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**Statement of the Non-Commercial Stakeholders Group
on the Draft FY22-26 Operating & Financial Plan and Draft FY22 Operating Plan & Budget**

The Noncommercial Stakeholders Group (NCSG) appreciates the opportunity to comment on the ICANN's draft FY22-26 Operating & Financial Plan and draft FY22 Operating Plan and Budget.

The NCSG represents the interests of non-commercial domain name registrants and end-users in the formulation of Domain Name System policy within the Generic Names Supporting Organisation. We are proud to have individual and organizational members in over 160 countries, and as a network of academics, Internet end-users, and civil society actors, we represent a broad cross-section of the global Internet community. Since our predecessor's inception in 1999 we have facilitated global academic and civil society engagement in support of ICANN's mission, stimulating an informed citizenry and building their understanding of relevant DNS policy issues.

General comments

In 2019, we formulated a few recommendations, including, in part, the following:

- *Look inward at its own overall spending patterns and provide a clearer explanation as to how operational efficiencies will be achieved this year and into the future.*
- *Provide the community with further clarity around who is authorizing spending and where resources are going in the community.*

These two principles have guided our comment last year and will also guide our comment this year.

We are overall satisfied that ICANN is currently contemplating a stable operating expenditures for FY22 to FY26. This is especially important given its own revenue forecast for the period, which displays a non-negligible risk of a slight decrease.

The funding for the Operating Initiatives is forecasted to take slightly less than 5% of ICANN's funding by FY25. While it is comparatively small to what is spent on personnel (which takes more than 55% of the yearly revenues,) it nevertheless represents several millions of dollars. In

that sense, it matters to the NCSG that the cost of those Operating Initiatives be reasonably justified.

In that regard, we welcome the information provided by the table on page 4 of the Highlights document, as it gives us an idea as to what the midpoint scenario involves in terms of yearly resources usage and attribution until 2025. That being said, we believe that such information could also have found its place in the larger document, eventually with a more granular breakdown, when appropriate. In cases where a more granular breakdown of expenditures is not possible, at least a form of forecast can be given for the upcoming FY. For example, we believe that Org probably knows how much it will spend on/pay the project manager for the Operating Initiative Nr. 3 (Evolving the Multistakeholder Model) at least for the upcoming FY. Such information should be included in both the Highlights and the more detailed Plan.

Moreover, as we mentioned last year,

we are wary of processes that involve external consultants or project managers, especially when it comes to matters affecting core Community activities. There have been several instances in the past where recourse to external consultants to “solve problems” did not prove overall beneficial, for a variety of reasons, one of which is the lack of Community involvement in the consultants’ work.

We note that Operating Initiatives Nr. 1, 3, 5 and 7 all include consultant/project manager-type of expenditure.

The lack of funding to some Operational Initiatives, justified by its inclusion within functional resources, draws our attention. Even though most aspects of this OIs would be indeed included in the functional activities, identifying and allocating resources for previsible unexpected costs could be fruitful. This apparently was made in some OIs, such as small amount of resources can be allocated specifically to topics such as “Formalize the ICANN org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers”, but not in others that present in their Considerations section the risk of demanding more resources, such as “Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem” and “Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission”.

About topic 5 (“Develop Internal and External Ethics Policies”), considering the diversity and multiculturalism within ICANN, as well as the inherently delicate nature of ethical policies and the primary risks being “lack of internal and external awareness of the work and resulting lack of buy-in to the effort.”, it would be fruitful for the budget to define extra and more detailed steps of public consultation in identifying gaps, which would help provoke engagement. “Tracking mechanism” mentioned in the collaboration with ICANN’s Engineering and IT functions should be better explained

FY22 Budget

Separately, as was mentioned last year in our comment, over FY21, ICANN is/was planning to fund meetings of both the European and Latin American components of ALAC, for a total sum of 170 000 USD. We understand that such information is now presented under the header “Other SO/AC Events” along with such other funded events. This is a positive development.

There are two elements we would like to highlight with regard to constituent travel funding. First, we observe a high discrepancy in constituent travel funding amounts across locations for a given SO/AC, discrepancies that do not seem to peg with the general cost of the location of the meeting.

Second, we also observe the high amount of funding provided by Org to regional at-large organisations general meetings, totalling 182 000 USD, while CROP, an initiative that benefits all of ICANN community members (including ALAC members) receives three times less support. Additionally, CROP funding is subject to strict guidelines, including transparency. Indeed, CROP guidelines and actual funding are readily available through a simple search engine query, while it is much more difficult to figure out on what basis ALAC was granted more than 180 000 USD for its regional meetings and what justifies these amounts. Such information must be included in the budget.

Operational Initiatives

We would like to provide the following comments on certain Operating Initiatives.

9.Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem

and

11.Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission

While these OIs are integrated within the core budget, we question the decision not to attribute a specific budget line to them. This is particularly true considering how central these OI appear with regard to ICANN’s task, and how relevant they are with regard to a unified and global internet.

Moreover, accomplishing these OIs would be helpful to the performance of other ICANN functions. The need for incremental resources is even mentioned in the considerations (“Possible increased resources needed to cover new venues with additional technical resources for legislative analysis”) and as such having a designated amount for unexpected costs could be a more transparent approach.

12.Formalize the ICANN org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers

Although the development of a forecasting tool for market trends requires specific funding, it's not clear what justifies 1M USD, while it appears that part of this OI is already integrated in the functional activities. This choice to attribute a specific budget line to this OI appears more puzzling when considering the opposite choice that was made for OIs 9 and 11, for example.