

Noncommercial Stakeholders Group (NCSG) appreciates the opportunity to comment on the ICANN's draft FY21-25 Operating & Financial Plan and draft FY21 Operating Plan and Budget for the fiscal year 2020.

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.

Last year, our comment made the following four recommendations, namely that ICANN:

1. 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;
2. Provide the community with an appropriate level of support commensurate with our responsibilities under the ICANN Bylaws, including funding a NCPH Intersessional;
3. Provide the community with further clarity around who is authorizing spending, where resources are going in the community, and what it costs to fulfil externalities imposed on ICANN, particularly those by intellectual property interests; and
4. Re-evaluate the spend on capacity development programmes for their effectiveness in leading to engagement in ICANN's policy development processes and mission.

We would thus like to take this opportunity of this comment to follow up on some of those elements.

We are overall satisfied that ICANN is currently contemplating a stable headcount and operating expenditures for FY21 to FY25. This is especially important given its own revenues forecast for the period, which displays a non-negligible risk of slight decrease.

We are also satisfied that the NCSG will be participating in the NCPH intersessional during ICANN68 in Kuala Lumpur, Malaysia.

The funding for the Operating Initiatives is forecasted to take about 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.

However the explanations provided for each operating initiative often lack in detail. They may represent a good or fair estimate of the actual cost, but it also matters that the community be able to evaluate whether such an amount represents a proper use of ICANN's resources. For example, reporting that an unidentified part of the \$4 to \$5 million dollars planned for "evolving and strengthening the multistakeholder model" will be spent on "consultant costs" and "implementation relating to the recommendations and outcomes," the NCSG is not put in a position to evaluate whether this is a good use of ICANN's resources. Overall, we are less concerned with the precision and accuracy of the numbers, and more with their justification.

Moreover, we are wary of processes that involve external consultants, 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. While NCSG is cautious regarding the initiative and the efforts to examine and strengthen ICANN's multistakeholder model, it is vital that the whole Community be included in the process from start to finish.

Finally, we would also note that it appears ICANN does not know where the domain name industry is headed, as its forecast bracket incorporates both substantial growth and substantial decline. In this risky environment, we would encourage ICANN to focus on its core mission, that is providing the community with the requisite support, in order to foster the best policies. Ensuring diversity in the policy-making process also means ensuring that all members of a given policy process are materially able to participate equally.

Coming to the budget documents, the forecast in the registrar accreditations for FY21 is presented in absolute terms (p.12) These numbers should be provided in a relative fashion (such as percentages), as absolute numbers do not give an idea of the importance of the growth or decline, as the case may be.

On p.16 of the same document, it appears that, over FY21, ICANN is planning to fund meetings of both the European and Latin American components of ALAC, for a total sum of 170 000 USD. While we understand that this budget line was granted to ALAC on the basis of an agreement with ICANN, we question why it appears "featured" the way it is along with other core activities. Some internal discussion has not entirely shed light on the reasons some external meetings are singled out while others are not and we look forward to more information on the rationale behind that choice of presentation.

We want once again to thank for the opportunity to provide our comments, and hope our observations will be taken into account.