This includes planning for appropriate personnel levels across ICANN org and prioritizing projects as detailed in the draft budget documents. The proposed budget is based on significant consultation across ICANN org and is overseen by the Executive Team, taking into account the changing and expanding needs of and requests from the whole community.

As noted in the Draft FY20 Operating Plan (page 22), one of the priority projects for FY20 is to complete the At-Large Review implementation. Nevertheless, because we expect minimal growth in funding, it is fiscally responsible to anticipate the maintenance of personnel levels similar to those in FY19 (see the Draft FY20 Total Budget document, page 28). To ensure optimal support for the community's work while improving efficiency, ICANN org has controls in place to hire or replace personnel only when clearly required. The decision to maintain the current personnel levels was based on an evaluation of the current needs and priorities of the community, as detailed in the Draft FY20 Operating Plan and Budget documents. However, given the significant amount of additional work undertaken during the At-Large Review Implementation, we are making core funds available for professional services during FY20.

Capacity development remains important and is a key pillar of the regional engagement strategies developed by the GSE team. Capacity development enables participants from underserved regions and participants with fewer resources to gain knowledge that will enable them to become active participants in ICANN's technical and policy work. We appreciate the feedback of the At-Large Advisory Committee (ALAC) and At-Large on the Multistakeholder Policy Advice Development infographic and will provide an infographic that consists of only the part dealing with the ALAC policy advisory process.

ICANN org is engaging in long term financial planning in consultation with the Board and community to ensure that the organization continues to provide the community with the support it needs while remaining fiscally responsible. The proposed budget is based on significant consultation across the ICANN organization and overseen by the Executive Team. It takes into account the changing and growing needs of and requests from the whole community.

19 Reserve Fund

ICANN's Reserve Fund Replenishment strategy results from the October 2018 [Adopted Board Resolutions](#) (Rationale for Resolutions 2018.10.25.22 – 2018.10.25.23). This strategy consists in a transfer to the Reserve Fund of $36M from auction proceeds, which has been effected in December 2018, and the remaining $32M needed to be allocated from excesses to be generated from ICANN Operations over the next eight years. Because this strategy was approved after adopting the FY19 budget, the FY19 Budget does not include a contribution to the Reserve Fund in FY19. However, should excess funds are available by the end of FY19, the Board will consider an allocation to the Reserve Fund.

As a reminder, the replenishment of the Reserve Fund was made necessary as a result of the depletion that occurred to fund the expenses incurred for the IANA Stewardship Transition project between FY14 and FY17. At the end of FY17, ICANN put in place a mechanism of expense control, called the Project Cost Support Team or "PCST", enabling direct control of activities and expenses by a team combining community members and ICANN org personnel. This mechanism has proved effective in the last phase of the IANA Stewardship transition (Workstream 2) and in other projects to which it was applied since.

20 Appendix – Contributor Question/Comment and Reference to Response

20.1   On-Time Submissions

Contributor	Question / Comment	Reference
Blacknight Internet Solutions Ltd	For the most part we are supportive of the comments submitted on behalf of the RySG, although in common with the RrSG we are not concerned by funding of any subsequent rounds of TLDs.	Please see Section 8 - Funding (Subsection 8.1)
Blacknight Internet Solutions Ltd	We would also question why ICANN is factoring in revenue from proxy / privacy accreditation when that project is stalled and unlikely to progress in the short to medium term.	Please see Section 8 - Funding (Subsection 8.2)
Blacknight Internet Solutions Ltd	Why is there no funding for GDPR / privacy related activities in FY20? It is highly unlikely that the ePDP or any related activities to do with GDPR and privacy will be completed in FY19 and there will be a need to fund work in this area in FY20.	Please see Section 10 - General Data Protection Regulation (GDPR)
Blacknight Internet Solutions Ltd	An overarching concern we would have is that the core functions of ICANN, both policy work and GDD operations be funded adequately.	Please see Section 7 - Financial Management (Subsection 7.5)
Business Constituency (BC)	On page 6 on ICANN Operations: Cash Expenses by Category in the Introducton and Highlights document, and analyzing the pie chart; we would like to know why Travel and Meetng shrunk by 1% when it is said that the level of funding for FY19 will be sustained in FY20? And also why is the Personnel cost increased by 3% at the same time?	Please see Section 7 - Financial Management (Subsection 7.1)
Business Constituency (BC)	On page 8 on ICANN Operations: Fund under Management, in the Introducton and Highlights document, and analyzing the bar chart; what is the explanation for the decrease in new gTLD fund from $120m in FY18 to $112m in FY19 forecast and FY20 projection? Also, can a relationship be established between the above and the analysis on the same subject contained on page 23 of the …Total Budget Document (I.e. Document 2)?	Please see Section 9 - Funds Under Management
Business Constituency (BC)	On page 14 on Information Transparency Initiative, in the Introduction and Highlights document, nothing was said about the Open Data Initiative (ODI). So, what is the state of the ODI and can you advise under what project line this is captured?	Please see Section 16 - Open Data Initiative

Contributor	Question / Comment	Reference
Business Constituency (BC)	On page 20 on ICANN Operations FY21 Projections, in the … Total Budget Document; if the community facing funding is flat at 50% why should personnel fringe benefits (not key remuneration) not similarly adjusted by 50%?	Please see Section 12 - ICANN org Headcount (Subsections 12.1 – 12.3)
Business Constituency (BC)	NCPH Intersessional In FY19, BC proposed that the FY19 edition of the Non-Contracted Party House (NCPH) Intersessional be skipped to release funding for other key community actives like the Fellowship program and Next Gen. In FY20, the BC recommends that the NCPH Budget item be restored for a biennial NCPH intersessional to foster NCPH understanding and collaboration.	Please see Section 4 – Community Support/Funding (Subsection 4.4)
Business Constituency (BC)	CROP Noting that support for Community Regional Outreach Programme (CROP) was halved in FY19, compared to FY18 level, the BC in consideration of the need for BC Outreach efforts to be sustained requests that the CROP be restored to its FY18 level. It is BC's opinion that reaching out to the global stakeholders community should be sustained in view of increasing cases of Internet shut-down around the world and diverse regulations (e.g. GDPR) with potential damaging implication for business users of the Internet if not effectively engaged in a collaborative manner.	Please see Section 6 - Community Regional Outreach Program (CROP)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Our preliminary observation is that ICANN acted appropriately in listing figures for FY19 as baselines for its FY20 projections. In so doing, the draft should be commended for its amplified fiscal realism. Paragraph 3.1.2 specifically is a perfect reflection of this realism, as both the projected FY19 funding and expenses are significantly lower than the respective figures in the adopted FY19 budget.	Please see Section 7 - Financial Management (Intro paragraph)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	We acknowledge that significant cuts are scheduled for ICANN staff – an element of substantial concern for the SOPC over the past years. Cost reductions are therefore a step in the right direction. Equally positive is the decision to leave PTI staff costs untouched, which will be appreciated by a community demanding the best value for money. Likewise, major items directly or tangentially associated with the community's needs have remained untouched.	Please see Section 7 - Financial Management (Intro paragraph)

Contributor	Question / Comment	Reference
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	We would also like to commend the effort to retain contingency at the planned level.	Please see Section 7 - Financial Management (Subsection 7.2)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	The trend to a greater fiscal realism may in some respects seem short-term, as far as the draft FY20 budget. With cuts ranging between € 0.3 and € 0.5 million projected across major items, staff costs increased to nearly match the proposed FY19 figures (€ 70 m vs. € 70.5 m, respectively). This reduces fiscal realism and practically rules out the hope for austerity with regards to personnel. Once again (with reference to the chart in paragraph 6.2), it is clear that ICANN will hire more staff, to whom few resources will be allocated to technical functions. Concurrently, an increased headcount in the area of internet governance is somehow required to adapt policies to regional requirements. Furthermore, the automatic annual 3 % salary adjustment might be reviewed in light of the financial landscape.	Please see Section 12 - ICANN org Headcount (Subsections 12.1 – 12.3)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Concerning cost breakdown across major activities, we have detected two interesting patterns. On the one hand, significant increases occur mostly across technical rather than administrative operation (which, once again, should be commended in view of the six modules and major activities thereunder in the drafted 2020 Operating Plan). On the other hand, there are a couple of notable exceptions: Governance Support, for example, which is up by USD 0.9 m, may need further substantiation. Indeed, it is unclear whether ICANN's corporate governance meets the expected standards and/or is in need of radical improvement, or whether ICANN is facing new challenges of which we should be made aware. Another exception is the USD 0.5 m increase for the 'Global Stakeholder Engagement'. On numerous occasions, the SOPC has reiterated the need for unambiguous indicators of measurement for ICANN's efforts in this area. We fail to see, however, development and/or refinement of those KPIs.	Please see Section 7 - Financial Management (Subsection 7.7)

Contributor	Question / Comment	Reference
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Regarding funding projections, we continue to recommend a prudent approach. The lowest estimates seem to remain relatively positive despite current domain name trends suggesting other scenarios.	Please see Section 8 - Funding (Section 8.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	We support ICANN's plan to continue replenishing the Reserve Fund. Furthermore, we favour the proposal to retain excess money from auctions, and the unused money from the initial filings, in order to further replenish, with the community's consent, the Reserve Fund. These actions would be able to keep ICANN and IANA operational via the Fund in the event of fiscal loss.	Please see Section 19 - Reserve Fund
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Page 5, section 1 reads, 'The modules do not describe all of the organization's planned work for FY20. They include only some of the activities that are of particular interest to the ICANN community.' It would be beneficial to know the criteria on which ICANN has assessed the interest of the community and, therefore, the selection of its activities.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1 – 2.2)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Page 8, under Module 1, reads, 'These engagement strategies help to define the goals and priorities for the annual work plans in those regions.' We would like to ask you on what basis ICANN decided to drop the strategies for other regions and, as they are no longer in place, what process does ICANN follow to define priorities in the regions that are not covered by any short/medium/long-term strategy.	Please see Section 3 - Community Outreach/ Engagement/ Programs (Subsection 3.2)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	We would like to request clarification regarding efforts that are in place to prevent overlap in the plans/actions of the GSE and GE departments.	Please see Section 3 - Community Outreach/ Engagement/ Programs (Subsection 3.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational	Page 12 reads, 'Demand-driven requests for capacity-building workshops and thematic and technical skills will increase in FY20. In FY18, GE developed a mechanism to receive and define these requests and work collaboratively with regional GSE team members and OCTO to design and deliver these workshops.' We feel	Please see Section 3 - Community Outreach/ Engagement/ Programs (Subsection 3.1)

Contributor	Question / Comment	Reference
Planning Committee (SOPC)	that this suggests that efforts should be better streamlined.	
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Page 10 reads, 'From all regions, ICANN receives important requests for technical capacity development and ongoing engagement from its GSE and OCTO. We also receive more requests for technical and policy training, general ICANN knowledge, and sponsorships.' We would be grateful to learn how these requests are assessed, prioritized and approved.	Please see Section 3 - Community Outreach/ Engagement/ Programs (Subsection 3.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	As the ICANN office in Geneva placed 'a senior team member in Brussels to address European Union and European Commission regulatory decisions and to serve in the European arena', as suggested in the past we believe that ICANN should run a cost/benefit analysis of having an office in Geneva before moving forward with the renewal of its rental agreement.	Please see Section 7 - Financial Management (Subsection 7.7)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Page 13 reads, 'Technical Engagement will prioritize development of [a] "think tank"' – is more information available about this?	Please see Section 7 - Financial Management (Subsection 7.7)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	On page 14, the text under the 'Global Stakeholder Engagement' and 'Government Engagement' fails to address the 'Risk and Opportunities' which the two departments may face when developing their activities. The content under 'Risk and Opportunities' varies considerably from department to department across the Operating Plan. Thus, we recommend that the ICANN Finance team produces and/or refines the guidelines which should be instrumental to the various teams to determine what to include under such heading.	Please see Section 7 - Financial Management (Subsection 7.8)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational	The priorities of the Policy Development Support and GDD (page 22) are well-formulated and clearly delineated.	Please see Section 18 - Policy Development

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Planning Committee (SOPC)		
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Page 35 reads, 'Since the scope of GDPR requirements is not finalized, there may be unforeseen program costs. Any changes to business practices as a result of the GDPR are considered part of the normal course of business. In this case, contingency dollars will be allocated to GDPR.' We are quite puzzled by this sentence. It is true that ICANN is still in the process of discussing the extent of GDPR implementation against its functions and databases. Nevertheless, at this stage, ICANN should have developed various scenarios for the enforcement of GDPR, including a budget estimate for each scenario, especially considering that GDPR passed into law in 2016.	Please see Section 10 - General Data Protection Regulation (GDPR)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Page 37 reads, 'Personnel often provide subject matter expertise to mitigate identifier system abuse.' Receiving some figures concerning this activity would be beneficial.	Please see Section 7 - Financial Management (Subsection 7.7)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Assessing the budgetary view, we fail to see which cost- and resource-optimization efforts ICANN plans to roll out. This has been a long-standing comment and recommendation of the SOPC.	Please see Section 7 - Financial Management
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	This is the fourth update of the five-year 2016-2020 Operating Plan. The ICANN Board approved the third update in May 2018. Compared with the third update, the document at hand contains the intended status end FY19 for each of the 16 strategic goals in addition to updated activities for FY 19 and some FY20 goals. Additional metrics are described for some of the strategic goals.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and	Overall the document appears well-structured and well-drafted.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)

Contributor	Question / Comment	Reference
Operational Planning Committee (SOPC)		
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	It would make it much easier to comment on the proposed document if one does not need to read both (the old and new version) in parallel and search for changes. Is there a reason for not publishing a document where changes from the adopted version are highlighted? We believe this would add some transparency; it would make it much easier to participate and save considerable time when comparing the two versions.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.2)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	The first two strategic goals in the fourth update document (1.1 and 1.2) are better formulated and easier to understand compared to the third.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Comparing metrics per strategic goal between this update and the third, we are happy to conclude that ICANN developed improvements in this area. The number of parameters is rather large: many are relevant and quite specific; few remain vague.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Comparison of the 'Planned FY' with 'Intended Status at end of FY19' overview for each strategic goal shows that ICANN performed well concerning its FY19 Operations Plan. There are no genuinely significant shortcomings, while on specific strategic objectives that have been developed more than planned.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	Comparing 'FY20 Planned' in the third update with 'FY20 Planned' in the fourth update demonstrates ICANN's work. Some changes involve more specific wording, while the others are added activities that are foreseen for FY20.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)

Contributor	Question / Comment	Reference
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	The Operating Plan should consider a system that regularly captures the skill sets of existing and new community members (who are mostly volunteers) with the objective of aligning/matching them with the strategic objectives that can benefit from those skill sets as a way of enhancing 3.3 and 4.4 (Section 2 FY20 Operating Plan and Budget).	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	2.2: The two additional metrics seem to be rather vague. We are glad to notice that more achievements are intended for the end FY19 than initially planned (mainly on new identifiers). We support the three new activities (publications) included in FY20.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	2.3: 'FY20 Planned' is missing (probably in error).	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	3.3: We welcome the newly-added metrics.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	4.1: We support the addition of two specific activities for FY19 (plan & intended), ECOSCO and IGF 2018.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational	4.2: We are glad to notice more details in both FY19 Planned and Intended Status (HLGM, HLGM, GAC).	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)

Contributor	Question / Comment	Reference
Planning Committee (SOPC)		
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	4.3: We are glad to notice the specific activity added for FY19 (plan and intended), to create a legislative and regulatory tracking mechanism to monitor initiatives that may affect ICANN's scope.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	5.2: We are glad to notice the eight specific and detailed metrics added here. We support the two new activities for FY20, specifically regarding privacy/data protection and WS2 implementation.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	5.3: Improvements to metrics are welcome here. We support the three activities added for FY20, specifically education/capacity development, ICANN Fellowship, Next Gen and Newcomer Programs and Public Interest initiatives.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)
Country Code Names Supporting Organization (ccNSO) - Strategic and Operational Planning Committee (SOPC)	The ccNSO-SOPC welcomes the extended comment period which takes into account the publication of the Plan prior to a holiday break in several countries. - We also welcome the improvements to efficiency to which the CEO refers in his introductory letter. - Regarding the ICANN FY20 Operating Plan and Budget, we continue to notice considerable differences within the text, especially in the 'Risk and Opportunities' sections. Internal training and/or refined guidelines may assist the departments towards a better understanding of narrative consistency under the various headings. This would improve upon the consistency of overall content and would have a direct impact on its accessibility. - We appreciate the prudent approach for staff and the Reserve Fund replenishment. - KPIs should be further improved – or even introduced – for some of the objectives.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsection 2.1)

Contributor	Question / Comment	Reference
	- Further clarity would be appreciated when the work of the GSE and GE departments is being presented. - The considerations within the Plan for the enforcement of GDPR, including the ways ICANN.org should cover expenses associated to its implementation, may lead to questioning the aptness of the ICANN office distribution and its capacity to anticipate community needs. - The Five-Year update contains elements that suggest progress against the organization metrics and performance.	
Customer Service Committee (CSC)	This submission is on behalf of the Customer Service Committee (CSC) which is seeking travel funding for the CSC to attend two ICANN meetings annually (in total 4*2 slots), firstly to ensure all four (4) ccNSO and RySG Members are able to attend, and if not all Members require travel funding, to use the balance to fund travel of the liaisons. Background As a consequence of the IANA Transition Proposal, the CSC was established in 2016 to ensure the satisfactory performance of the Internet Assigned Numbers Authority (IANA) naming function. According to the ICANN Bylaws (Article 17) the CSC is responsible for monitoring Public Technical Identifier's (PTI) performance of the IANA naming function against the service level expectations in the IANA Naming Function Contract. Its four members and six liaisons carry out this function by, among other means, analyzing performance reports provided by PTI publishing its findings, and informing direct customers at ICANN meetings. In 2017/18, and in accordance with the ICANN Bylaws and the original CSC Charter, the Charter was reviewed by a team from the ccNSO and RySG communities. The Review Team (RT) noted that the IANA Transition Proposal recommended that no travel support be provided to members or liaisons of the CSC because it was assumed that travel support could be sourced from their respective groups and that the main work of the CSC was expected to be done online. During the RT's deliberations, the CSC informed them that the ability of CSC membership to update the ICANN community and more specifically the direct customers at ICANN meetings could be compromised by the lack of travel funding. Since it was established, the CSC had used ICANN meetings as an opportunity to provide updates to direct customers, to	Please see Section 4 - Community Support/Funding (Subsection 4.5 and 4.6)

Contributor	Question / Comment	Reference
	meet in person to progress the development of their foundational and operational documents, meet with the ICANN Board of Directors and CSC related review teams. The RT recognized the value of these interactions. However, travel funding for CSC membership to attend ICANN meetings has not always been possible. Given that the assumptions contained in the IANA Transition Proposal have proved to be incorrect, the RT recommended that "the CSC be eligible to seek funding for travel support in accordance with ICANN's budget and travel policy requirements". In its Final Report, the RT expressed concern that there had been negligible interaction between the CSC and the PTI Board. It went on to note that given the interconnected responsibilities of the two groups, the PTI Board members felt that it would be beneficial to have a requirement reflected in the Charter for the two groups to formally meet during any given year. It concluded that in light of the responsibility of the PTI Board for the provision of the IANA functions, it is "important for there to be a framework for discussion between the CSC and the PTI Board, in particular in looking forward to, and planning for, technological developments and ensuring the continued security and resilience of the IANA functions." To this end, the RT recommended that the Charter include at least two meetings a year between the CSC and the PTI Board. The RT also acknowledged the value of the CSC having the opportunity to provide other groups with updates regarding PTI's performance. The RT explicitly recognized ICANN Org and the ICANN Board as groups with which the CSC should be meeting. To Summarize: The CSC has been meeting with ICANN Org, the ICANN Board, the ccNSO and the RySG regularly since the CSC's creation. In addition, it has held public meetings in conjunction with ICANN meetings so that the community as a whole might better understand the committee's important work. The CSC has been able to accomplish this because the membership had their travel costs paid by their employers. However, changes in the	

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	CSC's membership has compromised the ability to travel. As the CSC, we believe that the future functioning and success of the CSC cannot be dependent on the largess of the corporate employers. The only way to ensure that the CSC is in a position to discharge its responsibilities as set out in under the ICANN Bylaws and its charter is for travel funding to be provided. Given the explicit recommendation of the RT that the CSC meet twice yearly with the PTI Board, and meet at ICANN meetings, the CSC is seeking the ability to provide eight 'travel slots' annually, the minimum to ensure funding of the four CSC members to attend the ICANN Community Forum and the ICANN AGM each year. If not all members require funding, the balance of the 4 slots per meeting would be used to fund travel for liaisons. The membership of the CSC has discussed this request at their meeting on 15 January 2019, and they are supportive of this approach.	
gTLD Registries Stakeholder Group (RySG)	ICANN's focus on cost control is welcomed and supported by the RySG. We believe that this needs ongoing focus, commitment and specific targets.	Please see Section 7 - Financial Management (Intro paragraph)
gTLD Registries Stakeholder Group (RySG)	ICANN's use of surplus funds from the operating budget to top up the Reserve Fund is welcomed and supported by the RySG.	Please see Section 19 - Reserve Fund
gTLD Registries Stakeholder Group (RySG)	The RySG does not support the transfer of funds from the New gTLD Auction Fund to the Reserve Fund and We are strongly of the view that this must be a one-off, unique event.	Please see Section 19 - Reserve Fund
gTLD Registries Stakeholder Group (RySG)	ICANN Funding The budget forecasts an income for ICANN funding of US$140m. Has ICANN adequately sensitised this forecast? Since the forecast is directly dependent on the number of SLDs within the gTLDs that ICANN deals with, the RySG recommends that ICANN discusses or reviews the forecasts with any individual registry operators.	Please see Section 8 - Funding (Subsections 8.1 – 8.2)
gTLD Registries Stakeholder Group (RySG)	Staff Costs Staff costs stand out as the single biggest cost that ICANN incurs (56% of costs in FY20). ICANN staff costs have continued to grow (US$76.3m in FY20, US$72m in FY19). The RySG questions the requirement for ICANN to operate with such a large (circa 400) staff. Also, we request that ICANN benchmark costs against comparable	Please see Section 12 - ICANN org Headcount (Subsection 12.5)

Contributor	Question / Comment	Reference
	organisations e.g. in terms of percentage of expenditure on staff and actual amounts spent on specific roles. Evidence of such benchmarking is requested to improve accountability.	
gTLD Registries Stakeholder Group (RySG)	**Staff Costs** What action is being taken to control and reduce this single largest item of expenditure? To what extent does ICANN use consultants in place of employees? The RYSG requests assurance and evidence that staff and consultant costs are being adequately controlled and that there is transparent reporting of consultant costs and numbers.	Please see Section 12 - ICANN org Headcount (Subsection 12.4)
gTLD Registries Stakeholder Group (RySG)	**Human Resources & Admin** The HR & Admin function has a headcount of 22 and an annual budget in FY20 of US$4.5m. This amounts to approximately 5% of headcount and a budget, which is not far off from that of the ICANN Policy Development function. The RySG believes this to be excessive. What steps is ICANN taking to contain this cost? The RySG requests that ICANN benchmark staff numbers and costs against comparable organisations and provides evidence of such.	Please see Section 7 – Financial Management (Subsection 7.7)
gTLD Registries Stakeholder Group (RySG)	**Pilot Drafting Program** The RySG has made very good use of this program and is of the view that our contributions to public comment have been materially improved in terms of both quantity and quality as a result. We view this program as being a critical and effective measure to mitigate volunteer burnout and are therefore concerned by its apparent omission from the FY20 budget. We are not aware of any community led requests to remove the program and are aware of specific requests to retain it. The RySG requests ongoing support for drafting.	Please see Section 4 - Community Support/Funding (Subsection 4.3)
gTLD Registries Stakeholder Group (RySG)	**ICANN Meetings** ICANN meetings are a significant financial burden on the organisation (US$12.6m in FY20). The RySG requests that ICANN look closely at what it can do to contain or reduce the cost to ICANN Org and the broader community. Further, the RySG requests that ICANN work to manage the cost of meetings including a review of the following factors: 1. Does ICANN require 3 meetings per year or could it work with 2 meetings? 2. Could ICANN reduce cost of meetings in addition to fewer meetings such as:	Please see Section 13 - ICANN Public Meetings

Contributor	Question / Comment	Reference
	- Repeat hosting in key or "hub" locations? - Reduction of excessive or inadequately managed travel support? For example; is the ICANN Board satisfied that the Fellowship Program and the funding of travel for GAC representatives value for money and tangible benefit to the organisation and is tightly managed in all aspects? The RySG requests effective reporting by beneficiaries and ICANN Org as well as overall effective management by ICANN Org of such costs.	
gTLD Registries Stakeholder Group (RySG)	Funding of the GDD / OCTO The RySG notes that the Generic Domains Division (GDD) is vital to the effective functioning and working together of ICANN Org and the Contracted Parties. Is ICANN satisfied that the GDD is adequately funded? The RySG requests information as to what measures are being taken to assess whether or not the GDD is adequately funded and to ensure that vacant posts are filled in a timely manner.	Please see Section 7 - Financial Management (Subsection 7.7)
gTLD Registries Stakeholder Group (RySG)	Funding of the GDD / OCTO The RySG notes that the Office of the CTO attracts a budget of US$7.3m, circa ⅔ of the funding of the GDD (US$11.9m). Is this separate and substantial expenditure all necessary and could there be some rationalisation of the OCTO expenditure? What steps are being taken to assess the necessity, value and organisation of this expenditure?	Please see Section 7 - Financial Management (Subsection 7.7)
gTLD Registries Stakeholder Group (RySG)	ICANN Policy Development Support ICANN Policy development support is scheduled to receive only 4.5% of the budget in FY20 (US$6.3m). The RySG views policy development work as a core function if not the core function of ICANN, yet it attracts relatively modest funding. Is the Board satisfied that this item is adequately funded? Specifically, what method or approach is taken by ICANN Org to ensure that budget is properly prioritised and balanced between specific departments?	Please see Section 18 - Policy Development
gTLD Registries Stakeholder Group (RySG)	Future rounds of new gTLDs ICANN simply repeats in this budget the statement that no funds are being made available to fund the "Next Round" of new gTLDs. Further, that no staff have been assigned to be responsible for this. The RySG requests that ICANN append this statement with a comment indicating that resources will be committed and that	Please see Section 11 - Global Domains Division (GDD) Operations and generic Top Level Domains (gTLDs)

Contributor	Question / Comment	Reference
	these will include staffing and funding and moreover, remain aligned with community priorities.	
gTLD Registries Stakeholder Group (RySG)	Engagement DNS Industry Engagement is budgeted to cost US$7.5m. In addition, there are 31 staff and a further US$8m earmarked for Global Stakeholder Engagement. The RySG is not satisfied that all of this spend is necessary, therefore the extent of resources (US$8m) is required. The RySG requests that ICANN Org provides information as to how this cost is being managed and potentially reduced	Please see Section 3 - Community Outreach/ Engagement/ Programs
gTLD Registries Stakeholder Group (RySG)	Annual Contribution to the ICANN Reserve Fund The RySG welcomes and strongly supports this fiscally prudent approach by ICANN. We view ICANN as a very well funded organisation that must live well within its means, including making appropriate contributions to the Reserve Fund in order to ensure long-term financial stability.	Please see Section 19 - Reserve Fund
gTLD Registries Stakeholder Group (RySG)	New gTLD Auction funds The Board has sanctioned a transfer of funds from the New gTLD Auction Fund to the Reserve Fund during FY20. US$36m will therefore be transferred from the New gTLD Auction Fund to the Reserve Fund during the FY20 year. To the extent that this does go ahead, the RySG does not support this and strongly believes this should be viewed as a unique and one-off event. This need to replenish the Reserve Fund arises from inadequate oversight (by the Board) and control of expenses (by the staff) during the IANA transition and the Board must take steps to ensure that effective control of such expenditure is in place in the future.	Please see Sections: 10 - GDD Operations and gTLDs 19 – Reserve Fund
ICANN At-Large Advisory Committee	1.1.1 Language Services The ALAC/At-Large greatly appreciates the further provision of translations, transcription, interpretation and scribing support across all meetings throughout ICANN. As At-Large is a global community, the language services provide a critical resource for the ability of our members to communicate and to provide input into the policy advice development process. Interpretation services are a key component of the At-Large community's ability to communicate effectively. We urge ICANN to continue its high level of interpretation used during both teleconferences and in public meetings.	Please see Section 15 - Language Services

Contributor	Question / Comment	Reference
	Complementing the important provision of translations and interpretation from Language Services is the continued need for effective, efficient and reliable solutions for automated e-mail translation services that will enable regular communications and interactions within the ICANN Community, particularly within policy work. We are aware of the various shortcomings of some solutions tried in the past, but heartily endorse the continued attempts by ICANN IT to provide more robust tools. We encourage ICANN to provide the appropriate level of resourcing to ICANN IT to allow for exploration, testing and support of the most appropriate resource fit for purpose. Appropriate and reliable IT solution(s) for one region would also be welcomed by other regions with similar multilingual challenges. (178476). We encourage the regular use of real time transcription (RTT) services to support the needs of those with hearing disabilities as well as those whose languages are not among the UN and other languages for which interpretation is currently provided. The impact of these services has also proven to be extremely useful for those whose first language is not English. We are hopeful that ICANN's continued support for suitable RTT services would also build on the successful pilot projects that have been carried out under ABRs by ALAC in recent years. It is also appreciated that there is to be some focus on Plain English resources that will assess, produce and implement enhanced document production and writing capabilities across the organization, as well as enhance understanding of the information that is distributed about policy and other ICANN matters. This has been a concern raised by the ALAC and the GAC communities who want to get information out to their mainly non-expert members in a way that they can "quickly determine, whether a particular issue is of concern to them, and if yes, to participate in the process [of commenting on policy] easily and effectively, on equal footing with other stakeholders…" One page briefing notes have been requested that "use plain language, short paragraphs and uncomplicated	

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	sentences" in order to get the correct message across about often complex policy issues. As with our other communication issue raised above, if we don't ensure that our members are provided with appropriate information that enhances their understanding of the policy issues which are our primary focus, then we cannot effectively provide relevant contributions to the policy development work of ICANN (178486). The ALAC notes with appreciation that on 27 January 2019, the ICANN Board passed a resolution (2019.01.27.18), adopting the scorecard titled "GAC Advice – Barcelona Communiqué: Actions and Updates (25 January 2019)" in response to items of GAC advice in the Barcelona Communiqué and the Panama Communiqué. The Scorecard included reference to the Joint ALAC/GAC Statement entitled: Follow-Up to the Joint Statement by ALAC and GAC: Enabling Inclusive, Informed and Meaningful Participation at ICANN that the ALAC approved on 24 October 2018. We thank the ICANN Board for their recognition and support for critical resources that will ensure that ALAC and GAC members can participate in the policy development process as effective and equal partners. The ALAC looks forward to working together with ICANN Org in whatever way we can so that this expectation of improved communication does not create more of a financial burden on current ICANN resources than is necessary.	
ICANN At-Large Advisory Committee	1.1.2 Raising stakeholder awareness of ICANN world-wide The ALAC appreciates that funding is being provided for regional engagement (176398). Continued relationship building with Policy and our Global Stakeholder Engagement and Government Engagement partners, as well as the ability to use the greatly appreciated Additional Budget Requests (ABR) offering discretionary funding managed by ICANN staff, have enabled regional participants to more effectively participate in local and Regional activities, such as At-Large Structure Read Out Sessions; provide materials that support outreach and engagement activities; and enhance RALO relationships with regional I* partners. These opportunities also enable continued engagement	Please see Section 14 - Information Transparency Initiative

Contributor	Question / Comment	Reference
	of At- Large Members already participating in ICANN's Activities and Policy Development Processes, as well as encourage new volunteers to join us in our policy advice work which is a priority of At-Large. ALAC/At-Large is always willing to collaborate with the Information Transparency Initiative Team (141753) on its revised document management system. Improved content findability is one of a set of objectives that have been identified as improvements within the At-Large Review Implementation Plan as approved by the ICANN Board. This is particularly important as we endeavour to navigate through the current www.icann.org to locate appropriate policy pages. On the community wiki, this is difficult when some pages have URLs with words and others with numbers as their titles. As mentioned in Section 1.1.1 above, the ALAC and GAC aim to work collaboratively with the ITI team on the provision of plain English resources to engage more of their respective members in policy issues.	
ICANN At-Large Advisory Committee	1.2.2 Engage Stakeholders regionally The At-Large global network of members is a considerable resource for ICANN in its work to engage stakeholders within the regions. Our members have regional and local knowledge, expertise and networks that can facilitate the work of ICANN including raising awareness of ICANN policies and contributing to the policy development process. We have already mentioned that we welcome additional engagement and collaboration with the Policy, Global Stakeholder Engagement (GSE) and Government Engagement (GE) teams in our joint efforts to engage stakeholders regionally in ICANN issues. ALAC/At-Large appreciates the provision that is being made within the GSE budgets (188503 and possibly 160505) to enhance regional cooperation and partnerships to increase opportunities for our At-Large members to take advantage of regional engagement to upskill themselves about internet related policy and technical work. Working with our regional partners is an objective that has been incorporated into our Review Implementation Plan. Many regions have benefitted from facilitating connections with regional I* partners which ultimately brings benefits back to ICANN.	Please see Section 3 - Community Outreach/ Engagement/ Programs (Subsection 3.1)

Contributor	Question / Comment	Reference
ICANN At-Large Advisory Committee	1.2.2 Engage Stakeholders regionally The At-Large global network of members is a considerable resource for ICANN in its work to engage stakeholders within the regions. Our members have regional and local knowledge, expertise and networks that can facilitate the work of ICANN including raising awareness of ICANN policies and contributing to the policy development process. We have already mentioned that we welcome additional engagement and collaboration with the Policy, Global Stakeholder Engagement (GSE) and Government Engagement (GE) teams in our joint efforts to engage stakeholders regionally in ICANN issues. ALAC/At-Large welcomed the recent policy advice development infographic that was published in late 2018. Given its usefulness in explaining the policy process for the ALAC, we would like to request that an additional infographic be produced that highlights only the ALAC policy development process so that we may include it in our toolbox of outreach and engagement materials focusing on At-Large.	Please see Section 18 - Policy Development
ICANN At-Large Advisory Committee	1.3.1 Support Policy Development, Policy Related and Advisory Activities At-Large and the ALAC appreciate the continued ICANN Org support for 5 Full-time Equivalent Staff to assist our Policy and Working Group related goals and objectives during FY19/20 (151055 and 151157). As stated in the At-Large Review Implementation (ARI) Plan which the Board recently approved, Review Issue 2 emphasizes the need for an increased focus on At-Large policy advice development, including ensuring the process and content is clear, understandable and representative of the perspective of the At-Large community, consisting of both At-Large Structure (ALS) members and At-Large individuals. To ensure that community involvement and policy advice development achieve the aims of the At-Large Review Implementation, there will be a need for a renewed emphasis on all aspects of At-Large policy development. This includes, as a priority, greater understanding of the policy being discussed and its potential impact on	Please see Section 18 - Policy Development

Contributor	Question / Comment	Reference
	Internet end users; increased engagement from all levels of At-Large membership, from ALS and unaffiliated members to At-Large leadership; as well as communication of the policy being discussed and ALAC statements to At-Large members and the broader ICANN community. This communication will include innovative use of the At-Large website, wiki, teleconferences, At-Large mailing lists, social media channels and other means of ensuring the bi-directional flow of information between the regions and the ALAC.

It is expected that the growth in At-Large membership, from the current of 232 ALSes will remain steady or decrease as new ALS obligations are introduced . At the same time, there will be a significant increase from the current 101 individuals within the five regional At-Large organizations (RALOs). Thus, there is a need for increased attention to encourage engagement, develop the required policy skills, and monitor the role of ALS and unaffiliated members within the At-Large policy advice development process.

At-Large staff will play a crucial element in both the areas covering deeper and broader support of the At-Large policy advice development and member management.

It is clear to the members of the ALAC that the equivalent of at least one full time equivalent with relevant policy, technical and membership skills will be needed to ensure the successful implementation of the aims and objectives of the At-Large Review Implementation.

The request for the addition of one full time equivalent person to assist with our Policy workstream (through the At-Large Review Implementation Plan) would greatly assist in the development of the heavier than normal number of policy advice statements have been required by ICANN, as well as support for the increasing number of At-Large individual members. | |
| ICANN At-Large Advisory Committee | 1.3.2 Reinforce Stakeholder Effectiveness, Collaboration and Communication Capabilities

The ALAC/At-Large appreciates the support received from the Board to hold its ATLASIII in Montreal, during its assigned 5 year cycle. ATLAS III aims to provide a strong leadership skills programme that will develop competent, | Please see Section 3 - Community Outreach/ Engagement/ Programs (Subsection 3.4) |

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	visionary, and knowledgeable policy-focused leaders who will not only advocate for the rights and interests of internet end-users within ICANN but also appropriately and actively represent the interests of ICANN within their local and global outreach and engagement activities". A specific example of the focus of the ATLAS III activities is to develop a small selection (up to 60) thought and change leaders who will play a critical role in the implementation of the At-Large Review Implementation Plan as well as an ongoing plan of continuous improvement within At-Large. At the same time we will continue to look at the value added to policy inputs by regional organisations and the continuation of General Assemblies in the intervening years. The issue raised in 1.1.1 emphasizes the need for immediate attention to be given to the LACRALO Translation tool to benefit not only the Latin American and Caribbean region but also other regions facing similar multilingual and communication challenges.	
ICANN At-Large Advisory Committee	4.1.1 Coordination of ICANN Participation in Internet Governance. At-Large believes that while the ICANN strategic plan highlights the importance of participation in an inclusive multistakeholder Internet governance ecosystem, its current practice does not demonstrate acknowledgement of the multistakeholder model. While we encourage and support ICANN's continued and expansive involvement in Internet governance, we believe that the Internet Governance Forum (IGF) is an important mechanism for raising stakeholder consciousness and that it would behoove ICANN to take such an opportunity to showcase the diversity and depth of our own stakeholders and not only ICANN Org's Board and staff. An example of this type of opportunity for ICANN is the support and resourcing of ICANN community workshops at IGF, which ALAC believes is a crucial medium for demonstration of the bottom-up ICANN multistakeholder model. Recent examples of success include the community booths at Global IGFs in 2017 and 2018 which encouraged greater engagement benefitting the ICANN community.	Please see Section 3 - Community Outreach/ Engagement/ Programs (Subsection 3.4)

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	It is noted that ICANN is supporting "Coordination of ICANN Participation in Internet Governance" (178604) with USD1.1 million, but these funds largely exclude the active community members who already contribute directly to national and regional Internet Governance activities. We would hope ICANN will reconsider their support of the IG interests of these community members. The ALAC has submitted a FY20 ABR for increased RALO Discretionary Funding that would also allow for one cross-regional trip. This would enable some contribution towards one At-Large member from each of the RALOs to participate in the 2019 Global IGF, if that is a priority for them. We ask that this ABR be approved.	
ICANN At-Large Advisory Committee	5.2.2 Supporting Organisational Reviews Organisational (and Specific) Reviews are components of the Budget that are intended to meet and further ICANN's current Strategic Planning within "Objective 5: Develop and Implement a Global Public Interest Framework Bounded by ICANN's Mission', and as detailed from the perspective of the MSSI Portfolio in Module 6 of the Budget documentation, does attract some limited comment from the ALAC. As noted in the timeline graphic and text the ALAC/At-Large has recently emerged from its second full Organisational Review Process, with Independent Examination. We note that now in our Implementation phase like several other recently reviewed entities, most if not all budgetary aspects of the work fall away from the purview of the Organizational Review Portfolio, and within the budgets of the portfolios/departments that support the AC and SO's and the usual Budgetary processes/requests therin, or are subject perhaps to Additional Budget Requests for the FY20 budget, and beyond. The ccNSO second review is lagged slightly behind and not quite to the 'Feasibility' or 'Implementation' phases of the usual cycle of processes but will be at that point in FY20. Before we start a third cycle of Organizational Reviews, it seems to be reasonable to delay further organizational reviews and fully consider the processes we have been following over the first two cycles. We need to examine the benefits (or otherwise) of these reviews, and determine how the continuous improvement intent of	Please see Section 17 - Organizational Reviews

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	the Bylaws can be better implemented. The aim should be to keep the cost (financial, ICANN Org time and volunteer time) to a minimum and to result in real benefits. ATRT3 may be an opportunity to begin this study, although it may warrant a dedicated effort apart from ATRT3. All such studies, examination or consultancies looking at the current and earlier processes and their results should be complete before we commit to future reviews. The ALAC is supportive of a continuous improvement processes for the SO and AC's as an important aspect of being not only effective and efficient entities, but to aspire to the highest standards of accountability and transparency; inclusive of, self, peer and independent examination being carried out as needs be. But we believe the processes to best achieve this is not one where an Organisational Review starts before in some cases the implementation of agreed recommendations from the previous one has been possible. A timely collaborative community review of this matter would we believe be at this stage highly beneficial. As the ALAC currently enters the active part of our approved Recommendations Implementation Plan we are also keen to ensure that sufficient budget and resourcing is provided for and made available to allow for this work to be carried out, in keeping of course with the guidance included in the Boards Resolutions regarding the Implementation Plan and with budget requests duly and correctly made within the normal ICANN Budgetary cycle (in this case for FY20 but also beyond) either under portfolio and project budgeting or failing that option, via the ABR process, so that we and others do not find ourselves unable to implement an action or process having been detailed, recommended and approved, for the lack of funding, other than in exceptional and for FY20 unforeseen circumstances.	
ICANN At-Large Advisory Committee	5.3 2 Supporting Stakeholder Participation The ALAC appreciates the support that is being given to the pilot programme (151960) to promote and strengthen regional stakeholder participation. While acknowledging again the support being given to grow leadership skills among our active participants who will attend the third At-Large Summit (ATLAS III) (in 1.3.2), we also applaud the continued support for the Fellowship	Please see Section 3 - Community Outreach/ Engagement/ Programs

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	(151962) and the Next Gen@ICANN (151961) Programmes, as well as their own continued internal encouragement for participants to be more engaged with ICANN before, during and following their Fellowships. ICANN Learn (176554) will be a major preparatory feature of the ATLAS III programme, so that all participants will already be well appraised about ICANN in general and specifically pre-prepared to efficiently, effectively and fully engage in the ATLAS programme. This will allow the ATLAS programme to immediately deep dive into the leadership aspects of our work in At-Large and to encourage greater engagement from our already registered ALS and individual members. At-Large appreciates the support given to educational programmes that will encourage greater understanding about ICANN and policy development. Again, as mentioned above, any support that can be given to the departments of Policy and GSE (188502) to support regional policy-related education and awareness events and initiatives, would help to support our outreach to new members and engagement efforts to engage our existing members. This will result in more volunteers for At-Large and our policy discussion tables.	
ICANN At-Large Advisory Committee	Conclusion: Finally, the At-Large Advisory Committee and members ALAC Finance and Budget Subcommittee would like to thank the ICANN CFO and his team for the clarity of FY20 operating plan and budget and the continuous improvement made on the planning process.	Please see Section 2 - Budget Development Process & Document Contents/Structure
ICANN Governmental Advisory Committee (GAC)	The GAC thanks the ICANN org Finance Department for the improvements to the detail and scope of information provided in the draft FY20 operating plan and budget materials. Over the past few years, the GAC Leadership has observed the efforts of the ICANN Finance Team to improve the format and detail of the extensive materials made available for review. The GAC Leadership appreciates the willingness of the ICANN Finance Department team to engage with GAC leadership and individual GAC members on the organization's financial planning and various operational efforts. The GAC takes seriously its responsibilities as a part of the ICANN Empowered Community. The committee looks forward to future dialogue with ICANN Finance Team on relevant matters.	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsections 2.1 – 2.2)

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ICANN Governmental Advisory Committee (GAC)	● Core Travel Support for GAC Participants from Developing Regions Despite the ever-growing intersessional community workload, in-person participation remains a critical component of work for GAC members and GAC representatives. The GAC believes that ICANN resources should continue to be devoted to support GAC participants from developing countries who are interested in participating at face-to-face ICANN Public Meetings. In recent years, the ICANN organization has increased outreach and engagement to potential government participants from developing countries and regions. Those efforts have proven successful as new members have joined the GAC from those regions. It is important to follow that success with targeted support to help those new members fully realize the opportunity to substantially participate in GAC activities – particularly in-person at ICANN Public Meetings where that basic membership can be transformed into substantive participation in GAC work efforts. The GAC is pleased to see that its current allocation of 40 supported travel slots per public meeting has been targeted to continue in FY20. The committee has consistently championed expanded support for in-person participation by GAC member representatives at ICANN Public Meetings. With the adoption of new ICANN Travel Guidelines late last year, the GAC is focused on updating its internal guidelines for travel support requests this 2019 calendar year. It is hoped that these updates will improve the efficiency and effectiveness of how the GAC utilizes its current travel support resources. As a result of these intended improvements, the GAC expects to realize more efficient use of travel support resources in the current FY19 and upcoming FY20 fiscal years. The GAC as a responsible and accountable member of the ICANN community will also accompany the current GAC travel support with an assessment and analysis of the effectiveness of this travel arrangement to be discussed further within the GAC. Recognizing the current challenges and goals for the	Please see Section 4 - Community Support/Funding (Subsection 4.1)

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	organization's finances and to give those changes an opportunity to be fully implemented, the GAC is not seeking any specific increases in travel support levels for ICANN Public Meetings this year. Eventually, however after further discussion and analysis of current travel arrangement, the GAC might like to see the current 40 traveler allocation increased by 25% to a total of 50 supported traveler slots and asks that ICANN org consider ways that this support can be prioritized and achieved in the future – as soon as FY21.	
ICANN Governmental Advisory Committee (GAC)	● Resources to Support Successful Capacity Building Workshops Energized and active GAC participant contributions to the work of the committee in the post-IANA transition environment is a critical factor needed to maintain the legitimacy of the ICANN multistakeholder model. This is a unique need of the GAC because the committee experiences substantial turnover of GAC participants (approximately 30%) on an annualized basis. Collaborating with the ICANN org Government Engagement (GE) staff, the GAC has devoted targeted efforts in the past two years to the development of capacity-building workshops to increase participation in GAC activities and strengthen relationships between GAC members and the rest of the ICANN multistakeholder community. In 2017 the GAC and the GE began to conduct prototype capacity building workshops to promote informed participation in GAC affairs. These workshops were directed at encouraging participation from current GAC members and membership prospects to inform them about the basics of ICANN and to encourage them to more actively participate in GAC work by educating them about particular "hot-topic" DNS policy issues of importance to governments. At targeted workshops, special curriculums aimed at local law enforcement entities were designed to encourage participants to join GAC working groups like the Public Safety Working Group. The GAC's experience with these workshops has been very successful – resulting in increased GAC understanding and involvement and leading to new countries joining the GAC. The GAC will also be utilizing ICANN Learn in its capacity development efforts, as a cost-effective long-term tool to lower barriers for participation and enable more meaningful engagement of	Please see Section 4 - Community Support/Funding (Subsection 4.1)

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	all GAC members into GAC and ICANN processes. Unfortunately, as part of the ICANN SO-AC Additional Budget Request (ABR) component of the FY19 budget effort, the GAC was allocated limited resources to conduct only a single workshop in conjunction with an ICANN public meeting. That workshop is being planned for the ICANN65 Public Meeting in Marrakech. The committee notes that there is no apparent core budget resource support for these types of activities in the Draft ICANN FY20 Operating Plan and Budget and thus the GAC has again made use of the community Additional Budget Request (ABR) process this year to seek support for a total of 5 events in FY20 including – three (3) to be held during ICANN 66, 67 and 68 and two (2) during a multistakeholder regional meeting in partnership with a host country or organization (see - https://community.icann.org/display/projfinadhocws/GAC+-+FY20+Additional+Budget+Requests). The workshops, to be conducted on the margins of ICANN Meetings and multistakeholder regional meetings will be cost effective, as the respective venues will be used to take advantage of the presence of GAC members who are already attending these meetings and members of the ICANN and technical community. Noting that a substantial number of competing community requests for the ABR funds have now been submitted for FY20 (a total of 35)(see - https://community.icann.org/display/projfinadhocws/FY20+Budget+Requests+Submitted), the GAC is not optimistic that the ABR process will provide the resources needed to completely fulfill that request. As a result, the GAC requests an allocation of $20,000 USD to enable the GAC to provide at least half of the contemplated workshops in FY20.	
ICANN Governmental Advisory Committee (GAC)	● Sustainable Solution to GAC Secretariat Support For the last several years, the GAC has found it challenging to maintain a stable and reliable source of funding to continue to support its independent secretariat support activities. The GAC has appreciated direct and growing support from ICANN staff for various staff support functions but believes the maintenance of a sustainable and accountable secretariat resource is a basic capability that could be supported by the ICANN	Please see Section 4 - Community Support/Funding (Subsection 4.1)

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	organization. A sustainable and accountable secretariat capability helps the GAC to offer the ICANN Board reliable, and consistent advice as needed on important policy development matters. As of 31 December 2018, the existing contract with the GAC's independent secretariat was terminated. The GAC has been very appreciative that the ICANN org has been able to provide additional ICANN staff support on a temporary basis to assist the GAC in managing this loss of resources. The GAC requests that the ICANN organization carefully consider providing the GAC with additional resources to help sustain its secretariat function. The GAC requests that the ICANN org earmark specific staff support resources that will enable the current level of staff support to continue for the entire FY20 fiscal year. The GAC understands the challenges that the ICANN organization faces for revenue and expenses in FY19, but this resource support should be examined for FY20 and beyond. The GAC is grateful to ICANN for this opportunity to share the committee's perspective on the Draft ICANN FY20 Operating Plan and Budget and Five-Year Operating Plan. The GAC looks forward to future comment opportunities as they relate to ICANN's finances and other budget-related proceedings.	
Individual	A major challenge for ICANN, would be to improve its Budget. With Luck, there will be flat income (I am not that optimistic, since most studies show that one third of domains are parked or unused, and eventually will not be renewed). In light of this forecast, ICANN should go back to its budget and figure out why it needs more than 400 employees, growing 10% a year, and where employees average over 200K/year.	Please see Section 8 - Funding (Subsections 8.1 and 8.2) and Section 12 - ICANN org Headcount (Subsections 12.1 – 12.3)
Intellectual Property Constituency (IPC)	These comments will focus on Operation Plan and Budget items that are relevant to the Intellectual Property Constituency (IPC). In general, the IPC applauds ICANN for early publication of the Fiscal Year 2020 Operating Plan and Draft Budget. We also support the evolution of the ICANN planning process including strategic plan, operating plan, budget, and frequency of the Organization's operational and financial updates. In	Please see Section 2 - Budget Development Process & Document Contents/Structure (Subsections 2.1 – 2.3)

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	addition, the IPC is pleased with the additional level of detail in the current Fiscal Year 2020 draft and looks forward to continued improvement. With that being said, greater transparency of the budget elements is required in order for community members to conduct a proper analysis. In addition, for future budgetary reviews, the IPC requests greater frequency of current state of actuals vs budget on a quarterly basis.	
Intellectual Property Constituency (IPC)	Section 6.0 Funds Under Management ● The IPC would like to understand the strategy and timeline associated with the replenishment of the Reserve Fund, as referenced in this section.	Please see Section 9 - Funds Under Management
Intellectual Property Constituency (IPC)	Section 7.4 Data Protection and Privacy ● In regards to the currently evolving GDPR requirements, where does ICANN propose to source contingency dollars for potential unforeseen costs?	Please see Section 10 - General Data Protection Regulation (GDPR)
Intellectual Property Constituency (IPC)	3.1.1 Draft Budget FY20 compared to Adopted FY19 Budget ICANN has stated the FY20 funding is forecasted to remain unchanged from the FY19 actuals and given the fact that ICANN did not include Depreciation and Bad Debt into this Forecasted Budget, the IPC would like to understand the following: - What action(s) is ICANN taking to ensure applicants are qualified to operate as a Registrar in order to avoid unnecessary overhead expenses of application and onboarding process of any contracted party in the event of a voluntary or involuntary termination? For example, the family of Registrars known as Pheenix, terminated approximately 300 registrars within the first twelve (12) months being under contract in the calendar year of 2017.	Please see Section 8 - Funding (Subsection 8.2)
Intellectual Property Constituency (IPC)	3.1.1 Draft Budget FY20 compared to Adopted FY19 Budget ICANN has stated the FY20 funding is forecasted to remain unchanged from the FY19 actuals and given the fact that ICANN did not include Depreciation and Bad Debt into this Forecasted Budget, the IPC would like to understand the following: - Given the downturn in the drop catching market, it is highly likely that a significant amount of bad debt was associated with the Pheenix family. This debt may have totaled 2.2MM (i.e. $1MM in application fees and over $1.2MM in annual fees). What action is ICANN taking to pursue collection of the bad debt associated with	Please see Section 8 - Funding (Subsection 8.2)

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	contracted parties? What is the average bad debt year/year and include trend analysis?	
Intellectual Property Constituency (IPC)	3.1.1 Draft Budget FY20 compared to Adopted FY19 Budget ICANN has stated the FY20 funding is forecasted to remain unchanged from the FY19 actuals and given the fact that ICANN did not include Depreciation and Bad Debt into this Forecasted Budget, the IPC would like to understand the following: - The Draft FY20 Budget, total personnel under ICANN Operations is four-hundred and fifty (450). The IPC requests the breakout between ICANN staff and contractors/consultants/vendors, including total compensation and ancillary staff activities.	Please see Section 12 - ICANN org Headcount (Subsections 12.1 – 12.4)
Intellectual Property Constituency (IPC)	3.1.1 Draft Budget FY20 compared to Adopted FY19 Budget ICANN has stated the FY20 funding is forecasted to remain unchanged from the FY19 actuals and given the fact that ICANN did not include Depreciation and Bad Debt into this Forecasted Budget, the IPC would like to understand the following: - Governance Support is increasing from twenty to twenty-three (23) in FY20 according to the draft budget. The IPC requests additional detail on ICANN staff vs third party headcount in addition to the supporting activities and programs that account for the $10.2MM total spend on this item.	Please see Section 7 - Financial Management (Subsection 7.7)
Intellectual Property Constituency (IPC)	3.1.1 Draft Budget FY20 compared to Adopted FY19 Budget ICANN has stated the FY20 funding is forecasted to remain unchanged from the FY19 actuals and given the fact that ICANN did not include Depreciation and Bad Debt into this Forecasted Budget, the IPC would like to understand the following: - As it pertains to the ICANN Board, the IPC would like greater transparency with respect to total budget, staff and third party resources devoted to the Board, including travel, events and administration support.	Please see Section 7 - Financial Management (Subsection 7.7)
Intellectual Property Constituency (IPC)	3.1.1 Draft Budget FY20 compared to Adopted FY19 Budget ICANN has stated the FY20 funding is forecasted to remain unchanged from the FY19 actuals and given the fact that ICANN did not include Depreciation and Bad	Please see Section 19 - Reserve Fund

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	Debt into this Forecasted Budget, the IPC would like to understand the following: - As stated by IPC in its November 2018 comments, IPC supports the conclusion that a minimum of 1 year's budget be the target goal of ICANN's reserve fund. This level supports industry best practice. At the time of commenting on the FY19 Budget, it provided for a modest increase of US$4.7 million in ICANN's reserve fund by virtue of project investment gains and indicates that "periodically, any funds in excess of this are transferred to the Reserve Fund. However, the Section 3.1.1. indicates that the FY19 Budget was adopted with no allocation to the Reserve Fund and the FY20 Budget provides only for US$3.0 million.	
Intellectual Property Constituency (IPC)	Section 3.1.2 ICANN Operations FY19 Forecast compared to Adopted FY19 Budget Within the table described at ICANN Operations, the IPC would like to understand the activities and key performance indicators of the Global Stakeholder Engagement organization that represents a total of 31 personnel.	Please see Section 7 - Financial Management (Subsection 7.7)
Intellectual Property Constituency (IPC)	Section 3.1.2 ICANN Operations FY19 Forecast compared to Adopted FY19 Budget With respect to the budget for Contractual Compliance and Consumer Safeguards, the IPC notes that the total compliance budget appears to be funded at US$5.4 million which is only a 2% increase over FY19. However, the list of potential costly project is long, including (i) needing additional resources directed to support enhanced audits for Transparency in Infrastructure Abuse and Compliance, (ii) managing the impacts of GDPR compliance, (iii) monitoring and enforcement of DNS abuse (which will undoubtedly increase due to GDPR) and (iv) audits that are particularly related to DNS abuse. IPC asserts that this Compliance and Consumer Safeguards' budget may be under-estimated. Further, IPC continues to stress the importance of transparency in the ICANN compliance process including how contracts are interpreted so that we may have levels of predictability and reliability when matters are escalated. ICANN would be well served to consider developing easily accessible resources that explain contract compliance outcomes. IPC has noted these issues in prior comments relating to ICANN budget practices.	Please see Section 5 - Contractual Compliance

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Intellectual Property Constituency (IPC)	Section 3.4 Risk and Opportunities Under the Risk category, the proposed budget indicates a "medium" potential of 1.5MM in GDPR compliance. Please explain if these funds are for the ICANN Org to become compliant with GDPR obligations OR if this is an estimated additional spend within the ICANN Compliance team (currently represents 29 headcount) to enforce these obligation on the Contracted Parties. If the latter, please provide additional details that support this estimated spend.	Please see Section 10 - General Data Protection Regulation (GDPR)
Intellectual Property Constituency (IPC)	Section 3.7 ICANN Operations FY21 Projections The funding for Professional Services reflects over 20MM from FY18 Actuals to FY21 Projections. Given the significant amount of funding with no transparency, the IPC requests a breakdown of resources (i.e. headcount, vendors, contractors) and related activities.	Please see Section 7 - Financial Management (Subsection 7.4)
Intellectual Property Constituency (IPC)	Appendix A: Registrar Fees The IPC notes that each of the 2500+ Registrars are under the 2013 RAA, therefore the 2009 version is no longer in use by ICANN.	Please see Section 8 - Funding (Subsection 8.2)
Intellectual Property Constituency (IPC)	Privacy and Proxy Accreditation Program The IPC requests detail on the expected funding associated with the implementation of the Privacy and Proxy Accreditation Program that has reached the final stages within the implementation review team. There is no mention of fees throughout the proposed budget for Privacy and Proxy Service Providers. The draft of the Privacy and Proxy Implementation Guide in the "Application and Provider Financial Obligations" section, includes two fees (1) One Time Application and (2) Annual Accreditation for Non-Affiliated and Affiliated parties. These fees represent significant funding that remains absent from the current draft.	Please see Section 8 - Funding (Subsection 8.2)
Non-Commercial Stakeholders Group (NCSG)	In this comment, we make four requests. We ask that ICANN: ● Look inward at its own overall spending patterns and provide a clearer explanation as to how operational efficiencies will be achieved this year and into the future; ● Provide the community with an appropriate level of support commensurate with our responsibilities under the ICANN Bylaws, including funding a NCPH Intersessional; ● Provide the community with further clarity around who is authorising spending, where resources are going in the community, and what it costs to fulfil externalities	Please see Sections: 4 – Community Support/Funding (Subsection 4.4) 7 - Financial Management

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	imposed on ICANN, particularly those by intellectual property interests; and ● Re-evaluate the spend on capacity development programmes for their effectiveness in leading to engagement in ICANN's policy development processes and mission.	
Non-Commercial Stakeholders Group (NCSG)	Over the past decade, ICANN the corporation has grown significantly in size and expenditure and has become an end in and of itself, rather than the means (legal entity) to an end (global management of the DNS). ICANN's 1999 annual budget totalled only $3.4 million in expenses, however the organisation's budget has climbed steadily since its inception, with the proposed 2020 operating budget sitting at $140 million. The projected budget for the fiscal year 2020 sees personnel costs at $76.3 million, comprising some 56% of the budget. Headcount will rise from a projected 395 in June 2019 to a projected 405 by June 2020. A further $21.6 million, or 16% of the budget, is allocated to outside consultants, attorneys, and other "professional services." There is a perception that staff and consultants make many of the real policy decisions, long before issues are packaged and presented to 'the community' for consideration. The pace at which ICANN the corporation is growing causes concern, because enormous amounts of money and other resources can be steered or restricted by staff, and these are impacting the community's ability to hold the pen, attend regional events, and actually participate in the bottom-up multistakeholder model.	Please see Sections: 4 – Community Support/Funding (Subsection 4.4) 7 - Financial Management 18- Policy Development
Non-Commercial Stakeholders Group (NCSG)	We understand from past work on replenishing the Reserve Fund that ICANN intends to introduce operational efficiencies in order to achieve cost savings. From our review of the proposed budget we are not clear on what cost- and resource- optimisation efforts are being proposed. We ask that further information is shared on this matter.	Please see Sections: 7 - Financial Management 12 – ICANN org Headcount
Non-Commercial Stakeholders Group (NCSG)	NCSG recommendation: ICANN org cannot continue to grow in size. The current spend on personnel costs and professional services is unsustainable. We do not support headcount growing from 395 persons to 405 persons, and the NCSG believes the number of staff and consultants employed by ICANN should be shrinking, not growing. It is possible that if more staff were hired outside of Los Angeles, in locations with lower costs of living, that the spend on personnel costs may not need to be so high. Please also provide the community with details on your	Please see Section 12 - ICANN org Headcount

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	plan for reducing operating costs this year and into the future.	
Non-Commercial Stakeholders Group (NCSG)	The NCSG is concerned by the proposed, continued cuts to community activities and resources that we depend upon and utilise. As a collective of non-commercial volunteers with no financial interest in the outcome of a policy process, we lack many of the resources that industry players and government actors have to participate in ICANN activities, and we sincerely believe that our participation – and the participation of other marginalized voices – is critical to legitimizing ICANN's unique self-regulatory model. As we believe we could be disproportionately impacted by this budget, we wish to draw your attention to recommendation 10.5 of the Accountability and Transparency Review 2 report. This report was accepted by the Board in June 2014 and called for ICANN to "facilitate the equitable participation in applicable ICANN activities, of those ICANN stakeholders who lack the financial support of industry players."	Please see Section 4 - Community Support/Funding
Non-Commercial Stakeholders Group (NCSG)	The radical shrinking of the Additional Budgetary Requests (ABRs) envelope, which stands at less than half of FY18 figures. This budgetary envelope was initiated through a bottom-up process, and has developed into a major way to engage communities and assist underfunded groups to participate intelligently. Given this, the NCSG cannot support any cuts to the allocated budget for ABRs. This is not to say that all requests submitted must be approved; the NCSG believes all requests should be reviewed for their benefit to ICANN's core mission and activities, and those which do not meet this criteria should not be funded. However, we are concerned that the present approach will result in important and legitimate community requests for modest support not receiving the necessary funding to fulfil important outreach, onboarding, and in-reach objectives. As we, and others, rely on the input, advice, and participation of the broader ICANN community in order to remain informed on the various issues, the NCSG foresees negative implications impacting the community's policy work arising from the proposed cuts to the ABR envelope.	Please see Section 4 - Community Support/Funding (Subsection 4.2)

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Non-Commercial Stakeholders Group (NCSG)	The Community Regional Outreach Program was significantly cut in FY19, and is no longer working for the NCSG's constituencies. We ask it be restored to FY18 levels and rules. The cuts that were adopted in FY19 occurred without community consultation and have stifled non-commercial participation in ICANN activities. This is because we can no longer use the program for regional outreach, as it was intended, and must use our first slot at a public ICANN meeting. This is operationally difficult, because the first public ICANN meeting occurs just after the fiscal year has began and when constituency travel will no longer book travel, meaning we are hamstrung until the second public ICANN meeting of the fiscal year before we can utilise a slot. In addition, we have only three slots rather than five, and can no longer use one slot out-of-region nor use them all to attend external conferences where we traditionally recruited new members. At the time of submitting this comment, the NCSG's constituencies have not been able to use CROP in FY19 in order to attract new, diverse, well-informed, and active community members. This stands in stark contrast to FY18 and earlier when it was highly successful, both in widening our international engagement efforts, and in enhancing trust in ICANN as an institution. In cutting CROP we believe ICANN has weakened community participation in ICANN's policy development processes, and by extension, hampered ICANN's own legitimacy. Surely ICANN cannot expect the community to be meaningfully engaged in policy development if our budget is cut and we are left significantly under-resourced?	Please see Sections: 4 - Community Support/Funding 6 – Community Regional Outreach Program (CROP)
Non-Commercial Stakeholders Group (NCSG)	The NCSG currently receives less CROP slots than the Commercial Stakeholders Group. It is critical that this inequality is rectified. Historically, the three constituencies of the Commercial Stakeholders Group have been eligible to receive CROP. The NCSG does not receive CROP slots, despite having members who are unaffiliated with either of our constituencies (NCUC, NPOC). The only fair solution is thus to award CROP slots to the NCSG as well, so that the NCSG receives an equivalent number of overall CROP slots as the CSG receives.	Please see Section 6 – Community Outreach Program (CROP)

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Non-Commercial Stakeholders Group (NCSG)	We understand that the Document Development and Drafting Pilot Program was terminated in FY18, however we also understand that it was highly valued by those who participated in it. We ask that this program be restored , and that all GNSO Stakeholder Groups and/or Constituencies receive 125 hours of research assistance per quarter from a consultant of their choosing in order to assist with the development of their public comments.	Please see Section 4 - Community Support/Funding (Subsection 4.3)
Non-Commercial Stakeholders Group (NCSG)	We request the continuation of funding for membership management support, which is presently provided to the NCSG and other GNSO SG/C.	Please see Section 4 - Community Support/Funding (Subsection 4.2)
Non-Commercial Stakeholders Group (NCSG)	We expected to see funding for a Non-Contracted Parties House (NCPH) Intersessional in the FY20 Budget. Please restore this funding to FY17 or FY18 levels. Funding for this critical resource was allocated in FY19, however as a gesture of goodwill the NCPH of the Generic Names Supporting Organisation voluntarily agreed not to hold an Intersessional this year in order to help replenish the reserve fund. Moving forward, it was agreed that this would occur every two years. Accordingly, the next NCPH Intersessional should be in FY20.	Please see Section 4 - Community Support/Funding (Subsection 4.4)
Non-Commercial Stakeholders Group (NCSG)	The stabilisation in funding for constituency-supported travel suggests to the NCSG that our feedback which we shared with ICANN as a part of the various 2017 and 2018 consultations on the allocation of community resources has not been acted on. In the NCSG's response, for instance, we said, "We believe there should be a common travel policy for all ICANN funded travellers who are active participants in ICANN policy work, whether they be ICANN board members, ICANN senior management, or community members" and recommended "reasonable adjustments [be made] to the community travel guidelines to ensure that participants are able to travel to meetings at reasonable cost and in reasonable comfort." Given the projected costs budgeted for each supported traveller for FY20 are lower than in FY19, it seems that ICANN has not sought to make modest and reasonable improvements to the travel guidelines to ensure supported travellers arrive at each ICANN public meeting able to work productively from day one.	Please see Section 4 - Community Support/Funding (Subsection 4.5)
Non-Commercial Stakeholders Group (NCSG)	NCSG recommendation: We ask that ICANN restore or improve funding in the FY20 budget for six key activities: 1) Restore the Additional Budgetary Request envelope to FY18 levels;	Please see Sections: 4 - Community Support/Funding

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	2) Restore the Community Regional Outreach Program to FY18 levels; 3) Provide the NCSG with CROP slots; 4) Restore the Document Development and Drafting Pilot Program; 5) Provide resourcing for a NCPH Intersessional in FY20 at an equivalent standard to in FY17 or FY18; and 6) Make modest and reasonable improvements in the Budget so that supported travellers are able to travel to public ICANN meetings at reasonable cost and in reasonable comfort.	6 – Community Regional Outreach Program (CROP)
Non-Commercial Stakeholders Group (NCSG)	Provide the community with further clarity around who is authorising spending, where resources are going in the community, and what it costs to fulfil externalities imposed on ICANN, particularly those by intellectual property interests	Please see Sections: 4 - Community Support/Funding 7 - Financial Management
Non-Commercial Stakeholders Group (NCSG)	Provide the community with an appropriate level of support commensurate with our responsibilities under the ICANN Bylaws	Please see Section 4 - Community Support/Funding
Non-Commercial Stakeholders Group (NCSG)	There are different mechanisms that ICANN can choose to utilise when it presents the budget, and there are no right or wrong answers. The current approach of portfolios tells us like to see improvements here, so that the 'chain of command' for spending is clearer. For instance, in regards to CROP, both the Policy team and the Global Stakeholder Engagement team deny financial responsibility for it, yet it is administered by both. We would find it helpful to be able to review the budget and to understand how much budgetary authority we can attribute to each department, understanding, of course, that there may be changes and shufflings of portfolios that occur internally throughout the course of the fiscal year.	Please see Section 2 - Budget Development Process & Document Contents/Structure
Non-Commercial Stakeholders Group (NCSG)	NCSG recommendation: In each year's budget and operating plan there must be a clear flow chart indicating areas of financial responsibility for individual directors and every operating unit within ICANN org.	Please see Section 2 - Budget Development Process & Document Contents/Structure
Non-Commercial Stakeholders Group (NCSG)	The NCSG had previously requested that ICANN org attribute expenditure for, or on behalf of, the community, to the respective Supporting Organisation or Advisory Committee. We have heard in the past from the Finance department that this request is simple in nature	Please see Section 4 - Community Support/Funding (Subsection 4.2)

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	but hard in practice to fulfil. We are sympathetic to this comment, and the NCSG would be happy to engage in a dialogue with Finance to better understand why this might be difficult to operationalise. However, even if it is challenging, this is something we consider to be critical and will expect to see in future budgets. Businesses routinely have to separate overhead and other forms of expenditure, attributing them to specific business units for internal financial planning. This is not an unusual request, and we are only asking for the same.	
Non-Commercial Stakeholders Group (NCSG)	NCSG recommendation: ICANN org must pre-fill the below table every year and include it in the budget documents, so to provide the community with a 10,000-foot view of where resources are being spent. Structure Actual Cost Last If ICANN org is unable to fill in this table completely, it must provide the community with what information it does have available and enter into a dialogue with the community at least six months before the FY21 budget is published for community consultation so that we can work together to refine our request	Please see Section 4 - Community Support/Funding
Non-Commercial Stakeholders Group (NCSG)	The NCSG has concerns that some third parties are imposing significant costs onto ICANN, be that through contractual remediation, vexatious complaints, or other conduct. We believe ICANN could become a more effective, accountable, and inclusive institution if it shared the demands third parties place on ICANN, and attributed a cost to fulfilling these externalities.	Please see Section 7 - Financial Management (Subsection 7.4)
Non-Commercial Stakeholders Group (NCSG)	NCSG recommendation: In each year's budget and operating plan ICANN org must clearly delineate and attribute the cost of fulfilling requests from third parties.	Please see Section 7 - Financial Management (Subsection 7.4)
Non-Commercial Stakeholders Group (NCSG)	Re-evaluate the spend on capacity development programmes for their effectiveness in leading to engagement in ICANN's policy development processes and mission	Please see Section 18 - Policy Development
Non-Commercial Stakeholders Group (NCSG)	We strongly support the continuation of the ICANN fellowship and NextGen programmes, and think ICANN is correct in evaluating outcomes here to rightsize them. However, we believe that the ICANN Learn initiative must be re-evaluated in the context of the current budgetary situation.	Please see Sections: 3 – Community Outreach/ Engagement/ Programs (Subsection 3.3)

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		4 - Community Support/Funding
Non-Commercial Stakeholders Group (NCSG)	NCSG recommendation: The NCSG supports the proposed changes to the ICANN fellowship and NextGen programmes, however we have concerns that the spend on ICANN Learn may be greater than can be justified.	Please see Sections: 3 – Community Outreach/ Engagement/ Programs (Subsection 3.4) 4 - Community Support/Funding (Subsection 4.3)
Non-Commercial Stakeholders Group (NCSG)	Conclusion It is the position of the NCSG that the ICANN community should not be the first group to be affected by drastic cuts to the budget; it is our strongly held view that budget cuts should happen at all levels, and the organisation too should take steps to reduce the costs of its own operations. As you move forward, we ask that you: ● Look inward at ICANN's own overall spending patterns and provide a clearer explanation as to how operational efficiencies will be achieved; - Stop the growth in the size of the organisation's staff, and explore how, as a proportion of the budget, personnel costs and the significant spend on professional services can be decreased; and - Share ICANN's plan for achieving operational efficiencies.	Please see Sections: 7 - Financial Management 12 – ICANN org Headcount
Non-Commercial Stakeholders Group (NCSG)	Provide the community with an appropriate level of support commensurate with our responsibilities under the ICANN Bylaws. o Allow the Community Regional Outreach Programme to continue in FY20 at FY18 funding and programmatic levels; o Provide the NCSG with equal levels of CROP support as the CSG receives; o Don't decrease the Additional Budgetary Request envelope from FY18 levels; o Provide funding for an NCPH Intersessional in FY20; o Provide GNSO Stakeholder Groups and Constituencies with 125 hours of professional research assistance; and	Please see Sections: 4 - Community Support/Funding (Subsections 4.2, 4.4, and 4.5) 6 – Community Regional Outreach Program (CROP)

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	o Champion sensible revisions to the community travel guidelines that permit constituency-supported travellers to arrive at meetings at reasonable cost and in reasonable comfort.	
Non-Commercial Stakeholders Group (NCSG)	Provide the community with further clarity around who is authorising spending, where resources are going in the community, and what it costs to fulfil externalities imposed on ICANN, particularly but not limited to those from intellectual property interests;	Please see Sections: 4 - Community Support/Funding 7 – Financial Management
Registrar Stakeholder Group (RrSG)	The Registrar Stakeholder Group (RrSG) welcomes the opportunity to review the draft FY20 Operating Plan and Budget and is pleased overall with the direction ICANN Org is taking with regards to being more conservative in its spending. The RrSG further supports the comments submitted by the RySG, although we do not hold concerns on the funding of Future rounds of new gTLDs.	Please see Section 7 - Financial Management
Security and Stability Advisory Committee (SSAC)	The SSAC would like to request an increase to the SSAC supported travelers per ICANN meeting from 15 to 18 in fiscal year 2020.	Please see Section 4 - Community Support/Funding
Security and Stability Advisory Committee (SSAC)	In the last four years, the SSAC was granted, on a yearly basis and through the additional budget process, a request covering the travel and related expenses for one person from the SSAC to present a security related topic of interest at a security or Internet conference. For FY20, the SSAC would like to request this be included as a regular SSAC funded budget item.	Please see Section 4 - Community Support/Funding
The Centre for Internet and Society	There are several significant undertakings which have not found adequate support in this budget, chief among them being the implementation of the ICANN Workstream 2 recommendations on Accountability. The budget accounts for any expenses that arise from WS2 as emanating from its contingency fund which is a mere 4%. Totalling more than 100 recommendations across 8 sub groups, execution of these would require significant expenditure. Ideally, this should have been budgeted for in the FY20 budget considering the final report was submitted in June, 2018 and conversations about its implementation have been carried out ever since. It is wondered if this is because the second Workstream does not have the effectuation of its recommendations in its	Please see Section 7 - Financial Management (Subsection 7.7)

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	mandate and hence it is easier for ICANN to be slow on it. As a member of the community deeply interested in integrating human rights better in ICANN's various processes, it is concerning to note the glacial pace of the approval of the aforementioned recommendations especially coupled with the lack of funds allocated to it. Further, there is 1 one person assigned to work on the WS2 implementation work which seems insufficient for the magnitude of work involved	
The Centre for Internet and Society	A topical issue with ICANN currently is its tussle with the implementation of the General Data Protection Regulation (GDPR) and despite the prominence and extent of the legal burden involved, resources to complying with it have not been allocated. Again, it is within the umbrella of the contingency budget.	Please see Section 10 - General Data Protection Regulation (GDPR)
The Centre for Internet and Society	The Cross Community Working Group on New gTLD Auction Proceeds is also, presently, developing recommendations on how to distribute the proceeds. It is unclear where these will be funded from since their work is funded by the core ICANN budget yet it is assumed that the recommendations will be funded by the auction proceeds. Almost 7 years after the new gTLD round was open, it is alarming that ICANN has not formulated a plan for the proceeds and are still debating the merits of the entity which would resolve this question, as recently as the last ICANN meeting in October, 2018.	Please see Sections: 9 - Funds Under Management 19 – Reserve Fund
The Centre for Internet and Society	Another important policy development process being undertaken right now is the Working Group who is reviewing the current new gTLD policies to improve the process by proposing changes or new policies. There are no resources in the FY20 budget to implement the changes that will arise from this but only those to support the Working Group activities	Please see Section 11 - Global Domains Division (GDD) Operations and generic Top Level Domains (gTLDs)
The Centre for Internet and Society	Lastly, the budgets lack information on how much each individual RIR contributes	Please see Section 8 - Funding (Subsection 8.3)
The Centre for Internet and Society	Staff costs ICANN's internal costs on their personnel have been rising for years and slated to account for more than half their annual budget with an estimated 56% or $76.3 million in the next financial year. The community has been consistent in calling upon them to revise their staff costs with many questioning if the growth in staff is	Please see Section 12 - ICANN org Headcount (Subsections 12.1 – 12.5)

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	justified. There was criticism from all 3 quarters such as the GNSO Council who stated that it is "not convinced that the proposed budget funds the policy work it needs to do over the coming year". The excessive use of 4 professional service consultants has come under fire too. As pointed out in a mailing list, in comments on the FY19 budget, every single constituency and stakeholder group remarked that personnel costs presented too high a burden on the budget. One of the suggestions presented by the NCSG was to relocate positions from the LA headquarters to less expensive countries such as those in Asia. This can be seen from the high increase this budget of $200,000 in operational costs though no clear breakdown of that entails was given. The view seems to be that ICANN repeatedly chooses to retain higher salaries while reducing funding for the community. This is even more of an issue since there employment remuneration scheme is opaque. In a DIDP I filed enquiring about the average salary across designations, gender, regions and the frequency of bonuses, the response was either to refer to their earlier documents which do not have concrete information or that the relevant documents were not in their possession.	
The Centre for Internet and Society	ICANN Fellowship The budget of the fellowship has been reduced which is an important initiative to involve individuals in ICANN who cannot afford the cost of flying to the global ICANN meetings. The focus should be not only be on arriving at a suitable figure for the funding but also to ensure that people who either actively contribute or are likely to are supported as opposed to individuals who are already known in this circle. Again, our attempts at understanding the Fellowship selection were met with resistance from ICANN. In a DIDP filed regarding it with questions such as if anyone had received it more than the maximum limit of thrice and details on the selection criteria, no clarity was provided.	Please see Section 3 - Community Outreach/ Engagement/ Programs (Subsection 3.3)
The Centre for Internet and Society	Lobbying and Sponsorship At ICANN 63 in Barcelona, I enquired about ICANN's sponsorship strategies and how the decision making is done with respect to which all events in each region to sponsor and for a comprehensive list of all sponsorship	Please see Section 7 - Financial Management (Subsection 7.6)

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	ICANN undertakes and receives. I was told such a document would be published soon but in the 4 months since then, none can be found. It is difficult to comment on the budget for such a team where there is not much information on the work it specifically carries out and the impact of such sponsoring activities. When questioned to someone on their team, I was told that it depends on the needs of each region and events that are significant in such regions. However without public accountability and transparency about these, sponsorship can be seen as a vague heading which could be better spent on community initiatives. Talking of Transparency, it has also been pointed out that the Information Transparency Initiative has 3 million dollars set aside for its activities in this budget. It sounds positive yet with no deliverables to show in the past 2 years, it is difficult to ascertain the value of the investment in this initiative. Lobbying activities do not find any mention in the budget and neither do the nature of sponsorship from other entities in terms of whether it is travel and accommodation of personnel or any other kind of institutional sponsorship.	

20.2   Late Submissions

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Generic Names Supporting Organization (GNSO) Council	As an overarching comment, the GNSO Council recognizes the significant improvements in the level of detail provided, which has been a consistent evolution in response to the ICANN community's feedback. However, the GNSO Council notes that the Budget is still presented in a way that makes it difficult for the community to be able to grasp at a glance where resources are being allocated. There is no implied criticism here of the current budget documents, however, moving forward we request that data be presented both at the current level of detail, and we request a high level "at a glance" summary approach, where we can easily see the bigger picture. Examples of summary categories that would be helpful to the Council, and also, we believe, the broader ICANN communities, would be an "at a glance" roll up of total projected expenditure in key buckets that can help the GNSO Council better understand how policy development, coordination, and onboarding of additional resources into its communities are being supported, or will be in the next budget cycle. This summary page could be published on the same page as the table outlining the total size of the projected budget for the coming fiscal year.	Please see Section 2 - Budget Development Process & Document Contents/Structure
Generic Names Supporting Organization (GNSO) Council	The GNSO Council recognizes and takes seriously its responsibilities as a part of the Empowered Community. It is an honor to be part of ensuring ICANN's accountability not only to the GNSO's communities, but overall to the global community	Please see Section 2 - Budget Development Process & Document Contents/Structure
Generic Names Supporting Organization (GNSO) Council	As we flagged in our comments last year, we have taken great care to examine the proposed budget to understand what resources have been allocated to each GNSO Stakeholder Group, and to the other Supporting Organizations and Advisory Committees. We are of course focused on the role and functions of the GNSO Council, but we recognize that we are part of a larger ecosystem within ICANN and thus we look to understand the "spend" across the full budget and operating plan.	Please see Sections: 4 – Community Support/Funding (Subsection 4.2) 7 - Financial Management

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Generic Names Supporting Organization (GNSO) Council	Although we have budget experts drawn from the various GNSO constituencies as part of our Standing Committee, we find it is difficult 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.	Please see Section 4 - Community Support/Funding (Subsection 4.2)
Generic Names Supporting Organization (GNSO) Council	GNSO policy development and coordination are core ICANN activities that we hope can be prioritized. We recognize that while the GNSO Council is primarily engaged in managing GNSO policy development, it is joined by the ccNSO, SSAC, ASO, ALAC and GAC in contributing to stable, informed, multistakeholder policy development. Thus, we would like to understand what proportion of the organization's spend can be reasonably connected to policy development activities for all who have such responsibilities, and we ask that ICANN org consider how best to provide this information more clearly for all aspects of policy development and coordination.	Please see Sections: 4 - Community Support/Funding (Subsection 4.2) 18 - Policy Development
Generic Names Supporting Organization (GNSO) Council	The GNSO Council anticipates that our active Policy Development Process Working Groups will require funds in FY20 in order to meet the terms of their respective charters. While specifics cannot be foreseen in detail at this time because we have not been provided with figures from FY19 or earlier years to approximate costs, we anticipate requiring resources for activities including: o face-to-face meetings outside of public ICANN meetings to advance policy development work; o leadership training and skills development; o an annual Council Strategic Planning Session; and o the provision of relevant professional expert assistance, such as independent facilitators, conflict resolution specialists, external legal advisors, and/or other relevant expert advice.	Please see Section 4 - Community Support/Funding
Generic Names Supporting Organization (GNSO) Council	The GNSO Council recognizes the substantial benefits that have been achieved by holding a Strategic Planning Session of the GNSO Council in the first quarter of 2018 and 2019. This session shaped our workplan throughout 2018 and saw Councillors brainstorm, develop, and ultimately begin to implement the Council's Policy Development Process 3.0. The Council would like to encourage the continuation of an annual strategic planning session as part of the core budget; but for now,	Please see Section 4 - Community Support/Funding

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	we ask that resources be made available for a Strategic Planning Session of the GNSO Council in Q1 2020.	
Generic Names Supporting Organization (GNSO) Council	The GNSO Council notes that many commenters raised concerns in FY19 about continued growth in the organization's overall personnel and related costs. As we stated in our comment last year, the GNSO Council believes that growth of staff numbers should only occur under explicit justification and replacements due to staff attrition should always occur with tight scrutiny; especially in times of stagnate funding levels. We encourage ICANN org to provide more diligent explanations and justification for staff allocated to each group that affects policy development, coordination, and implementation.	Please see Section 12 - ICANN org Headcount
Generic Names Supporting Organization (GNSO) Council	The GNSO Council understands that there is no funding in the budget for the Document Drafting and Development Pilot Program. This program was used broadly by the GNSO's Stakeholder Groups and Constituencies, and we understand was well-received and created value for the ICANN community. We encourage ICANN to help reduce volunteer burnout by providing communities with 125 hours of research assistance in FY20.	Please see Section 4 - Community Support/Funding (Subsection 4.3)
Generic Names Supporting Organization (GNSO) Council	The GNSO Council asks that resources be allocated in FY20 for a Non-Contracted Parties House Intersessional of equivalent size and scope of either FY17 or FY18. Funding for this resource was allocated in FY19, however, as a gesture of good will due to the revenue shortfall for ICANN, the NCPH of the GNSO voluntarily agreed not to hold an Intersessional this year in order to help replenish the reserve fund. Moving forward, it was agreed that this would occur every two years. Accordingly, the next Intersessional should be in FY20.	Please see Section 4 - Community Support/Funding (Subsection 4.4)
Generic Names Supporting Organization (GNSO) Council	The GNSO Council requests ICANN org presents contingency spending with more detail. A single lump figure is not fully informative. We also believe that the budget should include a specific placeholder for activities rolled up into this envelope, otherwise we are not seeing an accurate budget. If we know what is not funded and could potentially need to be funded in the coming fiscal year, then we should know what the actual budget allocation could be.	Please see Section 7 - Financial Management (Subsection 7.2)
Generic Names Supporting Organization	The GNSO Council asks that ICANN org publish information on its planned pipeline for website upgrades. We understand that there are various initiatives underway to improve the findability of content and to improve the user experience of ICANN websites, and we would	Please see Section 14 – Information Transparency Initiative (ITI)

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(GNSO) Council	appreciate being first in the queue for a website upgrade. In that spirit, it would be helpful for the GNSO to understand what that queue is, and when we can expect the GNSO website to receive needed enhancements.	