Staff Report of Public Comment Proceeding Template (v4.0)

> *Overview*:
> *This template is being provided to assist staff in the preparation of a report that summarizes and, where appropriate, analyzes public comments. Please save the document in either *.doc/*.docx and submit to:* public-comment@icann.org*.*

Instructions:

- **Title**: Please enter the exact title that was used in the original Announcement.
- **Comment Period**: Enter the original Open, Close, and Staff Report Due Dates. *(Format: Day Month Year, e.g., 15 June 2016).* Please note if any extensions were approved.
- **Prepared By**: This field will accommodate a situation where an individual or group other than the principal staff contact, e.g., a Working Group, develops a report.
- **Important Information Links**: Do not enter any information in this section; the Public Comment Team will provide the appropriate links.
- **Section I: General Overview and Next Steps:** Please use this area to provide any general summary or highlights of the comments and indicate the next steps following publication of the report.
- **Section II: Contributors**: Please use the tables provided to identify those organizations/groups and individuals who provided comments. It is not necessary to identify "spammers" or other commenters who posted off-topic or irrelevant submissions. In addition, if there is a large number of submissions, it is acceptable to characterize the respondent communities rather than attempt to list them individually in tables.
- **Section III: Summary of Comments:** This section should provide an accurate, representative, and thorough review of the comments provided. As the disclaimer explains, this is a summary only of those contributions that the author determines to be appropriate to the topic's purpose. Authors are cautioned to be conscious of bias and avoid characterizing or assessing the submitted public comments. If an analysis of the comments is intended, please use Section IV below.
- **Section IV: Analysis of Comments:** Please use this section for any assessments, evaluations, and judgments of the comments submitted and provide sufficient rationale for any positions that are advocated. If an analysis will not be undertaken or, if one will be published subsequently, please add a note to that effect in this section.

  Note: You may also utilize, for this section, the Public Comment Issue Tracking Checklist template, which is available at: https://community.icann.org/x/d67hAg.

Staff Report of Public Comment Proceeding

ICANN's Draft FY18 Operating Plan and Budget, and Five-Year Operating Plan Update	
Publication Date:	2 June 2017
Prepared By:	Becky Nash

Public Comment Proceeding		**Important Information Links**
Open Date:	8 March 2017	Announcement
Close Date:	28 April 2017	Public Comment Proceeding
Staff Report Due Date:	26 May 2017 (Original) 01 June 2017 (Extended)	View Comments Submitted

Staff Contact:	Becky Nash	**Email:**	planning@icann.org

Section I: General Overview and Next Steps

ICANN's strategic plan for Fiscal Years 2016-2020 was developed through a community-led process and adopted by ICANN's Board in October 2014. The strategic plan underpins ICANN's Five-Year Operating Plan, which was developed with community input and includes strategic goals with corresponding key performance indicators, dependencies, five-year phasing, and list of portfolios; and a five-year financial model. The initial 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 planning for future years. The Five-Year Operating Plan is accompanied by a Fiscal-Year Operating Plan & Budget for the coming fiscal year.

ICANN published the FY18 draft update to its Five-Year Operating Plan, along with the draft FY18 Operating Plan & Budget on 8 March 2017. The documents were supported by a budget breakdown by both project and portfolio. These documents were presented at the ICANN 58 meeting in Copenhagen at the start of a 52-day public comment period. Revised documents were published on 13 March 2017. A supporting document with details of the 15 projects with the largest budgets was also published on 27 March 2017.

During the public comment period, ICANN provided responses to clarifying questions from the community. The questions and responses were posted to the public comment forum 12 April 2017.

Comments were received from 15 community groups and two individuals. The comments were segmented by 15 themes and totaled 134 specific comments.

Following the public comment period, ICANN Organization held calls and engaged in direct email communication with the community to improve understanding of the comments. The communication involved both ICANN Organization and Board Members. Three public calls were held with groups and individuals. These calls and emails helped ICANN Organization develop better responses and identify changes to make to the draft plans.

The updated Five-Year Operating Plan and FY18 Operating Plan and Budget will be presented to the ICANN Board for adoption at a Board meeting in June 2017.

ICANN uses the comments and other feedback provided on the draft planning documents each year to identify areas of strength and areas where improvements are needed. The comments are used to

identify specific changes to the planning process the following year. This is a part of ICANN's commitment to continuous improvement.

Section II: Contributors

At the time this report was prepared, a total of seventeen (17) community submissions had been posted to the forum. The contributors, both individuals and organizations/groups, are listed below in chronological order by posting date with initials noted. To the extent that quotations are used in the foregoing narrative (Section III), such citations will reference the contributor's initials.

Organizations and Groups:

Name	Submitted by	Initials
GAC Underserved Regions Working Group	Pua Hunter	USR WG
Registries Stakeholder Group	Paul Diaz	RySG
Registries Stakeholder Group and Registrar Stakeholder Group	Paul Diaz	RySG-RrSG
Registrar Stakeholder Group	Tobias Sattler	RrSG
CCWG Accountability – WS2	Nathalie Vergnolle on behalf of Mathiew Weill, Thomas Rickert and Leon Sanchez	CCWG – WS2
Governmental Advisory Committee	Olof Nordling on behalf of Thomas Schneider	GAC
Country Code Names Supporting Organization – Strategic and Operational Planning Working Group	Giovanni Seppia	ccNSO SOP WG
Generic Names Supporting Organization - Council	Nathalie Peregrine on behalf of James Bladel	GNSO
Country Code Names Supporting Organization - Council	Katrina Sataki	ccNSO
Business Constituency	Steve DelBianco	BC
Registries Stakeholder Group	Paul Diaz	RySG
Internet Service Providers and Connectivity Providers	Chantelle Doerksen on Behalf of ISPCP	ISPCP
Intellectual Property Constituency	Lori Schulman	IPC
RDS PDP Working Group	Chuck Gomes	RDS PDP WG
At Large Advisory Committee	Alan Greenberg	ALAC

Individuals:

Name	Affiliation (if provided)	Initials
Edward Morris	Personal Capacity	
Liu Yue	Personal Capacity	

Section III: Summary of Comments

General Disclaimer: This section intends to summarize broadly and comprehensively the comments submitted to this public comment proceeding but does not address every specific position stated by each contributor. The preparer recommends that readers interested in specific aspects of any of the summarized comments, or the full context of others, refer directly to the specific contributions at the link referenced above (View Comments Submitted).

To gain a better understanding of the comments submitted, and to help community members reading this report, comments were segmented thematically rather than by group or individual. The comment

themes are listed below in alphabetical order. The analysis section provides a high-level assessment of the observations, questions, and requests. Responses to individual comments are provided in the tables at the end of this report.

The specific comments and ICANN's responses will also be published as an Excel spreadsheet, to enable structured analysis by the community.

- Budget Development Process and Document Contents / Structure
- Community Outreach / Engagement / Programs
- Community Travel Support / Funding
- Contractual Compliance
- Empowered Community / Caretaker Budget
- Funding
- GDD Operations and gTLDs
- Headcount / Staffing
- IANA Stewardship and Accountability
- IT Projects
- KPI Definition and Structure
- Policy Development
- Reserve Fund
- Strategic / Operating Priorities
- Other / General

Section IV: Analysis of Comments

General Disclaimer: This section intends to provide an analysis and evaluation of the comments submitted along with explanations regarding the basis for any recommendations provided within the analysis.

Budget Development Process and Document Contents/Structure

A total of 13 comments were submitted on this topic by four groups and one individual. Several comments pertained to recommendations that would improve ease of readability and clarity for the community. Some changes will be made to the FY18 Operating Plan and Budget to address these comments.

Community Outreach / Engagement / Programs

There were 12 comments submitted on this topic. These comments varied in scope, some expressing a need for more outreach in specific areas or regions, and others indicating a need for more explanation of resources allocated to outreach.

Community Travel Support / Funding

Seven comments by six different groups were submitted with a general theme of funding for community travel.

Contractual Compliance

One comment on contractual compliance was submitted by IPC. This comment will result in a change to the Top 15 Projects supporting document. This is further explained in the complete response below.

Empowered Community/Caretaker Budget

There were four comments from two groups and one individual on the topic of Empowered Community and Caretaker Budget generally expressing a need for additional information on the approach to the Caretaker Budget.

Funding

Eight comments were submitted by four groups on various aspects of the funding topic. These comments generally pertained to a need for more information about growth projections and addressing financial stability.

GDD Operations and gTLDs

Seven comments were submitted and categorized under this theme. Some comments recommended market research in different regions, and others sought more explanation of GDD funding.

Headcount / Staffing

A total of 13 comments were submitted by four groups and one individual that pertained to headcount and/or staffing. These comments were primarily indicating a need for further explanation and rationale for increases in headcount and personnel expenses.

IANA Stewardship and Accountability

Three comments from two groups were submitted on this topic.

IT Projects

Six comments were submitted by three groups on various components of IT Projects and related expenses.

KPI Definition and Structure

Twenty-six comments were submitted on this topic. Twenty-five of these comments were submitted by ccNSO SOP and were primarily seeking more detail on KPI metrics and definitions for several organizational goals.

Policy Development

Three comments were submitted by two groups and one individual expressing a greater need for resources dedicated to policy development.

Reserve Fund

Three comments were submitted expressing concern about the reserve fund and plans to replenish the reserves.

Strategic / Operating Priorities

Three comments were submitted indicating a need for more information on specific portfolios and organizational structure.

Other / General

There was a total of 25 comments that were categorized as 'other' or 'general'. Comments in this category pertained to contingency, financial management, ICANN Board, internal controls, Ombudsman and open data initiative. There were also general comments providing positive feedback on document structure and public comment process, explanations of the public comments submitted, and recommendations for structural or editorial improvements.

Public Comment Categories Table of Contents

Budget Development Process and Document Contents/Structure

Ref #	Question / Comment	ICANN Response
10	While the draft Budget proposal is detailed, the BC will appreciate a one to two-page Executive Summary (ES) that gives a summary of the preceding year budget performance with respect to future projections. The ES will serve to provide high-level overview of the content of the proposal, which may be embellished with a few analytical graphs that reflect trends over a 3 to 5-year period.	Thank you. We agree that an Executive Summary of the Operating Plan and Budget is useful and we are incorporating such a summary into the Operating Plan and Budget document. **Description of change needed:** An Executive Summary Document will be inserted into the OP&B document and separately published
21	6) 3.3 Table (page 16): On the term KMF; it would be better to specify the ISO reference.	KMF stands for Key Management Facility. This does not refer to an ISO 3-letter country code. **Description of change needed:** The acronym KMF will be spelled out as Key Management Facility (KMF)
33	The ICANN FY18 Operating Plan and Budget narrative flow still needs refining. While certain goals are well designed and defined, others seem to overlap. Many of them are also explained by using jargon and expressions that require any reader to spend considerable time finding the correct meaning before being able to provide any feedback. We understand that the ICANN Finance department is collecting information on the basis of financial data, and we have already had the opportunity to meet with the various department heads to have a better overview of the way these departments are structuring their activities. However, we reiterate the importance of	We agree that more work is needed in this area. We intend to present draft plans for FY19 that provide more narrative. The changes we intend to make include a distinction between the work associated with the Organization's daily operations, and work focused on preparing to meet future challenges. Part of this will be delivered through changes to the structure of Operating Plan documents, to make them more accessible to the community. Another component will be achieved by implementing internal changes to the planning process.

Ref #	Question / Comment	ICANN Response
	having internal guidelines for collecting information that are consistent from both a content (qualitative and quantitative) and style perspective.	
34	Future Plans should be much more accessible to any first-time reader, especially in light of the ICANN Objectives to act as a steward for public interest, to further globalise its structure, and to strive for operational excellence. For instance, the Plan does not have any complete explanation of the various 'indexes' that are regularly mentioned within. The Plan should be the business card of such excellence.	We agree that the planning documents should be more accessible to any reader. Some of the complexity in the documents reflects the complexity in the ICANN Community, which is diverse.

We are developing an approach that is intended to simplify the documents and present a narrative, without hiding the detail we have been providing in recent years. |
| 40 | As in past years' comments, we would once again like to highlight the need to include timeframes for the various activities to be developed within the Plan, and not only on the online Dashboard. | We agree that this can be useful information to provide when the timeframe of the activity mentioned helps the understanding of such activity. There is also a risk to mislead readers when indicating timelines for activities that are not defined by timeframes, or for which the timeframes are subject to several external factors. The effect of such exercise would impair transparency rather than increase it. The indication of timelines should therefore be reserved to cases where it increases the understanding of the activity described. |

Ref #	Question / Comment	ICANN Response
84	• The GNSO Council notes that many of our comments1 filed in response to the Draft FY17 Operating Plan and Budget were not adopted in the Final budget, and that some of these concerns persist in the Draft FY18 budget. This raises broader questions about how ICANN reviews comments received and, if appropriate, responds to the commenter or amends the draft budget. Given the greater involvement of the Empowered Community in the review of FY18 and future budgets, we reiterate our call for greater transparency in the process of finalizing the draft budget. In particular, ICANN should consider publishing a detailed analysis of comments received, along with a rationale for those not incorporated in to the Final Budget.	Staff agrees that providing more information in the published documents might enhance transparency and accountability to the public interest as well as enable the community to perform its new responsibilities under the new Bylaws. Following the conclusion of the public comment period, ICANN held calls with the community to improve its understanding of the comments received. These calls helped ICANN develop better responses and identify changes to make to the draft plans. The Response to Public Comment report provides a detailed analysis of comments received, along with a rationale for those not incorporated in to the Final Budget. ICANN uses the comments and other feedback provided on its draft planning documents each year to identify areas of strength and areas that could be enhanced. These are used to identify specific changes to the next year's planning process.

In the past 3 years, ICANN has organized the public comment responses by associated a response with every comment submitted. While the responses all attempt to address the comments, the responses may do so by providing additional information as requested, or providing indications of future plans that address the comments received, or providing the rationale as to why a recommended action is not taken. |
| 85 | • In regards to the chart displayed on page 10 of the draft FY18 budget showing expenses of FY17 Forecast and FY18 Draft Budget by Function, it might be helpful to also provide a second chart that summarizes the current fiscal year forecast and following fiscal year draft budget at the Goal level (on a page 11) and if possible by the Portfolio further down in the draft budget where the portfolios are detailed by Goal. | We understand that it may be helpful to have the FY17 Forecast and FY18 Draft Budget at the Goal level and by Portfolio. We publish the FY18 Draft Budget by Project, Goal level and Portfolio. Staff will consider incorporating this change in future Operating Plan and Budget documents. |

Ref #	Question / Comment	ICANN Response
91	1. With the new community powers comes responsibility, yet it is difficult to meet that responsibility when working sessions on the budget conflict with mandatory sessions of governing components of the Empowered Community. During the past two ICANN meetings, working sessions sponsored by Finance on the budget have been scheduled at the same time as working sessions or formal meetings of the GNSO Council. This needs to change. I recognize the difficulty with scheduling at ICANN meetings. This aforementioned problem should not be insurmountable. One simple rule: budget related sessions should not be scheduled in opposition to meetings of the governing bodies of any component of the Empowered Community. Period. With the power to reject the budget comes the responsibility of contributing to and participating in all phases of the budget making process. That can't be done when budget working sessions are scheduled opposite mandatory working sessions of the governing organs of the Empowered Community. We can, need and I trust will to do better in the future.	Thank you for your comment. Staff recognizes the difficulty with scheduling budget sessions at ICANN meetings and we will try to avoid conflicts in scheduling noted. Staff will evaluate the process for the FY19 Operating Plan and Budget meetings
92	2. I would like to commend the Finance team on the dramatically increased amount of information it now provides the community. I find the budget fascinating and greatly appreciate the level of granularity provided. It alone justifies the amount of time and money I spent earning my M.B.A. Well, almost. :) Many community members, sadly, don't have a graduate degree in business or finance. Might I suggest, with some trepidation, that we organize a session at the autumn	Staff agrees that the recommendation to organize sessions conducted by Finance and/or in conjunction with the community, on how to read the budget at ICANN would be valuable to ICANN and the community. This would enhance engagement and transparency. Staff will consider incorporating this change in the FY19 Operating Plan and Budget process.

Ref #	Question / Comment	ICANN Response
	meeting, conducted by Finance alone or in conjunction with the community, focused on how to read the budget. Budget 101, if you will. As part of the session it might be valuable to ask the community members present what information not currently provided by Finance they would find valuable to have included in future budget and operating plan templates. This session, unlike those provided regularly by Finance, would focus on budget presentation rather than on budget planning or content. Simply put, a community with the power to reject the budget needs the tools to understand the budget holistically. Too many community members don't have that ability right now, don't understand or are unable to parse through the great amount of information Finance makes available to us. We need to give them the tools they need.	
93	3. On a related point, one piece of information that is not readily available in a straightforward manner, and should be, is an approximation of the levels of financial support provided directly to the various units at ICANN and to the individual Supporting Organizations and Advisory Groups. We need to have this information included in the FY19 budget proposal and beyond. Stepping away from the nomenclature associated with the multi-stakeholder model, what Finance is providing the community in its budget proposals is no more than internal financial management plans. That's good because it allows us a bit of freedom in how the budget proposals are constructed. I appreciate the choices Finance has made in how they	The Organization will evaluate the feasibility of expanding the use of providing an approximation of the levels of financial support provided directly to the various units at ICANN and to the individual Supporting Organizations and Advisory Groups, in the ICANN FY19 budget development process. This will be considered without compromising the ability to produce useful information and engage adequately with the community. The Organization will also evaluate the impact on resource requirements associated with this increased analysis.

Ref #	Question / Comment	ICANN Response
	report proposed budgets. Portfolios are interesting reporting vehicles because they similarly are quite informative and completely lack needed detail. They tell us generally where the money is being spent but lacks the specific detail as to exactly who is spending it and where. When ICANN had more of a traditional governance structure that perhaps was all that was needed. With the Empowered Community we need more. The following is recommended: a. In each year's budget and operating plan a staff line flow chart should be included, along with titles and text indicating areas of financial responsibility; b. There should be budget lines for every operating unit in ICANN, aligning with the aforementioned flow chart As a member of a constituent part of the Empowered Community I need to know the yearly budgetary responsibility that can be attributed to departments headed by certain senior managers; for example, how much budgetary authority can be attributed to Legal or GDD – current reporting hints at various levels of authority (for example, the Executive Group chart on page 10 of the FY 18 proposal regarding headcount) but it is not specific enough, particularly with regards dollar amounts); c. Separate lines attributing expenditures made by ICANN for or on behalf of each Supporting Organization and Advisory Committee should be included in the FY19 report and beyond. It is important for the community to understand the amount of money being spent by ICANN on the GNSO, ALAC, CCNSO, GAC, SSSAC, RSSAC	

Ref #	Question / Comment	ICANN Response
	and the ASO.	
	I understand that it may be difficult to attribute specific expenditures to each SO/AC. In fact, I've already been told this by some members of the Finance Department. Let's not kid ourselves, though: businesses routinely have to separate overhead and other forms of general expenditure, attribute them to specific divisions and use these figures for internal financial planning. We need to do the same.	
	All of this is about accountability. The Empowered Community has many powers, including that of spilling the Board or individual Board members. Implicit in these powers is the ability to persuade the Board to dismiss ICANN's CEO, CFO or any member of senior staff; the Board itself being at risk of dismissal if poor performance by staff is seen to be tolerated by the Board. The community needs precise budgetary numbers attributable to operating units or senior managers to truly evaluate their performance and hence the performance of the CEO and of the Board themselves.	
	In a similar vein, accurate reporting of SO/AC financial support and expenditure is essential for the community to "police" itself. In the absence of hard data, stories and rumors abound about extravagances and improper expenditures by various SOs and ACs. This does not contribute to healthy intra-community interaction. Accurate data for expenditures attributed, if possible down to the Support Group and Constituency level in the GNSO, for example, would be a great assist in helping us to establish a baseline understanding of community costs	

Ref #	Question / Comment	ICANN Response
	and better enable us in the community to accurately assess the potential for better fiscal self-discipline by various components of the community.	
94	4. To help non finance experts to access the reports provided by Finance, a glossary defining various technical terms should be produced at the end of the document.	Staff agrees that various technical terms should be defined when used in the document. All the terms used in the Operating Plan and Budget have been defined. Staff will evaluate the process for providing a glossary defining various technical terms should be produced at the end of the document and will determine if this can be incorporated in the FY19 Operating Plan and Budget process.
95	5. Finance should make a detailed analysis of all comments received during the public comment process along with notes explaining the disposition of the concerns raised. This has been requested in the past but is needed now more than ever given that an objection in a public comment to the preliminary budget proposal, one that is not rectified in the final approved budget, is a prerequisite for an SO/AC to have the right to reject the budget in whole.	Following the conclusion of the public comment period, ICANN held calls with the community to improve its understanding of the comments received and to improve the quality of the response prepared. See also response to the comment #84.
115	General: Whilst the transparency and comparability between FY forecasts for the current and following year is now becoming an accepted approach, there is still further work to be done to facilitate that level of comparison at the portfolio level.	The Organization will evaluate the feasibility of preparing a comparison of the FY17 Forecast vs. the FY18 Budget at the portfolio level in the ICANN FY19 budget development process, without compromising the ability to produce useful information and engage adequately with the community. The Organization will also evaluate the impact on resource requirements associated with this increased analysis.

Ref #	Question / Comment	ICANN Response
2	The ALAC are satisfied with the inclusion of the ALAC and Regional At-Large Organization (RALO) Development Sessions and the Cross Regional Outreach Pilot Program (CROPP) in the ICANN core budget. We are also satisfied with the inclusion of the Captioning Pilot Project in the ICANN core budget. The use of captioning needs to be expanded due to the increasing ICANN activities that have the participation of people from diverse linguistic backgrounds and accessibility levels.	ICANN staff and community members are pleased with the results of initial piloting of the live captioning capability in FY16 and FY17. Additional resources core policy budget resources have been identified for FY18 to determine if the capability can be effectively coordinated with the overall scribing and interpretation capabilities of ICANN Organization. Results of those further tests in FY18 will inform the resources that may be able to be made available in FY19.
4	We are disappointed that the Document Development Pilot Project (DDPP) is not included in the FY18 budget. The DDPP was a clear success for a large part of the ICANN community and deserves further funding in FY18. We also believe that it should be expanded to help train community members in the development of policy advice statements.	The DDPP pilot in FY17 was made up of two areas of experimentation. The first - direct community facilitation, research and drafting support, was of limited duration and experience during that period. A few communities experienced initially positive results from that part of the pilot program and, thus, the Board has authorized specific resources from the Additional Budget Request program to provide another several months of pilot testing in FY18 to assess the potential long-term viability of that capability. It must be emphasized and understood that a permanent long-term program of this type of community support has the potential to include more than 10 community groups and, as such, presents resource, managerial and operational challenges because it would effectively mean adding the capability of ICANN staff support to the Stakeholder, Constituency and RALO levels of the ICANN Organization. That potential expansion of support is not insubstantial and must be thoroughly considered and vetted before a lasting Organizational commitment can be made in this area. Implementation of this type of activity into the core ICANN Policy Development Support budget cannot be assumed or expected in future years. The results of the document primer program - the second area of

Ref #	Question / Comment	ICANN Response
		experimentation in FY17 - have been less encouraging and that part of the program will not be continued in FY18. Instead, Additional Budget Request Resources are being targeted in FY18 to focus on a variety of community training and education pilot activities requested by various community groups. Depending on the success of those efforts, resources may be able to be considered for further "primer" pilot efforts in FY19.

Ref #	Question / Comment	ICANN Response
43	In general, the support for underserved regions and developing countries has improved. The following two initiatives in particular ought to be highlighted: the transfer of the Community Travel Support from a pilot special request category to a 'core' position within the ICANN budget, and the increased (governmental) engagement with regards additional trainers/workshops in underserved regions and developing economies, to improve law enforcement capacity building. The Plan represents further progress in the conceptualisation and refinement of major objectives and portfolios. Particularly laudable is the effort to develop objective-specific data series, collect and attempt to assess them, and then use customer satisfaction surveys in the name of further enhancement of the quality of services to the community. However, the Plan's narrative flow seems to go lost between objectives and respective portfolios. For instance, 'Strategic Goal 1.1 Further Globalize and Regionalize ICANN Functions' implies, as a prime portfolio, 'Raising Stakeholder Awareness of ICANN Worldwide', which should clearly fall under 'Strategic Goal 1.2 Bring ICANN to the world by creating a balanced and proactive approach to regional engagement with stakeholders', as well as, in part, 'Strategic Goal 4.1 Encourage Engagement with the Existing Internet Governance Ecosystem at National, Regional and Global Levels'. Such a misconception or confusion among the goals means KPIs that can hardly be used to gauge any progress. '# of remote participation session hours and number of remote participants at ICANN meetings' and '% of Sessions with live interpretation at ICANN meetings' are unlikely to qualify as credible KPIs, as they do not appear illustrative of ICANN's exercise of its functions. Perhaps, broken down by categories of stakeholders, the	Strategic goals 1.1 and 1.2 cover different aspects of engagement. This divergence is illustrated by the correlating department goals for each strategic goal. The department goals for GSE currently supporting strategic goal 1.1 are: 1. Actively solicit input into ICANN's processes and 2. Foster stakeholder confidence in ICANN's mission. Critical success factors for these goals include areas around ensuring and enabling engagement both to and from Stakeholders via content delivery, language services, and enhanced targeted outreach mechanisms; as well as enhancing current and potential stakeholder knowledge and confidence with regard to ICANN's mission through ongoing collaboration, engagement, and trainings. The department goals for GSE currently supporting strategic goal 1.2 are: 1. Understand and plan for stakeholder needs, 2. Enhance capacity development efforts with stakeholders through engagement with new and existing stakeholders, and 3. Ensure diversity in engagement with stakeholders. These goals include critical success factors that revolve around enhancing capacity building services, service delivery via new and robust engagement models to ensure that Stakeholders are receiving the right services at the right time, in the right places for their specific needs. The review of the delivery of services for the community from ICANN offices was a mapping exercise geared toward a better understanding of which services were delivered from which offices to which stakeholders. The review of GSE activities against the re-stated ICANN mission was a separate effort, to look back at GSE activities under the text of the ICANN mission

Ref #	Question / Comment	ICANN Response
	number of queries/requests to ICANN and its regional hubs, and the number of responses/actions taken in response thereto might be a better KPI in that regard. This, in part, is accurately captured in the expected outcome for FY 2017, outlined in '1.Completed review of ICANN regional offices and delivery of services to the community', but seems to be compromised (or narrowed) by the overall emphasis on communication and engagement strategies, which suggests that is their top, if not sole, priority. Furthermore, a similar confusion arises when examining the role of regional offices and engagement hubs in supporting ICANN globalisation, while ex officio they should rather be focusing on regionalisation efforts. In addition, it is unclear what the difference is between the intent to complete a review of ICANN regional offices and delivery of services to the community in 2017 and to complete an organisation-wide review of engagement activities against the ICANN mission. For most of the metrics, neither EoY 2017 projected values, nor EoY 2018 target values are stated. Without them, it is impossible to either assess the 2018 ambitions (versus costs), or to evaluate results compared to activities/expenses at the end of FY18.	as of 1 October 2016 to best prepare and categorize the scope of activities within the parameters of the ICANN Mission.

Ref #	Question / Comment	ICANN Response
86	• Projected growth in resources allocated for global engagement, ranked third largest by function, continues to raise questions about the value proposition of these expenditures. If ICANN measures the success of this initiative in terms of "…show(ing) a balanced and regional approach to global engagement" and "stakeholder participation2 in ICANN by region," then we request that Staff provide details demonstrating that progress towards these goals is justified by the continued spend (funding and FTE headcount). For example, are the large quantity of regional stakeholder engagement events and sponsorships at internet related functions still required? And if so, what tangible and meaningful outcomes are derived other than just measuring the quantity of those events as it pertains to ICANN's mission such as policy development around the generic names space?	Funding for Global Stakeholder Engagement did not increase in FY18 but was reduced. Headcount within GSE was reduced due to transfer of positions to other ICANN functions. Following the review of our service delivery metrics from our mapping exercises in FY17, and gauging needs from ICANN's regions, GSE had requested additional positions for FY18 to support technical engagement in EMEA, a position in Istanbul to support local stakeholder engagement, and administrative support in the Nairobi and Montevideo offices. GSE has analyzed the delivery of services from ICANN offices and regions to the community, and conducted a mapping exercise to identify gaps in participation from stakeholder groups in ICANN policy work. The GSE regional team is focused on publishing the tangible and meaningful outcomes of its work. A key aspect of engagement at ICANN is that GSE's work is largely demand-driven by requests from stakeholder groups in the regions. Regional Organizations request ICANN to participate in engagement events, such as regional and national Internet Governance Forum events, cross-sector initiatives such as Smart Africa and others. The current goal around measurement in FY18 is to measure this demand, the impacts of our efforts, and continuing to measure the Stakeholder Journey both as it exists today, and how it may exist in the future.

Ref #	Question / Comment	ICANN Response
103	1. To achieve the first Strategic Objectves initialed in section 7 of the Proposal, there is an increase in the FTEs in the plan.But we found that there was a decrease on the numbers in the Sigapore Office in the executive-team-reports-march-2017-public.pdf, campared with a continuous increase in NA area.So, what would ICANN do to improve the current situation? Chinese community and other commnities in AP rigion need more people and pore oppertunities on the local engagement support from ICANN. And we also need your clearer purpose and more acts.	This comment is noted. ICANN continues to evaluate the staffing needs in its regional offices.
105	3. Please increase budget on the capacity building, Universal Acceptance outreach, Technical egagement in the AP region especially in China, since there are huge users and high finance contribution to ICANN.	The suggestion to increase funds for capacity building, Universal Acceptance outreach and technical engagement is noted. These areas should be considered separately. Universal Acceptance is covered within the Global Domains Division, but outreach and engagement with the community is supported by ICANN's community-facing teams, such as Global Stakeholder Engagement, Government Engagement and other ICANN functions. ICANN's capacity development functions are being examined to understand ways to improve delivery to stakeholders in their regions. The Global Stakeholder Engagement team had several programs related to technical engagement listed in opportunities for FY18. The team wants to provide more support for capacity development and technical engagement in the future.
117	Regional Outreach program The ISPCP considers that the Regional Outreach Program remains a vital initiative that can greatly assist in growing the ICANN community and offers full support for budget allocation to support that cause.	The comment is welcomed and regional outreach is a priority for ICANN. The emphasis of regional outreach is to identify and encourage more stakeholders to contribute to ICANN's policy work.

Ref #	Question / Comment	ICANN Response
118	Document Support Program The Pilot Program introduced in last quarter of FY16 and subject to an ongoing trial during 2017 proved to be an valuable asset, not only for the ISPCP, but also for other ICANN groups. We note that this is not included in the budget as ongoing program for 2018 despite the success achieved and question why that is, particularly given the current level of activity and the resource required within the community to keep pace. We beleive there is the potential for an extended trial to take place during FY18 and offer full support for budget to be allocated to that program, with a view to securing permanenet support within the next fiscal year.	The DDPP pilot in FY17 was made up of two areas of experimentation. The first - direct community facilitation, research and drafting support, was of limited duration and experience during that period. A few communities experienced initially positive results from that part of the pilot program and, thus, the Board has authorized specific resources from the Additional Budget Request program to provide another several months of pilot testing in FY18 to assess the potential long-term viability of that capability. It must be emphasized and understood that a permanent long-term program of this type of community support has the potential to include more than 10 community groups and, as such, presents resource, managerial and operational challenges because it would effectively mean adding the capability of a ICANN staff support to the Stakeholder, Constituency and RALO levels of the ICANN Organization. That potential expansion of support is not insubstantial and must be thoroughly considered and vetted before a lasting Organizational commitment can be made in this area. Implementation of this type of activity into the core ICANN Policy Development Support budget cannot be assumed or expected in future years. The results of the document primer program - the second area of experimentation in FY17 - have been less encouraging and that part of the program will not be continued in FY18. Instead, Additional Budget Request Resources are being targeted in FY18 to focus on a variety of community training and education pilot activities requested by various community groups. Depending on the success of those efforts, resources may be able to be considered for further "primer" pilot efforts in FY19.

Ref #	Question / Comment	ICANN Response
120	The Registrar Stakeholder Group (RrSG) submits this public comment to request that ICANN staff reconsider its position not to fund the Document Development and Drafting Pilot Program (the Program) in FY18. The RrSG supports the statements made by the RySG in its public comment, specifically that "the community benefited from the Program since it achieved its goals of evolving and further globalizing ICANN (by improving policy development and governance processes, structures and meetings to be more accountable, inclusive, efficient, effective and responsive); advanced organizational, technological and operational excellence (by helping develop a globally diverse culture of knowledge and expertise available to ICANN's Board, staff and stakeholders); promoted ICANN's role and multi-stakeholder approach (by empowering current and new stakeholders to fully participate in ICANN activities.); and developing and implementing a global public interest framework bounded by ICANN's mission." As an ICANN community member, the RrSG would benefit greatly from the Program for the same reasons as the RySG. In addition, the RrSG is working hard to improve the diversity of its membership, provide better engagement opportunities for its members, and to more fully participate in the bottom-up, multi-stakeholder model that is ICANN. The Program will enable the RrSG to facilitate greater engagement by its members, allowing members who may be less familiar with the totality of ICANN policy work to substantively engage in policy development. The RrSG appreciates the opportunity to comment on this issue. It recognizes there are many competing demands for ICANN's	The DDPP pilot in FY17 was made up of two areas of experimentation. The first - direct community facilitation, research and drafting support, was of limited duration and experience during that period. A few communities experienced initially positive results from that part of the pilot program and, thus, the Board has authorized specific resources from the Additional Budget Request program to provide another several months of pilot testing in FY18 to assess the potential long-term viability of that capability. It must be emphasized and understood that a permanent long-term program of this type of community support has the potential to include more than 10 community groups and, as such, presents resource, managerial and operational challenges because it would effectively mean adding the capability of a ICANN staff support to the Stakeholder, Constituency and RALO levels of the ICANN Organization. That potential expansion of support is not insubstantial and must be thoroughly considered and vetted before a lasting Organizational commitment can be made in this area. Implementation of this type of activity into the core ICANN Policy Development Support budget cannot be assumed or expected in future years. The results of the document primer program - the second area of experimentation in FY17 - have been less encouraging and that part of the program will not be continued in FY18. Instead, Additional Budget Request Resources are being targeted in FY18 to focus on a variety of community training and education pilot activities requested by various community groups. Depending on the success of those efforts, resources may be able to be considered for further "primer" pilot efforts in FY19.

Ref #	Question / Comment	ICANN Response
	limited resources. But programs like this one support the bottom-up, multi-stakeholder model and ICANN's efforts to increase the diversity of participation in the community. The entire community would benefit from this funding.	

Ref #	Question / Comment	ICANN Response
121	On behalf of the gTLD Registries Stakeholder Group (RySG), I am writing to ask ICANN staff to reconsider its current position on the Document Development and Drafting Pilot Program (the Program). It is our understanding that the Program will not be renewed in the FY18 Budget. As we articulated in our FY18 Community Request application (attached), the RySG believes that the pilot Program was a clear success and deserves further funding in FY18. It's regrettable that few ICANN constituent groups availed themselves of the pilot Program. The RySG's experience was superb, and should serve as a "proof of concept" that justifies continuing the Program in FY18. Our Document Development and Drafting Research Assistant, Wim Degezelle, made a significant contribution in his role of drafting comments to complex public comments. His ability to research a topic, communicate with those in the RySG who may have some more in-depth knowledge of the issues/topics at hand, and then prepare and present salient observations and suggested comments has been of incredible benefit to the RySG. Wim's role facilitated participation by RySG members who don't use English as their first language, and better enabled engagement by smaller (or new) registry operators who have limited bandwidth, resources and/or knowledge that restrict their participation in issues that may have a direct impact on their operations. In fact, we saw a notable increase in participation by volunteers to partner (or even take a lead role) in developing and/or contributing to critical issues requiring formal comments by the RySG. We would argue that the ICANN community also benefitted from the pilot Program since the RySG's public comments were made	The DDPP pilot in FY17 was made up of two areas of experimentation. The first - direct community facilitation, research and drafting support, was of limited duration and experience during that period. A few communities experienced initially positive results from that part of the pilot program and, thus, the Board has authorized specific resources from the Additional Budget Request program to provide another several months of pilot testing in FY18 to assess the potential long-term viability of that capability. It must be emphasized and understood that a permanent long-term program of this type of community support has the potential to include more than 10 community groups and, as such, presents resource, managerial and operational challenges because it would effectively mean adding the capability of a ICANN staff support to the Stakeholder, Constituency and RALO levels of the ICANN Organization. That potential expansion of support is not insubstantial and must be thoroughly considered and vetted before a lasting Organizational commitment can be made in this area. Implementation of this type of activity into the core ICANN Policy Development Support budget cannot be assumed or expected in future years. The results of the document primer program - the second area of experimentation in FY17 - have been less encouraging and that part of the program will not be continued in FY18. Instead, Additional Budget Request Resources are being targeted in FY18 to focus on a variety of community training and education pilot activities requested by various community groups. Depending on the success of those efforts, resources may be able to be considered for further "primer" pilot efforts in FY19.

Ref #	Question / Comment	ICANN Response
	available to anyone who may be impacted by a particular issue, thus contributing to the multi-stakeholder model. As such, the community benefited from the Program since it achieved its goals of evolving and further globalizing ICANN (by improving policy development and governance processes, structures and meetings to be more accountable, inclusive, efficient, effective and responsive); advanced organizational, technological and operational excellence (by helping develop a globally diverse culture of knowledge and expertise available to ICANN's Board, staff and stakeholders); promoted ICANN's role and multi-stakeholder approach (by empowering current and new stakeholders to fully participate in ICANN activities.); and developing and implementing a global public interest framework bounded by ICANN's mission.	
	The RySG appreciates that there are many competing demands for ICANN's relatively limited resources. We strongly believe, however, that the Program deserves funding in FY18. It has delivered results by providing demonstrable outputs of benefit to the RySG and the rest of the community. In fact, other constituent groups are aware of the RySG's excellent experience with the Program and planned to seek their own Assistant in FY18. Not including the Program in FY18 risks undermining ICANN's own goals which mirror the Program's. That clearly is not in anyone's interests.	

Ref #	Question / Comment	ICANN Response
125	Document Development: We refer you to our previous comment (http://mm.icann.org/pipermail/comments-fy18-budget-08mar17/attachments/20170330/8e8238e7/RySGcommentonDocumentDevelopmentandDraftingProgram-0001.pdf) and request relating to the Registry Stakeholder Group Document Development and Drafting Pilot Program.	The DDPP pilot in FY17 was made up of two areas of experimentation. The first - direct community facilitation, research and drafting support, was of limited duration and experience during that period. A few communities experienced initially positive results from that part of the pilot program and, thus, the Board has authorized specific resources from the Additional Budget Request program to provide another several months of pilot testing in FY18 to assess the potential long-term viability of that capability. It must be emphasized and understood that a permanent long-term program of this type of community support has the potential to include more than 10 community groups and, as such, presents resource, managerial and operational challenges because it would effectively mean adding the capability of a ICANN staff support to the Stakeholder, Constituency and RALO levels of the ICANN Organization. That potential expansion of support is not insubstantial and must be thoroughly considered and vetted before a lasting Organizational commitment can be made in this area. Implementation of this type of activity into the core ICANN Policy Development Support budget cannot be assumed or expected in future years. The results of the document primer program - the second area of experimentation in FY17 - have been less encouraging and that part of the program will not be continued in FY18. Instead, Additional Budget Request Resources are being targeted in FY18 to focus on a variety of community training and education pilot activities requested by various community groups. Depending on the success of those efforts, resources may be able to be considered for further "primer" pilot efforts in FY19.

Ref #	Question / Comment	ICANN Response
133	On behalf of the gTLD Registries Stakeholder Group (RySG), I am writing to ask ICANN staff to reconsider its current position on the Document Development and Drafting Pilot Program (the Program). It is our understanding that the Program will not be renewed in the FY18 Budget. As we articulated in our FY18 Community Request application (attached), the RySG believes that the pilot Program was a clear success and deserves further funding in FY18. It's regrettable that few ICANN constituent groups availed themselves of the pilot Program. The RySG's experience was superb, and should serve as a "proof of concept" that justifies continuing the Program in FY18. Our Document Development and Drafting Research Assistant, Wim Degezelle, made a significant contribution in his role of drafting comments to complex public comments. His ability to research a topic, communicate with those in the RySG who may have some more in-depth knowledge of the issues/topics at hand, and then prepare and present salient observations and suggested comments has been of incredible benefit to the RySG. Wim's role facilitated participation by RySG members who don't use English as their first language, and better enabled engagement by smaller (or new) registry operators who have limited bandwidth, resources and/or knowledge that restrict their participation in issues that may have a direct impact on their operations. In fact, we saw a notable increase in participation by volunteers to partner (or even take a lead role) in developing and/or contributing to critical issues requiring formal comments by the RySG. We would argue that the ICANN community also benefitted from the pilot Program since the RySG's public comments were made available to anyone who may be impacted by a particular issue, thus contributing to the multi-stakeholder model. As such, the	The DDPP pilot in FY17 was made up of two areas of experimentation. The first - direct community facilitation, research and drafting support, was of limited duration and experience during that period. A few communities experienced initially positive results from that part of the pilot program and, thus, the Board has authorized specific resources from the Additional Budget Request program to provide another several months of pilot testing in FY18 to assess the potential long-term viability of that capability. It must be emphasized and understood that a permanent long-term program of this type of community support has the potential to include more than 10 community groups and, as such, presents resource, managerial and operational challenges because it would effectively mean adding the capability of a ICANN staff support to the Stakeholder, Constituency and RALO levels of the ICANN Organization. That potential expansion of support is not insubstantial and must be thoroughly considered and vetted before a lasting Organizational commitment can be made in this area. Implementation of this type of activity into the core ICANN Policy Development Support budget cannot be assumed or expected in future years. The results of the document primer program - the second area of experimentation in FY17 - have been less encouraging and that part of the program will not be continued in FY18. Instead, Additional Budget Request Resources are being targeted in FY18 to focus on a variety of community training and education pilot activities requested by various community groups. Depending on the success of those efforts, resources may be able to be considered for further "primer" pilot efforts in FY19.

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	community benefited from the Program since it achieved its goals of evolving and further globalizing ICANN (by improving policy development and governance processes, structures and meetings to be more accountable, inclusive, efficient, effective and responsive); advanced organizational, technological and operational excellence (by helping develop a globally diverse culture of knowledge and expertise available to ICANN's Board, staff and stakeholders); promoted ICANN's role and multi-stakeholder approach (by empowering current and new stakeholders to fully participate in ICANN activities.); and developing and implementing a global public interest framework bounded by ICANN's mission. The RySG appreciates that there are many competing demands for ICANN's relatively limited resources. We strongly believe, however, that the Program deserves funding in FY18. It has delivered results by providing demonstrable outputs of benefit to the RySG and the rest of the community. In fact, other constituent groups are aware of the RySG's excellent experience with the Program and planned to seek their own Assistant in FY18. Not including the Program in FY18 risks undermining ICANN's own goals which mirror the Program's. That clearly is not in anyone's interests.	

Ref #	Question / Comment	ICANN Response
7	The ALAC has met with the GAC for many years, and have always talked about more substantive collaboration and the possibility of exchanging Liaisons. However until recently, such collaboration has not actually occurred. The ALAC and GAC are now more effective in addressing issues of joint concern (such as potential harms from specific sensitive gTLDs). Current GAC leadership was very supportive of establishing an ALAC Liaison to the GAC, ensuring a regular bi-directional flow of information and ensuring that both groups are aware of each other?s ?hot issues?. As of June 2016, this liaison has now been put in place (roughly equivalent to a similar GNSO Liaison to the GAC). To ensure that the Liaison can fulfill his/her mandate, it is essential that the Liaison can attend all ICANN meetings and participate in GAC activities. Currently the ALAC has travel support for its Liaisons to the GNSO and ccNSO. Fortunately at the moment, the Liaison to the ccNSO also has travel funding as an ALAC member, so we have been able to ?reallocate? the ccNSO Liaison travel slot to the GAC Liaison. However such a fortuitous ?spare? travel slot cannot be guaranteed and is not expected to be available for much longer. The ALAC requests one additional ICANN meeting travel slot (airfare, hotel and per diem) to for its Liaison to the GAC.	The ICANN Organization response to Ref # 8 below, should also be consulted by readers as an introduction to this text response. ** Pending a broader community consultation anticipated on this matter in FY18, it would seem appropriate to provide the ALAC with the opportunity to support the travel of its GAC liaison to the three ICANN public meetings in FY18. The current travel guidelines did not contemplate community travel support for all liaisons between and among all the different ICANN SOs and ACs and expansion of these slots in recent years has been subject to pilot efforts to demonstrate that the relationship has value and can be productively managed. The ALAC should consider these factors in evaluating whether this pilot effort has longer term value for the community. This pilot allocation is for FY18 only and further allocations will be dependent on future strategic examination of Community Travel support by the community and ICANN Organization. If the slot is not needed during any particular public meeting it cannot be carried-forward to a future meeting. **Description of change needed:** One slot ($3,333 x3 =$10,000) will be added to the final Operating Plan and Budget.

Ref #	Question / Comment	ICANN Response
8	The ongoing At-Large Review has identified the need to those At-Large workers who are active participants in At-Large and other ICANN policy activities to attend ICANN meetings. Having such active workers attend ICANN meetings will not only enhance At-Large discussions at its meetings, but will benefit the other ICANN activities they are involved in as well. The ALAC strongly supports such an initiative. The Review Final Report has not yet been delivered (it is due within several days), but it is expected that the proposed method to fund such travel will not be implementable (based on extensive ALAC and At-Large review of the proposed methodology).

The ALAC requests that additional travel support slots to ICANN meetings be allocated to At- Large active contributors. The ALAC would establish criteria to be met and ALAC Leadership would ensure that such support is only provided if other sources of funding are not available. This request is very comparable to the FY18 GNSO request (FY18-22) for four Working Group Chairs which has just been approved.

Unlike participants in many other parts of ICANN, At-Large participants are volunteers in the true sense of the word. Virtually none of these contributors are employed in activities related to ICANN or the domain name industry. None are paid to attend ICANN meetings. Many have to take unpaid time off from work or use vacations to attend meetings.

The ALAC further notes that its travel funding has been close to uniform since mid-2009 (the last meeting of FY09). At that point At-Large was funded for its 15 ALAC members plus two | Although extensive investments have been made to remote participation capabilities over the last several years, ICANN Organization recognizes the tremendous value provided to the Organization and the community by its volunteer leaders and contributing participants at face-to-face public meetings.

A few years ago, ICANN Organization recognized that individual community requests to increase permanent travel support levels at ICANN public meetings were important and strategic enough to require consideration as part of the overall Operating Plan and Budget. The primary driver of this need for process is the recognition that a continuously growing community might necessitate increased travel support. Over the past several years several communities have experimented with increased levels of funding piloted through the Additional Budget Request process. In a number of those cases, having been proven, increased support was identified for coverage in the core ICANN Organization budget annual.

The long term sustainability of Community Travel support requires a strategic examination by the entire community and ICANN Organization will seek to proceed with a direct community consultation in FY18 to examine and assess the best strategic approach to examine the purpose, value and resources needed to continue to support the community in its face-to-face deliberations at ICANN Public Meetings.

Traditionally, the ICANN Organization has allocated a certain number of seats for each community and that allocation has been based on publicly-produced travel guidelines. For the most part, but not consistently, ICANN has ceded responsibility for how particular community allocations should be disbursed to each community itself |

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	regional leaders per Regional At-Large Organization (RALO) for a total of 25 travel slots. In FY14, it was increased to 27 to cover the liaisons to the GNSO and ccNSO if they were not otherwise funded. During this same FY10-FY16 period, the number of funded GNSO travel slots has gone from 23 to 49 (for ICANN56). Since the GNSO did not tend to use all of its travel slots in the early years, the average funded number of GNSO travelers per meeting has increased from 17 in FY10 to slightly under 48 in FY16. The ALAC requests as a pilot program for FY18, five additional travel slots per ICANN meeting, to be allocated to demonstrably active contributors.	to decide - with staff then following through on the administrative efforts to arrange, book and record the travel requested. As a number of community requests for travel-slot-expansion have revealed over the past couple of years (e.g., particularly the ALAC, ccNSO, and GAC this year), those travel guidelines have not been updated since FY14. The passage of time and other circumstances require a re-examination of those allocations for tactical, strategic and community balance needs. There are several strategic questions that need to be addressed in such an inquiry - inter alia, what is the purpose of community travel support; how much support is appropriate across the community; are all communities similarly-situated from a participant/need/engagement perspective? These and other questions may be explored as these discussions move forward. **In the meantime, pending the broader community consultation on this matter in FY18, it would seem appropriate to provide the ALAC with the opportunity to establish pilot criteria that it would use to identify "active" contributors who might benefit from public meeting travel support. Two contributors slots per public meeting will be provided in FY18 to experiment in this manner. This pilot allocation is for FY18 only and further allocations will be dependent on future strategic examination of Community Travel support by the community and ICANN Organization. Slots not used during any particular public meeting could not be carried-forward to a future meeting. **Description of change needed:**

Ref #	Question / Comment	ICANN Response
		Two slots ($3,333 X 3 X 2 = $20,000) will be added to the final Operating Plan and Budget.

Ref #	Question / Comment	ICANN Response
15	Per Additional Budget Request (ABR) and in order to ensure that all its officers attend all ICANN Meetings, BC proposes travel support for its fourth officer, the Commercial Stakeholder Group Liaison. In addition, we request that travel support be provided to one BC delegate from a developing country to speak on: i. Internet public policy matters on designated business workshops at the IGF2017; and ii. At the CSTD Working Group on Enhanced Cooperation, on Public Policy matters pertaining to the Internet. On this point, we recommend that ICANN explain in future ABR notices that budget requests for outreach events should be submitted as separate requests FOR EACH EVENT. We note that such advisory would encourage clarity in request submissions.	The ICANN Organization response to Ref # 8 above, should also be consulted by readers of this response. Travel support was originally extended to the BC leadership in FY13 and in recent years (FY15 and FY16) the BC has benefited from travel support pilots and the ability to experiment with travel support to conduct outreach and engagement activities. During this time, other community travel allocations have remained level without any increases. For FY18, the limited flexibility being provided to the BC through the Additional Budget Request Process cannot be further expanded as requested here. ICANN Organization hopes that the BC will actively participate in any community consultation that it plans to seek to initiate in FY18 so that some additional planning clarity may be provided to the business community. The BC comments about the management of the Additional Budget request process (and the guidance provided therein) are most welcomed. Staff will work to incorporate the appropriate guidance in future years as the Additional Budget Request Process continues to be administered.

Ref #	Question / Comment	ICANN Response
31	Request to increase number of ccNSO traveling slots While ccTLDs receive benefits from ICANN, ICANN also receives benefits from ccTLDs6. The table in the report of the financial working group to the ccNSO council7 illustrates the "value exchange model" and includes the financial information provided by ICANN. After careful consideration the ccNSO Council is of the view that the current number of ccNSO travel funding slots (12) is no longer sufficient to meet the goals for which the travel funding was created. Since 2008 to date, the ccNSO has expanded from 82 to 161 members. With the increased number, diversity, active participation, in particularly to the face-to-face meetings, has become an issue at various levels (at working group level, in terms of presenting and sharing information at meetings, and at the ccNSO council level). By definition, the distribution of ccTLDs across socio-economic measures or Internet usage tends to correlate with the distribution of countries across these standards. Due to the travel costs and time and duration of the meetings, active participation in the ccNSO – including the ccNSO Council has become increasingly challenging for "smaller" ccTLD managers, in particular from the underserved regions. The ccNSO Council is aware that the ccNSO and ICANN have both subscribed to and support the "2013 value exchange model" and the ccNSO still does this. As part of that model the current travel support is considered directly in support of the ccTLD community and considered specific. However, the ccNSO Council is also aware that new and other groups in the ICANN environment need to be brought	The ICANN Organization response to Ref # 8 above, should also be consulted by readers as an introduction to this text response. ** The issues raised by the ccNSO request are excellent issue points to be addressed in the type of community consultation that ICANN Organization expects to seek in FY18. Pending the broader community consultation on this matter in FY18, it would seem appropriate to provide the ccNSO with the opportunity to expand its FY18 travel allocation by a total of 5 traveler slots per public meeting. These slots would be for FY18 only and further allocations will be dependent on future strategic examination of Community Travel support by the community and ICANN Organization. Travel slots not used during any particular public meeting cannot be carried-forward to a future meeting. **Description of change needed:** Five slots ($3,333 X 3 X 5 = $50,000) will be added to the final Operating Plan and Budget.

Ref #	Question / Comment	ICANN Response
	into the ICANN environment and their active participation needs to be sustained. In case of the ccTLDs, this needs to be done through more active participation, more "boots on the ground" for the multi- stakeholder model, effectively benefitting the Internet eco-system as a whole. The ccNSO Council therefore seeks an increase in the number of ccNSO traveling slots by 14 slots, bringing the total number of ccNSO traveling slots to 26:	

a) to ensure travel funding for the ccNSO Council chair and two vice chairs, for each of the ICANN meetings. If the chair or a vice chair does not use the allocated funding, the slot shall be allocated to the broader ccTLD community. 3 slots
b) to ensure travel funding for each of the 3 NomCom appointed councillors to
attend ICANN public meetings. If a councillor chooses not to take the allocated funding, the slot shall be allocated to the broader ccTLD community. 3 slots
c) to ensure travel funding for each ccNSO councillor from each region to attend
ICANN public meetings. If a councillor chooses not to take the allocated funding, the slot shall be allocated to the broader ccTLD community. 12 slots
d) to ensure travel funding for the ccNSO appointed liaisons to ALAC and GNSO.
If either or both liaisons choose not to take the allocated funding, the slot shall be allocated to the broader ccTLD community. 2 slots
e) to increase the number of selected broader ccTLD community members that
will receive funding in order to advance the work of ICANN; to provide support for those who might not be able to afford to

Ref #	Question / Comment	ICANN Response
	attend ICANN meetings otherwise; and to broaden participation in ICANN's processes. 6 slots The ccNSO Council is aware that the requested increase is relatively large and a phased approach could be warranted. However, the ccNSO Council trusts that the above changes will be incorporated in the ICANN's annual travel funding budget by FY 2020. The ccNSO Council also trusts that the increase will be considered a global value category in terms of the agreed value exchange model, thereby not resulting in an increase of an expected voluntary contribution from the ccTLD community. **See supporting information in original document submitted	

Ref #	Question / Comment	ICANN Response
82	On behalf the Governmental Advisory Committee (GAC), I am writing to seek continued support in ICANN's Budget in FY18 and also thereafter for forty (40) funded GAC travelers per ICANN Meeting, as granted for FY17. As prescribed in the GAC Travel Support Rules, see https://gacweb.icann.org/display/gacweb/Travel+Support , GAC travel support is provided to those needing it most – 35 travel slots go to GAC Representatives for developing countries and small island states, and 5 travel slots go to certain pre-approved Observers, i.e. IGOs representing such countries. The Membership of the GAC is currently at 171 Members and 35 Observers (IGOs) and continues to increase, with new Members typically falling into the categories that do qualify for GAC Travel Support in line with these rules. It would therefore be justified to increase the number of supported GAC travelers in a proportionate manner, and at the very least keep this number at the FY17 level.	The ICANN Organization response to Ref # 8 above, should also be consulted by readers of this response. ** The issues raised by this GAC request (and those in previous fiscal years) merit further community consultation that ICANN Organization plans to seek in FY18. Pending the broader community consultation on this matter intended in FY18, it would seem appropriate to provide the GAC with the same level of support it has been allocated in FY17 - 40 travel slots. Once again, these slots will be for this fiscal year (FY18) only and further allocations will be dependent on future strategic examination of Community Travel support by the community and ICANN Organization. Travel slots not used during any particular public meeting cannot be carried-forward to a future meeting. **Description of change needed:** Ten slots ($3,333 X 3 X 10 = $100,000) will be added to the final Operating Plan and Budget.
124	Travel Support: We refer you to our previous comment (http://mm.icann.org/pipermail/comments-fy18-budget-08mar17/attachments/20170404/975d9c79/RySG-RrSGrequestfortravelsupporttoGDDSummit2018-0001.pdf) and request relating to the Registry (and Registrar) Stakeholder Group travel support funding relating to ICANN's GDD summit.	In previous fiscal years, the GDD team has been able to support a small number of summit attendees on an ad hoc basis. For FY18, the Organization will formally set aside resources to support 4 summit attendees. Support will consist of economy airfare and hotel night stays for the duration of the summit. Support is for FY18 only and supported attendees must be from a developing or underserved region. **Description of change needed:**

Ref #	Question / Comment	ICANN Response
		Four slots (4 x $4000 = $16,000) will be added to the final Operating Plan and Budget.
134	On behalf the gTLD Registries Stakeholder Group (RySG) and Registrar Stakeholder Group (RrSG), we are writing to seek support in ICANN's FY18 Budget for ten (10) funded travel to the next GDD Summit; 5 for the RySG and 5 for the RrSG. As previously noted, we thought travel support was included in GDD's budget for the annual contracted party Summit, and did not appreciate that this request needed to be part of the special budget request process (deadline was 15 February 2017). While the GDD team has made some limited resources available for this year's Summit in Madrid (9-11 May 2017), we will need more support for the 2018 Summit – especially given the pressure to hold it in the Asia Pacific region (or at least not in Europe again). Given that this is the major "engagement" between contracted parties and ICANN org each year, we earnestly request these travel slots. Likewise, a lack of support necessarily means that members from traditionally under-represented regions – in particular Asia Pacific – won't be able to attend the 2018 Summit.	The RySG was correct in its initial assumption that any support for attendees traveling to the GDD Summit is not subject to the Additional Budget Request process. The GDD Summit is a contracted party activity and is not viewed as part of the broader community travel support more closely connected to policy development work by the multi-stakeholder community. As the RySG notes, in previous fiscal years the GDD team has been able to support a small number of summit attendees on an ad hoc basis. For FY18, the Organization can formally set aside resources to support four (4) summit attendees, two (2) from Rr SG, and two (2) from Ry SG. Support will consist of economy airfare and hotel night stays for the duration of the summit. Support is for FY18 only and supported attendees must be from a developing or underserved region. See response to #124.

Contractual Compliance

Ref #	Question / Comment	ICANN Response
112	F. Top 15 Funded Projects The IPC has reviewed the top 15 funded projects according the FY18 budget and agrees that that they align with ICANN's strategic plan. IPC notes that Compliance project (Project No. 152052) is ranked 10th and is encouraged by ICANN's efforts to ensure accountability, reliability and predictability when it comes to contract compliance as private contracts form the foundation of ICANN's business model and the administration of the domain name system generally. The scope of the projects reads, to capture staff efforts to address and resolve non-compliance issues by using the informal and formal contractual compliance process. This activity covers complaints submitted to ICANN and internal efforts identified through monitoring. This is funded at $2.4m. [5] However, the total compliance budget appears to be funded at $5.5m ( ) a slight increase over last year's proposed budget of $5.4m. The IPC requests clarification as to actual proposed expenditures on this mission critical function. It would appear that a disproportionate amount of funding will be spent on review rather than to employ resources for contract interpretation and enforcement. Auditing and metrics are important but even more important is ICANN's investment in the actual interpretation of its contracts and commitment to enforcement. This is accomplished through staff engagement with entities that are deemed out of compliance with contract terms and the efforts to steer the entities back into compliance or out of the contract. Further, the IPC continues to stress the importance of transparency in the ICANN compliance process so that we may have levels of predictability and reliability when matters are escalated. ICANN would be well served to consider developing	ICANN is committed to enforcing the contracts and on-going effort to address contract interpretation, continued improvement for transparency and reporting. The Contractual Compliance project on the top 15 baseline projects list covers the core compliance function which includes addressing contract interpretation, engaging with entities and contracted parties and enforcement of the contractual obligations. ICANN will review and clarify the scope of the project in the document and on-going reporting. Thank you for the comment. **Description of change needed:** The project description will be refined in the final list of Top 15 Projects.

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	easily accessible resources that explain contract compliance outcomes. The IPC has noted these issues in prior comments relating to ICANN budget practices. (7) 5 See FY18 Draft Budget – Top 15 Baseline Projects https://www.icann.org/en/system/files/files/proposed-opplan-budget-top15-projects-fy18- 13mar17-en.pdf 6 See FY18 Draft Budget, 7.14 – 4.4 Promote Role Clarity and Establish Mechanisms to Increase Trust within the Ecosystem Rooted in the Public Interest, pages 50-51 7 https://ipc.memberclicks.net/assets/ipc-position-papers/2016/2016_04april_30%20ipc%20comment%20on%20fy%2017%20budget%20and%20five%20year%20operating%20plan.docx.pdf	

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41	Last but not least, we would appreciate to receive clarification on how ICANN intends to meet the need of separation between the Operating Plan and Budget in light of the possible rejection actions within the revised Bylaws framework.	The new community rejection powers under ICANN's Bylaws are defined as the ICANN Budget in section 22.4 (a) (v) and includes both the annual Operating Plan and the annual Budget. The Operating plan as defined in section 22.5 (a) (v) corresponds to the Five Year Operating Plan. If a rejection action would occur on either the annual Operating Plan and Budget, or on the Five Year Operating Plan / Strategic Plan, it would be relevant in our views to evaluate the potential impacts of changes resulting from such rejection action on the planning documents that were not the subject of the rejection, and evaluate potential relevant changes to these documents. The process and timing for such exercise has not been determined to date.
54	The assumptions under section 3.7 regarding the Caretaker Budget seem to be consistent. Considering the concerns the group has raised with regards the increase in headcount, this could be a particular topic for the Caretaker Budget future approach.	The assumptions listed in Section 3.7 cover the approached used to develop the Caretaker Budget. As it relates to headcount, the FY18 Caretaker budget suspends the publication of any new position for hire. We would welcome discussion on this assumption for future approaches for the Caretaker Budget.
98	3. I approve of the approach taken in this Proposal to the Caretaker Budget.	Thank you for your comment.

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110	D. The Caretaker Budget One of the new additions to the ICANN operating plan is "the Caretaker Budget." This is the contingency budget upon which ICANN will operate if the Empowered Community rejects an ICANN budget. (3) The basis for the budget will be the budget as the ICANN Board would have approved it, less new positions, less 10% travel/meeting and professional service fees and less the expenses that trigger the veto. These expenses would be new expenses and not ongoing/legacy expenses. The IPC questions whether the budget that would have been approved is an appropriate baseline. It may be prudent to continue with an extension of the current year's budget with all expenditures flat until a budget agreement is reached between the Board and the Empowered Community. Even if the IPC were to support the "would be approved" budget as the baseline, we do not support cutting any travel expenses related to face-to-face meetings to resolve any budget issues. This 10% travel reduction seems like a "stick" to punish the community rather than a conservative spending measure in a time of budget crisis. IPC would only support such a travel cut if there were a carve-out for constituency travel for ICANN sponsored meetings. IPC supports continuing legacy expenses that are obligated by ICANN through contracts. 3 FY18 Budget, Section 3.6, page 19	As outlined in Section 3.6, in the event that the community rejection power is exercised, the Board shall adopt a temporary budget called "Caretaker IANA Budget" and "Caretaker ICANN Budget", which shall be effective until such time as an IANA and ICANN budgets, respectively, are adopted by the Board of Directors and not rejected by the Empowered Community. ICANN took a pragmatic approach to define the ICANN caretaker budget incorporating the principals outlined in Appendix C. One of the principles identified indicates that it allows ICANN to abide by its existing obligations (including Articles of Incorporation, Bylaws, and contracts, as well as those imposed under law). Due to the fact that new contracts and obligations may be in effect in the latest year, it is prudent to develop the Caretaker Budget based on more up to date assumptions incorporating any new information as it relates to new contracts and obligations that may not have been in existence at the time of the adoption of the current year Operating Plan and Budget. With respect to travel costs reduction of 10%, this reduction is suggested to apply to all ICANN related travel, of the ICANN Organization and constituent travel alike. During the community discussions that led to the creation of the concept of a "caretaker" budget, the spirit of reducing expenses during the caretaker period was to create an incentive for timely resolution of the budget rejection, affecting uniformly everyone involved. Carving out from this provision certain meetings or certain travelers would become impractical.

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19	4) 3.2 Funding (page 12 – last row 3rd column): Where Funding implies revenue, it may be necessary for consistency and clarity sake for revenue to be mentioned in the sentence as a bracket after Funding such as "Portion of application fees recognized in Funding (revenue) ratably…"	In order to provide clarity that the wording Funding implies Revenue, we have provided a footnote on the diagram in Section 2 on page 8 reflecting the structure of the budget data. We hope that this notation will provide consistency and clarity on this point. **Description of change needed:** A footnote on the diagram in Section 2 on page 8 reflecting the structure of the budget data will be included in the final Operating Plan and Budget.
37	As a matter of fact, we would recommend ICANN stick to the TLD low rate growth estimates' TLD, rather than to the best estimates.	In principle, the projected transaction volumes are intended to be neither optimistic nor pessimistic, but rather, as realistic as possible, given various available data inputs. When choices need to be made on various options of funding assumptions, ICANN chooses a conservative approach. **Description of change needed:** Projections to be reviewed and updated as necessary based on latest data.
51	We have some concerns regarding funding in the area of nTLDs. Having seen the growth estimate of 29.9% under 'New TLDs - Transaction Fees' (and the 60% growth rate under 'High Estimate'), we would like some feedback about the analysis upon which those assumptions are based.	Many factors are considered in the projection of transaction volumes and resulting fees, including trends from historical data, recent marketplace developments, and input from industry participants (provided both directly and via public statements/documents). ICANN evaluates and utilizes those various perspectives in developing estimates on future funding. **Description of change needed:**

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		Projections to be reviewed and updated as necessary based on latest data.
52	Legacy TLD growth on slide 11 has a best estimate of 2.3%. This shows quite an optimistic view since .com & .net – as the biggest drivers within the legacy TLDs – only grew by 1.7% last year (see Verisign report from the end of 2016). The low estimate growth of 1.5% seems to be closer to the current scenario and, therefore, more prudent. https://www.verisign.com/en_US/domain-names/dnib/index.xhtml#home Despite the aforementioned issues, the funding section of the Plan, including calculations, appears consistent and sound.	In principle, the projected transaction volumes are intended to be neither optimistic nor pessimistic, but rather, as realistic as possible, given various available data inputs. Our highest-confidence estimates, or "best estimates", are used in the draft budget, with the inclusion of "low" and "high" estimates as guidance for potential variance. **Description of change needed:** Projections to be reviewed and updated as necessary based on latest data.
61	3.1 Ensure ICANN's Long-Term Financial Accountability, Stability and Sustainability How will the organisation be sustainable in light of the saturation of traditional markets in Europe and America and low investment in developing markets in Asia, Latin America, and the global South?	ICANN operating costs are managed closely and are planned not to exceed forecast funding.
76	3.1 Ensure ICANN's Long-Term Financial Accountability, Stability and Sustainability How will the organisation be sustainable in light of the saturation of traditional markets in Europe and America and low investment in developing markets in Asia, Latin America, and the global South?	ICANN operating costs are managed closely and are planned not to exceed forecast funding.

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88	• FY18 Projections for new gTLD transaction fees (sec. 3.2 "Funding") show a best estimate of approximately 30% growth in funding derived from transaction fees associated with registrations in new gTLDs. Given that this level of growth is also established as the "low estimate," we strongly encourage ICANN Finance staff to consult with GNSO contracted parties (and in particular, gTLD registry operators) to ensure that this assumption is supported by their growth projections for the corresponding time frame.	Many factors are considered in the projection of transaction volumes and resulting fees, including trends from historical data, recent marketplace developments, and input from industry participants (provided both directly and via public statements/documents). ICANN evaluates and utilizes those various perspectives in developing estimates on future funding. In addition, the assumptions used for the low/best/high estimates were presented and discussed during the budget ad hoc working group meetings held in Hyderabad and Copenhagen

Ref #	Question / Comment	ICANN Response
111	E. Assumptions about Growth

ICANN's budget is traditionally calculated based on predicting revenue and then building the budget. The growth predictions are conservative and based on algorithms tied to gTLD performance. ([4]) However, as noted above, ICANN's spending outpaced its revenues due to the IANA Transition and accountability measures. This created the reserve fund crisis. Consultations with finance department staff have revealed that new gTLD revenue is expected to be flat. This is a natural consequence of a maturing program. Further, there is the assumption that the reserve funds will not be replaced at the rate that they were depleted as this could cripple ICANN's daily operations. Flat revenues from key programs and the need to replace the reserves at a prudent pace would suggest that planning for x% growth based on x% revenue may not be the correct assumption for building the budget moving forward.

The IPC supports budget assumptions that account for a greater margin between projected revenue and expenses that would allow ICANN more flexibility in meeting its governance responsibilities and adequately funding its operating reserves.

4 Budget assumption information discussed at ICANN58 Community Budget Meeting | The actual projected growth rates for New gTLD and Legacy gTLD funding are detailed in page 13. overall, ICANN forecasts a slight increase in year-over-year funding levels in the range of 5.1%. ICANN's expenses result from the activities that are required to fulfill ICANN's mission as developed through the community-defined and board approved strategic and operating plans, whereas its funding is driven by the DNS marketplace evolution and the contractual fee structure. The drivers for funding and expenses are therefore not correlated. The only circumstance under which ICANN compares funding and expenses is to ensure, in a fiduciary responsible manner, that expenses do not exceed funding, unless highly exceptional and unavoidable circumstances arise. |

Ref #	Question / Comment	ICANN Response
25	1) 5.2 New gTLD Program – Multiyear View: On Auction (net of expenses); why is there nothing recorded when gTLD auction took place?	Although the auction proceeds are reported as part of the New gTLD Program for financial reporting purposes, they are not considered part of the multi-year New gTLD Program financials. The table in section 5.2 New gTLD Program - Multiyear View is intended to reflect only the funding from the application fees collected. The table will be updated to remove the row referring to Auction Proceeds. ICANN does not Budget for Auction Proceeds and the FY18 Budget does not include any estimate for Auction Proceeds. The amount of actual funding from Auction proceeds is reported in the FY17 Forecast in Section 6 - Total ICANN Overview on page 26. The total funding for the FY17 Forecast for New gTLD Program (including Auction Proceeds) of $154.1 is made up of $135 million for FY17 Auction Proceeds and $19.1M for the New gTLD Program Funding.
83	We, the co-chairs (Alice Munyua and Pua Hunter) of the GAC Underserved Regions Working Group (USR WG), would like to commend ICANN for commissioning studies of the Domain Names Marketplace for underserved regions with the first one being assessing the state of the DNS sector in Africa. This study is consistent with the GAC USR WG work plan and we would like to urge ICANN board to commission similar studies in other regions; Asia Pacific, Latin America, Caribbean and the Middle East.	The DNS Marketplace Studies pioneered by the LAC, Africa and Middle East and Adjoining Countries Regions have been well received. The CCT Review Team noted similar support for these studies. A DNS Marketplace Study for the Asia Pacific region has not been budgeted for FY18, therefore if one is to be done it should be prioritized and funded for FY19.

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101	6. Conversely, Registrant services appear to be underfunded at the $600,000 level. While Registry and Registrar services are funded at approximately 4 times the level of Registrant services, it is important to remember that it is Registrants who fund much of the entire ICANN organization, through fees paid ICANN through the Registers and Registrars. There is an urgent need for educational activities geared to Registrants, particularly those related to rights protection mechanisms. ICANN has been very active in educating trademark owners as to their rights under the applicable RPM measures yet derelict in not doing the same for Registrants. The 93.7% rate of potential Registrant abandonment of their registration attempt after receiving a TMCH Notice is very disturbing to me and likely represents a misunderstanding, in part, on the part of the potential Registrants as to the relative weight and status of the Notice. ICANN needs to "better inform, educate, service and support registrants" (per Portfolio 2.3.10) as to their rights and obligations pertaining to all rights protection mechanisms.	The registrant services work anticipated in FY18 is Projects related to defining activities to better inform, educate, service and support registrants while staying within ICANN's restated mission. The budgeted funds are to support the work in defining these activities, and implementing some of them. Unlike registrant services, which is still in its infancy, the registry and registrar services are well defined services. As registrant activities are better defined, appropriate resources and funding will be budgeted to support the implementation of the activities.
104	2. For the goal 2.3 Support the Evolution of the Domain Name Marketplace to be Robust, Stable and Trusted, I strongly suggest that ICANN should launch a DNS market research on AP rigion with cooperation with local partner, especially after your finishing some similar reports on other rigions. Since AP rigion is the fast growing market and about half of New gTLD registrations occured in China, Chinese community and other local partner hope that ICANN start the research as soon as possible with finance support.	Thank you for your comment and suggestion, which has been noted.

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119	I submit these comments in my capacity as Chair of the Next Generation gTLD RDS to Replace Whois PDP Working Group (RDS PDP WG). In communications among WG members over the last few weeks and especially over the last several days, the possibility of the WG needing independent legal expertise in early FY18 regarding the European Global Data Protection Requirements as well as Privacy and Data Protection Requirements in other regions of the world has become increasingly pronounced. Ideally it would be best if the details could be scoped out in these comments but that is not possible because the comment period ends today and because the need is just now becoming particularly evident. Therefore, I would like to request that the following be done in the next 2 to 3 weeks by ICANN staff in cooperation with the leadership of the RDS PDP WG: 1. Define the scope of the legal advice needed as best as possible. 2. Confirm whether the Draft FY18 Operating Plan & Budget contains sufficient funds to cover the need. 3. If additional funds are determined to be needed, modify the Draft Budget to address the need.	As alluded to in the comment, the Policy Development Support Team is already working on this matter - even seeing what resources can be applied in FY17 to address the issues raised in these comments. To the extent resources are determined to be expected to be needed in FY18, plans will be made to cover the activity as necessary. The three-step process outlined by Mr. Gomes mirrors internal deliberations that have been used by the Policy Development Support Team in past years to ensure that necessary PDP resources are available to support the important work of GNSO PDP Working Groups.

See also Ref # 96 above.

Description of change needed:

ICANN staff will consult with GNSO-VP to determine result of research on legal research needed and what can be front-loaded in FY18. |

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123	GDRP: We note that there appears to be no specific provision for support to deal with GDRP and request that this be identified (if it exists) or, failing that, efforts must be made to ensure that there are adequate funds to cover an independent analysis of the GDRP requirements and how contracted parties will comply without violating their agreements with ICANN.	We assume that this question relates to EU General Data Protection Regulation (GDPR) and thank you for the question. Any expenses associated with supporting ICANN GDPR related requirements would be covered from available professional services general funds. ICANN continues to monitor various relevant legislation related to data protection, and assessing their potential impact on ICANN contracted parties.
128	Portfolio 2.1.1 – 2.1.7: GDD & Related Activities The ICANN GDD is projected to spend US$19m (including approx. US$7m on PTI). At approximately 14% of budget (approx. 9% excluding PTI), is this area adequately and proportionality resourced? The RySG depends on an effective and well-funded GDD and we are concerned to ensure that this area of ICANN's work is fully and appropriately resourced.	GDD is well resourced to meet its FY18 commitments in the operating plan and budget. Additional ICANN resources support GDD in delivering its services to the contracted parties. For example, all the IT development expenses used to develop tools for GDD are in the IT department, similarly all the legal resources needed are accounted for in the legal department and so on.

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13	Reflecting on the projected increase in headcount in FY18 of 55.6 FTEs, what is the justification for the anticipated sharp increase of 16%?	The five strategic objectives with the 16 strategic goals define the work of the ICANN Organization in FY18. To meet these strategic objectives an increase in headcount is proposed.
22	7) 3.4 Risk and Opportunities: On "Expenses" as "Opportunities" wrt "Ability to reduce headcount growth as a result of optimization of resources"; the question is how can this opportunity be optimized?	The comment in Section 3.4 Risks and Opportunities on the Opportunity for Expenses is addressing the fact that the ICANN Organization is careful in its assessment of workload and we are conscious of our headcount numbers and growth. ICANN Organization continues to look for ways to perform work more efficiently, identify pockets of capacity in the Organization, prioritize work to decide if it still meets our strategic plan and is necessary, ensure we have the right balance of employees.
24	1) 3.5 Unfunded Potential FY18 Activities: What is the usual justification for additional headcount for Meetings line item while much of the work is outsourced (wrt Travel FCM)?	The activities of the Meetings Team are separate from services provided by ICANN's Travel Support Team, or their vendors such as FCM. The Meetings team activities include selection of cities, venues, contracting, on-site support, for all meetings organized by ICANN (ICANN Meetings, Board workshops, intercessional meetings, etc.). The additional headcount being requested for the Meetings Team is to provide on-site support for the additional F2F meetings being requested by existing and newly formed Review Teams, and to support the SO/AC schedule planning group in the development of ICANN Meeting schedules, and production of individual cross-constituency sessions.
36	The continuous growth in headcount – without adequate rationale – is one of our main concerns, especially considering current industry trends, with the legacy TLDs market not enjoying the high growth rates of the past.	ICANN's funding and expenses are driven in large part by the TLD marketplace, including the new gTLDs that have recently been added as a result of the New gTLD Program. Several factors, however, impact both the scale of ICANN activities, and the community's expectations of ICANN. These factors include, but are not limited to: (i) contracting for and the delegation of the approximately 1,200 new gTLDs; (ii) the approximately 1,500 new

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		registrar accreditation agreements that ICANN has entered; and (iii) the post-transition period without US Government oversight over the IANA functions.
		The headcount growth through FY17 (current year, starting 1 July 2016) and FY18 (next year, ending 30 June 2018) is 67 people (full time equivalent or "FTE") over 24 months. As of the date of publication of this report, approximately 30 people have been hired out of the total 67 headcount increase. This growth supports activities due to increasing demands driven by:
		(i) the support to an expanding gTLD space: requiring more policy implementation resources, engagement with a larger number of registries/registrars, and new oversight processes for the IANA Functions. Separately, monitoring and enforcing the compliance of a larger number of contracted parties also adds to an increasing workload. The headcount growth during the period resulting from these various activities is approximately 20 FTE.
		(ii) increasing community led activities and required support: increasing policy development processes, increasing number of reviews to be carried out, new community structures resulting from the IANA stewardship transition, increasing membership in many community Organizations, increasing number of cross community working groups, with multistakeholder support (policy development, reviews, and other supporting activities.). Approximately 13 FTE have been added across these activities during the period.
		(iii) technical expertise/engagement has grown during the period (7 FTEs) in response to expanding security, stability and resiliency engagement requirements.
		(iv) In support of the increasing activities and demands, the

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		Organization's support and governance functions (Finance, Human Resources, Legal, Information Technology, Security Operations, Board Operations, Enterprise Risk Management, Communications) have expanded by approximately 26 FTE during the period, scaling to the demand while continuously improving business excellence.

Engagement activities, while dealing with a changing environment during the period, have been optimized to operate with a stable amount of resources.

We are conscious of our headcount numbers and growth and continue to look for ways to perform work more efficiently, identify pockets of capacity in the Organization, prioritize work to decide if it still meets our strategic plan and is necessary, ensure we have the right balance of employees versus third party providers, etc.

As the number of registries and registrars is stabilizing and ICANN continues to increase its operational excellence and effectiveness, it is expected that the Organization's resource will also stabilize. The ICANN Organization and Board have initiated a process to prioritize activities carried out by the Organization to allow ICANN to stabilize its resources, and ensure that expenses remain below funding in the long term, while continuing to deliver on its mission. The ICANN Organization, Board and Community will be fully engaged in a collaborative interaction as part of the planning process, to appropriately prioritize the activities of the Organization. |

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44	As in previous feedback, we would like to express great concern for the continued growth in headcount that remains unexplained in a proper and long-term structured way. Equally, we are puzzled to see personnel costs increasing by 15%, while travel expenses declined by -2 %. Normally travel costs should rise with the number of personnel. We would like to know the rationale behind this. Basic administration principles call for a more conservative approach to hiring expenses in view of a decrease in funding, which is not in evidence when looking at ICANN´s Financial Overview.	The five strategic objectives with the 16 strategic goals define the work of the ICANN Organization in FY18. To meet these strategic objectives an increase in headcount is proposed. With regards to travel, travel is not required for all members of the ICANN Organization to do their work. Additionally, the ICANN Organization has worked to reduce travel costs through new vendor contracts, as well as exploring alternative remote working tools.
45	With reference to the headcount in the table on slide 10, DNS, GDD, and IANA top functions are grouped into one area. This does not make sense, since they encompass different tasks. A breakdown would be appreciated to better understand the distribution of expenses.	DNS headcount for FY18 is 28 FTE vs 27 FTE for FY17. GDD headcount for FY18 is 53 FTE vs 46 FTE for FY17. IANA headcount for FY18 is 18 FTE vs 15 FTE for FY17. **Description of change needed:** The areas will be reported separately in the final Operating Plan and Budget.
46	It would be interesting to know if the reason behind the increase in the headcount is due to an increase in the current workload, and the projects planned in certain divisions. We are looking to receive more detailed clarification on the following issues: -As the new gTLD programme has been completely rolled out, why an increase in headcount is necessary. -The same questions have been raised with regards the GDD and DNS division increase;Concerning the 'Operations' headcount, it seems to be static, but costs have risen by 17%. -At present, the management of requests within the GDD division is moving from one person to another. The internal coordination within the division clearly has room for	ICANN acknowledges the comment relative to levels of headcount. See response to comment #36

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	improvement. We believe that the further increase in headcount is going to worsen this situation rather than improve it.	
47	At the same time, an increase in the headcount for the IANA and the IT department might be desirable. However, as a matter of transparency and openness towards their community, it would be useful to know the long-term plans of these departments.	Public Technical Identifiers (PTI) will be preparing a four-year strategic plan during this fiscal year. The Engineering & Information Technology (E&IT) department is in the process of reevaluating their Organizational structure to ensure that we still mirror the business we support. This may result in additional headcount. We will continue to rely on an IT offshore service provider to provide a flexible technical resource pool.
48	The group is interested to understand the rationale behind the latest position: 'New gTLD Allocations & Corporate (includes attrition)'. It is important for us to understand why the headcount declines to zero in FY 2018 when the headcount is already zero in FY 2017.	This position has a negative headcount to account for estimated attrition in FY18 which is not accounted for in each department. FY17 figures are zero because this data set is the FY17 Forecast and the headcount attrition is accounted for in each department.
49	Furthermore, we would like to emphasise that the personnel costs per employee seem to be quite high. This also applies to new hires. For instance, the increase in the headcount for GDD, DNS, and IANA is expected to be 26 (AVG Hdct), which translates to a cost of $6.3 m. This means that the average payslip per employee is around $240k, which seems quite high. The same reasoning applies to the PTI budget (5.8 million personnel costs for 22.6 FTE = over 250k USD per FTE compared to the personnel costs of ICANN as a whole, 6.1 (slide 26) which accounts for 69,5 million USD for 413,8 FTEs or 168k USD per FTE).	Personnel costs are not only salary costs. Costs for items such as insurances for health care, disability coverage, pensions and other benefits are included in personnel costs.

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99	4. Personnel costs and headcounts are a bit confusing to me and average salaries seem to be overly generous. I'm confused about how a 15% increase in total headcount correlates with a 2% decrease in travel and meetings. Is ICANN consciously saving on travel by hiring more people in various locations? If so, a chart showing where ICANN's employees are based, by function, along with corresponding costs attributable to each location would be helpful. With personnel expenses of $69,500,000 and a FTE headcount of 413.3 it would appear that the average compensation package, including all employees at ICANN, is $167,955 per year per person. That said, I suspect the salary structure at ICANN may be top heavy. For example, the ICANN 2015 IRS form 990 filing indicates that the top 20 salaried employees at ICANN had total net compensation packages averaging in excess of $427,000. It would be useful for Finance to produce data, at least in aggregate form, allowing the community to know ICANN's general compensation structure, perhaps average salaries by quadrant and location, for example. Again, this has to do with accountability and with the need of the community to understand specific components of the budget before approving it. Compensation is one such component.	Personnel costs are not only salary costs. Costs for items such as insurances for health care, disability coverage, pensions and other benefits are included in personnel costs. With regards to travel, travel is not required for all members of the ICANN Organization to do their work. Additionally, the ICANN Organization has worked to reduce travel costs through new vendor contracts, as well as exploring alternative remote working tools. Information on staff by location is available on the ICANN dashboard (include link?). Personnel costs at the granular level by function and location is not available at this time. ICANN's basic remuneration practices is available at https://www.icann.Organization/en/system/files/files/remuneration-practices-fy17-01jan17-en.pdf.

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116	Headcount: Within the ISPCP there continues to be concern over the continued growth in headcount, often without a clear explanation or consideration of longer term planning. The ISPCP questions whether that growth is sustainable and proposes that ICANN should look to produce and share a longer term vision for the structure of the organisation before additional positions are created. The increasing level of personal costs is difficult to justify without that level of understanding.	ICANN acknowledges the comment relative to levels of headcount. See response to comment #36 **Description of change needed:** The rationale for headcount increases will be provided in the final Operating Plan and Budget
126	3.1 Financial Overview Average headcount is projected to grow significantly from 358.2 (FY17) to 413.8 (FY18). It is of concern to the RySG that average headcount is still being added to in this substantial way. The RySG notes the addition of 10 staff to DNS / GDD / IANA, apparently in direct support of contracted party related work. However, the overarching need to continue to add more staff overall is not well-explained and neither is there any specific demonstration of any program or activity to improve the efficiency of use of human resources and hence to reduce the average headcount.	ICANN acknowledges the comment relative to levels of headcount. See response to comment #36

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3	The ALAC support the request made by the Cross Community Working Group on Enhancing ICANN Accountability (CCWG-Accountability) to extend the budget for the Work Stream 2 in FY18 to help the CCWG complete its mandate. However, the ALAC request that the CCWG carefully monitors its progress to ensure that no further extension is required.	In its Draft FY18 Operating Plan and Budget, no budget was allocated to CCWG-Accountability Work Stream 2, as the original plan was to complete the work within FY17. ICANN understands that the community needs more time to complete the very complex task at hand with Work Stream 2, and acknowledges that the project has underspent during FY17. ICANN subsequently agrees to carry over the projected unused funds from FY17 into FY18, with the understanding that the total spend will remain within the total original budget envelope allocated for this effort last year. As a reminder, these expenses are funded from the Reserve Fund. **Description of change needed:** The projected unused funds for CCWG-Accountability Work Stream 2 will be included in the FY18 Budget.
5	The ALAC notice that the cost of the Root Zone Maintainer Agreement (RZMA) increased by 33.33% compared to the figure in FY17. The increase may be due to the FY18 figure representing the cost of a full calendar year, whereas the FY17 figure only represented the cost of nine month. However, in the FY18 figure, the monthly cost exceeds $25,000 USD and this is not explained or specified.	The 33% increase is due, as stated in the question, to the FY18 figure representing a full calendar year whereas the FY17 figure only represented the cost of nine months. FY18 expenses exceed $25K a month due to the addition of $100K in capital costs for incremental development to support additional functionality of the Root Zone.

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81	Request to continue funding the CCWG-Accountability -WS2 for FY18. The CCWG-Accountability Work Stream 1 (WS1) final report Recommendation 12 mandated that there be a WS2 to follow WS1 in order to complete work on a number of topics: "The CCWG-Accountability Work Stream 2 is focused on addressing those accountability topics for which a timeline for developing solutions may extend beyond the IANA Stewardship Transition. As part of Work Stream 2, the CCWG-Accountability proposes that further enhancements be made to a number of designated mechanisms: • Considering improvements to ICANN's standards for diversity at all levels. • Staff accountability. • Supporting Organizations and Advisory Committee accountability. • Improving ICANN's transparency with a focus on: o Enhancements to ICANN's existing Documentary Information Disclosure Policy (DIDP). o Transparency of ICANN's interactions with governments. o Improvements to the existing whistleblower policy. o Transparency of Board deliberations. • Developing and clarifying a Framework of Interpretation for ICANN's Human Rights commitment and proposed Draft Bylaw. • Addressing jurisdiction-related questions, namely: "Can ICANN's accountability be enhanced depending on the laws applicable to its actions?" The CCWG- Accountability anticipates focusing on the question of applicable law for contracts and dispute settlements. • Considering enhancements to the Ombudsman's role and function." Implementation of the WS1 recommendations into the ICANN	In its Draft FY18 Operating Plan and Budget, no budget was allocated to CCWG-Accountability Work Stream 2, as the original plan was to complete the work within FY17. ICANN understands that the community needs more time to complete the very complex task at hand with Work Stream 2, and acknowledges that the project has underspent during FY17. Based on the revised timing of the project, the ICANN PCST team has worked with the CCWG co-chairs and the ICANN budget owners to develop a FY18 Budget with the understanding that the total spend on the project will remain within the total original budget envelope allocated for this effort last year. As a reminder, these funds are funded from the reserve fund. The FY18 Budget estimate being included is $ 3,097,000 based on a detailed analysis of the community driven activities and the ICANN support required to extend the project. This FY18 Budget will be included in the FY18 Operating Plan and Budget that will be presented to the ICANN Board for approval in June 2017. **Description of change needed:** The projected unused funds for CCWG-Accountability Work Stream 2 will be included in the final Operating Plan and Budget.

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	Bylaws revealed that there were two additional topics, Cooperative Engagement Process (CEP) and Guidelines for Good Faith Removal of a Director, which would have to be undertaken in WS2 for a total of 9 topics (WS2 requirements can be found in section 27.1 of the ICANN Bylaws). The CCWG-Accountability officially launched WS2 in July 2016 as part of the Transition budget and created individual sub-groups to address each of the WS2 topics, with an overall intent to finalize recommendations within a year, i.e. by June 2017. By the beginning of 2017, it had become clear that the CCWG-Accountability-WS2 would not be able to successfully complete all of its work by June 2017. The reasons for this include: • Completing the Transition and volunteer exhaustion – WS2 depended for the most part on the same volunteers as for WS1 and a number of these were still heavily involved in the oversight of the implementation of WS1 to ensure a successful transition on September 30th. Additionally, all volunteers needed to recharge after completing WS1 and the transition and for all intents and purposes the work on WS2 topics only began in earnest in the fall of 2016. • Complexity of the topics – Once the sub-groups began working in earnest on their topics some of these revealed themselves to be significantly more complex than originally anticipated for topics such as Diversity, Human Rights and Jurisdiction. • New working method – WS1 was essentially a plenary activity for the most part with plenary meetings on a weekly basis for more than a year. Given the topics for WS2 were well delineated it was agreed that it would be most effective to have individual groups for each of the topics prepare recommendations for the plenary to review. Although most of the participants were part of WS1 this new working method required adjustments by working group members, and during	

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	the ensuing transition work did not progress as quickly as hoped for. This working method also implied that as each topic was completed it would be put out for public consultation. • WS2 and the reality of public consultations – In line with the new working method the objective of having individual public consultations on sub-group recommendations was twofold – first it would provide the community with smaller documents on which public comments were sought vs aggregating 9 distinct topics into a single massive document such as the WS1 recommendations. Secondly it was hoped that this would speed up the overall process as topic recommendations could be finalized individually vs waiting to complete all of them simultaneously and risking re-opening certain recommendations which would have been completed earlier in the process. Overall this approach seems to have worked but the reality is that having a sub-group produce a draft set of recommendations on a given topic, getting these approved by the plenary, posting these for a 6 week public comment, summarizing, analyzing and responding to comments is a 4 to 6 month undertaking per topic minimum. As such the CCWG-Accountability-WS2 published for public comments its first set of draft recommendations on improving ICANN's transparency on 21 February 2017. It is expected that at least six of the nine WS2 topics will have published draft recommendations for public consultation by ICANN 59. The CCWG-Accountability-WS2 at its Face to Face meeting at ICANN 58 in Copenhagen considered this and concluded that: "….. the CCWG discussed how to best finalize its work reports by the sub teams will be put to public comment and approved by the CCWG as they get ready, there will be a final public comment period only to ask for comments on inconsistencies between the various individual reports. CCWG will reach out to the chartering organizations to recommend the same staggered	

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	approach to them. groups made progress, yet it is certain the group will not finish its work by June this year and extend its work beyond the end of the fiscal year 2017. A discussion on carrying forward resources to the next fiscal year has been initiated, but it is expected that the CCWG will stay within the budget initially proposed." The CCWG-Accountability-WS2 has completed its first public consultation on its draft recommendations on improving ICANN's transparency, currently has two additional sets of recommendations open for public consultation (Good Faith Guidelines and SOAC Accountability) and expects to publish the draft recommendations for the Human Rights Framework of Interpretation in early May. Several other topics are progressing well and it is expected that these will produce draft recommendations for public consultation in the coming months. Based on this the CCWG-Accountability, including its 270 members and participants, feels that it should complete its work by the end of FY18. As such the CCWG-Accountability is requesting that it be funded to continue its activities though the end of FY18 when it expects to have concluded its work. It is estimated that this extension including the Transition costs for FY17 would still be within the total original budget envelope allocated for the Transition.	

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6	In the planned capital projects for FY18 (page 16), $300,000 USD is allocated to the ICANN and At-Large website platforms enhancement. Upon investigation with ICANN staff, we now understand that this is a consolidation of other current expenses and is for a small support team to support the "Ruby on Rails" web development tool that is used for the main ICANN website and part of the At-Large website. We suggest that such expense not be labeled as if it were an expense requested by or for the benefit of a particular part of ICANN when it is only an internal IT decision to rationalize expenses.	This line item will be renamed to "Internal ICANN projects to ensure that ICANN.Organization and Atlarge.Organization websites remain up-to-date and relevant" **Description of change needed:** The line item will be renamed "Internal ICANN projects".
17	2) 3.1 Financial Overview (page 10) – Table (The Line items should be numbered for ease of reference): Technical Functions and IT appear related. However, IT has 47 more personnel than Technical function line and the roles are not contained in the DNS, GDD and IANA operations budget line, the question is, what roles are covered by IT?	IT functions include the operation of our data infrastructure (servers, network etc.), technical support for ICANN meetings, user support and development/maintenance of software services
20	5) 3.3 Table (page 16): On Computer Software and Equipment Description; What form of maintenance is planned for Salesforce when it is yet to be fully implemented as funds are earmarked for "Development & Testing" under Computer Software another separate line item.	These funds cover two areas. 1) ongoing support for the existing Salesforce implementation including the GSE portal, and 2) support in FY18 for the new system after it goes live.
23	8) 3.5 Unfunded Potential FY18 Activities: When was the last IT Audit carried out in ICANN?	A full audit of IT procedures was performed in 2013. Follow-up reviews were performed in 2015 and again in 2017.
26	1) 3.2.2 IT Infrastructure and Service Scaling: Is this to be an outsourced facility or an ICANN facility?	Yes, this is an outsourced facility. All ICANN data centers are outsourced in order to maintain a cost-effective solution while

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		ensuring the necessary resilience & to meet our defined service levels.
131	Portfolio 3.2.2: IT Infrastructure and Service Scaling Work towards a top-tier global IT infrastructure performing at 99.999% uptime and have ICANN recognized by the global community as having technical excellence and thought leadership will cost US$18.2m. What is the rationalization for this 5 9's figure and related expenditure? Is it this a necessary level of performance for the tasks provided? Therefore, is this expenditure too high?	In its role in maintaining the security, stability & resilience of the Internet we believed that ICANN needs to be a leader, hence this goal. It should be realized that the 5 9's figure applies only to Tier 1 services that directly impact the community and not all services.

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35	The overall KPIs are still weak for many objectives. Certain metrics are not clear and/or make little sense regarding the objectives they should be measuring.	The work performed by the ICANN Board, Community and Organization is uncommon and we have had to develop rather than copy our measures of value. The Organization continued to review and refine KPIs after the publication of the draft Operating Plan and after adoption by the Board. We are currently working on a systematic review of a selection of KPIs, which will be published on the KPI Dashboard in August. These updated KPIs will provide a better measure of the value delivered to the community. We will also publish them in a way that will allow viewers to interact with the published data and download the underlying data. Additional KPIs will be reviewed, updated, and published over the rest of FY18.

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55	1.1 Further Globalize and Regionalize ICANN Functions We recommend that the metrics used to measure the success of this strategic goal include the success of the implementation of the activities mentioned as action items. For example, a possible metric might be the specification of the number of recommendations per region that need to result from the examination of ICANN's regional offices in support of ICANN globalisation, and ensuring the implementation of a certain number of them within a specific timeframe. Having as metric the number of remote participation session hours, the number of remote participants in ICANN meetings, and % of sessions with live interpretation, does not provide a full picture of the success of the activities mentioned as efforts towards globalising and regionalising ICANN functions. When looking at the portfolios, it is refreshing to see the amount of detail included in the description of how the 1.1.3 Language Services will be implemented, which includes specific action items and activities. We strongly recommend that 1.1.1 and 1.1.2 include the same level of detail, in order to understand the projects and activities that are going to be developed regarding those goals, especially 1.1.1, which includes the second highest budget allocation in this section ($4 million).	GSE is consistently and regularly working on KPIs and metrics at both the broad department level, and the regional level to best measure not only activities carried out, but also the impact of those activities. There are new methodologies for measurement being put into place on an ongoing basis to ensure that we are able to capture the relevant data in order to form a measurable, robust, and repeatable metric of success.

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56	1.2 Bring ICANN to the World We would encourage ICANN to specify the number of global/regional engagement activities needed to show a balanced and proactive approach to regional engagement per region. We would also like to receive more details on these engagement activities. The expected stakeholder participation per region at ICANN should be clearly stated. As it is now, this does not serve as a metric of success, since there is no specific goal to be achieved. More details on Stakeholder Participation per region at ICANN meetings, to show a balanced approach to regional engagement, would be appreciated. As for stakeholder engagement, can the metrics used to measure the effectiveness of the hubs be clearly defined and monetised? With regard to Key Performance Indicators, please consider including capacity building webinars (themes, number of participants, % of live interpretation) and the events organised in the regions (GSE executive team). We recommend that any work plan involve the regional stakeholders and key actors, such as registry and registrar organisations. We believe that ICANN's regional initiatives (i.e. LAC region and African region initiatives) should be included as part of the activities aimed at bringing ICANN to the world. The work of the different regional ICANN VPs should be included here, as an integral part of this effort, and their work should be reflected in the metrics.	Currently on the dashboard we do show a comparison of "number of activities" by Stakeholder group. However, this number is not necessarily representative of a balanced and proactive approach to regional engagement. We are considering ways to report, audience sizes, number of events, type of events, and the stakeholder outreach that occurred at the events in order to get a broader understanding of our outreach efforts. As the online dashboards mature in both substance and technology, we will be able to show this data in an interactive way. These KPIs will continue to be researched and new data points and metrics will be rolled out as they become available. Currently our reporting methodology includes a plan to publish engagement reports related to events the team is attending and participating in. Likewise, we are looking into methods to measure how outreach carries over into policy work, and hope to be able to report on that during FY18.

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57	1.3 Evolve Policy Development and Governance Processes Activity 3, mentioned in this section referring to remote participation from emerging regions, is also mentioned as an activity in Strategic Goal 1.2. Please make sure that the different departments are coordinated and do not duplicate efforts. We would like to receive some clarification regarding the action to 'Support one or more At-Large General Assemblies'. The metrics mentioned as a means of measuring success in achieving this goal are very ambiguous. More specifically: · Please clarify the meaning of representation and participation (of what and whom) in policy development governance processes; · Please provide an explanation of what Quantity of Activity Index and Productivity Index mean; · Please outline the expected results (goals) when using the Quantity of Activity Index and Productivity Index; · Quantity of Activity index vs Quantity of Activity and Productivity index: please explain in detail the key differences between these two, as it seems like doubling metrics. We would like to have more detail on the activities encompassed in 1.3.1 'Support Policy Development, Policy Related and Advisory Activities', which contribute to almost 74% of the total budget allocated to this Strategic Goal. The very vague description available does not provide enough information to understand how the budget will be spent.	This comment offers an excellent point about potential duplication of efforts. The Implementation of the strategic goals and their relative "KPIs" are intended to be cross-functional among the ICANN Organization teams. While some activities may appear to be overlapping, the ICANN Community Engagement and Policy Development Support teams coordinate their efforts with a special leadership/coordination group that meets monthly to discuss operational and strategic issues.

At-Large General Assemblies are part of a multi-year strategy for the At-Large community and are held every five years. During intervening years, the different RALOs each hold one regional assembly to coordinate work and feed their activities and planning into the longer General Assembly cycle.

The activities encompassing portfolio 1.3.1 include all the direct, facilitative, administrative and secretariat functions of the Policy Development Support staff at ICANN. The resources include staff travel and meeting expenses for all the ICANN communities, staff compensation, additional or supplemental professional services as needed for specific areas of work and other support and administrative expenses.

Further information about the execution of the representation and participation, Quantity of Activity and Productivity index and the differences between the two can be found here - https://www.icann.Organization/progress. The Policy Development Support Team is developing more detailed explanations of its work in this area and plans to expand its community wiki space to contain this information. Further collaboration with the community will be needed to help develop specific metrics and survey tools to help measure community satisfaction with this part of the strategic plan implementation. |

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58	2.1 Foster and Coordinate a Healthy, Secure, Stable, and Resilient Identifier Ecosystem Please specify what the current service level targets are, or provide a reference for where to find them, mentioned in point 1 of the activities for this Strategic Goal. What is the % of Service Level goals that should be met for the delivery of services across multiple departments?	The service level targets are documented in the agreements between ICANN and the IETF, between ICANN and the RIRs and in the Naming Function Contract between ICANN and PTI. Those agreements can be found on the following website: https://pti.icann.Organization/agreements
59	2.2 Proactively plan for changes Please provide information about (or a reference for) what the Identifier Technologies Health Index is, to facilitate a better understanding of the goal.	The Identifier Technologies Health Indicators (ITHI) initiative kicked-off at ICANN55 in Marrakech. The goal of ITHI is to develop metrics to measure the health of the Internet's unique identifier system that ICANN helps coordinate. As soon as those metrics are defined, the ICANN Organization (specifically, ICANN's Office of the CTO) will measure and track them over a substantive period of time to see the evolution of the "State of the Identifier Technology." Measuring the health of Internet identifiers helps fulfill ICANN's mission of ensuring that those identifier systems remain secure and stable. More information about the project is available at https://www.icann.Organization/ithi.
60	2.3. Support the evolution of the domain name marketplace Please provide a description of (or a reference for) the Domain Name Marketplace Health Index. We do not believe that ICANN can measure the achievement of such a goal by simply 'publishing a twice yearly Domain Name Marketplace Health Indicators Report'. Publishing the results is only the way to show the results, but not to meet an established goal.	The goal of the Domain Name Marketplace Indicators effort is to evaluate wider marketplace trends focusing on (i) robust competition, (ii) consumer trust, and (iii) non-technical stability, using discrete, measurable criteria. ICANN staff are currently working with a community Advisory Panel to evaluate and identify measurable factors to serve as key performance indicators for the domain name marketplace. Information on the work being done can be obtained via the project's community Wiki at https://community.icann.Organization/display/projgtldmarkthealth/gTLD+Marketplace+Health+Index. ICANN's aim is to efficiently and cost-effectively collect and analyze data underlying these selected metrics, so that ICANN can continually measure and

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		report to the community on the global marketplace. ICANN's staff and community will be able to use the resulting metrics to identify areas where ICANN should focus its work—be it through additional outreach, education, policy work, contractual changes, or other means.
62	3.2 Ensure Structured Coordination of ICANN's Technical Resources The only measure of success is that linked to availability/uptime. It would also be good to have a measure linked to the improvement in services and IT project delivery. This would also enable reporting against the intended status at the end of FY17. A 99.999% availability rate instead of the current 99.9% may be desirable. 99.9% is approximately 9 hours' interruption per year. 99.999% is 5 minutes' interruption per year. The underlying services are websites and other non-critical services (not the DNS), so the gap may be very costly. At the very least, this improvement should be targeted at some of the underlying services, though not necessarily all of them.	The Engineering & Information Technology (E&IT) team is working on a KPI dashboard that will include additional metrics on the E&IT processes including delivery of projects. Expect to see something in FY18.

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63	3.3 Develop a globally diverse culture of knowledge and expertise, available to ICANN's Board, staff, and stakeholders KPI linked to % of achievement, but what % is considered a success, and where has the 'best practice benchmark metrics of global diverse culture' been defined? Is it simply where a person is from and how long they have been engaged that is used to measure diverse culture and knowledge? The KPIs remain quite vague, and unrelated to the interesting metrics provided on the Dashboard. If ICANN is serious about improving diversity, it should set targets for diversity within its staff and senior leadership. This could involve setting a maximum level of representation of a single region (such as 30%) in each category, and/or gender balance targets (note that this discussion is ongoing within the Diversity subgroup of WS2, but this does not prevent ICANN from being proactive). ICANN has indicated that it has been conducting an organisation-wide EFQM assessment. This is a very welcome development. ICANN should disclose a summary of the results, and indicate how the proposed FY18 plan addresses its conclusions. In addition, an EFQM assessment would provide a good metric for a KPI: what range of scores or awards is ICANN aiming for in FY18?	This KPI is about more than just diversity within the ICANN Community, Board, and staff. It is also about expertise. The Organization continued reviewing and refining this KPI after publishing the draft Operating Plan. The review and development schedule will continue after adoption by the Board. We will publish the updated KPI on the Dashboard in August. We believe the updated KPI is a better measure of the value delivered through the various training and development activities the Organization provides for the Board, staff and other stakeholders, while showing supporting diversity metrics. We will publish it on version 3 of the KPI Dashboard, which will be interactive and allow viewers to download the underlying data.
64	4.1 Encourage engagement with the existing Internet governance ecosystem at national, regional, and global Levels This section should be refined by clarifying the engagement strategy. Simply looking at an index does not create the possibility of assessing if ICANN's performance is meeting its standards or not. We would encourage ICANN to clarify whether its priorities for stakeholder engagement are to deepen relationships with stakeholders (% of 'Low' should decrease in the Dashboard data) or expand outreach (# of stakeholders qualified should increase by N%).	The priority for this metric is to maintain and deepen engagement and relationships between ICANN and specific entities within the IG governance ecosystem. The priority is to consistently move stakeholders from low to higher levels of engagement. The graphs to represent this metric are being redesigned in the Dashboard version to be released in July. It is hoped that those charts will be easier to understand - both for what the priority is and whether we are successfully delivering against the metric. **Description of change needed:**

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		Change will be in the dashboard description and new charts being developed.
65	4.2 Clarify the role of governments in ICANN and work with them to strengthen their commitment to supporting the global Internet ecosytem. The measure of this is the increased # of GAC members attending ICANN public meetings, but the KPI Dashboard reflects GAC membership and participation. Success factor should be rewritten to reflect what is being reported.	The success factor will be revised to indicate not just increases in GAC membership but also in participation are being measured. In addition, we are planning for external expertise in our FY18 EFQM Assessment, with an application for recognition from EFQM in FY19.
66	4.3 Participate in the evolution of a global, trusted, inclusive multistakeholder Internet governance ecosystem that addresses internet issues Even for this goal, the chosen metric is very weak and assumes the knowledge of what ICANN means when it refers to 'IG Ecosystem Evolution'. Is it linked to Internet governance content or its organisational structure? Furthermore, we fail to understand how such a sub-goal can be achieved, as it seems that there is no headcount and/or budget allocated to it.	The intent for this metric to be linked to Internet governance content; not Organizational structure. We will review the language of the metric to clarify the intent. In addition, we have reviewed the alignment of projects to portfolio so that there is a funded project supporting the portfolio. **Description of change needed:** Change will be in the dashboard description and new charts being developed

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67	4.4 Promote role clarity and establish mechanisms to increase trust within the ecosystem, rooted in the public interest We would appreciate receiving more details on the goal to 'Assess current practices in light of the changing environment and adjust as needed'. The action as presented is too vague to be evaluated. 'Ensuring that the safeguards role becomes an important part of the ICANN's organization portfolio' cannot be seen as a metric of any kind. Despite its headline containing the word 'clarity', the entire section lacks the clarity needed to provide adequate feedback.	ICANN Contractual Compliance continues to receive suggestions from community members to bring more clarity and transparency to the complaint processing and resolution and to bring more granularity of data to the reports published on ICANN.Organization. The goal was noted to support the efforts to review, assess and implement the appropriate solution. ICANN reports on the actions taken in the contractual compliance annual report. As for the goal on safeguards role, the measures are 1) identifying, hiring and on-boarding consumer safeguards director; 2) engage with community and publish a report providing inventory of existing safeguards, identifying topics for community discussion, and informing the community of the role and activities.
68	5.1 Act as a Steward for public interest Acting as a steward for public interest should be one of ICANN's most relevant objectives. However, the way the work around this objective is presented in the FY18 Operating Plan and Budget is one of the most poorly conceived of the entire Plan. The metric associated with the objective is very confused. It also seems to imply that a percentage of ICANN decisions might not be 'rationalised based on common consensus-based definitions'.	This objective of the Organization has been part of the Operating Plan and Budget for multiple years and continues to evolve. As this objective matures, the Organization will evaluate the KPIs and will continue to try to identify additional metrics.

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69	5.2 Promote ethics, transparency and accountability across the ICANN community The heading for this strategic goal in the Draft FY18 Op Plan, and on the KPI Dashboard, is 'Promote Ethics, Transparency and Accountability Across the ICANN Community' but in the Five Year Operating Plan Update the heading is 'Develop and Implement a Global Public Interest Framework Bounded by ICANN's Mission'. The current metrics are informative, but could be greatly improved as they do not provide any view of the performance of the implementation. One suggestion would be to track the % of recommendations which have been implemented within 1 year/2 years/3 years of the adoption of the report. With reference to the Accountability and Transparency Mechanisms, the current metrics are mostly focused on timely responses and compliance with processes. We would also recommend the inclusion of the number of requests received over time through the different channels (DIDP, whistleblower, Ombudsman, Reconsideration, IRP, Community Powers, and Litigations) and their associated success rates. This would provide a view of how contentious the relationship with the community is. Once tracked over time, it might also provide interesting insights about how/where to improve the system. This section of the Plan would also strongly benefit from a community satisfaction survey programme rating, among other things, ICANN's accountability and transparency year on year.	The correct heading for the Strategic Goal 5.2 is 'Promote Ethics, Transparency and Accountability Across the ICANN Community' - the inadvertent cut/paste error will be fixed. In response to the additional comments, see below the questions and then our responses. - "One suggestion would be to track the % of recommendations which have been implemented within 1 year/2 years/3 years of the adoption of the report." – this is a useful suggestion and ICANN Organization will confirm its feasibility based on data available for prior implementations. - "With reference to the Accountability and Transparency Mechanisms, the current metrics are mostly focused on timely responses and compliance with processes. We would also recommend the inclusion of the number of requests received over time through the different channels (DIDP, whistleblower, Ombudsman, Reconsideration, IRP, Community Powers, and Litigations) and their associated success rates." Some of this information will be included in the Transparency Report and can be added into the dashboard, after some enhancements are made. The definition of "associated success rates" may require further discussion and definition. - "This section of the Plan would also strongly benefit from a community satisfaction survey program rating, among other things, ICANN's accountability and transparency year on year." While ICANN Organization acknowledges the usefulness of a community satisfaction survey, we also recognize that the establishment of a meaningful survey will take some time, particularly because perception measures are inherently inexact, and the value is in measuring the difference between the baseline and the following years. **Description of change needed:**

Ref #	Question / Comment	ICANN Response
		The heading to "Promote Ethics, Transparency and Accountability Across the ICANN Community" will be corrected in the final Operating Plan and Budget.
70	5.3 Empower current and new stakeholders to fully participate in ICANN activities There is a need for clarity on the Public Interest Initiatives that ICANN plans to support and their expected outcomes. Currently this appears vague. The presence of satisfaction rates in the KPI is very welcome. It provides a very useful addition to the other metrics, which are volume measurements. Adding return rates (people who return to ICANN or take leadership positions one year after the courses) would provide an even better view of the relevance of these courses.	Under Objective 5.3., FY18 support for community-led initiatives that further and/or relate to the broader public interest within ICANN's remit include: • Public interest discussion groups o Expected outcome: Community establishes framework and approach for how to apply the concept of the public interest within ICANN's remit. Increased stakeholder diversity and participation in these discussions are key elements. These efforts directly relate to and are in support of portfolio 5.1.2 –Public Interest Decision Making. • Human rights discussions o Expected outcome: WS2 on Human Rights calls for the ICANN Organization to carry out an internal Human Rights Impact Assessment. The assessment would produce actionable recommendations to improve the impacts of the ICANN Organization conducting daily business operations. The scope would be limited to the ICANN Organization, not the community or its policy-making processes. • Diversity discussion groups o Expected outcome: Series of community-wide surveys on all elements of diversity identified by the WS2 Diversity subgroup, aimed at informing ongoing discussions on matters related to diversity across ICANN.

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		The Organization continued reviewing and refining KPIs after publishing the draft Operating Plan. The review and development schedule will continue after adoption by the Board. We will publish the updated KPI on the Dashboard in August. We believe the updated KPI is a better measure of the value delivered through public interest related activities. We will publish it on version 3 of the KPI Dashboard, which will be interactive and allow viewers to download the underlying data.
71	1.4 Bring ICANN to the World As for stakeholder engagement, can the metrics used to measure the effectiveness of the hubs be clearly defined and monetised? With regard to Key Performance Indicators, please consider including capacity building webinars (themes, number of participants, % of live interpretation) and the events organised in the regions (GSE executive team).	At the start of FY18, GSE will be publishing work plans for each of the regions, including goals and metrics that are being measured in each of the regions. Webinar participation will be included as a part of this, as well as other capacity building activities that GSE, as a team, is responsible for. Additionally, the work plans will include the community regional strategy objectives for the upcoming Fiscal Year, as well as the ongoing work of the regional engagement teams.
72	1.5 Evolve Policy Development and Governance Processes Regarding the action to 'Support one or more At-Large General Assemblies'. • Please clarify the meaning of representation and participation (of what and whom) in policy development governance processes; • Please provide an explanation of what Quantity of Activity Index and Productivity Index mean; • Please outline the expected results (goals) when using the Quantity of Activity Index and Productivity Index; • Quantity of Activity index vs Quantity of Activity and	This comment offers an excellent point about potential duplication of efforts. The Implementation of the strategic goals and their relative "KPIs" are intended to be cross-functional among the ICANN Organization teams. While some activities may appear to be overlapping, the ICANN Community Engagement and Policy Development Support teams coordinate their efforts with a special leadership/coordination group that meets monthly to discuss operational and strategic issues. At-Large General Assemblies are part of a multi-year strategy for the At-Large community and are held every five years. During intervening years, the different RALOs each hold one regional

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	Productivity index: please explain in detail the key differences between these two, as it seems like doubling metrics. We would like to have more detail on the activities encompassed in 1.3.1 'Support Policy Development, Policy Related and Advisory Activities', which contribute to almost 74% of the total budget allocated to this Strategic Goal.	assembly to coordinate work and feed their activities and planning into the longer General Assembly cycle. The activities encompassing portfolio 1.3.1 include all the direct, facilitative, administrative and secretariat functions of the Policy Development Support staff at ICANN. The resources include staff travel and meeting expenses for all the ICANN communities, staff compensation, additional or supplemental professional services as needed for specific areas of work and other support and administrative expenses. Further information about the execution of the representation and participation, Quantity of Activity and Productivity index and the differences between the two can be found here - https://www.icann.Organization/progress. The Policy Development Support Team is developing more detailed explanations of its work in this area and plans to expand its community wiki space to contain this information. Further collaboration with the community will be needed to help develop specific metrics and survey tools to help measure community satisfaction with this part of the strategic plan implementation.
73	2.3 Foster and Coordinate a Healthy, Secure, Stable, and Resilient Identifier Ecosystem Please specify what the current service level targets are, or provide a reference for where to find them, mentioned in point 1 of the activities for this Strategic Goal. What is the % of Service Level goals that should be met for the delivery of services across multiple departments?	A monthly updated snapshot of this can be found on https://www.icann.Organization/progress under Goal 2.1. This represents an aggregate of SLTs covering IANA operations, GDD operations, customer service, and the New gTLD Program.

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74	2.4 Proactively plan for changes Please provide information about (or a reference for) what the Identifier Technologies Health Index is, to facilitate a better understanding of the goal.	The Identifier Technologies Health Indicators (ITHI) initiative kicked-off at ICANN55 in Marrakech. The goal of ITHI is to develop metrics to measure the health of the Internet's unique identifier system that ICANN helps coordinate. As soon as those metrics are defined, the ICANN Organization (specifically, ICANN's Office of the CTO) will measure and track them over a substantive period of time to see the evolution of the "State of the Identifier Technology." Measuring the health of Internet identifiers helps fulfill ICANN's mission of ensuring that those identifier systems remain secure and stable. More information about the project is available at https://www.icann.Organization/ithi.
75	2.3. Support the evolution of the domain name marketplace. Please provide a description of (or a reference for) the Domain Name Marketplace Health Index.	The goal of the Domain Name Marketplace Indicators effort is to evaluate wider marketplace trends focusing on (i) robust competition, (ii) consumer trust, and (iii) non-technical stability, using discrete, measurable criteria. ICANN staff are currently working with a community Advisory Panel to evaluate and identify measurable factors to serve as key performance indicators for the domain name marketplace. Information on the work being done can be obtained via the project's community Wiki at https://community.icann.Organization/display/projgtldmarkthealth/gTLD+Marketplace+Health+Index . ICANN's aim is to efficiently and cost-effectively collect and analyze data underlying these selected metrics, so that ICANN can continually measure and report to the community on the global marketplace. ICANN's staff and community will be able to use the resulting metrics to identify areas where ICANN should focus its work—be it through additional outreach, education, policy work, contractual changes, or other means.

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77	3.3 Develop a globally diverse culture of knowledge and expertise, available to ICANN's Board, staff, and stakeholders KPI linked to % of achievement, but what % is considered a success, and where has the 'best practice benchmark metrics of global diverse culture' been defined? Is it simply where a person is from and how long they have been engaged that is used to measure diverse culture and knowledge? An EFQM assessment would provide a good metric for a KPI: what range of scores or awards is ICANN aiming for in FY18?	This is an area where we have continued to review and refine the way we measure success. We will be publishing an updated Dashboard with significantly improved measure of success in August.
78	4.1 Encourage engagement with the existing Internet governance ecosystem at national, regional, and global Levels We would encourage ICANN to clarify whether its priorities for stakeholder engagement are to deepen relationships with stakeholders (% of 'Low' should decrease in the Dashboard data) or expand outreach (# of stakeholders qualified should increase by N%).	The priority for this metric is to maintain and deepen engagement and relationships between ICANN and specific entities within the IG governance ecosystem. The priority is to consistently move stakeholders from low to higher levels of engagement. The graphs to represent this metric are being redesigned in the Dashboard version to be released in July. It is hoped that those charts will be easier to understand - both for what the priority is and whether we are successfully delivering against the metric. **Description of change needed:** Change will be in the dashboard description and new charts being developed
79	4.3 Participate in the evolution of a global, trusted, inclusive multistakeholder Internet governance ecosystem that addresses internet issues Even for this goal, the chosen metric is very weak and assumes the knowledge of what ICANN means when it refers to 'IG Ecosystem Evolution'. Is it linked to Internet governance content or its organisational structure?	The intent for this metric to be linked to Internet governance content; not Organizational structure. We will review the language of the metric to clarify the intent. In addition, we have reviewed the alignment of projects to portfolio so that there is a funded project supporting the portfolio. **Description of change needed:** Change will be in the dashboard description and new charts being developed.

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80	4.4 Promote role clarity and establish mechanisms to increase trust within the ecosystem, rooted in the public interest We would appreciate receiving more details on the goal to 'Assess current practices in light of the changing environment and adjust as needed'. The action as presented is too vague to be evaluated.	ICANN Contractual Compliance continues to receive suggestions from community members to bring more clarity and transparency to the complaint processing and resolution and to bring more granularity of data to the reports published on ICANN.Organization. The goal was noted to support the efforts to review, assess and implement the appropriate solution. ICANN reports on the actions taken in the compliance annual report. The Organization continues to review and refine the KPIs. An update is scheduled for August which will be interactive and allow viewers to download the underlying data. The updated KPI will provide improved clarity and measure of the value delivered through Contractual Compliance.
100	5. Global engagement appears to once again to be generously funded yet the KPI's are lacking. What are we getting for this money? What are the deliverables. It's fairly easy to see the expense, what is not so clear to see are the goals, benefits and desired results.	See response to the GNSO and ccNSO SOP comments regarding KPIs, goals and benefits of engagement, but please note that the Organization continued revising, reviewing, and refining KPIs after publishing the draft Operating Plan. GSE will be continuously reviewing, improving, and updating our KPIs throughout FY18. We intend to identify and present better measures of the value delivered through GSE activities. We will be finalizing, and publishing work plans and new measures at the start of the Fiscal Year, additionally as the KPI dashboards mature further we will be publishing our metrics on subsequent versions of the KPI Dashboard (version 3 and beyond). These dashboards will be interactive and allow users to download underlying data.

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87	• The GNSO Council notes with concern that the FYI18 budget, as in prior years, places a lower priority on resources supporting Policy Development versus other initiatives and programs. In this context, priority is measured by total budget allocation, YoY growth projections, and FTE headcount. We reiterate our position from last year that supporting policy development and the technical coordination of the Domain Name System are enumerated in ICANN's Mission and Bylaws.3 The GNSO Council believes that scarcity of Policy Staff and other resources are a challenge to its ability to meet its objectives. And that as an organization, ICANN is particularly vulnerable to Staff turnover and the loss of institutional knowledge in this area.	Staffing for the GNSO community is planned to continue at generally previous levels for FY18 with a couple of professional service positions converting to full time staff. ICANN senior staff work with the Executive and HR teams to engage in succession planning efforts, staff retention and resourcing not only within the Policy Development Support Team but across all ICANN departments. ICANN Organization is mindful of the critical core Organizational work supported by the Policy Development Support Team. When necessary the Policy Development Support Team has the ability to bring on professional support services to supplement full time staff on issues of particular expertise that are needed by PDP and other working groups. See also Ref# 96 below.
96	As to the FY18 Budget and Operating Plan: 1. By my calculation the GNSO, and member components, account for approximately 98.2% of ICANN's income. Yet year after year, support for core operations, policymaking and research at the GNSO is level funded or worse. This year is no different, although the portfolio centered reporting structure makes it difficult to give specific numbers. ICANN can best be described as a mid sized international non-profit corporation. Our policy development, based principally within the GNSO, although extensive for an	Not clear what are the specific circumstance of the "rejected" request areas mentioned in this comment. Each year every ICANN Organization department is called upon to plan for the activities in the coming year. ICANN Organization recognizes that this is a challenge, as the yearly issues and "hot topics" can change between the budget planning process period and the actual time that resources are needed. Annually, the Policy Development Support team has a specific amount of resources categorized as PDP support set aside in anticipation of these eventualities. The Policy Development Support function is well-managed and in generally is able to match available resources with necessary activities. Through its internal coordination and collaboration with the Finance

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	organization of this size, is actually quite inexpensive as policy work is largely the province of volunteers. On occasion, though, as the CCWG on Accountability illustrated, outside expertise needs to be retained on a paid basis to support the Working Groups so they can deliver the type of professional outcome this organization and community needs and deserves. Recognizing this, a request was made for the following expenditure (page 18 of Proposal) in this budget cycle: -- Additional FY18 funding for special professional services assistance in support of certain ccNSO and/or GNSO PDPs currently underway. This may take the form of some special advice, expertise or data needed to advise the PDP group in its formulation of a policy proposal to the Board. -- The budgeted amount requested was $100,000. This out of a total ICANN budget of $142,800,000. This request was rejected. I find that unconscionable and would ask staff and the Board to reconsider this decision. I feel very strongly about this line item proposal. It is needed. Unless bound by my Support Group to support this budget, I would be inclined to favor rejecting the entire budget when it comes back to the GNSO Council if this amount is not restored to the budget prior its final adoption. The amount may be small but the principle is not. Close to $70 million is being budgeted by ICANN for personnel, over $27 million for professional services, yet $100,000	Team, the Policy Development Support Team ensures that needed support and research are available when needed. For example, presently in FY17, the staff is coordinating to make available the necessary capability to conduct unexpected legal research for a GNSO PDP Working Group (see RDS PDP WG referenced in Ref # 119 below) that had not been specifically expected. Additionally, the Policy Development Support Team has the capability, in any budget year, to make special requests when it appears budgeted funds may be exceeded or require re-allocation. For FY18, the ICANN Finance and Operations teams are in the process of finalizing the design of a consistent Organization-wide process that will enable ICANN staff teams to submit specific detailed documentation for additional budget requests during the year if additional support becomes necessary. Recognizing that FY18 may be a particularly challenging resource year, an additional $50,000 has been identified to address potential situations where PDP special advice or particular expertise may be needed. The Finance and Policy Teams will coordinate every quarter in FY18 to determine what the resource needs may be for the following quarter. **Description of change needed:** $50,000 will be added to the final Operating Plan and Budget.

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	can not be found to provide professional expertise, as needed, for the PDP's staffed by hundreds of hard working volunteers? Policy development is a CORE function at ICANN and this request is essential to improving policy output. There are times when a PDP needs to reach out externally to obtain expertise not readily available within the group: the ability to purchase a study, a professional opinion or other related expertise is essential at times like these. To reject this small but needed expenditure that supports ICANN's CORE function simply is bad policy at at bad time. PDP's must be given the ability to obtain outside expertise, on a paid basis, as needed. The amount requested is a small amount, but it relates directly to the quality of policy output and with four major GNSO PDPD's in current operation this CORE request needs to be prioritized and approved. Now.	
127	Portfolio 1.3.1: Policy Development, Policy-Related and Advisory Activities ICANN is projected to spend US$6.7m on the support of policy development activities. This represents approximately 5% of ICANN's funding. On what basis is that proportion determined? The RySG believes that the adequate and comprehensive funding for this area is critical because policy development is one of ICANN's core and most important functions.	For an explanation of where resources for Portfolio 1.3.1 are targeted, see Ref # 57 above. ICANN Organization does not otherwise budget its resources based on proportional percentages. Perhaps it should. This area should be a topic for future organization strategic discussions.

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11	The BC notes that Reserve is less than 50% of 12-month operating cost, which is not in compliance with standard corporate practices and ICANN's Funding Policy (it would be good to have a reference to this policy). As such, BC recommends that bringing Reserve Fund to tolerable level of 100% of preceding 12- month operating cost should be prioritized in FY18. In addition, Auction proceeds should be reserved pending community decision on how to use those funds. The auction proceeds should not be available for operating costs.	ICANN's investment policy indicates that it should maintain a Reserve Fund equivalent to 1 year (12 months) of operating expenses. The Reserve Fund is currently below that level. A reference to ICANN's Reserve Fund policy will be added in the final Operating Plan and Budget. **Description of change needed:** A reference to ICANN's policy will be added in the final Operating Plan and Budget.
109	C. The Reserves The IPC appreciates the ICANN's organization's recognition of our concerns regarding the state of ICANN's reserve fund as expressed in the GNSO open meeting in Helsinki and in our comments regarding the FY17 Operating Plan and Budget. Currently, IANA Transition Project Costs are reimbursed even 6 months for the preceding 6 months. (1) Now that the IANA Transition has occurred, it is imperative that ICANN demonstrate to the world that it is fiscally responsible and adheres to best business practices including prudent budget oversight. This includes adhering to nonprofit industry standards regarding reserve funds. The current standard suggests that reserves should be in sufficient amounts to cover 90- 110% of a single operational year. This is considered a benchmark of good nonprofit governance and the IPC is pleased to see that ICANN operations and the	The ICANN Board has identified fiscal responsibility as a top FY18 priority and specifically identified the reserves as a top concern. The Organization agrees that best practice for non-profits is to have sufficient reserves to cover 90- 110% of a single operational year and that this is a benchmark of good nonprofit governance. There is a Board working group tasked with developing a plan for replenishment of the ICANN Reserves. Staff will monitor the outcome of the working groups in hopes of incorporating any decision into the FY19 Operating Plan and Budget process. See also response to comment #11.

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	Board are taking the matter seriously. IPC notes that the ICANN Board identified fiscal responsibility as a top FY18 priority during an open meeting at ICANN58 and specifically identified the reserves as a top concern. The FY18 Budget projects the Reserve Fund at $57m by June 30, 2017 and $53m by June 30, 2018.(2) This is not encouraging as there is a decrease of $4m rather than a flattening or increase. IPC is concerned that there is no a published plan for replenishment. As the IPC learned at ICANN58, there is a Board working group tasked with developing a plan. We urge the Board to make this a top priority and to publish the plan as soon as possible but no later than ICANN59. This will enable the community to have adequate time to review the plan prior to the development and approval of the FY19 budge as it is too late to have impact on the FY18 Budget. 1 FY18 Budget Section 6.3, page 28 2 FYI 18 Budget Section 6.3, page 28	
122	Balanced Budget: The RySG is pleased to see that the proposed expenses do not exceed the projected revenue as has been the case in some prior years. However, we also note that ICANN reserves are not sufficient to cover the ICANN Board's target of 1 year of operating expenses. Accordingly, please confirm that the 1 year target is no longer in place. However, if it or a replacement target is remains in place, the RySG proposes that ICANN budgets for an operating surplus such that ICANN is able to replenish the reserves and make	As the number of registries and registrars is stabilizing and ICANN continues to increase its operational excellence and effectiveness, it is expected that the Organization's resource would also stabilizes and ICANN will continue engaging with the community to appropriately prioritize the activities of the Organization in support of its mission.

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	concrete progress towards the Board's one year or now current target for reserve funds.	

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39	It would be interesting to understand how the approach of the new CEO has impacted and will impact the current five-year Plan, taking into account that certain priorities have shifted and that has been reflected in ICANN's organisational structure.	An updated process is being developed. We intend to present details of an updated and integrated approach that addresses both strategic and operational planning at ICANN60, in October and November 2017. This will include improvements to the Five-Year Operating Plan document, as required in the updated Bylaws, and consequent changes to the fiscal year Operating Plan and Budget.
129	Portfolio 3.3.5: Global Operations Is $10.2M for Global Operations a cost-effective expense? The RySG suggests that this may be an area where cost benefit analysis would be a good idea. More budget detail is needed.	The primary expenses in Portfolio 3.3.5 are for rent and facilities costs for ICANN's Hub and Engagement Centers as well personnel and other costs for the Office of the CEO.
130	Portfolio 2.2.1 – 2.2.3: Proactively Plan for Changes in the Use of Unique Identifiers It is proposed to spend US$6m on 10 people working on Identifier Evolution, Technical Reputation and Observing, Assessing and Improving internet identifier SSR. This figure seems particularly high. Does it need to be or could it be managed more tightly? The RySG would appreciate more complete and clear rationalisation for the purpose and quantum of this expenditure.	Ensuring the stable and secure operation of the Internet's unique identifier systems is core to ICANN's remit. The ability to do this requires ICANN, both the Organization and the community, to be aware not only of existing threats, risks and opportunities but to also be forward looking to how changes in Identifier technology may impact the identifier system's secure and stable operation both in the negative or positive sense. The ICANN Organization receives many requests for better understanding and more data driven analysis of matters related to its mission. Meeting these requests requires dedicating the necessary talent and resources to that purpose. To the question of whether there may be more cost-effective manners to this, this is always a concern in operating any function. The ICANN Organization makes every effort to operate in a cost effective and efficient manner in all areas, including in this one. There are regular reviews of ICANN's security, stability and resiliency (SSR) work, with one such community-based review ongoing at this moment (see https://community.icann.Organization/display/SSR/SSR2+Review for details). Much of the work undertaken by the ICANN Organization related to SSR comes from the previous review and we expect that current review will

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		allow the ICANN Organization to once again ensure that the work we are doing meets the requirements of the mission.

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1	The At-Large Advisory Committee (ALAC) thank the ICANN Chief Financial Officer and his team for the improvements in clarity made in the 2018 Fiscal Year (FY18) Operating Plan and Budget.	Thank you for this feedback.
9	The BC is pleased to provide comments on the Draft ICANN FY18 Budget Proposal. It notes the incorporation of the FY18 Public Technical Identifier (PTI) Budget, which was approved in January 2017 by the PTI Board. The BC commends the ICANN Budget management team for continuous improvement in the provision of comprehensive and granular budget details of its expected action plans. It also notes the quarterly financial reporting as a good management practice.	Thank you for this feedback.
12	A major priority of the BC is to make the collection and publication of data a priority, and that the Board and CEO commit to expeditiously providing the public with unfettered, routine access to raw, unfiltered data related to ICANN's mission1. This includes access to compliance data that help address abuse issues. Having looked carefully at the Budget proposal, it is not clear where the Open Data Initiative (ODI) would be funded though David Conrad in his presentation to BC in Copenhagen indicated that $200,000 have been earmarked for the project. While we seek clarity on this; the BC requests that this initiative be reflected as a budget line item (in line with the principle of transparency) and should be properly funded to meet stakeholders' expectations. 1 See Letter from the CSG to Göran Marby, Steve Crocker and the ICANN Board	The expenses for the Open Data Initiative are located in portfolio 2.2.1, Identifier Evolution, in the FY18 budget: please see page seven of https://www.icann.Organization/en/system/files/files/proposed-opplan-budget-portfolio-project-fy18-08mar17-en.pdf . There is already a specific line item in the budget (as part of the Identifier Evolution portfolio) for project ID 160556, FY18 Ongoing Open Data Pilot, funded for $400,000 as shown in that budget document: $200,000 for administrative expenses and $200,000 for personnel expenses. We believe this amount of funding to be adequate and appropriate for the pilot of the Open Data Initiative for FY18. The $200,000 for administrative expenses is designated for software license fees and/or software development: we expect a combination of commercial software and custom integration will be necessary to make the various data sets available (whether by API, file transfer, or other means). Regarding the personnel

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	<https://www.icann.org/en/system/files/correspondence/csg-to-marby-et-al-05jan17-en.pdf> Note that we are seeking access to datasets – that is, raw data, measurements or analytics that offer insight into the operation of the identifier system – personally identifiable information and business proprietary information should be excluded.	expenses, most of one engineer's time will be dedicated to Open Data in FY18. In addition, we are also engaging a consultant part time to assist with the effort, specifically to help with inventorying data sets, and developing requirements for and evaluating software.
14	BC supports the immediate establishment of an internal Control Audit function in ICANN to ensure the existence and effectiveness of internal controls across ICANN. It thinks this is long overdue.	The Internal Control Audit will be a new department and is currently on the unfunded list of the draft budget. The plan is that if and when funds become available, this function will be started. However, it is on the top of the unfunded list with high priority.
16	Furthermore, the BC would like more clarity provided on the following observations: 1) 3.1 Financial Overview (page 9): "ICANN Ops excludes Depreciation and Bad Debt of ~$8m". What is the nature of the bad debt?	The $8M expense is related to depreciation of fixed assets. On the basis of the historical trend of uncollectible receivables, accounting standards require companies to create a "reserve for bad debt" to cover for the potential loss associated with uncollected receivables. ICANN complies with this standard practice. Based on the current level of this reserve and the historical trend of uncollectible receivables, the level of bad debt on reserve is sufficient and therefore no increase in the reserve for bad debt is budgeted for in FY18.
18	3) 3.1 Financial Overview (page 10) – Ombudsman: What constitutes increase in Ombudsman budget over FY17 with the same head count?	The activities of the Ombudsman's Office in FY18 includes additional budget allocation in light of the changes to the Ombudsman's role set forth in the recently adopted Bylaws relating to Reconsideration Requests. It is anticipated that the Ombudsman might utilize legal and other services that previously the Ombudsman's role did not call for.

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27	1) 3.3.2 ICANN Technical University: There is no project under ICANN Technical University; why is it still part of ICANN portfolios as it has remained like this over the years?	A structured project is planned for the ICANN Technical University program in FY18. This is an inexpensive activity and the planned costs fall below $100,000 that is the level of granularity for the budget. This gives the impression that no activity is planned. But we will continue our speaking programs and integrate with other work intended to improve staff's knowledge using a structured syllabus.
28	1) 4.3.1 Support Internet Governance Ecosystem Advancement: There is no funding allocation. Though not ICANN major remit but as minor and quite relevant, why is there nothing here?	We have reviewed the alignment of the FY18 projects to the FY18 portfolios - to ensure that there is a funded project under this portfolio. **Description of change needed:** The alignment of projects to portfolios has been reviewed and adjusted.
29	1) 7.14: Replace FY17 with FY18	We will revise section 7:14 of the Operating Plan and Budget to replace FY17 with FY18. **Description of change needed:** FY17 will be replaced with FY18 in the final Operating Plan and Budget.
30	Finally to enhance readability and to comply with standard practice, all acronyms should be defined before they are used for the first time in any ICANN document.	We agree with this feedback. We will review the documents and define all acronyms the first time they are mentioned in a document. **Description of change needed:**

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		Acronyms will be spelled out the first time they appear in the final Operating Plan and Budget and a glossary will be included in the appendix.
32	We are grateful for the opportunity to comment on the ICANN FY18 Operating Plan and Budget. We would like to acknowledge once again the improvements made in the plan's presentation and structure compared to previous years, and we appreciate that many of the working group's comments have been taken on board over the past few years. We also believe that the Dashboard is a major improvement, which could help the community to measure ICANN's progress against its objectives and various projects. At the same time, we would respectfully like to highlight the following issues:	Thank you for this feedback.
38	The provisions for the contingency fund should be more carefully formulated.	The description below will be inserted in the document to help understanding. As a matter of precision, ICANN does not have a contingency fund. A contingency budget line is included every year in the total operating expenses. This contingency line effectively represents an amount of budgeted expenses unallocated to specific activities or departments. There are no funds accumulated or dispersed as a result of the contingency existing. Assessing the predictability of funding and expenses is a subjective exercise. The funding results from market forces which are challenging to identify and furthermore quantify. More importantly, ICANN's funding is not predictable, as it is dependent on the DNS marketplace, thus subjecting the Organization to being fully exposed to negative variations. In addition, as ICANN has continuously developed its operating plan and budget earlier and earlier, the accuracy of both the scope of activities and the precision of estimates is increasingly

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		challenging, and the contingency allows us to fund activities that may not have been foreseen or that have been estimated at lower costs than reality. Separately, the contingency is designed to allow for contingent expenses, such as litigation or litigation prevention costs, which are unpredictable and can be significant. For the reasons above, a contingency item in budgets is a best practice and a necessity. **Description of change needed:** A description will be inserted in the final Operating Plan and Budget to help understanding.
42	This paper is divided into two sections, the first one presenting the general comments and the feedback on the financial overview, the second one with the feedback by objective. It is also complemented by an Annex which includes only the list of points to be clarified by ICANN. It is worth to highlight that the working group expects ICANN both to provide extra information on the points listed in the Annex and to address the considerations contained in this paper.	Responses will be/have been provided on each note in the paper and annex. Please see responses to each point in this staff report. **Description of change needed:** A description will be inserted in the final Operating Plan and Budget to help understanding.
50	Last but not least, we recommend optimising the expenditure for professional services, as this represents almost half the amount spent on personnel.	The ICANN Organization is careful in its use of professional services. Professional services Organizations are primarily engaged when we have a temporary need for a particular expertise. When we have a longer term need for expertise we create staff roles, as this is more cost effective. In other cases, we develop partnerships with outsourcing organizations that can provide us with a large pool of skilled workers at competitive rates. One example of this approach is our partnership with an IT outsourcing provider, Zensar.

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53	The table on page 18 shows rejected projects. This includes refusal of additional legal resources in non-US locations (see extract from chart below). The table on page 18 shows rejected projects. This includes refusal of additional legal resources in non-US locations (see extract from chart below). Considering the upcoming GDPR (General Data Protection Regulation) in Europe, we would foresee, and strongly recommend, budgeting for additional legal resources with knowledge of the European jurisdiction in 2018.	Note that this additional personnel expense might still be considered during FY18 if it becomes essential. However, as various types of non-U.S. related issues might arise throughout the fiscal year, using outside counsel with expertise in specific jurisdictions where individual issues might arise could be more efficient and cost-effective at the outset than adding one or more full time employees. If such outside legal advice is required, the costs will be covered as general legal expenses.
89	Thank you for the opportunity to comment on ICANN's FY18 Operating Plan and budget. Although a member of the GNSO Council, Chair of the NCSG Finance Committee and the NCSG Treasurer these comments are made solely in my personal capacity and do not necessarily reflect the views of these groups or any other group I may be associated with, either at ICANN or elsewhere.	Thank you for taking the time to review these budget and planning documents in your personal capacity. Your points have been considered and responses have been provided in this staff report.
90	First, I'd like to thank Xavier, Becky, Taryn and Jessica for their extraordinary receptiveness to community input during this year of new beginnings. It could not have been easy to adapt standing processes to meet the requirements of the new Bylaws. In retrospect, I believe that those of us in the community should have given more consideration to times and dates involved in the entire budget process, including those set by external bodies, in creating the requirements of §22.4 and §22.5 in the new ICANN bylaws. I'd like to offer my personal apology to the Finance Team in my role in the CCWG for not reaching out to you and perhaps being able to create more flexibility in the process as we rushed to complete the transition. My compliments to Finance in doing their best to both meet community concerns and as well as	Thank you for the positive comment on the efforts made by the Planning team to meet the planning requirements of the new Bylaws.

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	their new regulatory requirements this year. It was a good first effort and much appreciated.	
97	2. Similarly I strongly support the unfunded request of $300,000 for legal support in non-US locations. I appreciate this effort to bring into ICANN expertise that is not only needed but is well overdue. Only 1/3 of the world operates under the Common Law system largely prevalent in the United States and other Anglophone nations. As a multinational corporation with global interests it is reasonable to allow ICANN Legal to retain legal expertise in non U.S. locations as a matter of due course, rather than forgo that expertise now conceivably resulting in potentially larger expenses down the line as legal concerns and problems expand due to lack of initial concern, attention or understanding.	Note that this additional personnel expense might still be considered during FY18 if it becomes essential. However, as various types of non-U.S. related issues might arise throughout the fiscal year, using outside counsel with expertise in specific jurisdictions where individual issues might arise could be more efficient and cost-effective at the outset than adding one or more full time employees. If such outside legal advice is required, the costs will be covered as general legal expenses.
106	The GNSO Intellectual Property Constituency ("IPC") hereby submits its comments regarding ICANN's Draft FY18 Operating Plan and Budget ("FY18 Budget") presented to the community in March 2017. The IPC recognizes that the role of community input into the budget takes on greater importance for FYI8 as ICANN's Empowered Community may reject a budget under ICANN's new by-laws effective October 1, 2016. The IPC has engaged in budget briefings in Hyderabad and Copenhagen as well as community calls that have been hosted by ICANN's finance department. The IPC recognizes and appreciates the finance department's continued efforts to improve the presentation and understanding of ICANN's complex budget. After consideration of the FY18 Budget and the assumptions upon	Thank you for your participation throughout the year. Your points have been considered and responses have been provided in this staff report.

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	which it is built, the IPC is pleased to submit the following comments.	

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107	B. A Financial Reality Check/Time for Fiscal Prudence The costs of the IANA Transition have placed a severe financial burden on ICANN. Extraordinary fees associated with operationalizing Post Transition IANA (PTI) and reforming ICANN's overall governance and accountability mechanisms accelerated budget pressures and undermined long term planning. At the same time, ICANN was receiving increased revenue from the New gTLD program which included application fees and auction proceeds. Revenue from new gTLDs increased ICANN's revenue significantly while IANA was draining ICANN's reserves. This created imbalance from an operational perspective as fees from the new gTLD auctions were put in a special fund that could not be allocated to operational expenses or the IANA transition. The disposition of the auction fees is still under review and the time now is for a financial reality check for ICANN. In this vein, IPC supports moderate financial growth, replenishment of the reserves at a reasonable rate and prudent planning for the future.	It is ICANN's intention that its operations should be funded from annual operating funding. Exceptionally, unexpected or large costs arise and need to be funded from reserves. This has occurred for the IANA stewardship transition project, as indicated in this comment. A number of auctions of last resort have happened, leading ICANN to collect proceeds. Such proceeds are fully segregated from ICANN's Operating and Reserve Funds, and are the subject of a community-led process to define their future use. ICANN welcomes the IPC's comment in favor of fiscal prudence, moderate growth and replenishment of reserves. See also answer to comment #11

Ref #	Question / Comment	ICANN Response
108	In the spirit of fiscal prudence and shared community responsibility for the budget, the IPC elected not to make a special budget request for FY18. The IPC recognizes the financial challenges that ICANN faces and respects that a new way of thinking will be required to achieve fiscal balance. While some special budgets requests may be necessary, we urge the ICANN organization to consider these requests very carefully and only grant them for extraordinary needs.	Consistent with the Request Principles, the consideration of SO/AC Additional Budget Requests focus on the availability of both financial and staff resources to support the individual and collective requests submitted. Consistent with the Request Principles, each recommendation was prepared for evaluation by the ICANN Board Finance Committee and the full Board. Observers of this year's Additional Budget Request process will also note an increase in conditional reporting (following project completion) as a feature of certain request allocations. ICANN Organization has found that follow-up reporting is a helpful tool for the Organization and community to assess the value of certain activities – particularly travel support – and can be helpful in showing the value of continuing pilot efforts or converting certain activities to core budget support.

Ref #	Question / Comment	ICANN Response
113	G. Conclusion The IPC has been an active and engaged participant in ICANN's budget discussions. We welcome the opportunity for continued dialog and improvement of ICANN's budget processes. The cultural of continuous improvement is even more important as the Empowered Community has the right to reject a proposed ICANN budget. The gravity of the power requires an informed and engaged community at every step of budget development. While the IPC notes the continued improvement and transparency of the budget process, we have ongoing concerns about ICANN's failure to address to its dwindling operational reserves and challenge some of the assumptions used to build the FY18 Budget considering these concerns. We look forward to hearing the ICANN organization's response to our questions and comments prior to the Board vote on the budget in June 2017.	The Organization appreciates the comment on the continued improvement and transparency of the budget process. ICANN's investment policy indicates that it should maintain a Reserve Fund equivalent to 1 year (12 months) of operating expenses. We are currently below that level. The existence of the Reserve Fund directly supports the ability of the Organization to carry out its mission in the long term ensure the stable and secure operation of the Internet's unique identifier systems. It allows ICANN to face any unforeseen event, or disaster, and 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 and a Reserve Fund is one of the elements that allow a nonprofit Organization to remain accountable to the public. The ICANN Board has engaged into a reassessment of the Reserve Fund requirement, in the context of its mission in the public benefit.
114	We acknowledge ICANN's continued outreach and engagement with the community on the development of this plan, as well as the five year operating plan. The ISPCP is closely following and actively participating in this effort and we commend the ICANN CFO and his team for their efforts to continually improve the process.	Thank you for this feedback.

Ref #	Question / Comment	ICANN Response
132	Portfolio 5.1.4: Support ICANN Board The ICANN board is supported with a budget of almost US$4m per year. How is this expenditure rationalised? Has it been benchmarked against equivalent organisations and, if not, the RySG recommends that it should be. In addition, what is the ICANN Board doing to improve cost-effectiveness and to set such an example of improved efficiency to the ICANN organisation? The RySG recommends that the board targets reduced year on year operating expenditure.	The ICANN Board's expenses are directly related to its broad and complex activities. These activities are in conformance with ICANN's Mission and are set out in the Strategic Plan that was developed and approved by the community. The Board's international and multistakeholder structure, its size and composition, its numerous committees, its oversight role over the ICANN Org's operations, and its fiduciary, financial and legal responsibilities make it distinctly different from most non- profit boards. In addition, the Board's workload is ever-increasing through its engagement with community initiatives. For example, Board members are participating in each of the nine sub-groups of the CCWG-Acct WS2, the four Specific Review Teams and the seven Organizational Review Working Groups. There are also other factors, largely community-driven, that impact when and where the Board does its work. Benchmarking, in general, is a useful practice when comparing like for like. In the case of the ICANN Board, it would definitely be a challenge to identify boards with similar activities and workload to benchmark against. Nevertheless, we will evaluate whether a board benchmarking exercise can be beneficial, whether useful data is available, as well as evaluating the cost and resources required to conduct it.
102	7. Information needs to be provided concerning ICANN's capital management. How does ICANN manage it's capital, what ROI does it receive on any short (or long) term investments it makes with its capital holdings? This information also needs to be provided for its reserve funds and any earmarked capital (such as the auction proceeds) currently being managed, in full or in part, by ICANN.	ICANN manages its investments in compliance with the ICANN Board approved investment policies for both the Reserve Fund and the New gTLD Funds and Auction Proceeds. These investment policies are published on the ICANN website. The ICANN investment policies outline the objectives for each of these types of funds. The performance of the investments are then monitored for compliance with the policy. The Reserve Fund and the New gTLD Fund (including Auction Proceeds) are managed by

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		highly rated investment management institutions. The investment performance and investment balances are reported both internally and externally as part of the Quarterly Stakeholder Call reports, the Quarterly Management Reports and the Annual Independent Audit Report, all published on our website. The detailed investment performance (rates of return) are not currently published. ICANN agrees in principle that such information would help transparency, under the condition that it can be disclosed clearly and understood by the public. Rates or return vary based on investment objectives such as desired degree of risk, time horizon of the funds, level of liquidity, etc. As such, any information published on rates of return needs to be provided with adequate contextual information so that it can be understood by the public. Failure to do so would actually decrease transparency and increase confusion. As a result, ICANN will consider publishing investment performance information in the future, under a framework that allows for education of the public on the contextual information necessary for understanding.