ICANN FY21-25 and FY21 Planning

Process and Timeline Overview

ICANN Planning Team

Webinar
September 2019

ICANN

INTRODUCTION TO PLANNING TEAM

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Agenda

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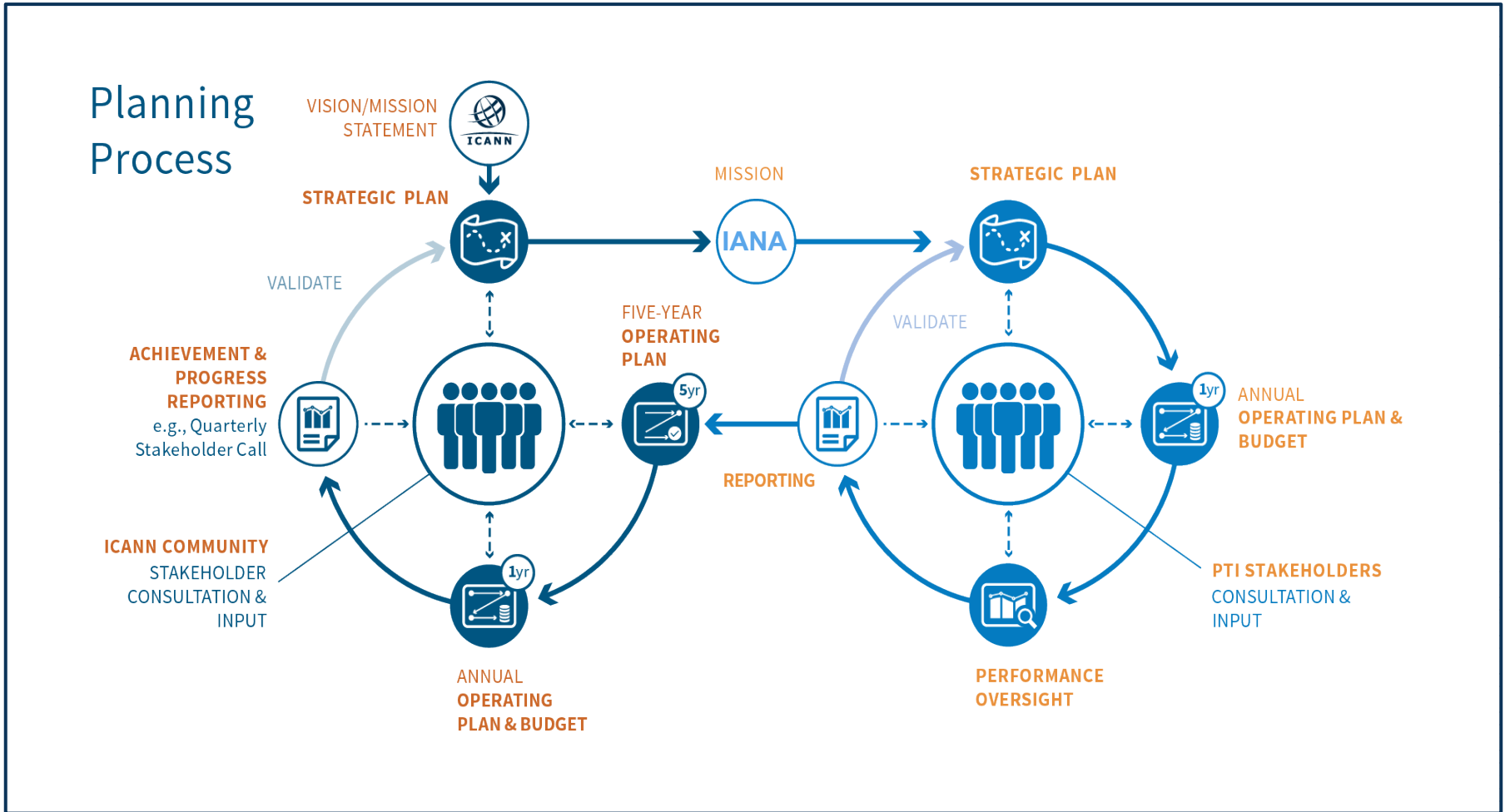
FY21 Operating Plan & Budget Trends & Assumptions

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Questions and Answers

Planning Process Overview

Process Overview: Planning Process Steps

Planning Process

VISION/MISSION STATEMENT

STRATEGIC PLAN

VALIDATE

ACHIEVEMENT & PROGRESS REPORTING
e.g., Quarterly Stakeholder Call

ICANN COMMUNITY STAKEHOLDER CONSULTATION & INPUT

ANNUAL **OPERATING PLAN & BUDGET**

FIVE-YEAR **OPERATING PLAN**

MISSION

IANA

STRATEGIC PLAN

VALIDATE

REPORTING

ANNUAL **OPERATING PLAN & BUDGET**

PTI STAKEHOLDERS CONSULTATION & INPUT
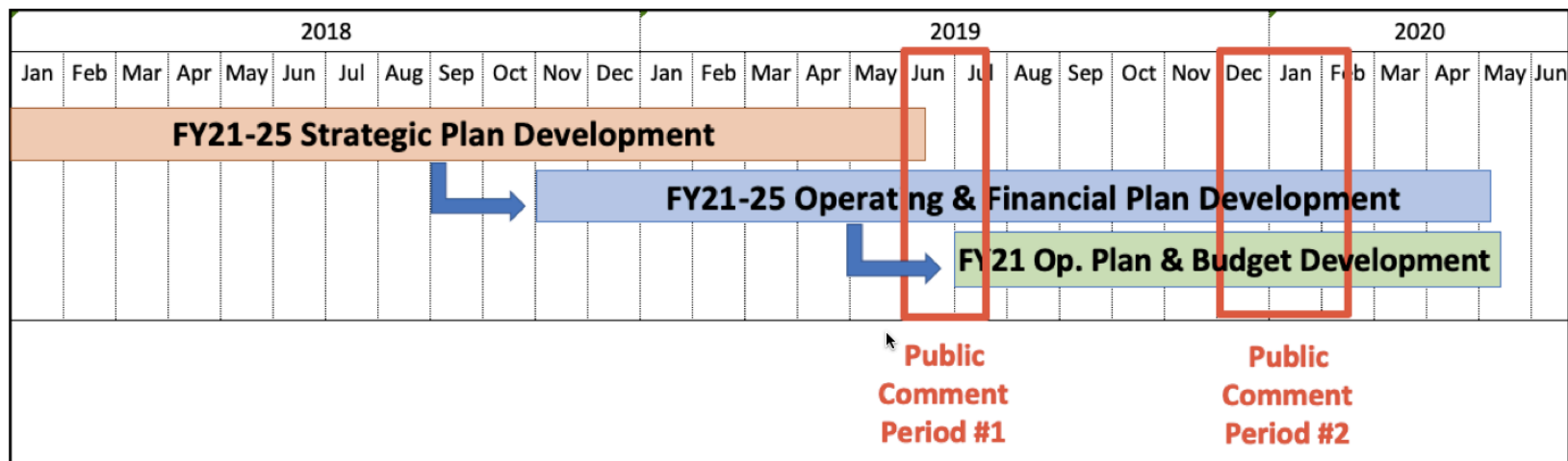
PERFORMANCE OVERSIGHT

5yr

1yr

1yr

Planning Process

FY21- FY25 Strategic Plan (SP) outlines ICANN's Vision and Mission, sets out five strategic objectives and related goals based on areas of challenge and opportunity for ICANN to shape its future successfully.

FY21-FY25 Operating & Financial Plan (O&FP) includes 1) Financial assumptions and high-level projection of the "base-case", "high" and "low" funding scenarios for FY21-FY25, and 2) ICANN org will undertake existing and new activities to achieve the strategic outcome set out in the FY21-FY25 Strategic Plan.

FY21 Operating Plan & Budget (OP&B) sets forth the focus of efforts and organizational commitments for the current fiscal year.

FY21-25 O&FP Public Comment #1 Inputs

Public Comment #1 Inputs – 1 of 4

https://www.icann.org/en/system/files/files/report-comments-draft-financial-projections-fy2021-2025-19aug19-en.pdf

At the time this report was prepared, a total of eight (8) community submissions had been posted to the forum. The contributors, both individuals and organizations/groups, are listed below in chronological order by posting date with initials noted. To the extent that quotations are used in the foregoing narrative (Section III), such citations will reference the contributor's initials.

<u>Organizations and Groups</u>

Name	Submitted by	Initials
Country Code Names Supporting Organization Strategic and Operational Standing Committee	Giovanni Seppia	ccNSO SOPC
Business Constituency	Steve DelBianco	BC
Registries Stakeholder Group	Donna Austin	RySG
Registrar Stakeholder Group	Zoe Bonython	RrSG
Noncommercial Stakeholders Group	Rafik Dammak	NCSG
Generic Names Supporting Organization Council	Marika Konings	GNSO
At-Large Advisory Committee	ICANN Policy Staff in support of the At-Large Community	ALAC

<u>Individuals</u>

Name	Affiliation (if provided)	Initials
Maureen Hilyard		MH

Section IV: Analysis of Comments

General Disclaimer: This section intends to provide an analysis and evaluation of the comments submitted along with explanations regarding the basis for any recommendations provided within the analysis.

The eight organizational and one personal comment received through the Public Comment proceedings were broken down into 98 comments, which covered the following topics as follows:

	Total	# of statements expressing support	# of statements expressing support, but with edits	# of statements indicating concerns	# of other statements or suggestions
# of comments	98	37	17	7	37
Financial Assumptions and Projections					
General Comments	6	2	1	1	2
Roll-out of New gTLDs	8	1	1	2	4
Difficulty in ensuring universal acceptance	2	1			1
Funding Type	2				2
Key Sustainability Principles	3	3			

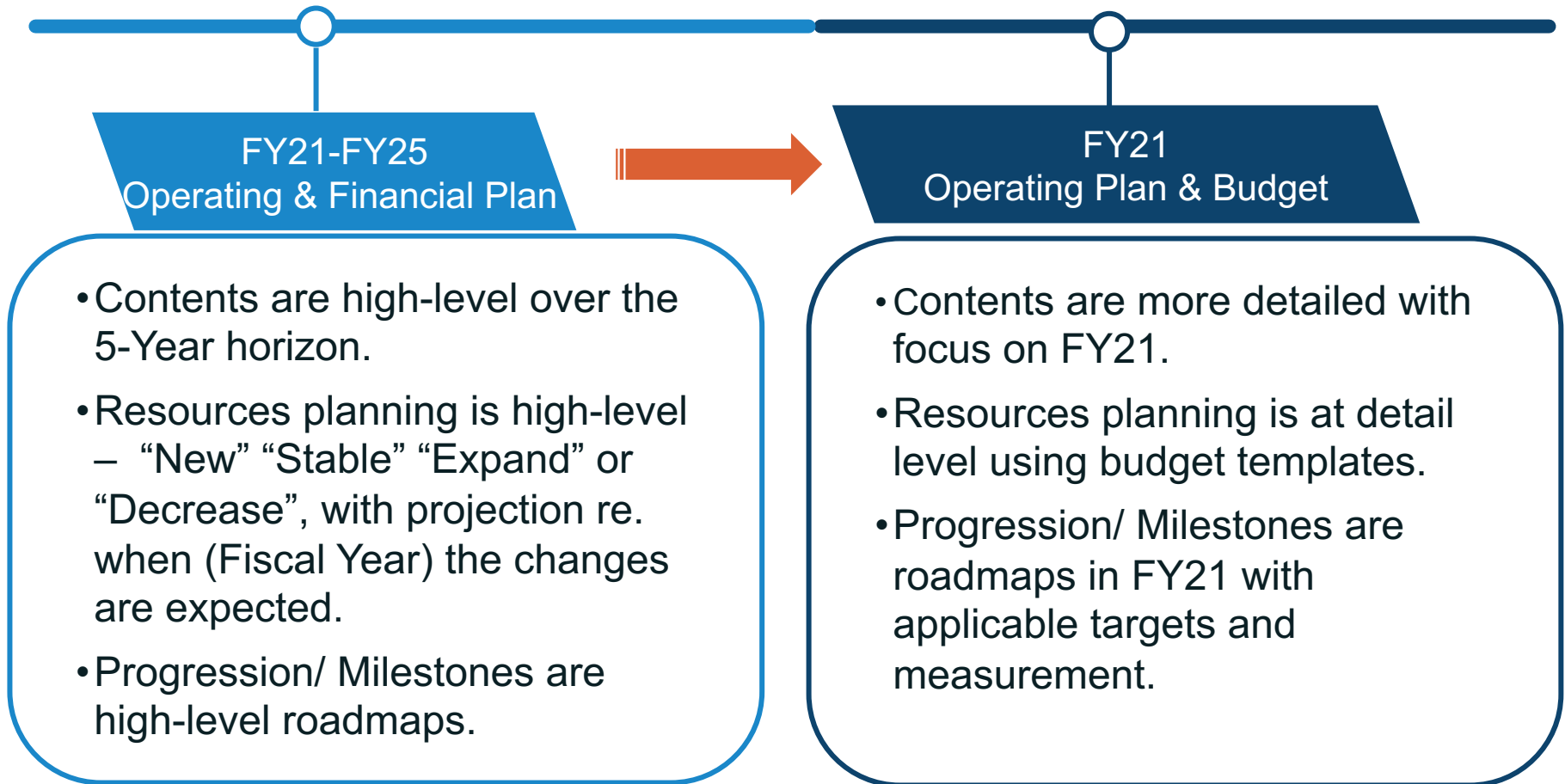|	Total	# of statements expressing support	# of statements expressing support, but with edits	# of statements indicating concerns	# of other statements or suggestions
Operating Initiatives					
General Comments	12	1		1	10
Operating Initiative 1	3	2			1
Operating Initiative 2	2	1	1		
Operating Initiative 3	4	2			2
Operating Initiative 4	3		3		
Operating Initiative 5	5	2	1		2
Operating Initiative 6	5			2	3
Operating Initiative 7	3				3
Operating Initiative 8	1	1			
Operating Initiative 9	6	1	1	1	3
Operating Initiative 10	4	4			
Operating Initiative 11	6	2	3		1
Operating Initiative 12	5	3	2		
Operating Initiative 13	4	3	1		
Operating Initiative 14	4	2	1		1
Operating Initiative 15	4	2	1		1
Operating Initiative 16	5	4	1		
Other Initiatives	1				1

Next Step

⊙ ICANN org will incorporate feedback from this Public Comment #1 proceeding to continue the development of the FY21-25 O&FP.

⊙ Draft FY21-25 O&FP will be discussed with ICANN Board, then published for Public Comment #2 in December 2019, with the comment period running until February 2019.

⊙ Comments received during Public Comment #2 will be available for consideration by the Board and ICANN community at ICANN67 in March 2020.

⊙ After ICANN67, the proposed final FY21-25 O&FP is intended to be presented to the ICANN Board with the aim of Board adoption in May / June 2020.
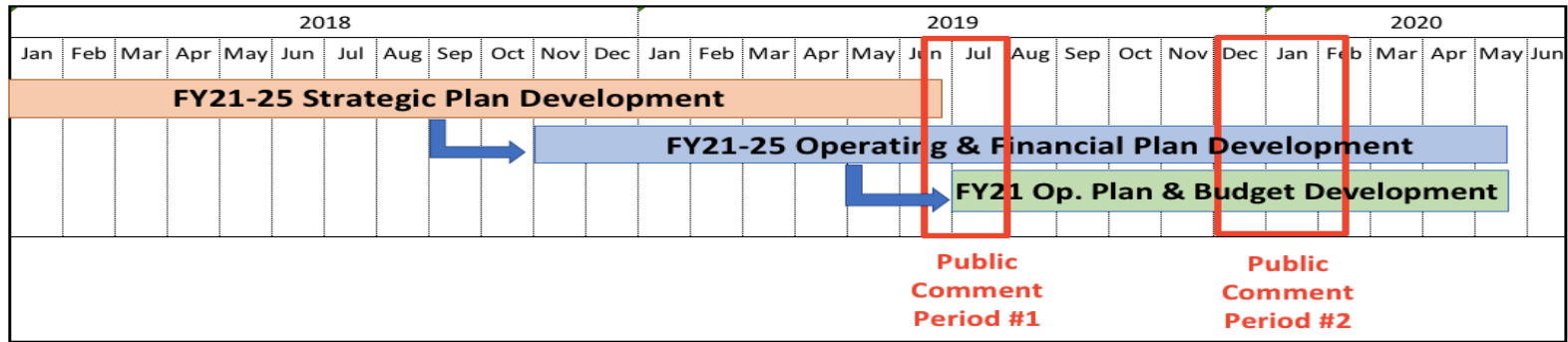
FY21-25 O&FP and FY21 OP&B
Plan Development and Process/ Timeline

FY21-FY25 O&FP vs. FY21 OP&B

Both describe the work of the organization – purpose, activities, connection to the Strategic Plan, resources, considerations (risks, dependencies, challenges) and progression/ milestones.

FY21-FY25 Operating & Financial Plan

- Contents are high-level over the 5-Year horizon.
- Resources planning is high-level – "New" "Stable" "Expand" or "Decrease", with projection re. when (Fiscal Year) the changes are expected.
- Progression/ Milestones are high-level roadmaps.

FY21 Operating Plan & Budget

- Contents are more detailed with focus on FY21.
- Resources planning is at detail level using budget templates.
- Progression/ Milestones are roadmaps in FY21 with applicable targets and measurement.

FY21-25 O&FP and FY21 OP&B- Progress Update

What	Who	When
✓ FY21-25 O&FP Public Comment Period #1	Community	14 Jun – 5 Aug 2019
✓ Overview of FY21-25 O&FP development and Public Comment #1 materials	Community	Pre-ICANN65 Webinar on 17 June 2019
✓ Review Public Comment #1 inputs and plan development of both FY21-25 O&FP and FY21 OP&B	Board	Board Workshop Sep 2019
Review draft FY21-25 O&FP for Public Comment #2	Board	ICANN66 Nov 2019
Review draft FY21OP&B for Public Comment	BFC	Early Dec 2019
FY21-25 O&FP Public Comment Period #2 FY21 OP&B Public Comment Period	Community	Dec 2019 – Feb 2020
Review Public Comment inputs and finalize development of both FY21-25 O&FP and FY21 OP&B	Board & Community	ICANN67 Mar 2020
Review for Plan adoption of both plans	Board	Board Workshop May 2020
Empowered Community Period	Community	May – Jun 2020

FY21 Operating Plan and Budget Key Process Updates

- ◉ Annual Timeline

  - ○ The timing of the Public Comment period for the Draft FY21 Operating Plan and Budget publication has been coordinated with the FY21-FY25 Five Year Operating Plan public comment period.

  - ○ The adoption of the FY21 Operating Plan and Budget is similar to FY20 Process

    - – Permits Board approval well in advance of the next fiscal year

    - – Provides time for the Empowered community process (28 days) before the start of the next fiscal year

- ◉ Timing of Approval for SO/AC Additional Budget Requests
  - ○ Current process results in approval at the same time as overall Board approval

Key Changes- Improved Structure and Transparency

- We have improved our reporting and project structure to increase transparency and visibility regarding key information and initiatives

    - Last year we posted 5 documents for the annual budget and 5 year plan update, this year we will post 4 documents

    - In the past, we provided transparency into all activities and projects

    - This year, we have narrowed our focus to reduce complexity and improve the transparency regarding key initiatives and projects

Prior	Upcoming Publication *(2019 Dec)*

• ~350 Projects
 	
• Over 60 Portfolios
 	
• 6 Modules
	• ~40 Projects
	
	• Narratives by:
	
	    • Function
	
	    • Project
	
	    • Initiatives

Additional Budget Request: FY21 Key Dates

Community Kick off and Submission period

11 November 2019- 31 January 2020

SO/AC Consultations at ICANN 67

7 March 2020-12 March 2020

Notify SO/ACs of Publication

6 May 2020- 12 May 2020

Publication on Website

12 May 2020

What Documents will We Publish?

IANA Functions

IANA Functions Operating Plan and Budget (*including operations subcontracted to PTI*)
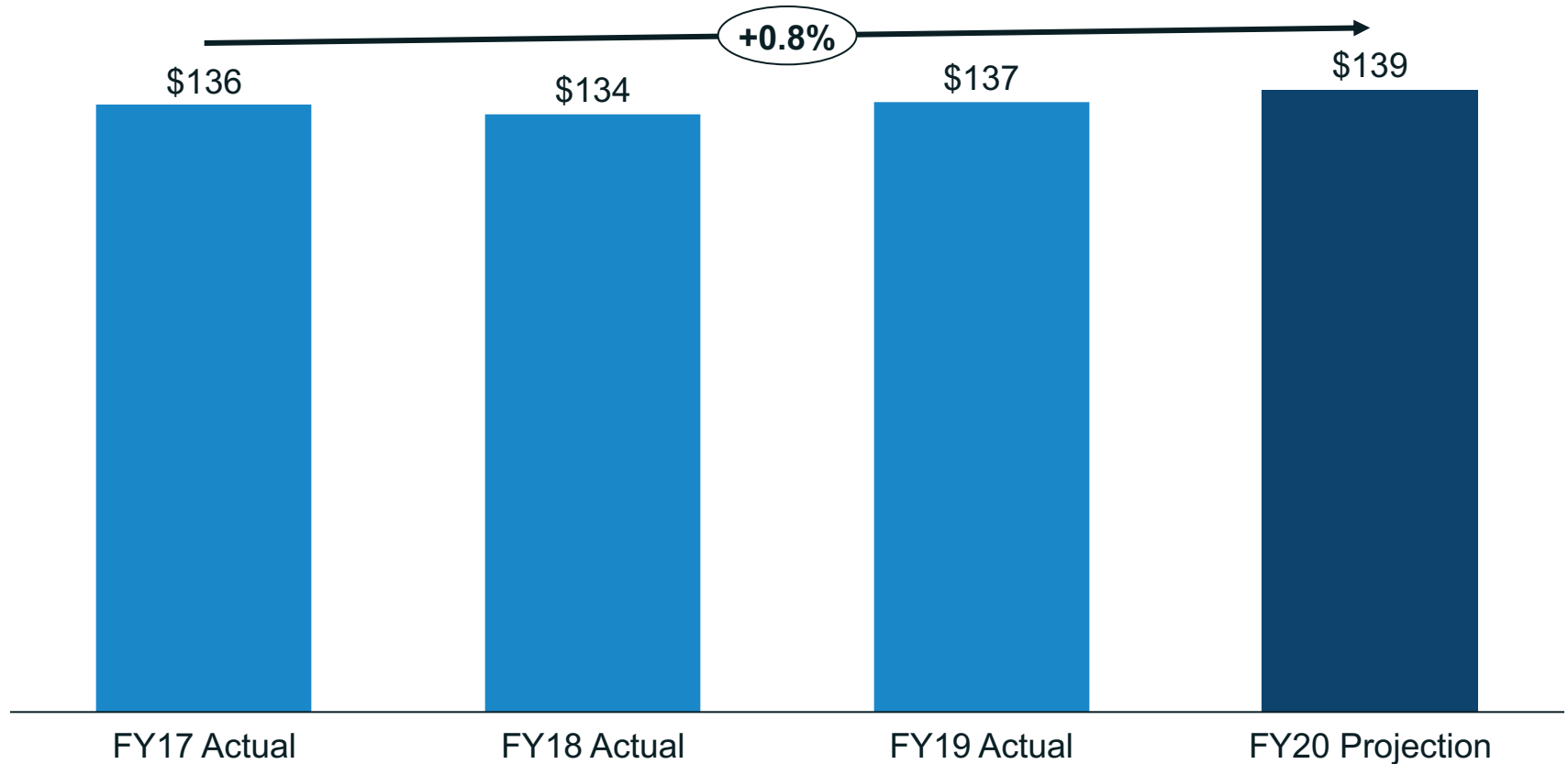
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FY21-25 Operating & Financial Plan

FY21 Operating Plan & Budget
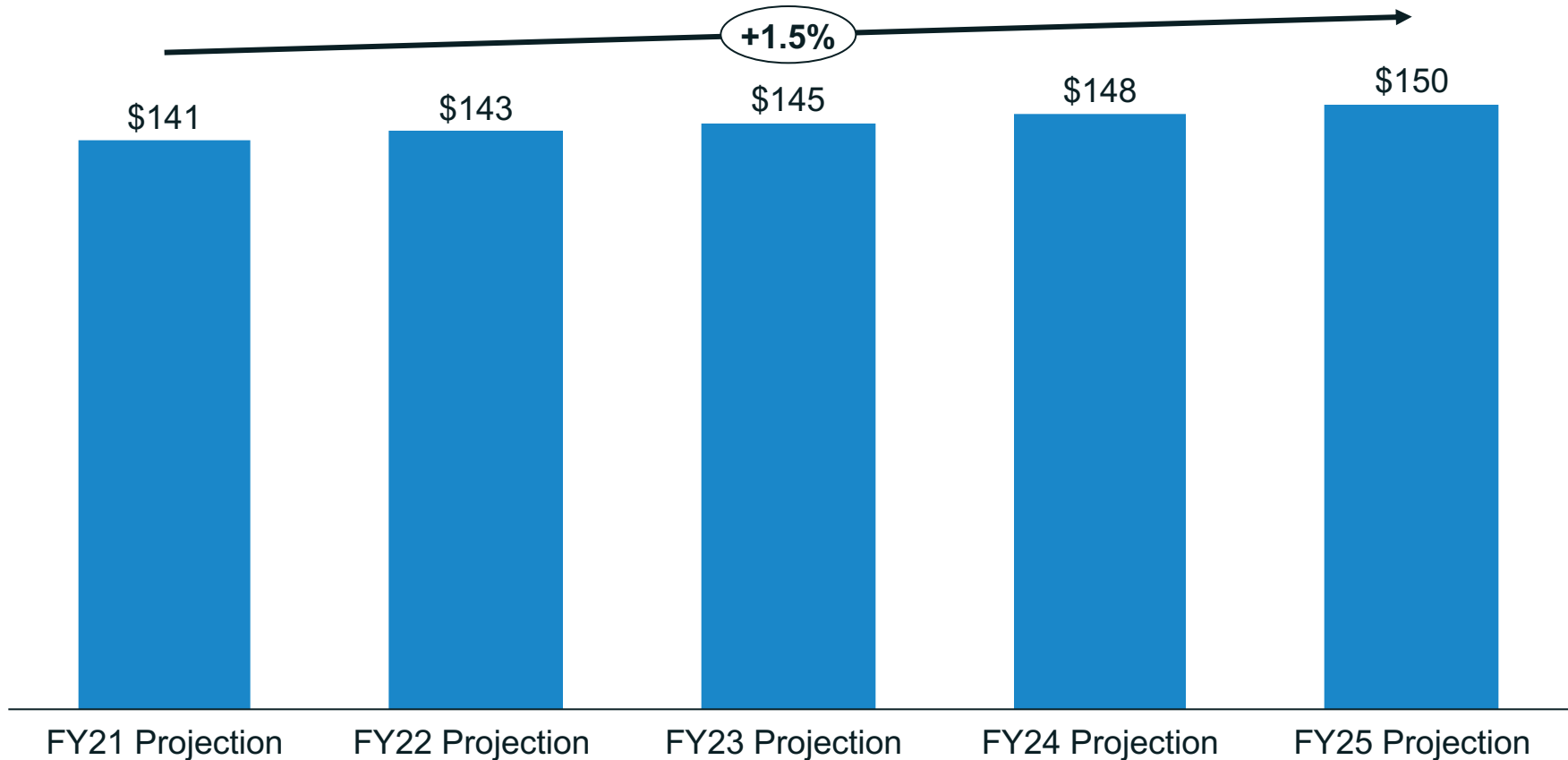
FY21 Operating Plan & Budget
Trends & Assumptions

Recent Funding Trends

- Funding has stabilized and is growing at a very modest rate, this directly impacts our Budget

+0.8%

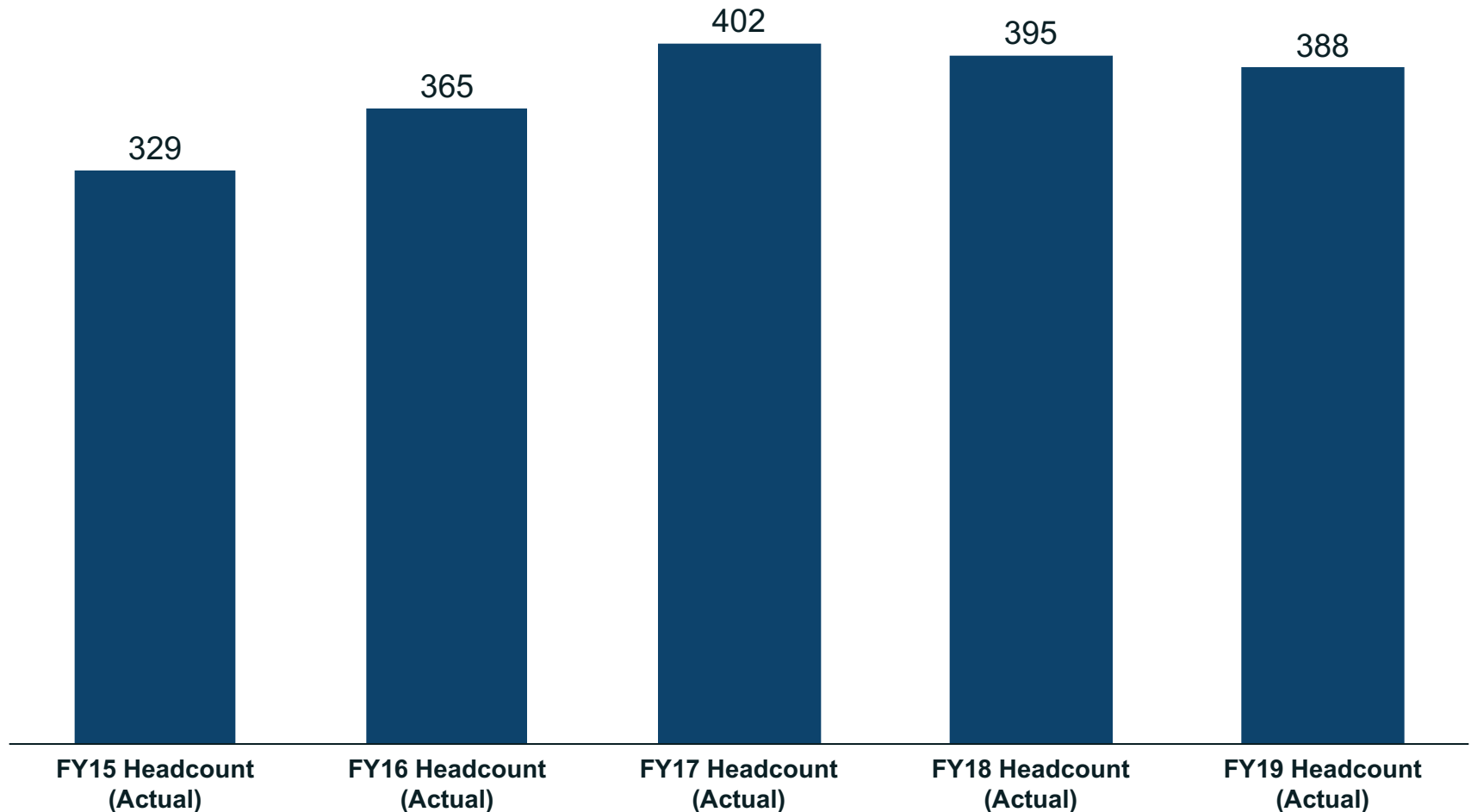|			
$136	$134	$137	$139
FY17 Actual	FY18 Actual	FY19 Actual	FY20 Projection

5 Year Funding Projections

- Our Base Case 5-Year Funding projections suggest that Funding growth will be less than inflation

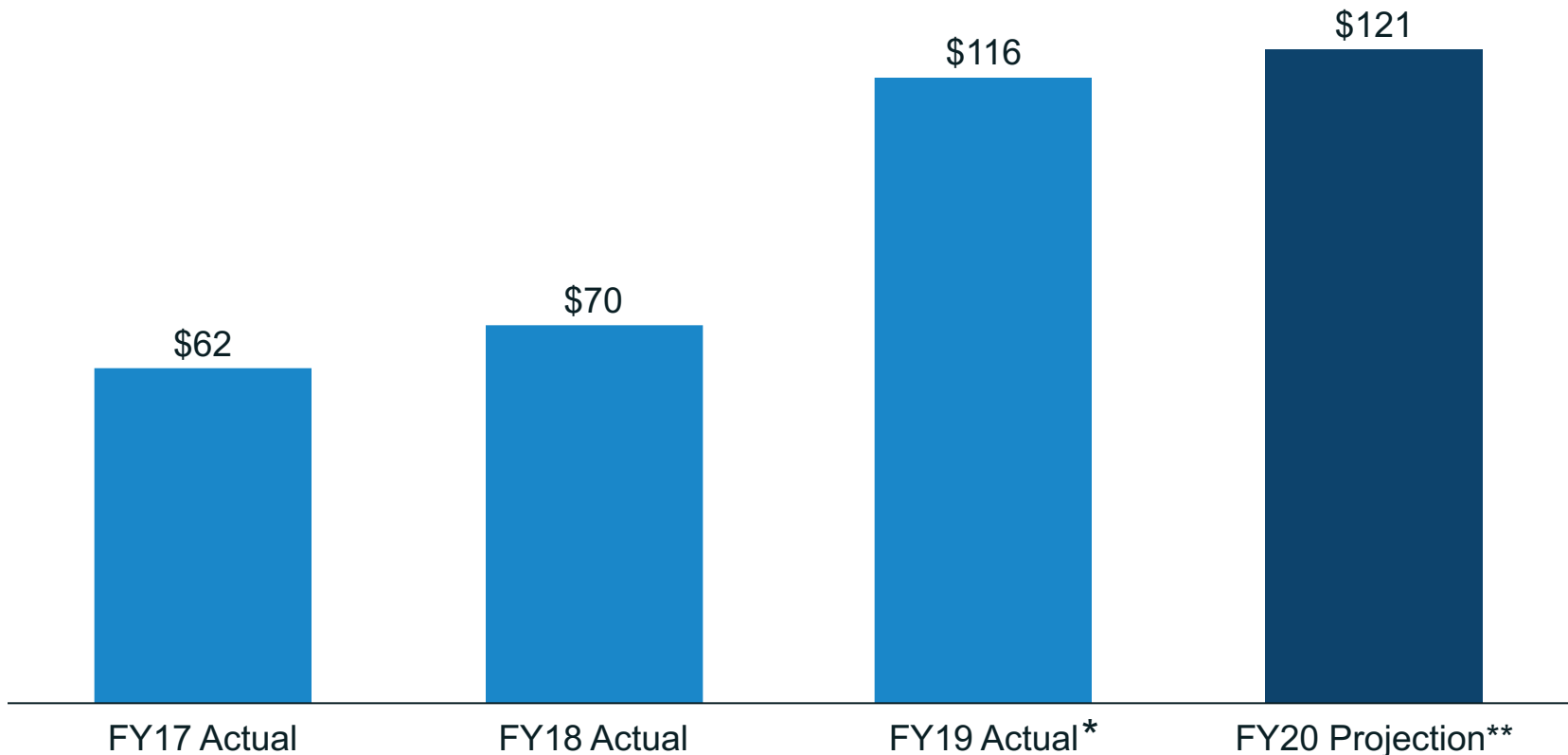# Headcount Trending (End of Period)

- ICANN headcount has began to stabilize in alignment with our Funding growth

	FY15 Headcount (Actual)	FY16 Headcount (Actual)	FY17 Headcount (Actual)	FY18 Headcount (Actual)	FY19 Headcount (Actual)
Headcount	329	365	402	395	388

Reserve Fund Replenishment Strategy

- In alignment with the Board Approved Reserve Fund Replenishment Strategy, the FY21 Budget will include a planned contribution

Bar chart:
- FY17 Actual: $62
- FY18 Actual: $70
- FY19 Actual*: $116
- FY20 Projection**: $121

*$36M was transferred from Auction Proceeds to Reserve Fund in FY19   ** Includes contribution and estimated investment gains

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FY21 Planning Expense Assumptions

- ICANN organization's activities and projects result directly or indirectly from Bylaws requirements, and from decisions made by the Board based on community-led policies or recommendations

    - At this time, we are not including implementation work from future Board decisions that have yet to be approved

    - The Budget will include contingency funding for unplanned work that has yet to be approved

- The FY21 draft budget will include a planned contribution to the Reserve Fund

- Headcount is expected to remain relatively stable

- The FY21 draft budget will be a balanced budget where expenses plus a planned contribution to the reserve fund will not exceed funding
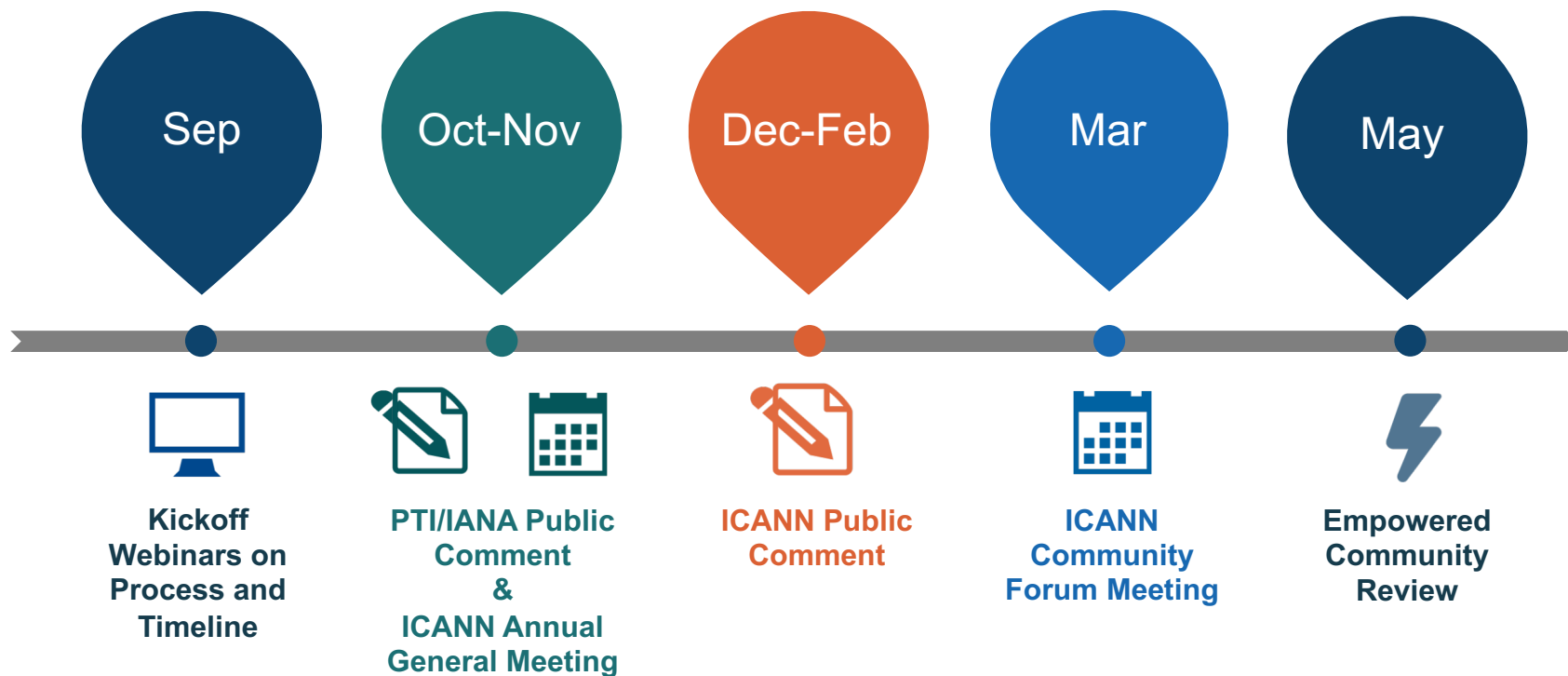
Community Involvement in
FY21-25 and FY21 Planning Process

Why Engage on ICANN's Planning and Budgeting?

The stakeholders engagement enables to keep ICANN accountable to the Public.

This engagement enables the Empowered Community to exercise its budget rejection power.

Many community members dedicate substantial amount of time to ensure multistakeholder participation

Our objective is to develop the ICANN FY21-25 O&FP and FY21 OP&B with substantial community input

When can community members participate?

Sep	Oct-Nov	Dec-Feb	Mar	May
Kickoff Webinars on Process and Timeline	PTI/IANA Public Comment & ICANN Annual General Meeting	ICANN Public Comment	ICANN Community Forum Meeting	Empowered Community Review

We are seeking your input!

How can the Community participate

Attend FY21-25 O&FP & FY21 OP&B Working Group & Related sessions at **ICANN Public Meetings.**
Visit **meetings.icann.org**

Find and participate in an ICANN community group.

Visit **icann.org/community**

Subscribe to the community-finance@icann.org email list for regular updates on planning activities.

View current year plans for reference online.

Visit **icann.org/planning**

Review plans and budgets available for public comment.

icann.org/public-comments

Work with your group, or submit your own comments, questions & suggested changes via

icann.org/public-comments

Financial Accountability- Reporting

ICANN staff reports results to the community in support of commitment to accountability and transparency.

Periodically, throughout the year

- Quarterly Financial Reporting
- Publication of the CEO Report
- Accountability Indicators
- ICANN Meetings travel reports

Annually

- Independent Auditors Report
- Tax Report Form 990
- Annual Report
- Operating Plan and Budget
- Staff Remuneration Practices
- Board Compensation
- ccTLD Contributions
- Funding by Source

Link to Accountability Indicators

https://www.icann.org/accountability-indicators

Q&A

Thank You and Questions

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