

## **CCWG-Accountability-WS2 FY18 Expense Forecast and Assumptions**

The original one year budget for the Transition beginning on 1 July 2016 was for a total of 8.8M\$. Of this 2.4M\$ was for Cross Community Working Group Support with the remaining 6.4M\$ for ICANN Support which included Transition Implementation and General Project activities as well as portions of IRP Phase 2 and CCWG-Accountability WS2.

As of the February financial report on the Transition the Cross Community Working Group Support had expenses of 0.2M\$ of the 2.4M\$ budgeted and ICANN Support had expenses of 4.5M\$ of the 6.4M\$ budgeted.

At its 10 March 2017 face to face meeting the CCWG-Accountability WS2 concluded "...yet it is certain the group will not finish its work by June this year and extend its work beyond the end of the fiscal year 2017. A discussion on carrying forward resources to the next fiscal year has been initiated, but it is expected that the CCWG will stay within the budget initially proposed."

As a follow-on to this conclusion the CCWG-Accountability requested that the PCST produce cost estimates for extending WS2 to all of FY18 (July 2017 to June 2018).

This request fell outside of the standard ICANN budget process and the PCST and ICANN Finance undertook to work with the various departments to produce cost estimates for continuing the work of the CCWG-Accountability for all of FY18. It is important to understand that the request required a response in a very short time frame so that it could be validated by the CCWG-Accountability WS2 and submitted as a comment to the ICANN consultation on the FY18 budget. As such the various departments including MSSSI, Communications and Legal rose to the challenge and in the short time provided drafted cost estimates based on WS1 costs and their current understanding of the various WS2 projects.

### **Generating a Forecast for total expenses for the Transition budget of FY17.**

If a proposal is made to extend WS2 work for all of FY18 without incurring costs beyond what was initially budgeted for the entire project (8.8M\$) it is necessary to estimate what the total costs for the Transition will be by the end of FY17. As such ICANN Finance and the PCST produced the following estimates and forecast for this:

Amounts in USD thousands	2017 Spend To Date Feb 17	2017 Mar-June estimates	Total FY17 Forecast
<b>Cross Community Working Group Support</b>			
IRP Phase 2	155	-	155
Accountability WS2	42	84	126
<b>Total Costs - Cross Community Working Group Support</b>	<b>197</b>	<b>84</b>	<b>281</b>
			-
<b>ICANN Support</b>			
IRP Phase 2	26	-	26
Accountability WS2	672	291	964
Transition Implementation	2,896	55	2,951
General Project Activities	885	209	1,094
<b>Total Costs - ICANN Support</b>	<b>4,479</b>	<b>555</b>	<b>5,034</b>
			-
<b>Total Costs - IANA Transition Project</b>	<b>\$ 4,676</b>	<b>\$ 639</b>	<b>\$ 5,316</b>

Total FY17 cost forecast = 5.3M\$

### **Estimating costs for extending WS2 for all of FY18**

Based on the input received from the various departments and the experiences to date ICANN Finance and the PCST have produced the following cost estimates for extending WS2 for all of FY18:

- **Cross Community Working Group Support**
  - Legal 700K\$
  - Travel 100K\$
  - Prof. Services 200K\$
  - Total 1.0M\$

- **ICANN Support**
  - Staff, Travel, Language Support and management 1.0M\$
  - Communications and contractors 1.4M\$
  - Total 2.4M\$
  
- **Total estimated Expenses for extending WS2 for FY18 = 3.4M\$**

**Total Costs estimates vs total budget for the Transition**

- **FY17**
  - Total forecasted costs for FY17 Community = 0.3M\$
  - Total forecasted costs for FY17 ICANN = 5.0M\$
  - **Total forecasted costs for FY17 Transition = 5.3M\$**
  
- **FY18**
  - Total forecasted costs for FY18 Community = 1.0M\$
  - Total forecasted costs for FY18 ICANN = 2.4M\$
  - **Total forecasted costs for FY18 Transition = 3.4M\$**
  
- **Total Forecasted Transition Costs (FY17 + FY18)**
  - Total forecasted costs for FY17 Transition = 5.3M\$
  - Total forecasted costs for FY18 Transition = 3.4M\$
  - **Total forecasted costs for FY17 + FY18 = 8.7M\$**
  
- **Budget vs Forecast**
  - Initial budget for Transition = 8.8M\$
  - Total forecasted costs for FY17 + FY18 = 8.7M\$
  - Delta = +0.1M\$

**Conclusion**

Based on this work it is estimated that extending the CCWG-Accountability WS2 for all of FY18 would cost 3.4M\$ which would bring the total estimated costs for the Transition to 8.7M\$ which would still be within the budgetary envelope of 8.8M\$ originally allocated to the Transition.

Should these cost estimates be accepted and WS2 extended for FY18 a formal budget based on this work would need to be developed by the PCST and ICANN Finance.