



# FBSC

ALAC Finance and Budget Sub-Committee Working Group

# Agenda

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- Roll Call - Staff (2 mins)
- Aim of the call - Ricardo H. (5 mins)
- Review and Discussion of the [Draft FY21-25 Operating & Financial Plan and Draft FY21 Operating Plan & Budget](#) (40 mins)
- Next Steps - Ricardo H. (5 mins)
- Update and Next Steps on the [FY21 Additional Budget Requests](#) - Ricardo H and Heidi U. (10 mins)
- AOB - Ricardo H. (3 mins)

# Welcome

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## Aim of Call

- Review the FY21 Operating Plan and Budget – Due Feb, 25
- Review Draft FY21-25 Operating and Financial Plan – Due Feb, 25
  - Need Penholders
    - CPWG (Marita Mall) will provide comments for Appendix C
- Review ABRs – Due Jan, 31<sup>st</sup> to ICANN Finance
  - Review pending ABRs

# Plans

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- **Next FBSC Call Topic and Preparation**

- **INTRODUCTION**

- About ICANN
- Purpose of the Operating & Financial Plans
- Operating Plan Assumptions
- Relationship to the Strategic Plan

- **FY21 – 25 OPERATING PLAN**

- FY21–25 Operating Initiatives
- FY21–25 Functional Activities

- **FY21 – 25 FINANCIALS**

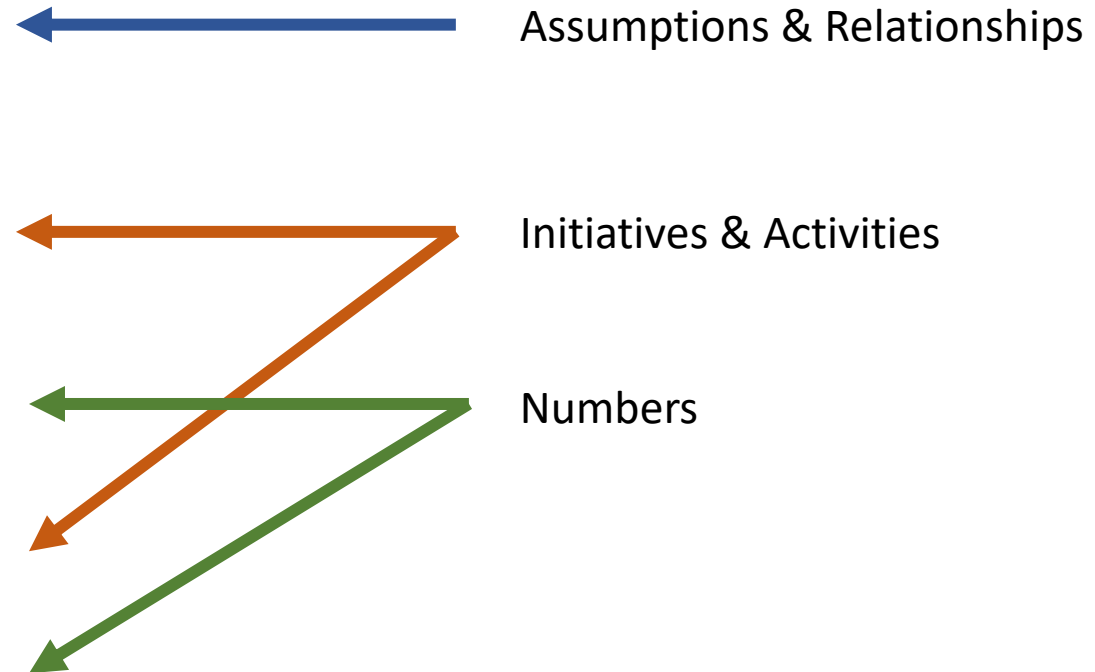
- Approach
- Funding Assumptions and Projections
- Financial Projections

- **FY21 OPERATING PLAN**

- FY21 Operating Initiatives
- FY21 Functional Activities

- **FY21 BUDGET**

- **APPENDIX**



# Plans

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- **Next FBSC Call Topic and Preparation**

- APPENDIX

- Appendix A ICANN Rolling Five-Year Roadmap: Policy, Reviews and Cross Community Working Groups
- Appendix B Planning Operating Initiative: Potential Activities to be Considered Over FY21–FY25
- Appendix C Evolving ICANN’s Multistakeholder Model Work Plan
- Appendix D Recommendations Relating to Cross Community Working Group on Enhancing ICANN Accountability Work Stream 2 and Reviews

← Initiatives & Activities

← MSM – Being discussed on CPWG

← WS2

# FY21–25 Operating Initiatives

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Each of the following Initiatives is described, with the actions expected in each of them, as well as the proposed budget requests:

1. Support the Evolution of the Root Server System
2. Facilitate DNS Ecosystem Improvements
3. Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking
4. Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking
5. Develop Internal and External Ethics Policies
6. Promote and Sustain a Competitive Environment in the Domain Name System
7. Universal Acceptance
8. Root Zone Management Evolution
9. Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem
10. Through Targeted Engagement Improve Governments and Intergovernmental Organizations (IGOs) Engagement and Participation in ICANN
11. Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration with Others that May Impact the ICANN Mission
12. Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers
13. Implement New gTLD Auction Proceeds Recommendations as Approved by Board
14. Planning at ICANN
15. ICANN Reserves

# FY21–25 Functional Activities

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Each of the following activities include PURPOSE, OPERATING INITIATIVE CONTRIBUTIONS, STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED, ACTIVITIES, HOW PROGRESS IS TRACKED, RESOURCES and CONSIDERATIONS :

1. TECHNICAL & DNS SECURITY
2. POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT
3. COMMUNITY ENGAGEMENT & SERVICES
4. ICANN ORG GOVERNANCE
5. ICANN ORG SHARED SERVICES

# Plans

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- **FY 21 Budget, some personal thoughts**

- **Great improve over last year budget. It is easier to understand**
- **Personnel is increasing from 405 to 410, according to the numbers, but the actual personnel figure is around 390, so the real increase from today is 20 people (about 5%)**
- **Travel, Professional Services and Administration costs are decreasing, no inflation? (2019 Inflation figures of: Uruguay 8%, Singapore 2%, US 2%, Turkey 15%, Belgium 1,4%)**
- **Financial trends crossed with GDD metrics (<https://www.icann.org/resources/pages/metrics-gdd-2015-01-30-en>) doesn't seems to be aligned. 4.1% growth in legacy gTLD or 2,4% growth in new gTLD vs 1% growth in legacy gTLD and 2% decrease in the last 6 months.**
- **Accreditation fees seems to be ok, but according to the slides, last change was in 2013, for a period of 5 years!**
- **Constituent Travel: FY21 same as FY21, good for ALAC and Fellows. LACRALO Budget sounds big at 105K for GA (in the same meeting ALAC will be 74K for 29 travellers – 5 of them from LACRALO). More tan a concern for LACRALO is a concern for ATLAS IV**
- **Total ICANN Overview – Total Funding numbers are not in line with gTLD numbers on previous pages, new gTLD FY20 is 5.3, and FY 21 5,1, according to previous pages, but on the table is 11.7 and 5.1 respectively. Showing a declining budget, instead of a flat budget.**
- **Most of the income of ICANN comes from legacy gTLD, in line with the quantity of domains existing from both. But ccTLD existing domains are now similar to legacy gTLD, but their apport to ICANN is very low (2.1 over 140.1)**
- **In the last page, expenses by functional activity for FY21 are very difficult to handle, since at the end there is an attrition figure, with a personnel adjust.**



# Plans

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- **FY 21 – FY25 Budget, some personal thoughts**

- Great to have a 5-year budget plan
- Travel, Professional Services and Administration costs are steady, no inflation? (2019 Inflation figures of: Uruguay 8%, Singapore 2%, US 2%, Turkey 15%, Belgium 1,4%)
- Financial trends crossed with GDD metrics (<https://www.icann.org/resources/pages/metrics-gdd-2015-01-30-en>) doesn't seem to be aligned. 4.1% growth in legacy gTLD or 2,4% growth in new gTLD vs 1% growth in legacy gTLD and 2% decrease in the last 6 months.
- “New gTLDs were a key enabler of market growth over the past five years” <- according to the numbers shown in the mentioned report that is not so. New gTLD domains accounts for less than 15% of the total gTLD domains. Yes, the amount of money incoming to ICANN related to this new gTLD was important, but in FY20 and FY21 will account only for 5 MM.
- Most of the income of ICANN comes from legacy gTLD, in line with the quantity of domains existing from both. But ccTLD existing domains are now similar to legacy gTLD, but their apport to ICANN is very low (2.1 over 140.1)

# Next Steps

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## Next Steps with Relation Plans

- Find Penholders (By block, or even by initiative/activity/budget/appendix)
- Draft a comment
- Comment Draft
- Issue Comment to ALAC

# ABR

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## Update of FY21 Additional Budget Requests (ABRs)

- <https://community.icann.org/download/attachments/120818563/FY21%20Community%20Additional%20Budget%20Request%20Process.docx?version=1&modificationDate=1572380309000&api=v2>

# Next Steps

## Next Steps with Relation to ABRs

| Timeline  | Start             | End   | Status      |
|---|-------------------|---|-------------|
| Kick off and Submission period  | 11/11/2019        | 31/01/2020  | In Progress |
| FBSC representatives and/or staff to send notice of opening of FY21 Additional Budget Request (ABR) process to RALOs  | 02/12/2019        | 02/12/2019  | Completed   |
| RALOs to review any ALS request or complete a template on behalf of the RALO and send requests to <a href="mailto:staff@atlarge.icann.org">staff@atlarge.icann.org</a>  | 16/12/2019        | 06/01/2020 - extended to 08/01/2020 at 12:00 UTC. |             |
| <b>Discussion of Proposals with Finance and Policy Staff and FBSC</b>   | <b>06/01/2020</b> | <b>10/01/2020</b>                                 |             |
| <b>Revised proposals to be sent to the FBSC for final review.</b>   | <b>13/01/2020</b> | <b>17/01/2020</b>                                 |             |
| The ALAC to review the proposed At-Large FY21 ABRs during their monthly call  | 21/01/2020        | 21/01/2020  |             |
| The FBSC to review all the RALO requests.   | 22/01/2020        | 24/01/2020  |             |
| Submissions Due – send to <a href="mailto:planning@icann.org">planning@icann.org</a> (IMPORTANT: At-Large staff will send all At-Large requests to <a href="mailto:Planning@icann.org">Planning@icann.org</a> ) | 31/01/2020        | 31/01/2020  |             |
| <u>Preliminary review of requests by ICANN.org</u>  | 03/02/2020        | 06/03/2020  |             |
| SO/AC consultations at ICANN 67 (by request, during Constituents' Day)  | 07/03/2020        | 12/03/2020  |             |
| <u>Final assessments and recommendations by ICANN.org</u>   | 16/03/2019        | 03/04/2019  |             |
| ICANN Board Finance Committee Review and recommendation for approval to the Board   | 13/04/2019        | 17/04/2019  |             |
| ICANN Board review and approval at May Board meeting  | 20/04/2019        | 12/05/2019  |             |

# Agenda

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- AOB