

# **Response to ICANN'S Call for Public Comments on their Draft FY20 Operating Plan and Budget and Five-Year Operating Plan Update**

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At the Centre for Internet and Society, we are grateful for the opportunity to provide our comments on the proposed draft of ICANN's FY20 Operating Plan and Budget along with their Five-Year Operating Plan Update. As part of the public comment process, ICANN provided a list of documents which can be found [here](#) that included their highlights of the budget, the total draft budget for FY20, an operating plan segregated by portfolios, amongst others. The following are our comments on relevant aspects from the different documents:

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There are several significant undertakings which have not found adequate support in this budget, chief among them being the implementation of the ICANN Workstream 2 recommendations on Accountability. The budget accounts for any expenses that arise from WS2 as emanating from its contingency fund which is a mere 4%. Totalling more than 100 recommendations across 8 sub groups, execution of these would require significant expenditure. Ideally, this should have been budgeted for in the FY20 budget considering the final report was submitted in June, 2018 and conversations about its implementation have been carried out ever since. It is wondered if this is because the second Workstream does not have the effectuation of its recommendations in its mandate and hence it is easier for ICANN to be slow on it.<sup>1</sup> As a member of the community deeply interested in integrating human rights better in ICANN's various processes, it is concerning to note the glacial pace of the approval of the aforementioned recommendations especially coupled with the lack of funds allocated to it. Further, there is 1 one person assigned to work on the WS2 implementation work which seems insufficient for the magnitude of work involved.<sup>2</sup>

A topical issue with ICANN currently is its tussle with the implementation of the General Data Protection Regulation (GDPR) and despite the prominence and extent of the legal burden involved, resources to complying with it have not been allocated. Again, it is within the umbrella of the contingency budget.

The Cross Community Working Group on New gTLD Auction Proceeds is also, presently, developing recommendations on how to distribute the proceeds. It is unclear where these will be funded from since their work is funded by the core ICANN budget yet it is assumed that the recommendations will be funded by the auction proceeds. Almost 7 years after the new gTLD round was open, it is alarming that ICANN has not formulated a plan for the proceeds and are still debating the merits of the entity which would resolve this question, as recently as the last ICANN meeting in October, 2018.

Another important policy development process being undertaken right now is the Working Group who is reviewing the current new gTLD policies to improve the process by proposing

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<sup>1</sup> <https://cis-india.org/internet-governance/blog/icann-work-stream-2-recommendations-on-accountability>

<sup>2</sup> <https://www.icann.org/en/system/files/files/proposed-opplan-fy20-17dec18-en.pdf>

changes or new policies. There are no resources in the FY20 budget to implement the changes that will arise from this but only those to support the Working Group activities.

Lastly, the budgets lack information on how much each individual RIR contributes.

### **Staff costs**

ICANN's internal costs on their personnel have been rising for years and slated to account for more than half their annual budget with an estimated 56% or \$76.3 million in the next financial year. The community has been consistent in calling upon them to revise their staff costs with many questioning if the growth in staff is justified.<sup>3</sup> There was criticism from all quarters such as the GNSO Council who stated that it is "*not convinced that the proposed budget funds the policy work it needs to do over the coming year*".<sup>4</sup> The excessive use of professional service consultants has come under fire too.

As pointed out in a mailing list, in comments on the FY19 budget, *every single constituency and stakeholder group* remarked that personnel costs presented too high a burden on the budget. One of the suggestions presented by the NCSG was to relocate positions from from the LA headquarters to less expensive countries such as those in Asia. This can be seen from the high increase this budget of \$200,000 in operational costs though no clear breakdown of that entails was given.

The view seems to be that ICANN repeatedly chooses to retain higher salaries while reducing funding for the community. This is even more of an issue since there employment remuneration scheme is opaque. In a DIDP I filed enquiring about the average salary across designations, gender, regions and the frequency of bonuses, the response was either to refer to their earlier documents which do not have concrete information or that the relevant documents were not in their possession.<sup>5</sup>

### **ICANN Fellowship**

The budget of the fellowship has been reduced which is an important initiative to involve individuals in ICANN who cannot afford the cost of flying to the global ICANN meetings. The focus should be not only be on arriving at a suitable figure for the funding but also to ensure that people who either actively contribute or are likely to be supported as opposed to individuals who are already known in this circle.

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<sup>3</sup> <http://domainincite.com/22680-community-calls-on-icann-to-cut-staff-spending>

<sup>4</sup> Ibid

<sup>5</sup> <https://cis-india.org/internet-governance/blog/didp-request-30-enquiry-about-the-employee-pay-structure-at-icann>

Again, our attempts at understanding the Fellowship selection were met with resistance from ICANN. In a DIDP filed regarding it with questions such as if anyone had received it more than the maximum limit of thrice and details on the selection criteria, no clarity was provided.<sup>6</sup>

### **Lobbying and Sponsorship**

At ICANN 63 in Barcelona, I enquired about ICANN's sponsorship strategies and how the decision making is done with respect to which all events in each region to sponsor and for a comprehensive list of all sponsorship ICANN undertakes and receives. I was told such a document would be published soon but in the 4 months since then, none can be found. It is difficult to comment on the budget for such a team where there is not much information on the work it specifically carries out and the impact of such sponsoring activities. When questioned to someone on their team, I was told that it depends on the needs of each region and events that are significant in such regions. However without public accountability and transparency about these, sponsorship can be seen as a vague heading which could be better spent on community initiatives.

Talking of Transparency, it has also been pointed out that the Information Transparency Initiative has 3 million dollars set aside for its activities in this budget. It sounds positive yet with no deliverables to show in the past 2 years, it is difficult to ascertain the value of the investment in this initiative.

Lobbying activities do not find any mention in the budget and neither do the nature of sponsorship from other entities in terms of whether it is travel and accommodation of personnel or any other kind of institutional sponsorship.

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<sup>6</sup> <https://cis-india.org/internet-governance/blog/didp-31-on-icanns-fellowship-program>