



Comment on ICANN FY17 Operating Plan & Budget and Five-Year Operating Plan

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Business Constituency Submission

GNSO//CSG//BC

Background

This document is the response of the ICANN Business Constituency (BC), from the perspective of business users and registrants, as defined in our Charter:

The mission of the Business Constituency is to ensure that ICANN policy positions are consistent with the development of an Internet that:

1. promotes end-user confidence because it is a safe place to conduct business
2. is competitive in the supply of registry and registrar and related services
3. is technically stable, secure and reliable.

General Comment on Draft FY17 Operating Plan & Budget and 5-Year Operating Plan

The BC notes these improvements in the ICANN budget preparation and implementation processes:

- *Early budget preparation*
- *Early involvement of SO/ACs in the process, through Ad hoc Finance Committee*
- *Use of realistic assumptions, with 9.6% operations budget increase consistent with income forecast*
- *Integration of operations and their segmentation by projects tied to strategic objectives*

General Observations on Draft FY17 Operating Plan & Budget and 5-Year Operating Plan

1. The BC urges ICANN to provide more meaningful Key Performance Indicators (metrics) aligned with the Strategic and Operating Plans and budgets. Most of the KPI's in the draft and noted during quarterly report calls are vague and not very useful in understanding what ICANN is trying to achieve for with its spending and how ICANN would measure the success of that spending. Where metrics are more specific, they often simply track ongoing activities disconnected from benchmarks and goals. (Just because items are measurable, it does not mean that those measures are informative.) ICANN continues to have difficulty in committing to and maintaining meaningful metrics, which are key to its claim of transparency and community engagement in ICANN's planning process.
2. The BC notes that management instruments are provided to the community through periodic reports on a range of operation concerns. However, we observe that there is **no report on registry and registrar compliance with signed agreements. These are key metrics that should be regularly reported.**

In line with ICANN commitments to transparency, the BC also requests that the Stakeholder community be given an opportunity to review external auditors' report on preceding FY ICANN financial operations as a standard corporate practice and for better input into future budget proposals. Further, the BC requests that ICANN regularly publish the names of all consultants, contractors, and vendors it engages, the purpose of the engagement, and expenditure ranges (if not specific expenditures). This disclosure should be part of ICANN's ongoing financial operations, and not simply a one-off posting when the community questions ICANN's legal and professional expenditures.

3. The BC recommends that ICANN staff continue the engagement with the Community in the development of support to the Constituencies and broader ICANN Community while seeking feedback regarding the effectiveness of staff driven and supported initiatives on an annual basis to enable continual improvement and alignment with the Community's needs.
4. While the Ad Hoc Finance Committee is a useful mechanism, the BC recommends that scheduling of the Committee's face to face meeting during ICANN meetings be further enhanced, even considering organizing during week end before, or the Friday after, to enable more consistent attendance and focused discussions, at least once a cycle.

Specific Observations on Draft FY17 Operating Plan & Budget and 5-Year Operating Plan

1. BC believes that budget items 7.15 - 4.1 & 7.17 - 4.5 on Internet Governance (IG) may be duplicative and recommends that the budget items be aggregated. Also, a bullet pointer on ICANN IG engagement would be helpful to clarify what the engagement activities are.
2. Talent Management. While acknowledging that training and staff capacity improvement is implied here, the BC seeks assurance that the budget earmarked would be sufficient to tackle past security gaps exploited by social engineering and other forms of cyber attacks.

BC Request to Increase Supported Traveler Slots at Public Meetings

As part of the FY17 budget process, the Business Constituency (BC) also requests a small expansion of the ICANN Travel guidelines to enable it to send its entire executive team of four (4) leaders to all ICANN Public Meetings.

The BC currently has authority to fill a total of five (5) travel slots at ICANN Public Meetings. The existing travel slots are devoted to the constituency's two (2) elected GNSO Council representatives and only three (3) of its community executive leaders. This smaller number reduces the effectiveness of the community as it prevents the BC from regularly bringing together its entire leadership team face-to-face.

To bring these four (4) leaders together on a regular basis at public meetings, the BC seeks public meeting travel support for all its volunteer leaders – an increase of only one travel slot per ICANN meeting from the current BC allocation. For the last several years (FY13, FY14, FY15, and FY16) the business community has sought to expand this resource so that the travel of all its executive committee members is supported. Unfortunately, those requests have not been resourced through the Community Special Request budget program.¹

The BC is one of the most active community groups within ICANN. Representing the needs of a critical community within the ICANN ecosystem, the BC has participated actively in all aspects of the work of ICANN for over a decade. Given the increased profile of ICANN activities and the importance of ICANN public meetings within the ICANN new meeting strategy, it is critical that all BC executive leaders have

¹ Now that the special budget request program is no longer open to requests for expanded public meeting travel support (see Principle 22 - [Community Special Budget Request Principles \(vFY17-2015\)](#)), the BC is making the request through this broader FY17 budget proceeding.

the opportunity to participate at the meetings in-person and maintain the high level of participation that has become expected of the business community. An expanded community leadership presence at public meetings (including face-to-face meetings of the entire executive committee) will substantially enhance these contributions.

The BC believes that this incremental increase in travel support will substantially increase the effectiveness of the business community at ICANN public meetings and bolster the community's ability to more effectively participate in the wave of new policy work that is coming in FY17. BC leadership would be delighted to discuss this expansion with senior staff leaders and Board members.

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This comment was drafted primarily by Jimson Olufuye, Marilyn Cade, and Denise Michel.

It was approved in accordance with the BC charter.