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MONTREAL – ccNSO: Strategic & Operational Planning Standing Committee Mtg & Workshop  
Sunday, November 3, 2019 – 13:30 to 16:45 EDT  
ICANN66 | Montréal, Canada

GIOVANNI SEPPIA: Good afternoon everybody, this is Giovanni Seppia, ccNSO SOPC Chair. We're starting in three minutes.

Good afternoon everybody, we're going to start the ccNSO Strategic and Operating Plan Committee. This is Giovanni Seppia, Chair of the Committee, for the records and for those who may attend the meeting remotely. We have in front of us the agenda and it's sort of an extended meeting this time here at ICANN in Montreal. The first part is the usual meeting, the second part is a sort of workshop team building, looking at the future sessions, thinking about what we have done and thinking about what we should do differently, what we should do in the future and how we should work together in the future.

I must say that we have quite -- we're going to have an extended workshop, an extended meeting but we have a restricted, a shortened membership attendance today. Thanks a lot to those who made it. I have not received any apology from those who have not made it. We have in front of us the agenda.

The first part as I said is about the standard session together with the finance department of ICANN and it includes an overview of the

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forthcoming strategic and operational plan and present steps at ICANN's end. Also, a Q&A about a recent blog post by the ICANN CEO and Board communiqué about strategic priorities. The first part will end with a short discussion about possible coordination of our efforts that will work with GNSO, as they have a similar working group committee at their end.

The second part is more workshop style and it's about what we have already spoken about during the last session we had in Marrakesh, it's the working methodology, if we should do things differently, we currently do most of the work when ICANN publishes their strategic and operation plans. We had one call recently but we do not have calls between one meeting and another, most of the times we meet during the ICANN meetings.

That includes also the fact that as we observed recently, during the preparatory call, there is a fatigue of the membership and that is also proven by the fact that today we are less than half of our members. What we should do to improve engagement or if it's still -- we can consider even to close this working group and committee if the membership deemed that it has already achieved a certain level of contribution and ICANN has already taken into account as much as we could provide as input.

This is a discussion we're going to have in the second part of today's workshop and that discussion will include also a review of the charter that was last time reviewed in 2017, when the working group became a permanent committee of the ccNSO. The charter, we will go through

the charter and the different areas of the charter, from the working methodology to the membership, to the participation, and to the way we eventually evaluate the participation.

That's the draft agenda for today that we circulated like 10 days ago. Is there any other topic you'd like to see in the agenda? Any other discussion points that you'd like to see included in the first or the second part? Please, identify yourself for the remote participants when you take the floor. Nobody?

Okay, I'd like to leave the floor to the ICANN Finance Committee and I'm really thankful to Shani and Victoria for being with us. We know that Becky is on her way and Xavier may pass by, he's a super busy man. Thanks Shani and Victoria for taking the floor and take us through the next phases of the planning. Thank you.

SHANI QUIDWAI:

Thank you, Giovanni and team, for having us. As Giovanni mentioned, Becky is not here so I'll start off the presentation. Here are the items that we have on the agenda today, we have FY19 Financial Results, we recently closed our fiscal year. Our fiscal year runs from July through June, so the fiscal year ended a few months ago and we completed our audit, so we'll go over those results. We'll have a section to go over the Reserve Fund Replenishment Strategy. We have some updates to share about the Planning Process. Then, along with the Planning Process, some Trends and Assumptions that are going to be going into those planning documents. Then lastly, a Q&A.

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If we run out of time, we are happy to share these slides so that anybody can view them at a later time. If there's any questions, you can always reach us at [planning@icann.org](mailto:planning@icann.org).

We did want to make sure we notified and invited everyone, that we have a Planning and Finance Session here in Montreal. On Wednesday at 1330, there will be a session to attend with more information around the Planning Documents Structure and Objectives and endings of that nature. There will be a recording if you have conflicts but we encourage and hope everybody can attend that session.

Here we have a list of items that we just wanted to highlight. ICANN produces all of these reports regarding the financials as a commitment to our accountability and transparency. On the left, in the blue box we have some reports that are produced throughout the year. Then on the right we have our annual statements that are published and next to the ones that have been recently published we put a checkmark. As with the financial year closing, we have a annual report that's been posted, ccTLD Contributions, Board Expenses, our Audited Financials and then there's some other documents that we'll be posting shortly after.

Moving to the FY19 Results, for the fiscal year, ICANN had funding of \$136M and cash expenses of \$130M, therefore we generated an operational excess of six million dollars. Funding was three million dollars higher than FY18 and one million dollars lower than the budget. Funding was lower than budget mainly due to slower than planned growth from new TLDs and a delay with the Privacy Proxy

Program. There's funding associated with that program and the program hadn't started yet, which is why we had that miss.

Then on the expense side, ICANN was successful in managing our expenses. We were one million lower than FY18 and \$8M lower than the budget. The biggest driver in our expenses being lower than planned were driven by headcount, which we experienced lower personnel costs due to the fact that we lower than planned headcount. Here we have some more detail on the expenses and you can see that personnel expenses were \$4.2M lower than the budget, that was driven by the fact that we ended the year with 36 headcounts lower than the budget and 32 lower on an average basis.

Travel and meetings were about a half a million dollars below the budget and that was primarily due to lower than planned costs from ICANN 63 and 64. Lastly, professional services were one point seven million lower than the budget, with no really driver other than timing across multiple different functions within the organization.

Here we have a high-level overview trending of our headcount. You can see that headcount has now declined two consecutive years in a row and was nine percent lower than the budget. The organization has taken a lot of steps to control the headcount growth and that's apparent here, this aligning with the funding growth that we've seen and headcount has become growing at a moderate pace and we expect that to continue in our budget and our five-year projections.

This slide is a snapshot of the Funds Under Management from ICANN. During the year the Funds Under Management increased by \$9M, from \$455M to \$464M. The Auction Proceeds decreased roughly \$30M, that was driven by a transfer into the Reserve Fund and we'll go through that in more detail. The new gTLD Application Fees decreased from \$120M to \$106M and that's due to the ongoing costs that we have seen within the program.

Moving to the Reserve Fund, that increase from \$70M to \$116 M, the largest driver was the transfer of the \$36 M from the Auction Proceeds that was outlined in the Board approved Reserve Replenishment Strategy. In addition to that transfer, the organization made a contribution from Operational Excess from the prior year and then there's also gains from the investments.

Lastly, the Operating Fund is up \$8M and that primarily due to timing, with Working Capital at the end of the fiscal year.

Here's some background on the Reserve Fund Replenishment Strategy. I won't read through all of these but the Reserve Fund is a crucial component in ensuring ICANN's long-term financial accountability, stability and sustainability. The ICANN Reserve Fund had been depleted, primarily due to the costs related to the IANA Stewardship Transition. ICANN collaborate with the Board and Community to develop a strategy to replenish the Reserve Fund, the goal is to have approximately 12 to 18 months of expenses in the Reserve Fund. Our expenses are roughly \$130M, so that's essentially the target right now.

Last year at Barcelona meeting, the Board approved the strategy, which is an eight-year strategy, it included a transfer from the Auction Proceeds, along with annual contributions from the Operating Budget. As indicated by the \$116M balance, we're tracking well ahead of the eight-year plan, we are at \$116M, so about \$14M short of what expense for the fiscal year. ICANN continues to expect to make contributions into the Reserve Fund in all of our future budgets. Here you can see a high-level trend of where the numbers have gone. In FY17 we were at about \$60M, so 50 percent short of where the goal was and we are now up to \$116M and projecting to get to roughly \$126M by the end of FY21.

Now I will hand it over to Victoria to go through some of the Planning Slides.

VICTORIA YANG:

These slides show the overall ICANN Planning Process. As you all know we start with the Strategic Plan, which covers a period of five years and with a trend analysis that we take every year, annual base, we basically scan the environment and see if there is any dramatic change to the strategic trends and whether or not that will impact our strategy.

With that, we move to the Operating and Financial Plan, which currently we are developing the Operating and Financial Plan for fiscal year 21 to 25. On every year annually we develop Annual Operating Plan with a detailed budget. That's the overall Planning Process.

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I want to thank everyone for input to the first public comment of the fiscal 21 to 25 Operating and Financial Plan, where we post in June. We were asking communities input for one, you input to the Financial Assumptions and the Projections of medium, low and high scenario. From operational aspect, we were asking your input on the least of operating initiative, which was derived from the Strategic Plan, whether that least of operating initiative is sufficient enough for ICANN to focus on in order to achieve the Strategic Plan.

I appreciate that this standing committee submitted the comment, actually you were the very first ones and thank you very much. Overall, we received eight submissions in total and that's roughly about 100 feedbacks, so it was very helpful for ICANN organization to take the input in the last two months and continue to develop the plan with everyone's input.

The next slide, here we want to basically communicate that when we publish the five year Operating and Financial Plan, at the same time we will publishing the one-year Operating Plan and Budget, we think that's going to be very beneficial. I think it's more efficient for community to look at this, to plan together, so put each other in context. Of course, the five year Operating and Financial Plan will be at a much more higher level than the one-year plan, which gives more details, even the resources aspect we'll breakdown a little bit more. We will be including both plans in one document, so it's easier to digest and more efficient -- better use of everyone's time.

This is where we are now. We are on track; we are developing the plan and in November we will be having updates and discussion with the Board to talk about the draft. Our target is to post the five year Operating and Financial Plan together with the fiscal year 21 Operating Plan and Budget early December and that public comment will be open for end of February. In March we would like to discuss the input that we received through the public comment, where we can seek clarifications and have some interactions, so we can go and revise the plan.

The goal is to publish the revised plan -- sorry, not to publish, to basically present the revised plan to the Board workshop around May time, looking for adoption around that same timeline so that we have sufficient time for the Empowered Community from May to June. That's basically where we are now with the five year Operating and Financial Plan. Thank you.

SHANI QUIDWAI:

One item that we wanted to highlight is around the IANA Budget in Process. The IANA Budget follows a separate timeline and separate documents than the ICANN Budget. So, everything that Victoria had been speaking to right now, was primarily around the ICANN Budget, it will be posting in mid to early December. The IANA Budget has already been posted for public comment, that public comment window opened on the 14<sup>th</sup> of October and closes on the 27<sup>th</sup> of October.

There still is about a month or so time remaining in that public comment. We encourage everybody to read through these documents and provide any feedback that they can. The timeline for IANA is similar to last year in that, we are hoping to have this budget approved by the Board and adopted in January, which is about five months earlier than the ICANN Operations Budget.

Lastly, on the Planning, some key dates that we wanted to go through regarding the Additional Budget Request Process. The Additional Budget Request is mechanism for the community to seek additional funding and we expect this process to kick off on the 11<sup>th</sup> of November, so shortly after the ICANN meeting closing on the 31<sup>st</sup> of January. At ICANN 67 will consult with the SO's and AC's regarding the requests if they have submitted and the early in May with the publication and adoption of the budget, we plan to communicate any approvals that had been submitted. This timeline is very similar to last year. Hopefully that aligns with everyone's calendars well.

From here we wanted to highlight some trends and assumptions that are apparent, that have a direct impact to the budget and the five-year plan. Here we have a three trend of what we have seen from a funding growth perspective. Funding has been growing a very moderate pace over the last three years of point eight percent or less than one percent. We expect those trends to continue into the five-year projections for the Strategic Plan.

The growth is expected to pick up to roughly one and a half percent, still lower than inflation but slightly higher than what we have seen.

This funding growth directly impacts the budget and the resources that we have available. I talked about this a little earlier but just to reiterate that the headcount growth has started to moderate and we expect this trend to continue as we look forward into the five-year projections.

Some other assumptions that go into the budget as well as to the five-year plan. ICANN organization's activities and projects result directly or indirectly from bylaw requirements and from decisions made by the Board based on community lead policy and recommendations. At this time, we are not included implementation from future Board decisions that have not yet to be approved.

Basically, what we are saying, if there is a Board decision that will come in the future, that will dictate some work, we don't plan for that work specifically in the budget, we only plan for Board approved work, however we do acknowledge that there will be Board decisions that will happen that will impact our work and we have a contingency fund in our budget to account for the fact that there is some unplanned work that will need to be implemented. Budget does exist but we don't explicitly plan for Board decision that have yet to occur.

As mentioned with the Reserve Fund Replenishment Strategy, our annual operating budgets will include a plan contribution into the Reserve Fund, to further replenish that. Headcount will remain stable.

Lastly, the budget will be balanced in the sense that the expenses will not exceed our funding less the contribution to the Reserve Fund.

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With that, those were all of the slides we had. We wanted to open it up for Q&A.

GIOVANNIA SEPPIA: Thank you Shani, thank you Victoria. Becky is joining us, thank you, Becky. We open the floor for question. Any questions? Andreas, please.

ANDREAS MUSIELAK: One question regarding the Outreach Results, what are the reasons for the reduction in the personal costs? Was it because you have less persons hired? Was increase person turnover? Can you explain that? Give some insights. Thank you.

SHANI QUIDWAI: Thank you for the question. The reason we were lower than the budget is primarily due to the fact that we had less people than what we planned. We were planning to have 424 and we ended at roughly 390 or so. Primary just by having less people, that's what caused us to be lower than the budget. Throughout the year we did make a significant amount of hires, roughly 35 to 40 but we also saw that amount of people leave the organization. That's what led us to be lower.

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ANDREAS MUSIELAK: Can I add a question? About the following years, do we have strategic areas where you want to increase the headcount? Can you give some insights about that?

SHANI QUIDWAI: In general, the headcount is relatively flat in the future years, so there's not any significant growth but we do expect that some of the strategic and operating initiatives are implemented over the five-year plan. Some specific functions and areas will grow faster than others but until we have a little better line of sight into the phasing of those activities, we don't have a lot of specifics in which functions.

GIOVANNI SEPPIA: Thank you. Any other questions.

STEPHEN DEERHAKE: Thank you, Giovanni. I have to say I'm more relaxed about the Reserve Fund then I was a couple years ago, you've done good progress in rebuilding that and I know you're committed to another tranche of funding coming up. Can you give any insight as to how big that will be?

BECKY NASH: Thank you for your question. At the end of each annual period, meaning our 12 months ending 6/30, ICANN .Organization reports out if there is any operational excess as it relates to that year's operations.

The, ICANN .Org does make a recommendation to the ICANN Board just as part of our annual governance of whether or not an amount should be transferred from the Operating Fund to the reserve fund.

Throughout these budgeted periods, and I'm sure Shani and team had stressed that we had started budgeting to have a contribution, so that is usually the amount that we've budgeted and that should be anticipated but there is a recommendation before the Board for a transfer from the Operating Fund to the Reserve Fund but until that resolution is debated and approved, we don't have information to share about that.

STEPHEN DEERHAKE:

Thank you for that. If understand you correctly then, the aggregate contribution consists of a fixed component and variable component, the size of which you will not know until the conclusion of fiscal year to see whether or not you ended up in the black?

BECKY NASH:

I might not have understood your question about a fixed and a variable. I think what I was trying to stress, is as part of the approved Reserve Fund Replenishment Strategy, after the initial transfer to replenish, then there have been budgeted amounts disclosed in our annual operating plan and budget that we intend to plan for the transfer. I think that's very remarkable as an organization, that means that the expenses available for operations have been reduced for a planned amount in the Reserve Fund, which is fiscal responsibility.

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Now, whether or not the transfer happens, the end year results need to be analyzed, of which I know the team has presented that FY19 we had a net excess and then, there would be a proposal for a transfer. I hope that answers your question.

STEPHEN DEERHAKE: It does. You did a much better job summarizing what I said.

BECKY NASH: And I think to the point of what you said, it's not considered a fixed and variable, it's all related to the actual events of the year, there could not be anything as an evaluation for our annual governance cycle after the audited financial statements. Thank you.

STEPHEN DEERHAKE: Thank you.

GIOVANNI SEPPIA: Any other questions? Please.

ATSUSHI ENDO: Back to the headcount, I have two questions. Number one is about the headcount; currently, the headcount is around 390 and it is 10 percent lower than the expected budgeted. It seems to me -- I acknowledge that from the tone of the presentation, the current situation is not the big problem or the severe situation. FY21 it's there,

will the headcount projection for FY21 adjust to around 390 or will still keep the more than 400? That is question number one.

Question number two, from the very beginning of the slide, there's a privacy proxy program decline of the income; could you confirm that the reason why the delay of the privacy proxy program originates the decline of income? Seems to me that's a little bit of an indirect expression. Thank you very much.

BECKY NASH:

If I could just ask you to repeat the last part of your question, just so that I can better respond?

ATSUSHI ENDO:

In the slide it says that the reason the decline of the income funding, comes from the delay of the privacy proxy program introduction. I guess before the provider were not happen, it seems to me it's a little bit of an indirect expression. Could you confirm that my guess is right or not? Thank you.

BECKY NASH:

Thank you very much for your questions. The first one was regarding headcount and the trend. We've provided a series of slides in this presentation along with other presentations that we've given just to highlight the trends of headcount. We really want to highlight that we want to be very open and transparent about headcount, it is feedback

that we've heard from community as it relates to annual operating plan and budget in the public comment process.

Just to answer your question, the FY19 budgeted headcount was at the levels of 424, we ended up near 40 and in FY20, we have budgeted headcount more in line with the trending that you see on the headcount slide of 410. As of right now, we're starting the budget development for the Annual Operating Plan and Budget for FY21 and as the slides indicated also at the same time a five-year projection for FY21 through 25.

The FY21 budget, it's all under development at this point in time but most likely from the beginning marking of the trends is how we're going to be trending and then focus on the priority projects that are approved and ready to work on to see if there is additional headcount that's needed at that time in the budget development.

I would also just like to highlight that each in the Annual Operating Plan and Budget documents that we publish, we have a page in the actual Financial Budget of the headcount by function and I hope that everybody thinks that that's a useful schedule and again, we will have that for the draft FY21 Operating Plan and Budget that will be posted for public comment in early December.

Now I will address your second question which is about funding. The one point that we often like to make is that the Annual Operating Plan and Budget cycle at ICANN is fairly extensive, with the opportunity to engage through public comment. As a result, we do the budget

development so far in advance. At the time that we were planning for FY19 and FY20, we had thought that the work related to the privacy proxy program was going to already be finalized and enacted or in place.

In both FY19 and in FY20, we had a modest assumption in our funding for the fees that were intended to be charged under that program, that are cost recovery fees but still reported in funding and that assumption did not come to fruition or did not happen in FY19, so it caused what we call a permanent variance where we would never achieve that funding as it relates to the privacy proxy. We are also experiencing that same assumption in the FY20 budget. The status of the group, again there's work being done and discussed, there's a status update on where that working group and project is going. I hope that answers your question.

ATSUSHI ENDO: Thank you, very much.

GIOVANNI SEPPIA: Thank you, Becky. Any other questions?

IRINA DANELIA: You have mentioned the first public comment period on the five-year Operational Plan and Strategic Plan, do you plan to provide any feedback on how actually these comments were taken into account somewhere in the future?

VICTORIA YANG:

Thank you for your question. Absolutely, so we conclude the public comment period in August, two weeks later we published a summary, basically just to let community know how many comments we received and what the comments are about. We have to consider the comments while we are developing the plan because some of the comments are directly recommendations or suggestions which we have to take into consideration.

Our goal is, when we publish the draft fiscal year 21 to 25 Operating and Financial Plan early December, we will also publish the detailed Excel where we lay out each comment that we received, if there is any comment that is suggestions or recommendations, we will have a column where we show how the comment is being received and addressed. All the functions are working on developing their detailed plan in consideration with the comments received and we will be publishing that as well, as a separate document, we will publish the December draft. Thank you.

GIOVANNI SEPPIA:

Thank you. Any other questions? If not, I have a question about cost optimization and it's relating to the FY21 but also FY21-25 Planning; how do you see cost optimization in ICANN .Org? This is something this committee has put forward as a comment over the past decade and I must say and I've been thinking if I should say that but I said okay, let's say that, but recently I visited a certain ICANN office and

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honestly I was shocked to be polite, because you see a huge office, which empty, no staff and it's like visiting one of these marvelous hotels in south Italy that at the end didn't get the permit to open and therefore they are completely abandon, and that's the feeling I had when entering that office.

I remember that a few years ago there was a decision to have the headquarter office for a certain region moved to a specific country and because of that, the original office for that region was resized and then two or three years ago there was a decision to expand that office and now that I entered that office, I asked myself, where are you, Giovanni? Is it one of the hotels in south Italy or is this an ICANN office? Being in that town because I work in that town, I know how much it costs for that office. I'm asking myself, where is the cost optimization?

BECKY NASH:

Thank you for your comment. I'm hearing your observations. I think just as a high level response as a first, for the last several years, as part of the Operating Plan and Budget, we have really discussed the fact that the funding for ICANN has really begun to grow at a much slower rate than it had in prior years as the launch of the new gTLD program. Our whole theme has been about stabilizing and becoming more efficient and that's why we are providing the slides on the funding trends and along with the headcount trends and discussing the variances that we have across all cost categories. I would say that the

ICANN .Org teams really are looking at becoming more efficient which in turn becomes one of the pillars of cost optimization.

In respect to your comments just about the offices, we have had a strategy for regional offices and again, that is published on our website as part of our office of the CEO and strategies, a blog and other types of communication. I think from the point of the view that ICAA Community and ICANN .Org to be global there are some great efforts to have the globalization aspect and to have both users and different multi stakeholder model representatives that have access to people in their region and their time zone and for capacity building and engagement locally.

I would also recommend that one of the key pillars of our accountability and transparency is the public comment process. I would recommend and I know that this group definitely takes Operating Plan and Budget Process very seriously and we really do welcome your public comments on subjects like that, about what are the choices of the regional and regional offices. Thank you.

GIOVANNI SEPPIA:

Thank you, Becky. To follow up on this, a provocative, how much you think this cost optimization culture is part of the ICANN Staff? What they do. Is it something that is coming from -- top down, instead of bottom up and say, you must optimize costs so that they think about it from once and a while or is this something that they do on a regular basis?

You can say, I cannot respond for ICANN Staff but as part of the ICANN Finance Team, how much do you see this? When you draft FY21 or previous plans, you receive -- it's like getting everything in the basket and start working on it. How much you see that, this cost optimization culture embedded in what you received recently?

BECKY NASH:

That is such a good comment and thank you so much. I'm going to speak from a finance standpoint, that I would say that along with my colleagues here, the budgeting process is very rigorous and very much like a bottom up, line by line budgeting process. I would definitely say that there have been a lot of communication over the last two Operating Plan and Budget Processes about the fact that ICANN's funding as stabilized.

That means that we would need review our costs and review headcount trends and also, plan for work once it's been approved by the ICANN Board and that's where I think things like the strategic planning process and the five year operating plan, where we need to evaluate what our priorities are and what the five year horizon really holds for us.

From a finance standpoint, I think that the community or the departments within ICANN all listen to community members but also have a fiscal responsibility and that it is definitely improving, with a lot more efforts in the budgeting process, a lot more of our open and

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transparency, where we are providing more and more data on where our costs are. That is my point of view from a finance standpoint.

GIOVANNI SEPPIA:

Thanks a lot. Any other questions or comments on the first part of these presentation by ICANN Finance? No, so thanks. The next point on the agenda is about the recent blog post from the ICANN CO and the Board, those communiques about priorities, strategic priorities for the years to come. The question is, how do they integrate in overall planning, as the Strategic Plan for the next five years has been approved.

All those priorities that sometimes are not fully consistent with the Strategic Plan priorities, there are some overlaps and different way being expressed. How they get integrated. This is the first time we see these coming out as a blog post, saying those are the priorities for the ICANN CEO and Board. How do you see these and again, how does it fit into the planning process? Thank you.

BECKY NASH:

Thank you for the question, Giovanni. I feel like we plan everyday because we are living and breathing the Operating Plan and Budget. My colleagues were just reminding me that these are actually the CEO's goals from the Board for FY20, which is the fiscal year of which we're in currently and we just completed financial reporting on our website for the first three months or Q1 of our fiscal year 20.

The goals and the strategic objectives and the current development of the five-year Operating Plan for the next five years, where we have rolling funding projections and also we've projected funds available for expenses. Along with, I like to always highlight the replenishment of the reserve fund, that is something that is also contemplated in these five-year funds available for expenses and reserve fund replenishment.

Definitely prioritization of what ICANN does, both community, Board and Org, is something that I think we've all been discussing, both in our own communities and together and I do believe that all of these efforts are very much aligned with our current Strategic Plan and then also moving into the new Strategic Plan where we have had that opportunity for the public comment period to really ask community members what we're identifying as operating initiatives, that thus would be a priority, are we in agreement? I view that they are aligned and I think again, in our efforts to be open and transparent, that publishing these specific more short-term goals, is very important as well.

I don't know if you had any particular questions that we could then seek more clarity on about the type of goal that was listed? But it is something that we're well aware in ICANN .Org, the Strategic Plan, the goals and objective of both the community, the Board and Org then all cascaded down through the office of the CEO and President and then cascaded down to the executive team, which then cascades down to different functional groups.

GIOVANNI SEPPIA:

Thank you, Becky. That makes sense. I said the comment because it was the first time that something like that was published and indeed, supports interest transparency of where their organization is going to. At the same time, it's the first time it generates some curiosity and the community would like to have a better understanding these priorities, they fit into the overall priorities. I think it's just a matter of communicating certain matters. The last there was public comment, it was first announced as blog and afterwards it was published on the real public comment pages. This was the last public comment that you opened on the five-year plan; it was just a matter for us to have an understanding where we are going.

Any questions on this specific point? They are very quiet.

The last point of the first part, Becky would like to add anything?

BECKY NASH:

Thank you so much, Giovanni. I just wanted to remind everybody about the session that we have this week. I know Shani and Victoria talked about it but again, we really encourage involvement in the public comment process and engagement helps with the communication, what we're planning on producing as part of this operating plan and financial plan for five years, the fiscal year, we realize that it's a lot of documents going out for public comment at the same time but more and more that we can engage and share what we're going to be producing as part of this development of these

documents and the interaction to then help us all receive the public comments will be really, really helpful. We're always available for other questions at [ourplanning@icann.org](mailto:ourplanning@icann.org) as well. If anybody has any follow up questions on anything we published or have discussed. Thank you.

GIOVANNI SEPPIA:

Thank you so much, Becky. Before we move to last point of the first part of today's agenda, which is coordination with the GNSO, I would like to ask you one very last question, which is about an email exchange that I had with Xavier, about the way this working group is currently developed in its work. We are currently doing most of the work around the public comment periods and then we were wondering if there is a different way to support the finance department, to support your planning process?

Xavier has some sort of idea, that's why I try to have Xavier today but I understand he was busy. I don't know if he had the time to discuss the point that he mentioned to me during this email exchange, he was trying to build something that is not only around the public comment but try to get the expertise that this working group, the membership of this working group has and take advantage of it throughout the planning process.

This is something he drew as a sort of idea and I don't know how much this was discussed internally, if there is something more specific. This is something that we'll go through it in the second part, in the

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workshop session to understand what we can do differently. I don't know if you have heard anything from Xavier about it?

BECKY NASH:

Thank you, Giovanni. Well, yes, we have in some high level details and we look forward to interacting with the team, to brainstorm and identify areas. As a finance team, we have again with Shani and his team and the accounting team, we've really worked with our communications department on how can we hold more non-ICANN meeting meetings and have exchanges of ideas, which typically would be through webinars.

That is something we've struggled with ourselves, on trying to figure out the cadence of it. It does seem that even ourselves with the different deadlines for our planning process, that we focus a lot of the engagement at ICANN Meetings. But having more in-depth webinars about the actual funding, what are we experience by funding type? Having more webinars on forecasting throughout the year, is also something. Having working sessions, similar like our budget working group, which given the amount of work the communities doing at this time, we've moved more towards having a public session at the ICANN meetings then many of the more informal budget working groups.

Those are some of the ideas but we'd also like to hear --we've gotten great advice in the past through public comment, through some of our clarifying questions process, about cost optimization is one, about being more strategic and having more highlights to make the

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documents easier to read and we also take one public comment very seriously that we talk about internally, which is trying to make the documents very readable from year to year, so that you can do a comparison from year to year if you were working on public comments. Those are some of the ideas that we discussed.

GIOVANNI SEPPIA: Thanks a lot, Becky. Thank you so much. We move to the next point, which is the coordination with the GNSO. We have the GNSO representative in the house today. Is it for the first time Bart, am I right?

BART BOSWINKEL: I believe it is. We do have somebody else from the GNSO side as well.

GIOVANNI SEPPIA: We had some in the past but nobody survived. I'd like to invite you to explain a bit to use, how is work in process at the level of the GNSO when it comes to public comments on the ICANN Strategic and Operating Plan and see if we can find in our coordination, so that ICANN doesn't have to -- it's time optimization, they do not have to read twice the same point, but we can try to see how we can create synergy between the comments that we like to submit. Thanks again for coming and the floor is yours.

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BARRY COBB:

Thank you, Giovanni. Just so it's clear, I'm a consultant for the GNSO Policy Team, so I'm not staff and I'm not a community member but for whatever reason, I love numbers and spreadsheets, so that's how I kind of got involved with this. I didn't see Jonathan in the room, I was sweating a little bit, I can't really represent the group but now we have Jonathan here at least that's a little encouraging. Based on your opening remarks and in probably not so good of a way but it was still reassuring to hear that you kind of have some of the same problems that we do.

Participating is difficult, certainly the compressed time lines for the annual budget is challenging to herd the members into not only putting forward their own suggestions about the budget but we're somewhat unique and we talked about this a little bit on our joint session in July, but from a GNSO council perspective, our scope is really only around the realm of policy development. Those components of the budget that may impact that.

As a very loose and probably bad example, if there was an opinion put forward by a particular member about the fellowship or funding in that regard, that may have indirect impacts on policy development and so it's very difficult to come to a consensus agreement about what a specific remark might look like in that. It is challenging when there is participation on our group.

It's challenging to get the focus back to just policy development and at the same time, which is somewhat unique from your group, is the comments that council puts forward are not meant to supersede or

overwrite any of the SGNC comments as well. Which is why in terms of membership structure, the true members of the groups are GNSO council members but we've also allowed subject matter experts from the SG's and C's to join and hence why Jonathan is here.

I would like to also say, apologies for some of the other council members for not being able to come, just given the conflict. If we do want to advance this forward, I think we recognized in July, that there was already a conflict and there wasn't much we could do about it than. Now, we're starting from day zero planning for 67 and so perhaps we can look for ways where we can do maybe a joint session, although somewhat late since the budget cycles is already moved.

I had it on my to do list from the last public comment for the five Strategic Plan, the Operational Initiatives and Financial Assumptions, I had it on my to do list, to review the report of public comments and then I completely forgot about it until just the other day and I read through those and you're very much right, there were some commonalities and some of our statements and of course there were some differences in those as well.

I'm fairly confident to be able to speak for the members. I think that there is interest to increase this collaboration. I think while in some ways it might be repetitive to put forward the same kind of position or comment about a particular aspect of the budget, it also reinforces it as well, which I think is also very important.

Just a couple more things and then I'll turn it back. What's going to be challenging is again, the timeframe from when the next fiscal year is opened up, the public comment process. I need to be able to look for mechanisms or approaches to have our smaller group really be prepared and reviewing the documentation up front because I think for us to have any kind of effective collaboration, your group is much more mature and quicker about putting forward a draft of comments to chew on and work with. It's been a little bit more challenging for our group to come to some sort of commonality about some of the aspect of the budget that they'd like talk to. It's going to be of a responsibility on us to be prepared for some kind of collaborative session, otherwise if we aren't prepared, then it really becomes one directional and I don't think that's very effective.

The last thing I'll say is, each annual general meeting, we kind of reset the charter or not the charter but reset the group, we'll do a call for volunteers, we have new council members coming and some going. We've started that and in addition to that, one of our council members termed out and so he's no longer going to be chair, so we're also actively seeking a chair for that particular group. There's been no decision made and there also hasn't been interest, we're working with the council leadership to probably entertain the idea that one of the leadership positions, either chair or one of the vice chairs, actually take on that role because ultimately they're responsible for the one being able to submit the comment.

Long of the short, I do believe that there is interest to continue collaboration. Like I said, I can work with Bart to look -- if we want to

have a practice session in March of next year, but certainly either June or the annual general meeting is the optimal time when we need to meet and be able to collaborate on those things at ICANN meetings and then perhaps just have a one hour virtual session sometime either before the end of the year or very, very early, at the beginning of the next year before the public comment closes to coordinate our comments. Jonathan, if you have anything to say or add, I'd welcome that. Thank you.

GIOVANNI SEPPIA:

Thank you, Barry. Jonathan, do you have anything to add?

JONATHAN ROBINSON:

I think I can in part reiterate what Barry says. The good news is you've got a focused group. The bad news is that in principle that group shouldn't really go much beyond the policy functions, so that remains a challenge. I participate in the group, as Barry said, as a kind of -- I think it's a bit grand to call me a subject matter expert, as someone with a degree of interest in the financial and strategic mechanics of ICANN but generally it's the council. That segments that activity.

I'm active within the registry stakeholder group and in a sense the registries are probably -- I mean I've always admired the work of this group, the SOPC because it's been disciplined, it's structured, it's been focused and it's had some fairly clear goals and the registries don't have as organized an activity but clearly, there is in some ways, a greater overlap in purpose, both because the registries run and

operate businesses, like the ccTLD operators do and have very specific concerns about ICANN's operational efficiencies, effective budgeting processes and think in most similar kind of terms, management, budgets, operations.

I think the bit that's maybe missing is here, and I'm really attending this in sense, in my personal capacity, I just come along because I work within the registries group, as I said, I'd historically admired what's done in this group and trying to think about ways to mesh those activities and in some ways, just look for ideas and thoughts. There isn't a formal linking up here but like you said, the one thing I do have concerns about and I think I mentioned this before, I know it's slightly censored because the CC's appreciate ICANN's finance people coming and doing the work that you do and going through things systematically but again, as to operational efficiencies, my concern is, you guys having to repeat the task. One way or another that's a small detail.

The responsibility I have to take on is to try and do as much as I can to bridge the work you do here in the SOPC and the work that the registries do and wherever possible find -- I think in many ways, we are likely to have more commonality, as I said before, then the GNSO standing committee on budget, that's not to say it's not worth integrating and I'm not in any way wouldn't want to undermine that.

I think just naturally we potentially have something more in common. I'll try and give, I just don't want to be just a sort of taker from you but at the moment, I don't have a lot to offer in terms of specifics and so

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on. The background, our work on drafting those comments and it's useful to be aware of what you've done and I will be thinking about how to coordinate those.

GIOVANNI SEPPIA: Thank you, Jonathan.

BART BOSWINKEL: I don't know whether say the registry stakeholder group has a bit or a structure around the work they do but at least this group, in its charter two years ago, its amended charter allows for the liaisons. That means the liaisons will have access to the SOPC list, etc. and so there is more awareness. Liaisons is almost a heavy term to be used, very much with the -- it's more coordinating and collaboration role as a starting point, at least that's the experience. It's always useful to have that link between the two groups or with groups.

JONATHAN ROBINSON: If that's available, I think that would be a very practical step. In fact, somehow, I wasn't aware, had quite realized that was an option but sure, that would be great. If there's posting right to that list I can even contribute and try and get a little bit to and fro on that. That would be most welcome and I'd love to report that back to the registry stakeholder group.

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BART BOSWINKEL: I don't know if they have a similar type of group but...

JONATHAN ROBINSON: Honestly, I would say the group isn't structured as that. It's more of an ad hoc collection of those but I can pull together that have an interest. It's a terrible cliché but like everyone, we've had the kind of burn out, over load, it's frankly quite difficult to get people involved in any given subject. We'll get a handful of people and try and get to them to galvanize around a statement, put it out to the group. That would be a good start. I'm sorry again that I can't necessarily reciprocate but I will do my best to join them up and give momentum to your comments where we agree with them and vice versa.

GIOVANNI SEPPIA: Thank you, Bart. Thank you, Barry. Thank you, Jonathan. Let's get a sort of action point to have this liaison and also have a session at some point, in one of the ICANN meetings next year, where both groups can meet and have a brainstorming session about the way we can work together, possible synergies or specific points we would like to bring more to the attention of the ICANN finance and planning team.

BARRY COBB: Thank you, Giovanni. To that point. I don't know how formal we need to be in terms of defining liaisons but maybe as an interim step, would it be possible that I can at least get the council leadership on to your

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email account and maybe yourself as chair on to our SCBO as well as Jonathan, since you guys have commonalities on registries? Maybe as a second action item, Bart and I will collaborate and -- what is the exact date that the five-year plan, is it December 1<sup>st</sup>, 4<sup>th</sup>, somewhere in there?

VICTORIA YANG: Our targeting date is December 17 to be published and that will last until the end of February.

BARRY COBB: I actually look forward to that because things are slow enough that I can devote time to those things. That's later than I thought. Maybe what we should do as well is try to put a target date and get a calendar entry set up for both of our groups to virtually collaborate mid Januaryish, that should give our teams enough time to develop some of their position. We'll work on a time Bart.

BART BOSWINKEL: I would go forward to set the expectations end of January, the reason is you've got the seasonal break and in CC land some people do live by the seasonal breaks.

BARRY COBB: And of course, end of January is heavy time for GNSO council because their strategic planning session and EPDP is going on. We'll find a date

as that second action item. For sure, I'll send a message out, a summary of what occurred here back to the SCBO and see if there's interest for any one of the group to maybe act as our liaison with that heavy title, I like how Jonathan put that, so that we can get that set up. Thank you very much, I appreciate it.

GIOVANNI SEPPIA:

Thanks a lot Barry. Everybody has sent in their advent calendar the 17<sup>th</sup> of December, which is a Friday, Saturday, Sunday? What's the day, do you know? Do we know what's the day on 17<sup>th</sup> December? Tuesday, okay, it's not bad. We can provide some comments in between shopping, last preparation, Christmas tree and then if somebody finds a piece of the planning on the Christmas they understand why.

We move to the next part, which is the workshop and it's supposed to be a very interactive workshop, very interactive workshop. Looks like one of these remote controls you find in hotel room, they never work. I'm trying once more. I've tried everything, can I get to the next slide please, this doesn't help.

Where do we go from here? We started speaking about this at the beginning of this meeting, it's about the status of these Strategic and Operating Plan Committee. It's about the call we had about three weeks, four weeks and it was a call with the membership, it was a call about how to address the working methodology but also about the membership and it was a call with some action points, some of them I

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provided you with an update by email, some others they are still there and I'm in contact with Xavier to see how we can move forward on those action points.

What probably many of you have noticed is that currently since 2017, this committee has around 20 members but only 20 they participate actively, meaning that they participate in the public comment rounds and they attend the meetings. It's really a round 50 percent of participation against the membership. One of the action points of what we discussed during this call was, the I was tasked to reach out those who have never participated in the past two years and after, which I did and two of them, they never responded despite of three emails I sent to them.

One of them responded, yes I'll be there for sure at the next meeting in Montreal, this person is not here and I'd like to also meet you before the meeting, didn't happen, and I like to meet you the day before meeting, didn't happen and I've not seen this ccTLD representative around.

This is something we will discuss in the second part of this workshop session because the first thing I like to do, is to divide the working group into sub working groups and do some mental exercise. The mental exercise this one, the brick. Physical, yes, can be physical, it's up to you. I'm not putting limit to the exercise. It's the brick. Has anybody done the brick exercise? Nobody. The brick, nobody? It's very light team building exercise.

I'd like to divide this working group in two, this committee into two working groups. One is those members on my left and the other one is those members on my right. I'm giving a virtual break and I'd like each of these working groups to think about what you can do with the brick. It should be constructive but it should not be relating to building. You can use the break to do something but not to build houses, the usual use of the break. It should be constructive, creative, open your mind as it says and think about what you can do with a break, which is not building a house.

We have boards, one per each of the working groups and you're supposed to approach the board and write some possible uses of the brick in the next 10 minutes and then we'll read them together and that's the first step of the next two exercises. As I said, it's open your mind, there are no limits. You can think wild. Again, you are responsible for your actions. If you use the brick for some actions, there might be some liabilities, depending on the country where you do this kind of things of course. Please, working group one and working group two, the white boards are yours, please approach them and think wild, openly, constructively above all. 10 minutes from now, it's 2:52, at 3:05 the exercise is over. I will watch the teams. It should be one team.

BART BOSWINKEL:

For the remote participant Biyi, unfortunately this part is going to be difficult for you to participate.

UNKNOWN SPEAKER: Giovanni, do we have only a single brick?

GIOVANNI SEPPIA: That's correct. It's a good question, you are given only one brick. Only one brick.

Let's go and see what -- who's representing working group one, apart from Katrina who's leaving and has written everything? Is there anywhere in this list that foresees the use of a brick not as a brick, as whole but in pieces or a powder? Because I didn't put any limit, so you could have broken the brick. How to divide brick, you want to kill the hands of the kids. And as a powder? Nothing as a powder. And working group two? Is there anything that foresee any action that foresees the use of brick as powder or in pieces? No.

Not good because this exercise was open your mind and you thought about the brick as one piece but nobody told you that you should have kept it in one pieces because you could have made the powder like they do in a certain called the Netherlands, where they use all bricks to build as a powder, when they become as powder, they completely destroy the brick. They get the powder. No, it's not a crazy idea because then they build bike routes with that. They pave the bike routes. No construction as a brick but once it becomes powder, yes.

Now we go to the -- no, no, it's my idea. It's my imagination. No, it's a known exercise. Now, if you like to have 10 minutes coffee break. It's

now or never. Would you like to have 10 minutes coffee break? Yes. Bart, what do you say? Yeah, there is coffee and there are some goodies. All the good goodies.

BART BOSWINKEL: Stretch your legs once more and then we go into the...

GIOVANNI SEPPIA: The next phase you need a lot of strength, energy, sugar and chocolate. Get some chocolate, please.

Okay, we resume because we are still quite a lot of work in front of us. As we have now gone through the brick exercise. For the record, I'm looking at two participants who are ignoring the chair and they are seated on my right, so if the camera could look at them, so you are streamed. It's all love.

We have now two exercises ahead of us. Somebody is having lunch, the first one is -- let's be open and speak very frankly about the current SOPC as we have now almost only members of the SOPC in the house and the guest from the ICANN finance department over the past let's three to four years, I believe that we all perceive the challenge of coming up with effective work approaches to what we are called to deliver, that is a challenge in terms of the participation. As I said earlier, also in terms of the way have been working, dividing ourselves in sub working groups whenever there is a ICANN Strategic or Operating Plan to provide comment on.

Therefore, this part of the workshop is about brainstorming, again groups, how to improve our working methods. Once we have gone through that, I'd like to ask the working groups that are the same as the brick exercise, to try to prioritize and rank the different possible options you may have thought about.

So far, this committee has worked around the public comment periods, having meetings during the ICANN's three meetings every year. This has been the kind of work that we have been doing since the inception of this working group that then became a committee a few years ago. From the very beginning, 2008, when this working group was created in Cairo, we decided that was way forward, so every year we have been doing more or less the same with a small variance, keeping the engagement with the ICANN finance team and I'm not saying we should stop this but this moment I guess to investigate possible new working methods or ask ourselves what we can do differently.

Once we come up with a list or whatever, we can come up with, is a moment to prioritize and ranking what we have in front of us and see how we can implement eventually new ways to work together. This is the exercise, I'd like the members of the two working groups to go back to the boards and have small brainstorming for next 15 to 20 minutes about possible ways to work together. Again, you can say we are happy to continue to work as we have done so far or we can say, let's change completely and that's why there was the brick exercise, to really open your mind and think wild, what we can do differently.

Time to go back to the board. I see how energetic you are. You may finish your coffee and then get back to the board. It's now 3:20, let's try to have something done with a speaker for each of the working groups but 3:40. I will participate, yes I will jump from one working group to the other and disturb both as usual, that's my role, in a constructive way and I'll come with a brick.

BART BOSWINKEL: Otherwise you end up in bicycle then.

GIOVANNI SEPPIA: For those who are participating remotely, you can submit your input via Joke, she's looking after the remote participation and we will try to fit your input into the process. For those who are again, attending remotely, this is a way for you to engage in this part of the workshop. Thank you in advance for any input you may have.

Thank you to both working groups. Who's going to speak for working group one? I have the feeling it might be Jordan. I have this feeling. For working group two? Roelof rightfully pointed out, it's going to be Barbara, okay good. Gender balance, good point, Roelof. I'm trying to get the attention of a certain finance super guy, he's ignoring us. How disrespectful but he's having bilateral during our meeting.

We had this exercise, Xavier first of all and more seriously, thank you for coming, we know you had a busy day, you're having a busy day, it's not over yet. We have this exercise about how to improve our working

methods and discuss the way we have been approaching our work over the past decade. First was to divide the committee in two working groups and the exercise was to think about ideas how to improve our working methods and also prioritize possible future actions.

I'm very happy that you've stepped in at this moment, Xavier, because after we have gone through the ideas, you may elaborate a bit more on the exchange we had via email about how we can cooperate not only during meetings but also between one meeting and the next one. Thank you, Jordan, for working group one.

JORDAN CARTER:

We didn't really discuss how to synthesize this so feel free to disagree with me if I'm getting it wrong. One of the key working methods we talked about was, influencing the Board and the reason we thought that was that there's a general sort of agenda of cost containment and prioritization around this committee table. What we did is we took a very quick through the Board's areas of focus that it's just published and the CEO's areas of focus that they've just published.

Neither of those had cost control as an explicit goal, so we thought that maybe one working method could be to try to work with the Board over time to include cost effectiveness as an explicit thing, that it is paying attention to and it's area two of its responsibilities, I think that's about ICANN .Org oversight and also to ask them to include in it

in the CEO's key performance goals. As way it just lifts the priority on that work and in the Org as a whole.

Other working method things we suggest was maybe if there could be more staff support to look at key issues in the drafts plans, to help those of us who don't have time to necessarily read whole plan documents, not leave you Giovanni on your own to do that review with Bart and do the first drafts and stuff, maybe some more staff support could help if it was available. People like the use of sub groups.

In terms of the more detailed how can we identify areas to save costs, one issue identified was that we just get the documents and interviews with finance, maybe talking with more areas of the Org and one suggestion was maybe embedding and SOPC member or two in a deeper dive into various areas to get a better understanding of the operating model in ICANN and costs might be able to be saved, could be useful ideas. That's my summary. Do you guys have anything to add or change?

GIOVANNI SEPPIA: Thanks a lot, Jordan. It was a perfect summary of what you discussed. For working group two we have Barbara. Thank you, Barbara.

BARBARA POVSE: We also discussed about working methods and how to improve and then at the end we also discussed how to prioritize them. We found that it would be much easier for our group to work with these three

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plans that we need provide comments on Strategic five-year Operational, five years [inaudible] Annual.

If we got the documents with direct changes or even better the A4 piece with what was changed from the previous plan, so the differences because getting all through all these huge amounts of documents, it turns out sometimes to be more or less impossible. This is the first priority for our group, to get direct changes from the previous version or even better, the summary of what was changed.

We also agreed on -- we liked the idea that Giovanni made sub groups, so the work was divided because we can't do all the documents, but we suggested to Giovanni to appoint the chair of the sub group and this chair should rotate because first we are struggling to get the chair, no one wants to be a chair and then we start working, the top down approach to nominating the chair of a sub group would appreciated. But also, we would need -- I think the commenting we would be easier if we get a template; this not the work for ICANN but for the group. The templates for comments and the one who has to provide the report of the group, the work will be easier if comments would be given on templates.

What we also mentioned was that the presentations from the finance department of ICANN would be -- we need more focused, not on the whole procedure and everything but only on the special subject that we feel we would like to discuss because actually these presentations are often 70 percent of it is repeated from the previous time and maybe it would be more useful for the group to get more focused

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presentation on special subject that we identify before the meeting. I think that was it. If there is something you would like to add, please.

GIOVANNI SEPPIA:

Thanks a lot Barbara and thanks to the two working groups. Anything working group two would like to add to what Barbara said? Thanks a lot. Xavier, we had the pleasure to have Becky and also Shani and Victoria, Shani is still with us. They got us through the next steps of the planning cycle. You know that we have this call of this committee recently and there were some points that I addressed to you and as well addressed with the members of this committee.

Then we had this email exchange, how we can cooperate differently and Becky gave us a sort very high-level thinking of the way we can cooperate but then I understand that was not much elaborated internally. I don't know if you like to share something about what we can do better together, between one meeting another or if there is more continuous way of cooperating that you may have in mind?

XAVIER CALVEZ:

Thank you, Giovanni, for the opportunity to provide input and for having asked the question and seeking our input. In the email exchange that Giovanni is referring to, I mentioned simply that reflecting on it, our collaboration is a lot about providing you at the ICANN meetings and this setting, status updates on where we are in the process. Not that it's not useful but it's not necessarily very substantive. It's superficial in quotes. It's useful to know where we

are and hopefully it does help your work but then it's not necessarily a lot of depth of interaction and substantive interaction.

I hear the comment earlier of this group about being able to drill into specific topics of interest, that makes sense to me, I can see the value of being able to identify topics of interest that then we can have a more focused interaction on. Certainly, the interaction that is really focused on the ICANN meetings is a practical reality for everyone but if you look at PDP working groups and other working groups, they also manage to work on a continuous basis by phone as well as using the ICANN meetings as points of work. That's a way of working.

It feels to me that and sorry, just jumping to what Jordan was saying about the ability to be exposed to other parts of the organization and finance, we're just delivering the message, for the broader organization but for you to have the opportunity to have more broad and deep understanding of any part of the organization on the basis of the various topics that could marry the idea of diving deeper.

Some of you may remember we've had these conversations before and that led to cross function sessions that occurred during the policy meeting in the afternoons of the policy meeting and Giovanni sponsored the scheduling and the organization of sessions that were focused on a couple topics. From memory there was engagement, there was the international engagement, I know Sally and her team came to do that, HR was another one. I think that was good ideas and attempts to go down that path, it feels to me that this something that there may be another pass at trying to address.

I also wonder -- I heard your comments, especially for this group on being focused on the public comment on the documents that we offer, which makes a lot sense but it feels to me that your work, let me back up, your purpose and the value that you can deliver is not applying itself just to those documents or that one time. It feels to me that if there is a way to define topics of interest for this group and establish cycles of work, that allow to dig deeper on those topics, one after the other throughout time, there may be a way for us to organize and interaction on those topics throughout the year.

I'm just thinking out loud, so please bear with me for a second. I'm sorry I couldn't participate to the brainstorming session. Let's say the international footprint of ICANN -- for example the topic of interest and we can decide that over the next 12 months. We develop a little bit of a workplan to talk about those subjects. For us to bring you a bit more information that then let's you be able to talk about it, whether we're involved or not, it doesn't matter. You establish for yourself, a work plan where there are a number of topics that are dealt with in that workplan.

Imagine that one, two, three-year cycle let's you cover all the topics of interest, then you start over after that cycle is done. But then if you have established that workplan, for example for the next six month or for the next 12 months, international footprint or policy development or travel funding, I'm just throwing ideas of topics that maybe of interest to you and then you establish that workplan in advance, we can have visibility on it and therefore feed information into that

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workplan, that then becomes useful for your review, for your work and then you can be more informed, we can have more substantive input.

You can even work with others in the community on those topics of that's of interest to you. You're trying to collaborate with the SCBO from the GNSO for example, could be of interest to them as well. I don't know, I'm just brainstorming and that could become a basis for a more substantive interaction, that doesn't necessarily rely just on ICANN Meetings or happens just at ICANN meetings and that can maybe also motivate your participation.

I can imagine just looking at another 200 pages of documents and saying, we have to comment on it in the next 30 days is tough exercise and if there is a maybe less focused and more distributed amount of participation then you guys can have on topics that are of interest to you, rather than the entire thing in just a short amount of time, maybe there is a way for then your group to be more involved and more leveraged and maybe there is a combination of work with others in the community that can also happen. Take EPDP, I can imagine that a workplan can be established with topics of interest but that then let us be able to help you more by producing information that feeds into that workplan. Just a few ideas.

On the goals of the CEO and Board, I think that -- it's funny that you're saying that because I think it's the first, the current version of those goals is the first one over the past couple of years that does not say, from the Board to the CEO that expenses need to be managed within the available funding. Basically, ensuring that ICANN doesn't spend

more money than it makes. Now, you may want to see a goal that's a bit more specific about cost management, cost containment and so on.

As an illustration for example, our [inaudible] he had his chance to say that in that fashion earlier but we've spending \$130 million for the past three years, which means that our costs have not increased despite inflation, despite GDPR, despite a number of things like that. Inevitable, in order to keep our costs exactly at the same level, knowing that inflation has been two or three percent, that we've been spending money on things that were not necessarily planning for like GDPR, at a million or two per year, inevitably we have to manage cost in a different fashion, in other areas of the organization to be able to keep them down.

That results in for example, headcount going from 400 to 385, which is not a huge difference but it's not an increase. There's a number of people, we had a session this morning with ATLAS that was saying, since you have an excess this year, why don't you grant us more of the additional budget requests instead of hiring headcount? We're not.

GIOVANNI SEPPIA:

We got the point that there were no changes in cost increase over the past years, we have been hearing that from Shani, Victoria and Becky earlier. Thanks again and thanks again for your input, the way we can organize our work. Is there anybody who would like to comment on Xavier's thoughts? Roelof

ROELOF MEIJER:

I get what you mean but I'm a bit hesitant about the approach, we've been doing it of course, so looking at the things that are of interest. I think if that's the only thing we do, we risk that somehow the Org has to compile all the input that every constituency gives from his own interest.

By now we have a serious or you have a seriously solid planning methodology, so what I think would also be a good thing is if you guys tell us, looking at the five year Strategic Plan and looking at the five year Operational Plan, please look at these updates because they are seriously different from what we had in mind when we made the previous five year update and look at these parts in the fiscal year operating plan because they are different from what we issued in the five year operation plan when we wrote or when we last updated it.

I think we can also mirror it from some guidance from your organization on which things -- where you indicate, this is different from what we envisioned, this is different from what you've seen before. Not only in tracked changes but in focus areas where we should pay attention to. I think by now there is now enough trust that you will not just point us as certain things that you are sure that will not be able to comment upon. I think if we do it that way, then it becomes a real collaboration and we can together work to even better plans than we have now.

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GIOVANNI SEPPIA: Thank you, Roelof. Xavier, anything to comment on?

XAVIER CALVEZ: I think it's a good idea. Very happy to try to do that. Very easy to offer topics of interest and see where we go.

GIOVANNI SEPPIA: Okay. Thanks a lot again, Xavier. Thanks to both working groups. We'll circulate a summary of what was discussed. The next point on this workshop agenda is Charter Review. As I said, the last time the Charter was reviewed was late 2017 and there was a commitment to review the Charter every two years, so it's about time. The Charter kindly is divided into four micro areas. The scope of our committee, the actives, the participation and the membership. If I quickly go through the scope is, the scope of this committee is let's say, try to provide comment to ICANN on the Strategic and Operating Plan and also to organize those sessions as we are having today and having open sessions. We should also serve our community, the ccTLD community to make sure that there is an update provided at each ccNSO meeting about the work of this committee, so this is about the scope.

The next point is about the activities, which is again, having face to face meetings and also eventually calls. In both cases, there should be public notes available out of what we are doing for transparency and also accessibility principles.

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When we come to participation, the membership is open to all ccTLD managers and ccNSO council at present appoints the members of the committee at the nomination of the chair. I'm expected, the chair is expected to send a nomination to the ccNSO council chair by email.

ccTLD regional organization may nominate and observer to be appointment by also the CCSNO council. If there is any new member, that has to go through the appointment of the ccNSO council.

Then there is the membership, that is probably the most sensitive part of the Charter. The term of the membership is two years. Members can be reappointed by the ccNSO, the maximum is three terms in a row, that is what's written in the Charter. At least one member of the committee should be a member of the ccNSO council. The chair of the committee may request that the ccNSO secretariat publish a call for volunteers, which happen two or three times in the last three years. The proposed new members, one they accept, they will then be appointed by the ccNSO council.

The last bullet point is about participation and engagement of a committee member. It says that were a committee member does not participate regularly, the chair will reach out to the member in order to engage that person and work group. If that member still does not participate regularly or I would say doesn't respond to any email, the chair will advise the ccNSO council, so that further steps can be taken to resolve the situation.

This is the current key points of the Charter and I'm looking at Bart in case I've missed anything. I think a present, at most sensitive part is about the membership because what we have been witnessing in the past couple of years is both because there is a fatigue of the volunteer model both because people they may forget to be in that committee. Some people we have never seen, they never participate and therefore we have a long list of members on page of the ccNSO at ICANN.org working group committee section of the website but some of them, they are never with us, they never attend calls or whatever.

I think one of the areas where we may think we could review and improve, refine the Charter is the membership part. I'm hoping in short session about what the members who are at present attending this session today, they think about that? As I said at the very beginning of this meeting, we have three members who have never attended or participated in any meeting in the past three years but they have been in the list. They have not responded to any email. One responded but is not present today. I think it's a matter of respect to those who are regularly engaging and also regularly contributing what should we do with the membership? The floor is open for sharing your thoughts or comments or whatever. Thank you.

Anybody who's breaking the ice?

ANDREAS MUSIELAK:

I think the important about the three members who are not attending or not responding is, we can replace them but then we need people

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who are voluntary who wants to join us, otherwise probably should not take any action in that direction. If there are people who wants to join us then we should really do something in that direction but I don't know if there are really people in the ccNSO who wants to join us. That's my remark.

GIOVANNI SEPPIA: Thank you, Andreas. Very good point.

STEPHEN DEERHAKE: Giovanni, I have a similar problem with the Retirement Working Group. If you look at our homepage so to speak, I've got a long column of names and they don't show, they don't show on the calls, they don't show on the face to face and I really want to call the heard and I think you, as chair of this group, should think along those lines as well. Yes, you end up with a smaller group until you get some fresh blood volunteer replacement but if they're not working, they're just taking up bandwidth in our heads. I intend to do that with my working group. I'm going to start talking with Katrina about how to go about it. Thank you.

GIOVANNI SEPPIA: Thank you, Stephen. Anybody else would like to share thoughts?

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IRINA DANELIA: I would remove these limitations on the number of terms because otherwise, quite shortly we will be just out of the candidates.

GIOVANNI SEPPIA: Thank you, Irina. Roelof.

ROELOF MEIJER: The question is, do we have any suggestions for changing the Charter? I don't think, it's fine the way it is. I understand where you're coming from Irina, but I don't think it will be a good development if the only people interested in doing work in the SOPWG would be us. I think it would be good to change every now and then.

Also, because we -- I can notice by myself and I noticed some of my peers, we get a bit tired of this whole thing. I think it's good if we get some fresh blood. If we don't get any fresh blood than maybe the problem is solved. Maybe the process is so good now and there is so many meetings about the strategy, the budget, the operational plans, that we don't need our goal any longer because CC's are involved. I'm not sure but if nobody's interested -- we shouldn't force a solution on people who don't think that there is any problem.

GIOVANNI SEPPIA: Thank you, Roelof. Leonid.

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LEONID TODOROV: I have a procedural problem for now because initially I joined this group as ccTLD manager and for now, I represent the regional organization, which means that technically I'm not a ccTLD manager, so I can only be an observer of the group. I have no right actually to participate.

BART BOSWINKEL: You have a specific interpretation of observer. It doesn't state what the rights and non-rights of observers are. You just have another name, it's like on the council. Probably if it would come to a vote, which it never comes to, then there is a distinction between observer and members, for the rest, there is no distinction.

LEONID TODOROV: That means that I can sort of mercilessly ready to exploit everyone under whatever name. Okay.

BART BOSWINKEL: Up to and within the behavioral things.

UNKNOWN SPEAKER: Leonid, the only difference is that we don't have to listen to you.

GIOVANNI SEPPIA: Okay, that was not for the record. Andreas.

ANDREAS MUSIELAK: I have two remarks. I think it's important to maintain this SOPC. Probably we can reduce the number of meetings if we see but I think if you want staff to have this SOPC, then to rebuild in case it's important it will be very, very difficult. That's my remark and I agree with Irina, we should probably think about it, about the three times in a row but otherwise, lack of expertise at a certain point in time.

GIOVANNI SEPPIA: Thank you. Anybody else like to add any further comment. Xavier.

XAVIER CALVEZ: On the point that Roelof made, if there is less interest or more challenge to participate, maybe it's because everything is good enough. I feel that there is -- if I go back from the top level, there is now an empowered community. There is a responsibility in my views, of the SO's and AC's to ensure that they fulfill their responsibilities in being about to weigh on rejections or not. You know the powers of the empowered community are very much about the strategic plan, the operating plan, five year separately from the annual operating plan and budget.

Three of the seven powers are exactly in the scope of this committee. Your work over the past decade or more, has very much influenced obviously the ability of the ccNSO to provide input but now it's becoming an input that's nearly necessary, indispensable, in order to

fulfill that obligation under the empowered community. From my perspective we tried to promote and help other groups to create a group like yours.

The SCBO is nascent, we are trying to help it sustain and develop. It would be assumed if this group would dwindle or would reduce its production in output. I think from an accountability standpoint, if I wear the ICANN hat of, you're helping the accountability of ICANN. You keep us upright. I think that this group's importance -- I think we're all convinced, I guess. If there's ways for us to help convince others in the ccNSO, the importance of this committee does, in how it contributes to the overall accountability mechanisms of ICANN, I think I'm very happy to try to help with that but I think that's really the core of why your guys are working. I think this is important and even more so important today than it has been in the past.

GIOVANNI SEPPIA:

Thank you, Xavier for that compliments, we were somehow needed, at the end of a long session. Is there any further thought or comment before I wrap up the session? Yes, Irina.

IRINA DANELIA:

Sorry for actually being late with this comment. I just realized that a really good outcome for me personally, leaving this session, would be the clear plan, what we're going to do in the next three or four months, between today and next face to face meeting at ICANN? If there are certain deliveries we are expected to do, then how exactly we going to

do it in most effective ways, spending less of our time and efforts and delivering the best result?

For example, if we understand that somewhere in December, we were going to have this strategic and operational five-year plan, then what exactly are we going to do and when to deliver the comments? And who exactly, yes. Actually, we know who is here, we can assume who will participate, we can assume what kind of document we will receive, so we can decide right now what we're going to do. Second week of December, third week, we already know the schedule of our Christmas holidays and who will be available at what time, so we can do it right now.

GIOVANNI SEPPIA:

Thank you, Irina. Bart, do you want to say something?

BART BOSWINKEL:

Yes, I think what is interesting here is, it's normally say Giovanni and I and particularly Giovanni comes up with a plan. It would be interesting to extend that group a little bit. For example, one or two other people in this room assist in driving and making this happen. It's probably what is needed is one call by the end of or maybe in two weeks, to come up with an idea and a plan but you spread the load of engaging people because I think it is convenient to have a very active chair like Giovanni because he just can't wait till something comes out, he reads it and that's it but I think the starting point is and it's all fun, if you're more engaged in that planning process already and know

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what it coming. You share the burden of planning for this group as well.

GIOVANNI SEPPIA: Thank you, Bart. I'm wrapping up the session. It again, has been a long session. Stephen.

STEPHEN DEERHAKE: Very quick. I want to go back to the term limitation thing and I also think it should be axed.

GIOVANNI SEPPIA: Okay. Point taken. Thank you, Stephen. What's next and to wrap up the session. I will just say thanks to everybody, it has been quite an interesting and long exercise that was somehow needed. Thanks also to the finance department, Xavier, Victoria, Shani and Becky for being with us today.

What's next, we have heard from the ICANN Finance Team that there's going to be this public comment period starting the 17<sup>th</sup> of December for the next fiscal year FY21 Planning. We have got quite a lot of input from the sub working groups, starting from the brick and moving to what we should do differently and how we should prioritize possible improvements in the way we are working and we approach the work for the public comment. My plan is to circulate summary, included what was written on the boards, including the brick, so that we are all on the same page.

At the same time, I subscribe the point of Irina, to have a plan, so I'll share it's should be a shared plan, so it's not one man or secretariat plan but it's a shared plan. I'm expecting at least the people who have participated, all of proactively today to contribute to this plan as an action plan, how to restructure the work in the coming months and that will include the review of the Charter. That will include also an action plan for membership. The action plan for membership I'm thinking about is, that each of us should liaise with our industry peers during ccNSO meetings or also regional originations meeting.

We have a clear objective and the objective is that we should try for each region to have at least one new member by the next ICANN meeting. We should try to convince one member from each region to become member of the SOPC. It's everybody as a task. Also, we will come up with some duties for the Finance Department and for the secretariat, so that we all work together with constructive and cooperative spirit that we have been having so far. Leonid, you want to say something?

LEONID TODOROV:

First of all, thank you Giovanni, I would like to commend you for this command and control approach and planned indicators. That's very good. For now, I'm just thinking about this plan, would it be possible to make it shareable on whatever platform, most preferable Google Docs? Many would be happy to contribute to it. Thank you.

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GIOVANNI SEPPIA:

Thank you, Leonid. We'll do so. I'll draft something and then I'll share it with Secretariat and Joke or Bart will upload it on a platform where everybody can comment and provide input, for sure. Yeah, absolutely.

Time has come to draw to close this session. Again, thanks to everybody. Thanks to the Finance Team. Thanks to the Secretariat for supporting these exercises. I think there's been a lot of exchange, very valuable. Thank you everybody and the meeting is closed. Thank you.

**[END OF TRANSCRIPTION]**