

ICANN Planning and Finance Update

Joint ALAC/OFB WG Call

08 May 2023

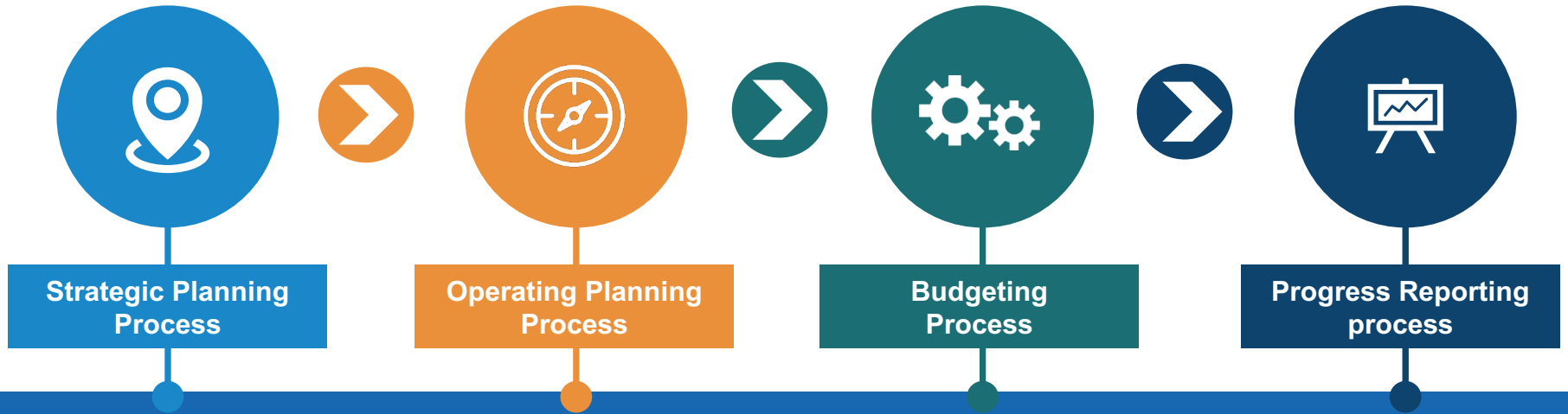


Agenda

- FY24–28 Operating and Financial Plan and FY24 Operating Plan and Budget
- FY25 Planning Process
- Planning Prioritization
- Q&A

FY24–28 Operating and Financial Plan and FY24 Operating Plan and Budget

Planning Process Overview



The process of defining ICANN's strategic direction, including its mission, vision, strategic objectives and goals.

The process of determining key initiatives (Operating Initiatives) and what each functional area plans to do (Functional Activities), to achieve the strategic plan.

The process of allocating resources to planned activities, and prioritize activities as needed.

The process of explaining the achievement via a series of mechanisms.

FY24 Planning Current Status

- On 30 April 2023 the ICANN Board of Directors adopted ICANN's FY24–28 Operating and Financial Plan and FY24 Operating Plan and Budget.
- The Empowered Community (EC) Rejection Action Petition period has begun regarding the adopted FY24–28 Operating and Financial Plan and FY24 Operating Plan and Budget
 - If no Rejection Action Petition is raised or pending, the plans will go into effect on 1 July 2023 for FY24



<https://www.icann.org/resources/pages/governance/current-en>

ICANN Financial and Planning Information

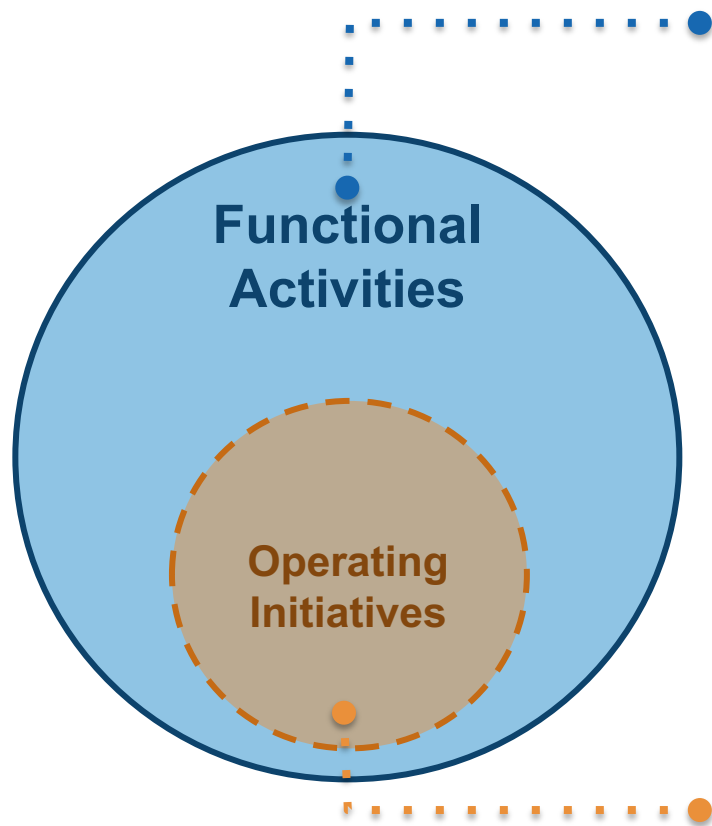
FY24 Plans and Reports

FY24 – FY28 Planning Documents

- [Highlights of ICANN FY24-28 Operating and Financial Plan and FY24 Operating Plan and Budget](#)
- [ICANN FY24-28 Operating and Financial Plan and FY24 Operating Plan](#)
- [ICANN FY24 Budget](#)
- [IANA FY24 Operating Plan and Budget](#)

5 Year and 1 Year Operating Plan Structure

The Operating Plan includes description of the activities ICANN org will undertake to achieve its Strategic Plan, operate the organization and implement its mission and mandate.



Functional Activities (33 in 5 Service Groups)

Activities of the Functions to:

- Implement ICANN's mission and mandate, such as *Contractual Compliance* or *IANA*
or
- Operate the organization, such as *Human Resources* or *Finance*

Operating Initiatives (11)

- The 11 operating initiatives represent major areas of work that support the strategic objectives identified in the strategic plan

FY24 Operating Initiatives Progress and Highlights – page 1 of 2

	Operating Initiatives	Examples of Key Milestones
1	Support the Evolution and Strengthening of the Root Server System and Root Zone Management	<ul style="list-style-type: none"> ● Finalize prototype and begin internal operation of RSS Metric Monitoring System. ● Publish and implement KSK Rollover Policy. ● Implement the next KSK rollover.
2	Facilitate DNS Ecosystem Improvements	<ul style="list-style-type: none"> ● Continue to work with the Community on KINDNS that was launched in FY23. ● Coordinate a Special Interest Forum on Technology (SIFT) to allow the community to engage technically with ICANN between Public Meetings. ● Evolve efforts to educate registry operators, registrars, and others about DNS security threats and approaches to measure, prevent, detect and mitigate DNS security threats within their platforms. ● Research the use of machine learning to enhance understanding and identification of abusive trends in DNS registration.
3	Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking	<ul style="list-style-type: none"> ● Continue to work with the community to identify tools and other ways to ensure global representation in policy development processes, especially during a prolonged period of fully virtual meetings.
4	Evolve and Strengthen the ICANN Community’s Decision-making Processes to Ensure Efficient and Effective Policymaking	<ul style="list-style-type: none"> ● Support individual SOs, ACs, stakeholder groups, and constituencies in continuing to evaluate and revise their internal processes to improve decision-making and ensure transparency, including through work on implementing CCWG-WS2 and support for Empowered Community processes.
5	Evolve and Improve Internal and External Ethics Policies	<ul style="list-style-type: none"> ● Improve internal ICANN org Ethics Program for FY24. ● Collaborate with the ICANN community to develop an ICANN Community Ethics Policy for FY24–25.

FY24 Operating Initiatives Progress and Highlights – page 2 of 2

	Operating Initiatives	Examples of Key Milestones
6	Promote and Evolve the Domain Name System (DNS) Through Open and Transparent Processes That Enable Competition and Open Entry in Internet-Related Markets While Ensuring the Stability, Security, and Resiliency of the DNS	<ul style="list-style-type: none"> ● In March 2023, the ICANN Board adopted a set of these recommendations and placed others in a pending status to allow for further work. This allows ICANN to initiate implementation work with the community and to continue operational planning, as well as authorizing existing New gTLD Program funds to carry out this continued work. ● The extent of deployment of UA-ready systems, e.g. websites, email servers and other applications.
7	Geopolitical Monitoring, Engagement, and Mitigation	<ul style="list-style-type: none"> ● Strengthening existing relationships and identifying new actors as an ongoing activity. In conjunction with legislative and regulatory tracking, this will give ICANN org another layer of insight and help to prioritize targeted engagement. This includes an ongoing review of alliances based on emerging issues or changes in the focus of other organizations. ● Creating targeted information and capacity-development materials to better equip government stakeholders around the world, enabling them to become more knowledgeable, and, therefore, more active participants in ICANN's policymaking processes.
8	Improve Depth of Understanding Domain Name Market Drivers which Impact ICANN's Funding	<ul style="list-style-type: none"> ● Continue to increase ICANN's overall domain market intelligence in relation to the forecasting process. For instance, ICANN org must continue to build its understanding of the prospective impacts of the COVID-19 pandemic on its future funding. ● Annual delivery of funding assumptions and projections for the next five fiscal years.
9	Implement New gTLD Auction Proceeds Recommendations as Approved by Board	<ul style="list-style-type: none"> ● Expects to conduct an implementation feasibility review assessment, develop the implementation plan and begin execution of deliverables outlined in the plan dependent on Board direction and approval.
10	Planning at ICANN	<ul style="list-style-type: none"> ● Continue to implement the planning prioritization framework during the annual planning process. ● Analysis and define improvement for progress measurement of the Operating Plan.
11	ICANN Reserves	<ul style="list-style-type: none"> ● The minimum reserve fund target level was achieved in FY21 which is 6 years earlier than Board approved timeline

FY24–28 Financial Plan and FY24 Budget

ICANN Operations 5-Year Financial Projections

ICANN OPERATIONS <i>(in Millions USD)</i>						
5-Year Projections	FY24 Budget	FY25 Projections	FY26 Projections	FY27 Projections	FY28 Projections	5-Year Total
Funding	\$145	\$146	\$148	\$149	\$153	\$741
Expense						
Personnel	\$85	\$87	\$90	\$92	\$95	\$449
Travel and Meetings	\$12	\$12	\$12	\$12	\$12	\$59
Professional Services	\$24	\$22	\$22	\$21	\$21	\$109
Administrative	\$18	\$18	\$17	\$16	\$16	\$85
Capital	\$1	\$1	\$1	\$1	\$1	\$6
Contingency	\$5	\$6	\$6	\$7	\$7	\$31
Total Operating Expenses	\$145	\$146	\$148	\$149	\$153	\$741
Net Operating Excess/(Deficit)	\$0	\$0	\$0	\$0	\$0	\$0
Average FTE	413	413	413	413	413	413

- ICANN Operations Funding projections reflect conservative and achievable funding based on recent trends and the current economic outlook.
- Personnel costs increase throughout the five-year period due to inflationary increases.
- Some costs decrease in the five-year period due to reprioritization, but Contingency increases to cover hard-to-predict costs that may occur.

Total ICANN FY24 Budget

- ICANN org has different funding sources available and can draw on those funds based on the nature of the work

Total ICANN Financials		For the Twelve Months Ending 30 Jun 2024				
In Millions, US dollars	Operating Fund	New gTLD Fund	SFICR	Auction Proceeds	Reserve Fund	Total
Funds Under Management - 30 Jun 2023	\$44	\$57	\$18	\$210	\$164	\$493
Funding	145	-	-	-	-	145
Personnel	(85)	(4)	(3)	(2)	-	(93)
Travel & Meetings	(12)	(0)	(0)	(0)	-	(13)
Professional Services	(29)	(4)	(3)	(2)	-	(38)
Administration	(18)	(0)	(0)	(0)	-	(19)
Capital	(1)	-	-	-	-	(1)
Total Expenses	(145)	(9)	(6)	(4)	-	(164)
Operating Fund Excess Transfers	-	-	-	-	-	-
Grants Distributed	-	-	-	(10)	-	(10)
Investment Income/(Decline)	0.4	0.5	0.1	2.0	1.6	5
Funds Under Management - 30 Jun 2024	\$45	\$48	\$12	\$198	\$165	\$469
Total Average FTE	413	13	9	5	-	440

*New gTLD Fund includes work on 2012 Round and New gTLD Program Next Round Implementation costs
 SFICR expenses consist of prioritized Review Implementation and Registration Data Request Service
 Auction Proceeds are utilized for the Grant Program*

Projected Funds Under Management

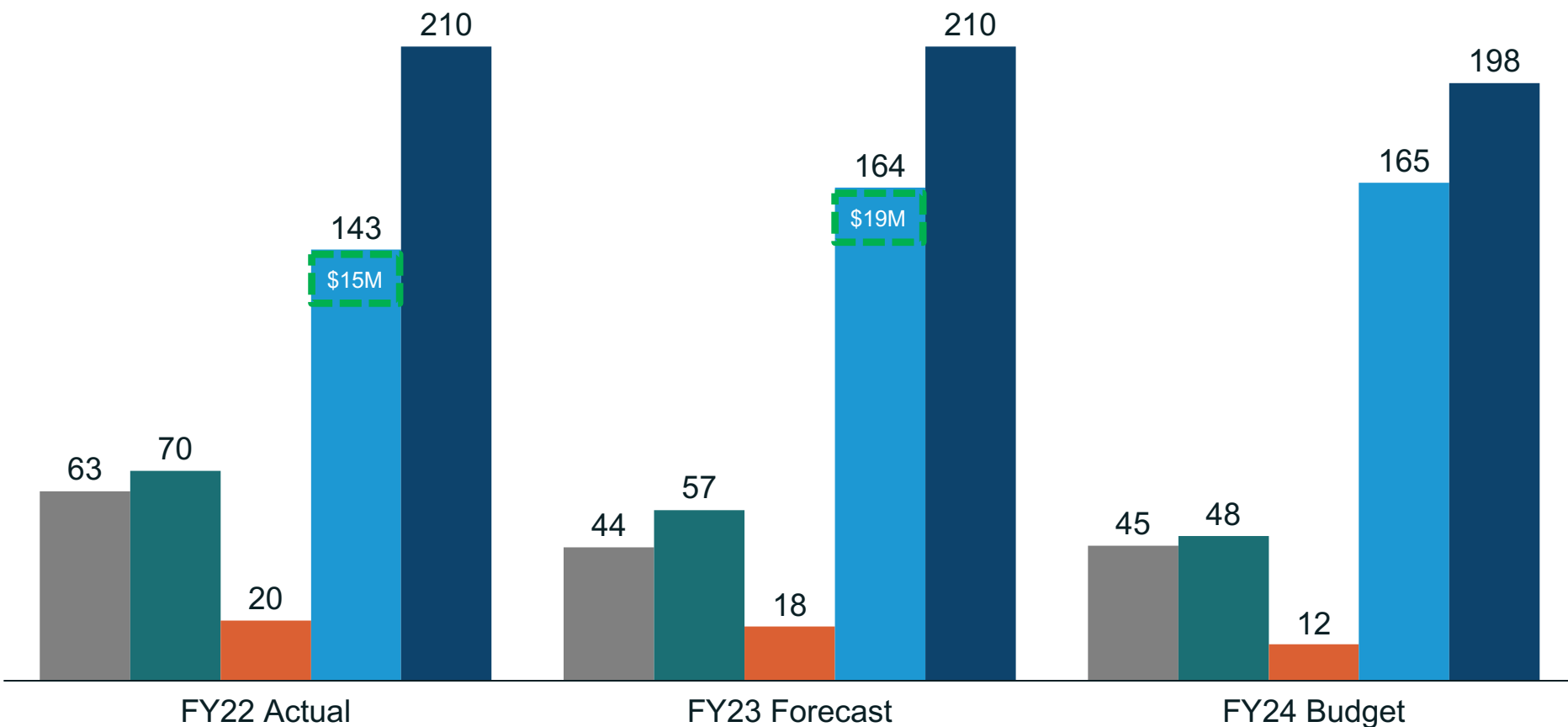


\$ in Millions; Balance on 30 June of each fiscal year

FY22 Total Funds Under Management: **\$506M**

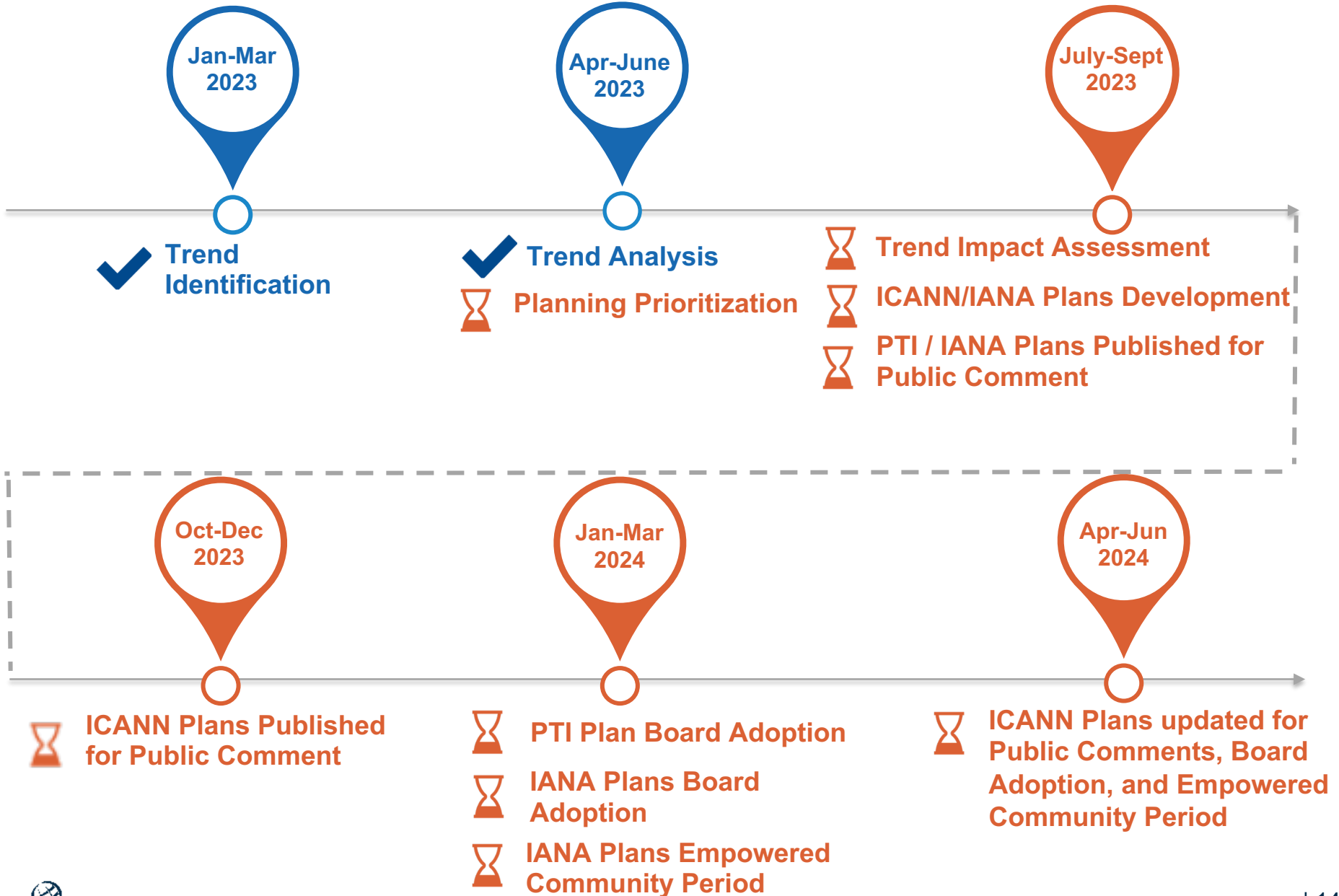
FY23 Total Funds Under Management: **\$493M**

FY24 Total Funds Under Management: **\$469M**



FY25 Planning Process

FY25 Planning Process Status



Planning Prioritization Framework

- Planning Prioritization Framework is one of the deliverables of “Planning at ICANN” Operating Initiative in the Operating Plan
- The Framework is intended to serve as a guide the prioritization process during the annual planning process
- The Framework describes and outlines what to prioritize, who will prioritize, when and how to prioritize
- The latest Framework is Planning Prioritization Framework Version 3 (V3)

[Link](#) to the Planning Prioritization Framework on the Finance and Planning Community Wiki

Status of FY25 Prioritization Process



The Planning Prioritization Members and Alternate Members were nominated by the SO/AC Leaders

Affiliation*	Member	Secondary Member
At-Large - ALAC	Cheryl Langdon-Orr	Hadia ElMiniawi
ccNSO	Irina Danelia	Chris Disspain
GAC	Rosalind Kenny Birch	N/A
GNSO - CPH	Paul Diaz	N/A
GNSO - CSG	Susan Payne	Philippe Fouquart
GNSO - NCSG	Akinremi Peter Taiwo	Amine Hacha
RSSAC	Ken Renard	Erum Welling
SSAC	Jeffrey Bedser	Merike Kaeo

[Link](#) to the FY25 Planning Prioritization wiki

How to Participate in ICANN's Planning



Subscribe to the [ICANN Public Comment page](#) to receive notifications of upcoming activities/proceedings



Visit the Finance and Planning Community Group Workspace [Wiki page](#)



Send an email to community-finance@icann.org to subscribe to regular updates on planning and finance activities

Please join the ICANN 77 Prep Week Planning and Finance Community Webinar on 31 May 2023 at 18:00-19:30 UTC

Questions and Answers



- ❖ Please raise your hand in zoom if you want to ask a question
- ❖ Unmute your microphone to ask questions when it is your turn
- ❖ Mute your microphone when not speaking



- ❖ Type your questions in the chat



For questions or information,
email the planning team



planning@icann.org

Appendix

Planning Prioritization Process

