

SFICR Discussion and Planning Update

ICANN's Planning and Finance Team

May 2021



Agenda

- ⦿ Finance Update on a Supplemental Fund for Implementation of Community Recommendations
- ⦿ Planning at ICANN

Supplemental Fund for Implementation of Community Recommendations (SFICR)



Shani Quidwai

SFICR Overview

- In order to bring support and flexibility with upcoming challenges that ICANN org faces, we recommend creating a Supplemental Fund for Implementation of Community Recommendations (SFICR) which the BFC has recommended to the Board to adopt.
- An initial allocation to the Fund will be proposed to the Board using excess in the Operating Fund
- Key benefits of creating a SFICR:
 - Large or long projects are challenging to manage within our annual budget process, and don't easily fit with our annual funding
 - Forces discipline in planning/accounting/analyzing projects' expenditures; Requires org to identify project funding before starting to spend
 - Increases transparency and accountability by isolating the spend and matching it to the funding
 - Segregated resources in support of increasing the capacity of the organization to address activities and projects not currently included in the organization expenses run-rate, but nonetheless included in the Strategic/Operating Plans and requiring funding

SFICR Potential Projects

- Primarily, this fund would address the most important implementation work that has already been approved by the Board but not funded, or soon to be adopted and funded
- Projects can only be approved if there is sufficient budget in the fund; this would ensure we never spend beyond our means
- Illustrative Potential Projects (to be evaluated against the criteria):
 - Cross community recommendations: WS2, Evolution of the MSM (Prioritized in FY22)
 - GDPR-related work: SSAD / UAM work and implementation
 - Review implementation: CCT, SSR2, ATRT3
- Allocate funds at inception, and contribute every year through an allocation from annual funding (the annual budget will plan for excess to continue funding this account)
- The approval will follow the annual budgeting process which the Board and Empowered Community approve

SFICR would not include Auction Proceeds and Sub Pro which are self funded programs that do not use Operational Funds

How the SFICR Works

- The SFICR's funding and expense allocations would be evaluated **during ICANN's annual planning process**
- Projects that been approved by the Board or soon to be adopted and **cannot fit within the annual budget** due to cost and duration will be candidates for the SFICR
 - These projects will be proposed to be funded via the SFICR as part of the annual plan and five-year operating plan process submitted to public comments for Community for consideration
- ICANN org recommends a separate fund for SFICR because the Reserve Fund policies and principles do not allow for this type of spend, as the Reserve Fund is meant to be a last resort fund for unplanned or emergency related expenses
- The governance of the SFICR will be defined in the ICANN org's Investment Policy
- Replenishment of the SFICR will be evaluated annually during the planning process, which is also when ICANN org proposes to make a recommendation to allocate any excess (if applicable) in the Operating Fund

Next Steps

- The BFC has recommended to the Board to authorize creation of the Supplemental Fund for Implementation of Community Recommendations (SFICR)
- The Board will evaluate this decision and vote for decision in May

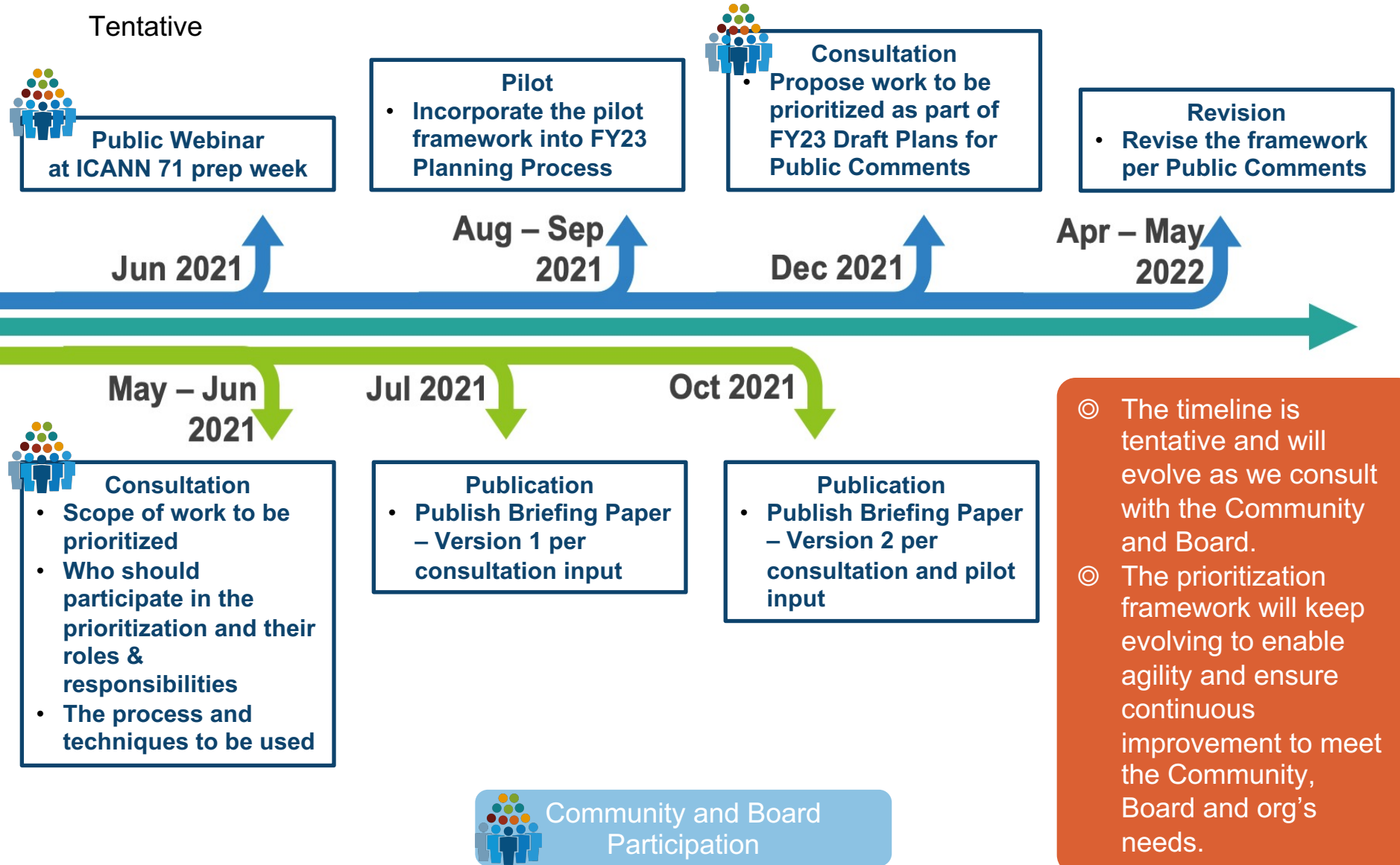
ICANN Planning Overview and Processes



Becky Nash

Prioritization Project Steps and Timeline

Tentative



Community, Board and Org Consultations

The objective of consultations is to collect diverse stakeholder input to inform the iterations of the draft prioritization framework

The consultation will include informal engagements among community, Board, and org. and public webinars to brief the entire community on the proposed prioritization framework and invite feedback on the approach

⦿ Suggested Community consultations

- SO/AC Leadership
- SO/AC established groups focused on planning and financials:
 - ccNSO Strategic and Operational Planning Committee (SOPC)
 - GNSO Standing Committee on ICANN's Budget & Operations Planning (SCBO)
 - ALAC Operations, Finance and Budget Working Group (OFB-WG)
- ATRT3 Implementation Shepherds
- Public webinars

⦿ Suggested org and Board consultations

- Board caucus group on Budgeting and Prioritization (BPCR), Board Strategic Planning Committee (BSPC) and Board Finance Committee (BFC)
- Org Executive Team and org Planning Liaisons

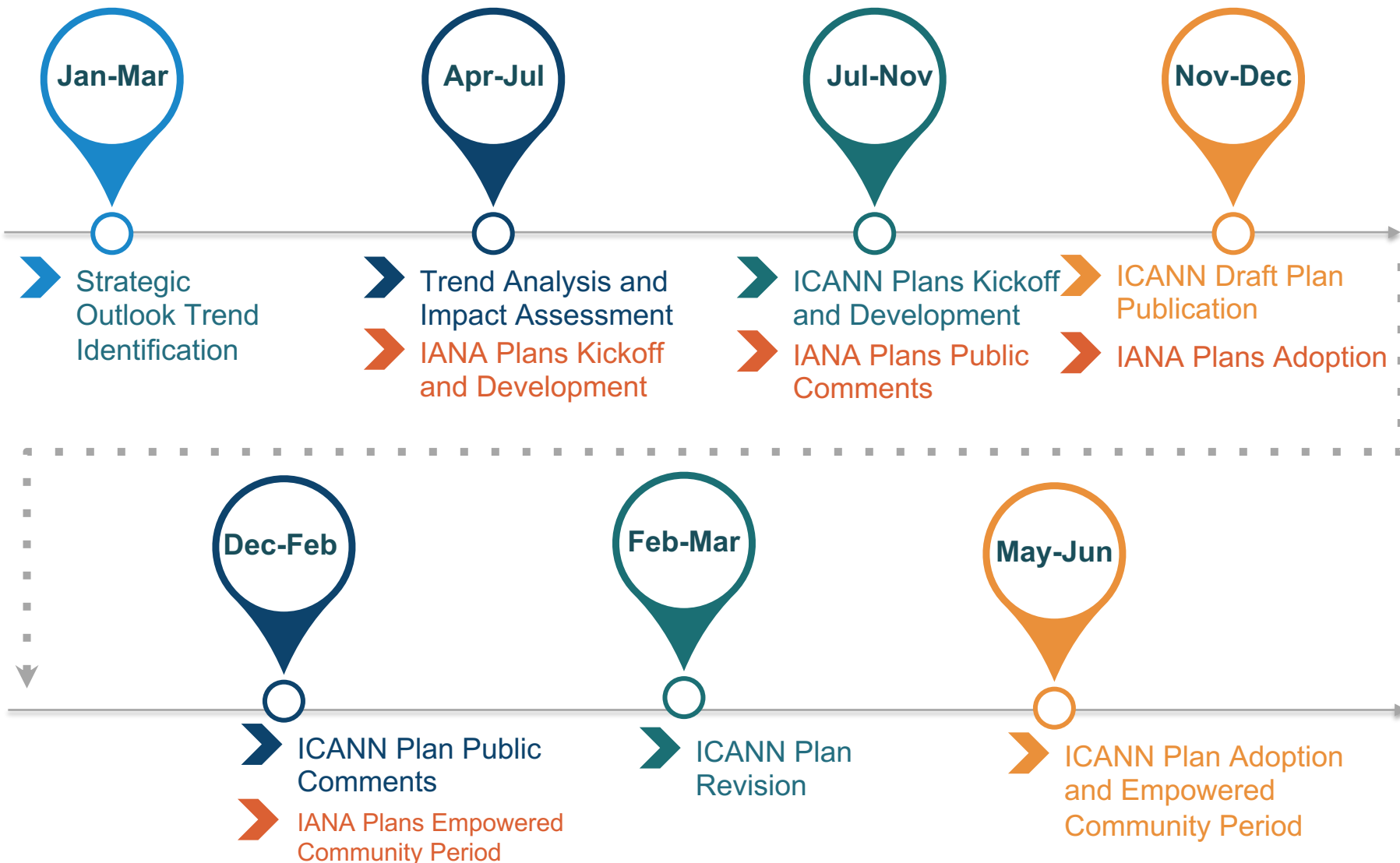


Planning activities (Jan to Dec 2021)

Today

Task Name	Q1			Q2			Q3			Q4			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
FY22-FY26 Plans	[Bar spanning Jan to Jun]												
2020 Strategic Outlook	[Bar spanning Jan to Jun]												
ICANN Board passes resolution (no changes to Strategic Plan)													
FY22 IANA Plans	[Bar spanning Jan to Feb]												
<i>ICANN Board adopts IANA Budget</i>	◆												
IANA Operating Plan and Budget - Empowered Community (EC) Process		[Bar]											
FY22 ICANN Plans	[Bar spanning Jan to Jun]												
Phase 1 - Draft ICANN Plans Development													
Phase 2 - Draft ICANN Plans Production													
Phase 3 - ICANN Plans Public Comment Period and Staff Report	[Bar]												
Phase 4 - ICANN Plans Revision and Adoption				[Bar]									
FY23-FY27 Plans	[Bar spanning Jan to Jun]												
2021 Strategic Outlook	[Bar spanning Jan to Sep]												
Phase 1 - Trend Identification & Prioritization		[Bar]											
Phase 2 - Trends Analysis				[Bar]									
Phase 3 - Impact Assessment & Conclusions						[Bar]							
FY23 IANA Plans	[Bar spanning Jul to Dec]												
Phase 1 - Draft IANA Plans Development							[Bar]						
Phase 2 - IANA Plans Public Comment Period and Staff Report								[Bar]					
Phase 3 - IANA Plans Revision and Adoption										[Bar]			
FY23 ICANN Plans	[Bar spanning Jul to Dec]												
Phase 1 - Draft ICANN Plans Development								[Bar]					
Phase 2 - Draft ICANN Plans Production										[Bar]			
Phase 3 - ICANN Plans Public Comment Period and Staff Report											[Bar]		
Phase 4 - ICANN Plans Revision and Adoption												[Bar]	

Community Participation in Planning

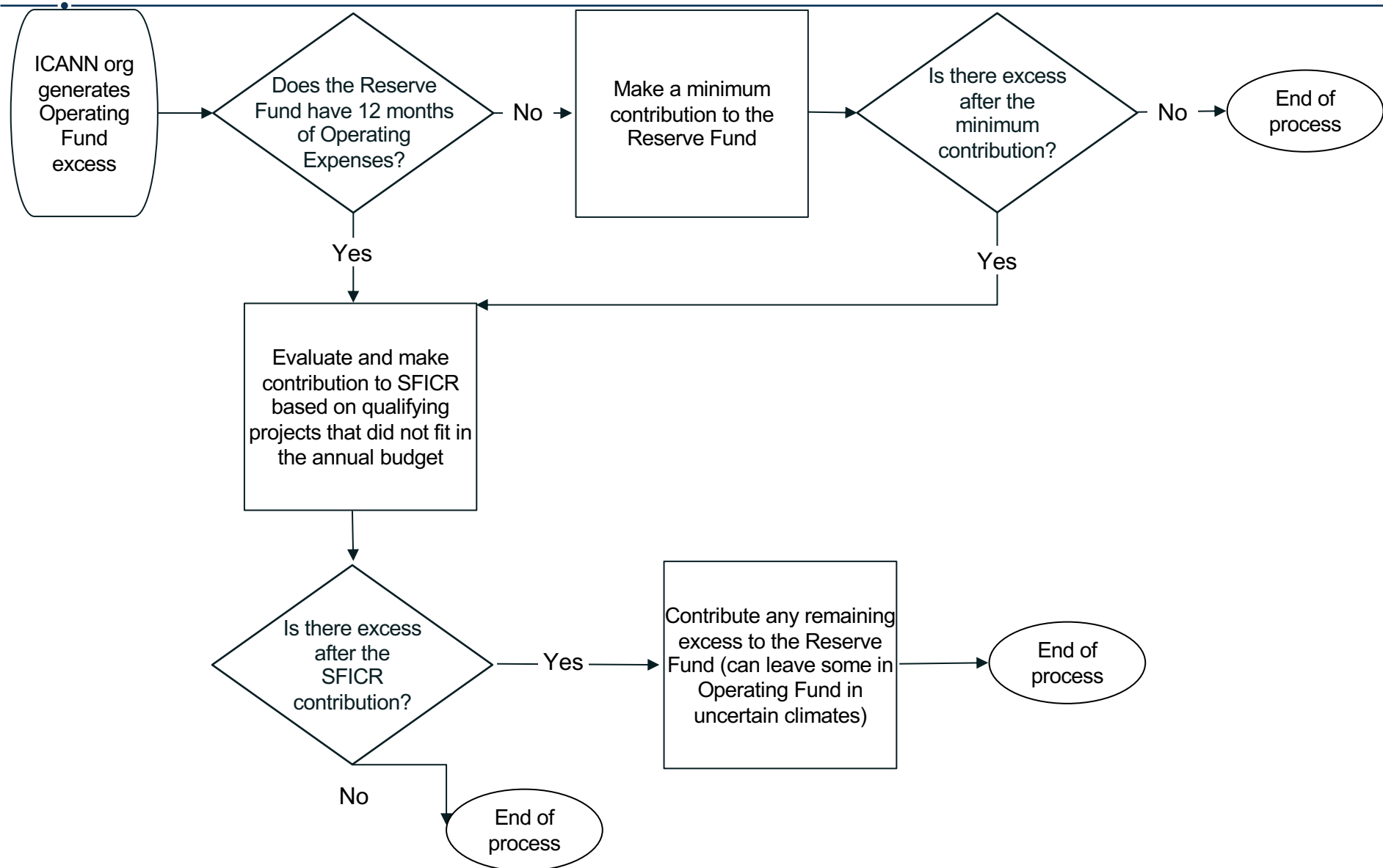


Appendix

SFICR Governance/Process

Steps	When (Approx.)
Planning prioritization phase identifies the projects intended to be carried out, potentially new candidates for funding by the SFICR in the planned year (in addition to current year funded projects)	June – August
ICANN org presents to BFC previous and fiscal year’s SFICR spend and planned spend for the current year (as per previously adopted budget)	October
BFC reviews draft five-year and one-year plans including projects proposed to be funded by the SFICR in the one-year plan, potential proposed allocation to Reserve Fund and to SFICR	December
Public comment for draft five-year and one-year plans including explanation of SFICR and proposed project usage	December – February
Community webinar to review draft plans including projects using SFICR	January
ICANN org reviews Public Comment inputs and any proposed changes	March
BFC reviews comments on the five-year and one-year plans including on SFICR-funded projects and SFICR contribution and usage	April
Board adopts Operating plans and budget, including allocation to and usage of SFICR, potentially revised after public comments	May
Empowered Community Rejection Period	May – June

Flowchart for Operating Fund Excess Situations



Prioritization Project Design

Development of a Prioritization Framework will include:



Prioritization Process

- ⦿ Identification of the scope of work to be prioritized
- ⦿ Identification of the participants and their roles & responsibilities in the process
- ⦿ Design of the frequency for prioritization planning process
- ⦿ Selection of an agreed-upon prioritization technique
- ⦿ Identification of systems, reports or tools to manage the process
- ⦿ A pilot of the technique is suggested as a valuable component of validation



Engagement and Consultations

- ⦿ Opportunity to provide input and feedback
- ⦿ Informal consultations
- ⦿ Public Comment
- ⦿ Inclusive
- ⦿ Open
- ⦿ Simple
- ⦿ Short
- ⦿ Effective