The ICANN GNSO "Business Constituency"

Comment on ICANN Draft FY21-25 Operating & Financial Plan and Draft FY21 Operating Plan & Budget

Business Constituency Submission

GNSO//CSG//BC

Background

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

> The mission of the Business Constituency is to ensure that ICANN policy positions are consistent with the development of an Internet that:
> 1. promotes end-user confidence because it is a safe place to conduct business
> 2. is competitive in the supply of registry and registrar and related services
> 3. is technically stable, secure and reliable.

Comment

The BC is pleased to submit this comment on Draft ICANN FY21 Budget and FY21-25 Financial Plan[1]. We thank ICANN Org for producing a comprehensive Operating Plan & Budget proposal that has benefited from comments on past drafts. In this respect, we can say that the BC is satisfied with the quality of the drafts produced.

A: FY21 Budget Proposal

The BC notes that the ICANN FY21 Budget indicates

1. A $140.4m Operating Fund which is an increase of $0.3million over FY20 Operating funding of $140.1million, a mere 0.2% increase which is well below inflation rates.

2. A reduced funding on new gTLD (generic Top Level Domain) by 57% from $11.7m in FY20 to $5.1m in FY21. This shows continuous reduction in the new gTLD expenditure and the possible conclusion of the delegation process.

3. A long term stability of the headcount at 410 though it is currently at 389.

4. A provision of $500k per annum over the next 5years to address Universal Acceptance issues.

5. The total funds under Investment to be $465m such that Operating Fund is $32m, Reserve Fund - $126m, Auction Proceeds -$212m and new gTLD - $95m, and

6. A contingency of 4% of total expenditure.

Based on the above, the BC appreciates ICANN Org's commitment to continuous improvement and charges that this be sustained.

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[1] See ICANN public comment page at https://www.icann.org/public-comments/draft-opplan-budget-fy21-25-2019-12-20-en

CROP

With respect to the need for continuous improvement, the BC wishes to propose that the Community Regional Outreach Program (CROP) be tweaked to allow for 50% of the beneficiaries to come from regions from outside of the ICANN Meeting Region provided that there is no beneficiaries from the ICANN Meeting Region.

Singapore Cluster

The BC would like to know what Singapore Cluster means with respect to the operating Initiative to continue the Root Zone Management evolution?

B: FY21-25 Financial and Operation Plan

The BC notes the extensive details provided and hereby comment as follows:

1. That ICANN Org's use of the word **Activities** to describe its work items instead of **Projects** provides better understanding of its workscope and intention.

2. Also, it's use of the term **Capacity Development** throughout the document is apt and it should be sustained throughout it's activities. In this wise, the Dr Tarek Kamel Award for Capacity Building may better be christened **Dr Tarek Kamel Award for Capacity Development**.

3. We believe that the term **development** aligns with the global Sustainable **Development** Goals (SDGs) Agenda and it is appropriate that ICANN's Mission be noted to take cognisance of this global initiative for the benefit of mankind. A mere note of which goal/s ICANN mission intercept/s is sufficient to address global community sensitivity to the realization of the goals.

4. The above view becomes imperative as ICANN under the Government and Intergovernmental Organisation Engagement commits to **effectively convene and facilitate discussions with relevant parties to help address relevant global challenges and opportunities** for which SDGs is one. Meeting this need also justifies its budget of $3.5m (page 274).

5. That ICANN in view of the growing complexities of its activities and the need to accurately use past data to advise better future performance, should invest in predictive tools viz data analytics and artificial intelligence. This would address the concern expressed under Policy Development and Advice (page 246) such that

> "Limited data collection to date means that data-driven policy work has been difficult and time consuming, and that decision-making is done without reference to specific data or other factual evidence"

6. That its discipline on attaining the Reserve goal of 12 months of Operating cost should be sustained.

7. We observed that all the Regional Offices have 0 FTE while staff are located and operational in those offices. Would it not be better to provide a note to explain this scenario and perhaps provide the percentage time estimates of the employee staff engaged in this regional office operations? (page 330)

We comment further on ICANN Planning as follows:

1. **Scope**: It is BC's belief that one of ICANN Org's scope should be to **optimize** ICANN resources for benefits realization and not necessarily to **quantify** these resources. In this regard, we would like to recommend the replacement of the word "quantification" with "optimization" for the statement to read - ICANN Org strives to improve the optimization of resources

2. **Strategic Goals**…: As the phrase "global Public Interest" definition is pending what can we say that this means. it is recommended that a note be provided as a footnote on this.

3. We further recommend that the Strategic goals be revised as follows:

- Prioritization of activities to deliver on the mission of ICANN in the global public interest and in the most cost-effective way.
- Effective management and cost control using available fit-for-purpose processes and tools.
- Making decisions guided by financial accountability and responsibility prior to committing ICANN's resources and managing expenses once approved in order to stay within those commitments.
- Clear definition and understanding of key cost drivers.
- Periodic review of risk assessments to determine the adequacy of ICANN's Reserve Fund level to address potential mitigation needs.

C: Appendix C

The BC thanks the facilitator for having taken into serious consideration our comments presented in June[2] and October[3] of 2019, as well as at different webinars and similar opportunities. It is our strong belief that this project is necessary for ICANN to remain relevant in the face of increasing transnational challenges, and should be assigned a high priority status moving forward, including by those parties that did not engage in this initial work.

Our comment takes into account all of the 6 issues presented on the draft document:

A. Consensus + Representation and Inclusivity
B. Prioritization of work + Efficient Use of Resources

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[2] https://www.bizconst.org/assets/docs/positions-statements/2019/2019_06June_13%20BC%20Comment%20on%20Evolving%20ICANN%20Multistakeholder%20Model.pdf

[3] https://www.bizconst.org/assets/docs/positions-statements/2019/2019_10October_14%20BC%20comment%20on%20Evolving%20Multistakeholder%20model%20.pdf

C. Culture, Trust and Silos
D. Complexity
E. Precision in scoping work
F. Roles and Responsibilities

We also follow the directive set in page 338, which reads:

"*Of the six proposed workstreams in the work plan, please rank them from 1 – 6 according to which issue represents the most "ripe fruit" opportunity. That is to say, an approach or solution to the issue can be developed in a shorter period of time and with a lesser amount of resources needed.*"

Our assumption is that number 1 is the ripest workstream, while 6 is the most complex.

1) ISSUE E: Precision in scoping work

Entity: GNSO Council

The BC continues to believe that the PDP 3.0 is an important step towards the improvement of this Issue. It has been previously observed by the facilitator that these evolving approaches to scoping work should also be used outside of the GNSO PDP, and with a broader usage of these principles, so that they serve as a guideline for work performed under the ICANN umbrella.

It is also our opinion that a key factor in improving the effectiveness of the MSM is to eliminate overlap of work by making clearer what the ongoing processes are and what their expected outcomes are. This entails, of course, that projects will be required to have better defined goals from the start and not rely on organic discovery of issues as work unfolds. More prior research needs to be performed so that discussions are carried out on top of a solid and fact-based foundation.

We support the comment from the document that reads: "A clearly defined scope should come with parameters or guardrails such as sensible time limits, interim and final deadlines, cost and other resource constraints, and expectations for the outputs."

2) ISSUE B: Prioritization of Work + Efficient Use of Resources

Entity: AC and SO Chairs (or their delegates) as the lead, working with the ICANN Org CEO and ICANN Board Chair

ICANN org.'s notion that its priorities come "from the community" needs to be better explained and the processes that lead to the setting of said priorities should be made transparent. With the increasing volume of internal and external pressure that the community faces, it is necessary to work faster and in a more streamline manner.

In this sense, we recall a concept pointed out in our comment regarding Issue E, which is that of making clearer what the ongoing processes are and what their expected outcomes are. Most active community members need to be up to speed with ongoing efforts and potential threats. This is the only way for priorities to be understood and agreed upon.

Time at ICANN meetings should be spent moving policy forward through task-oriented sessions. An initial community briefing in which all Working Groups are allotted a short time to present their progress and current challenges could serve as an opener to the meeting so that every attendant would be on the same footing, and also remove the need for introductions to be repeated across different sessions. These summaries are delivered to some degree by ICANN staff during preparatory webinars, but staff cannot be as candid as community members, especially when there are issues with the work being carried out.

We reinforce the BC's point replicated in the document that: "A process where the community can truly assist in setting priorities and there is an exchange between ICANN Org and involved stakeholders on the matter can be highly beneficial if properly structured."

We support the comment from the document that reads: "ICANN Org legislative/regulatory tracker should be improved in order to help advise all involved stakeholders of external developments that could result in work creation."

3) ISSUE D: Complexity

D1: The accessibility to and the ease of use of information and data

Entity: ICANN Org.

This process has made it clear that there is a consensus in the community: ICANN's website has a labyrinthine design that often results in difficulty in discovering information. Duplication of content is quite common, and there is a lack of proper hyperlinking connecting different pages and documents that are related. The wiki's organization also leaves much to be desired.

The structure of the website needs to shifted towards a new paradigm of hubs, in which all data concerning a particular subject can be found by means of a single tag or category, instead of forcing the user to follow breadcrumbs to find different pieces of the desired information, which then require manual assembly.

Additionally, there is no single canonical source for updates on what the latest developments are from different projects, something that is partially covered by ICANN's Twitter handle.Such key role should be brought to the forefront of the organisation's main page and not performed by an account on an external platform.

We reinforce the BC's point replicated in the document that: "the ODP intends to generate datasets that can later be put together to make better sense of what goes on in the organization, but this does not reduce Complexity by itself, it is only a tool."

D2: ICANN's bylaws, processes and procedures are complex and challenging to understand

Entity: AC and SO Chairs as the lead, working with the ICANN Org CEO and ICANN Board Chair

While this problem does exist, it can be alleviated significantly by incorporating changes to the website and ICANN's data resources in general, as suggested in Issue D1.

We reinforce the BC's point replicated in the document that: "ICANN Org should have a sub team dedicated to more intuitively documenting the status of different groups and policymaking efforts."

We support the comment from the document that reads: "there is a tendency to make issues appear more complicated or complex than they necessarily are. We are not good as a community at developing 'issue or problem statements', but we are very good at offering opinions about what we think the problem is from our respective silos."

We support the comment from the document that reads: "[We recommend] the creation of an independent new staff role whose sole responsibility would be to serve as an expert advisor on ICANN procedure."

4) ISSUE A: Consensus + Representation and Inclusivity

Entity: GNSO as the lead, working with the other ACs and SOs

A factor that was excluded from this process was the examination of how SO/ACs are organized and what are the consequences that come from that. We maintain the belief that the joining of the CSG and NCSG in the NCPH created challenges that are difficult to overcome without a restructuring of the system. The NCPH component groups answer to often dissimilar interests, which consequently leads to an overly broad variety of opinions.

Too often the differences that come up put members of the NCPH at odds, rather than steer them towards the negotiation of a middle ground. This commonly makes the voting default a supermajority for the CPH, which as a group has a clear general common interest. This throws off balance in ways that are not straightforward to observe, but over time have proven to manifest in a consistent manner.

We also acknowledge that great effort has been put into the PDP3.0 to develop consensus more effectively. However, a clear definition of what consensus means in relation to the current scale of

ICANN needs to be laid out, as the community has grown to a scale that fundamentally alters the prerogatives initially set for this model.

In relation to Working Groups (WG), it has been observed that a false sense of consensus or lack thereof can be unduly created through the use of stalling tactics and by consuming working calls with parallel or trivial debates, discouraging the participation of more goal-oriented volunteers. Leaders of WGs should have the power to make a call for consensus and act upon results, seeing as it is easy to call into question the legitimacy of a consensus but difficult to prove it, which allows for much obstructionism.

We reinforce the BC's point replicated in the document that: "In-person attendance at ICANN meetings should be used for task-oriented workshops and ICANN should recognize that face-to-face engagement often improves the ability to reach consensus."

5) ISSUE C: Culture, Trust and Silos

Entity: AC and SO Chairs as the lead, working with ICANN Org. and ICANN Board Chair

We are unsure if handing the task over to ALAC is ideal, or to any one SO/AC, as each have their own objectives in relation to the model. All community leaders need to work together with the help of ICANN org. and the Board Chair to incentivize the necessary changes, in a way that gets all stakeholders involved in the effort.

Without understanding the focus and goals of other stakeholders, it becomes difficult to work in a harmonious way as a group. This is a systemic concern that needs to be addressed from a planning perspective, and brought back to the forefront of the community's concerns. The DNS Abuse session carried out in 2019 stands as a good example of the community coming together to present points of view and make positions clearer.

Importantly, overall distrust and the zero-sum mentality that typify current silos are at least in part caused by the structural deficiencies and necessary changes previously identified by the BC and discussed here under Issue A. Participant silos lack the incentive to compromise on matters, when in the absence of such compromise, the status quo reigns, and each silo begins to focus more on the unfavorable proposals that they've eliminated than the actual problems they've solved. This is all the more reason that structural issues should not be disregarded and cannot be divorced from the discussion on how to improve the effectiveness of ICANN's MSM.

We reinforce the BC's point replicated in the document that: "We do already have a tool intended for silo breaking, which is Meeting B. Meeting B is supposed to be exactly about making this sort of outreach, listening to each other, having sessions where we get to discuss."

6) ISSUE F: Roles and Responsibilities

Entity: ICANN Board in coordination with the ICANN Community and the ICANN Org CEO

Roles still seem quite unclear, even as this process draws to a close. The reason the BC considers this to be the least ripe question is that a good distribution of roles is the product of a highly structured system; which ICANN currently is not. This is an issue that can be better dealt with once others have been addressed, so that in the future these identification efforts become less necessary and work can be done in a more streamlined manner that makes sense for all of the involved community.

The BC does understand that the definition of roles within ICANN is supported by the Bylaws, and the clarity of those roles has increased after the IANA transition, but there are deeper considerations to be made regarding this Issue. It is unlikely that there is a good definition of roles already in place if a community-wide consultation such as this one is necessary to understand who is supposed to be handed responsibility over matters.

7) Additional issue: Recruitment and Demographics

On this matter, we would like to reinforce the BC's point replicated in the document that: 'there should be better communication between ICANN staff, SO/ACs, leaderships and Outreach committees in each of the communities to help newcomers find their way to the groups in which they will be most effective, and when such people arrive at the group, coaching mechanisms should be in place to receive them properly.'"

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This comment was drafted by Jimson Olufuye, Mark Datysgeld, Adetola Sogbesan, and Arinola Akinyemi. It was approved in accord with the BC charter.