



# Planning and Prioritization Update

Presented by ICANN org  
Planning and Finance Team

24 February 2022

# Webinar Information

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This session is recorded.



This session is scheduled to last 1 hour.



Presentation is published on [ICANN73 Prep week web page](#) and [ICANN Finance and Planning Community Wiki page](#).



Q&A will be during and at the end of the presentation.

# Team

## *Planning*



**Becky Nash**



**Victoria Yang**



**Margaret Benavides**

## *Finance*



**Shani Quidwai**



**Alex Morshed**



**Kirsten Crownhart**

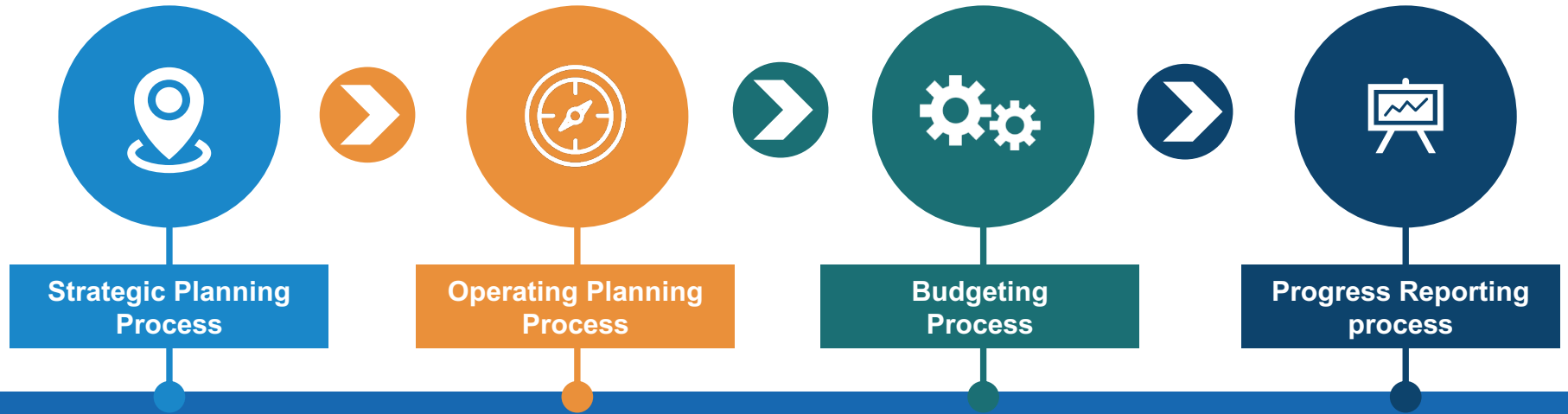
# Agenda

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- Draft FY23 – 27 Operating & Financial Plan and Draft FY23 Operating Plan and Budget
- Draft FY23 Plans Public Comment Overview and Next Steps
- Planning Prioritization Framework Project
- Q&A

# Draft FY23 – 27 Operating & Financial Plan and Draft FY23 Operating Plan & 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.

# Overview of the Draft FY23 Operating and Financial Plans

## Open for Public Comment

07 December 2021

- Highlights Document
- Draft FY23 – 27 Operating and Financial Plan and Draft FY23 Operating Plan
- Draft FY23 Budget

## Closed for Public Comment

07 February 2022

## Staff Report Due

30 March 2022

The screenshot shows the ICANN website's public comment page. At the top, the ICANN logo and tagline "One World, One Internet" are visible, along with search, login, and sign-up options. A navigation menu includes "GET STARTED", "NEWS & MEDIA", "POLICY", "PUBLIC COMMENT", "RESOURCES", "COMMUNITY", and "QUICKLINKS". The main content area features a "Public Comment" header with a brief description of the process and a "Subscribe to Public Comment Alerts" button. Below this is a navigation bar with links for "Public Comment Home", "Upcoming Proceedings", "Open Proceedings", "Closed Proceedings", and "Other Public Consultations". The main heading is "ICANN Draft FY23-27 Operating and Financial Plan and Draft FY23 Operating Plan and Budget". A red box highlights the "Get alerts about this proceeding" button. To the right, a green box indicates "OPEN: 6 DAYS REMAINING". A timeline (UTC) shows the status: "Open for Submissions" (07 December 2021), "Closed for Submissions" (07 February 2022 | 23:59), and "Report Due" (30 March 2022 | 23:59). Social media icons for Twitter, Facebook, LinkedIn, Email, and Print are on the left. The category is "Operations", requesters are "ICANN org", and the contact is "planning@icann.org". The page ends with "What We Need Your Input On".

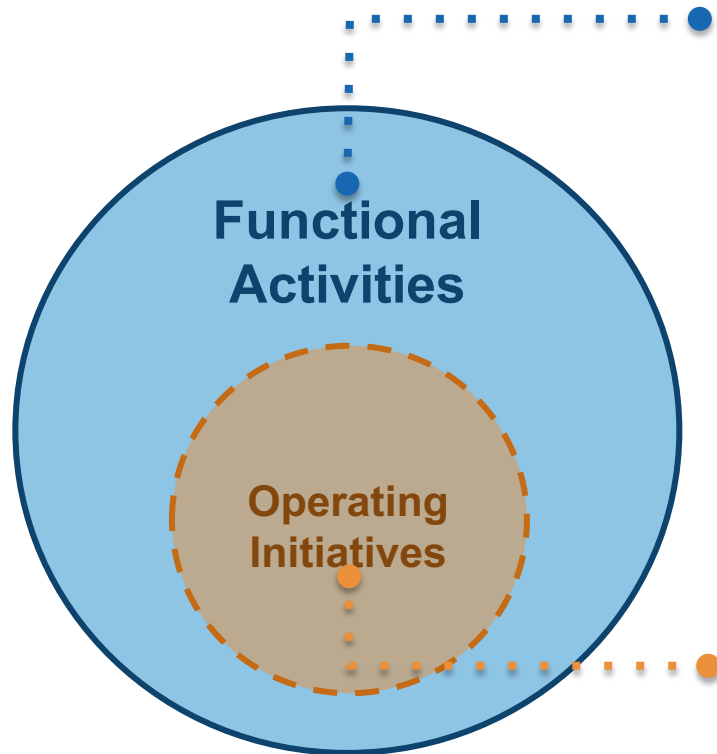


[Link to Public Comment Page](#). Click **get alerts about this posting** to be informed

[Link](#) to informational presentation and webinar 08 December 2021

# 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 (15)

- The 15 operating initiatives represent major areas of work that support the strategic objectives identified in the strategic plan

The 33 Functional Activities are grouped into 5 service groups that represent the broad categories of work that ICANN org conducts in fulfillment of its Mission



# FY23 Planning Assumptions

## Strategic Objectives Remain Unchanged

Based on the Strategic Outlook trends impact assessment, the Board has approved no changes to the Strategic Objectives set forth in the FY21–25 Strategic Plan

## Affordability and Balanced Budget

The Draft plans are based on “base” scenario Operations funding projections. ICANN plans for operating expenses to remain at or lower than budgeted funding, drawing from designated and available funding sources

## Face-to-Face Meetings and Engagement

Although there is still uncertainty, for planning purposes, the FY23 plans assume business travel and three face-to-face ICANN meetings and other engagement activity will resume

## Multistakeholder and Policy Development

The policy making process under the multistakeholder model requires time and resources for collaboration, discussion and input from stakeholders. This results in requiring support and resources from Org during the progression of the work

# FY23 Planning Assumptions – Continued

## Continuing Operations

Majority of ICANN org's work continues year after year. This includes activities needed for organization operations, and important work to support ICANN's mission and mandate such as:

- Policy support and over ~4,000 virtual meetings and
- Compliance tickets with over ~30,000 responses per year

## Community Recommended and Board Approved Implementation work

The WS2 Implementation and Enhancing the Effectiveness of ICANN's Multistakeholder Model work plan implementation work will continue to be prioritized in FY23 plans

## Planning Prioritization Framework

The Planning Prioritization Framework project is underway. A list of Specific Review recommendations will be prioritized in collaboration with the Community and will be worked on in FY23

## Planning For Board Approved Activities

The 5-Year Operating Plan and Financial Plan is developed each fiscal year as a rolling plan. The 1-Year Operating Plan and Budget then includes detailed implementation work resulting from Board's decisions of policy and community recommendations

# FY23 Planning Assumptions – Continued

## Planning For Board Approved Activities

ICANN begins designing the expected implementation work only as recommendations and policies move forward and reach the stage of Board approval. Please refer to **ICANN Rolling Five-Year Roadmap: Policy, Review and Cross-Community Working Group (Appendix A)** of the draft plan for estimated timing for board approval

## For Example:

### ICANN Rolling Five-Year Roadmap: Policy, Review and Cross-Community Working Group\*

Calendar Year	2021												2022												2023											
	FY2021												FY2022												FY2023											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul					
<b>Legend:</b>																																				
Planning = Purple																																				
In Progress = Green																																				
Pending = Red																																				
Decision Making = Yellow																																				
Completed = Grey																																				
<b>GNSO Policy</b>																																				
Registration Data Policy for All gTLDs (EPDP Phase I)	Implementation																																			
System for Standardized Access to Non-Public Registration Data (EPDP Phase 2 - SSAD)	GNSO & Board Consideration (include SSAD ODP)																																			
Expedited Policy Development Process on gTLD Registration Data – Phase 2A	PDP Working Group Phase												GNSO & Board Consideration																							
PDP New gTLD Subsequent Procedures	GNSO & Board Consideration (include ODP Assessment)												Implementation Planning (Completion Date)																							
Expedited Policy Development Process on Internationalized Domain Names													PDP Working Group Phase												GNSO & Board Consideration											

## Draft FY23 Operating Plan

SSAD ODP is scheduled to be completed during FY22. At the point of planning, resources for SSAD implementation is not included in the FY23 plan.

New gTLD Subsequent Procedures ODP is included as the work took place in FY22 and will continue into FY23. But the resources to implement this PDP and carry out the next round is not included in the FY23 Plan as of now.

## 5-Year (FY23–27) Financial Plan Funding and Expense Assumptions

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- The FY23–27 Financial Plan describes a “base”, “low”, and “high” scenario funding for ICANN Operations; the Operating Plan and Financials will be utilizing the base scenario<sup>1</sup> funding projections
- ICANN Operations Funding is projected to grow modestly over the five-year period
- ICANN Operations Expenses are projected to increase from recent trends primarily due to projected travel and meetings occurring at pre-pandemic levels
- Expense projections account for Board-approved work, such as the Next Round ODP, but do not account for that which has not been approved by the Board, such as SSAD Implementation
- Should the Board determine to proceed with the implementation of the SSAD, it is proposed that the funding of the corresponding costs come from the SFICR until cost recovery from requestors is implemented

# Total ICANN – Projected Funds Under Management

In Millions, USD	Forecast	5-Year Projections				
	FY22	FY23	FY24	FY25	FY26	FY27
<b>ICANN Operations</b>	<b>\$77.4</b>	<b>\$77.4</b>	<b>\$77.6</b>	<b>\$78.0</b>	<b>\$78.4</b>	<b>\$78.8</b>
<i>Funding</i>	\$149.1	\$152.0	\$155.3	\$158.7	\$160.1	\$161.7
<i>Expenses</i>	(\$129.4)	(\$152.0)	(\$155.3)	(\$158.7)	(\$160.1)	(\$161.7)
<i>Operating Fund Excess Transfers</i>	(\$20.0)	-	-	-	-	-
<i>Projected Investment Gains</i>	\$0.2	\$0.2	\$0.4	\$0.4	\$0.4	\$0.4
<b>New gTLD Rounds</b>	<b>\$76.5</b>	<b>\$68.7</b>	<b>\$55.1</b>	<b>\$45.5</b>	<b>\$45.7</b>	<b>\$45.9</b>
<i>Expenses</i>	(\$8.2)	(\$13.9)	(\$9.8)	-	-	-
<i>Projected Investment Gains</i>	\$0.3	\$0.3	\$0.2	\$0.2	\$0.2	\$0.2
<b>SFICR</b>	<b>\$15.0</b>	<b>\$20.1</b>	<b>\$20.2</b>	<b>\$20.3</b>	<b>\$20.4</b>	<b>\$20.5</b>
<i>Transfer from Operating Fund</i>	\$5.0	-	-	-	-	-
<i>Projected Investment Gains</i>	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
<b>Reserve Fund</b>	<b>\$154.3</b>	<b>\$175.2</b>	<b>\$181.3</b>	<b>\$187.7</b>	<b>\$194.2</b>	<b>\$201.0</b>
<i>Transfer from Operating Fund</i>	\$15.0	-	-	-	-	-
<i>Projected Investment Gains</i>	\$5.9	\$6.1	\$6.3	\$6.6	\$6.8	\$7.0
<b>Auction Proceeds</b>	<b>\$212.2</b>	<b>\$213.3</b>	<b>\$214.4</b>	<b>\$215.4</b>	<b>\$216.5</b>	<b>\$217.6</b>
<i>Projected Investment Gains</i>	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1

- ICANN Operations 1 Year (FY23) Budget is balanced with no excess; future transfers to SFICR and Reserve Fund will continue to be assessed annually if excess is available
- New gTLD rounds includes projected costs for processing 2012 applications and Next Round ODP costs; further costs for Next Round will be included when approved by Board

# 1-Year (FY23) Budget Assumptions

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- Like the 5-Year (FY23–27) Financial Plan, the 1-Year (FY23) Budget uses the “base” ICANN Operations Funding scenario, which assumes modest growth
- The condition of the pandemic remains uncertain, including its impacts on ICANN’s Funding and Operations
  - Assumptions will be reviewed before adoption and during next year’s planning process
- Only activities supporting the implementation of Board-approved policies or review recommendations are specifically included in the budget
  - The FY23 Budget includes costs for the Next Round of gTLDs (Board Approved)
  - The FY23 Budget does not include costs relating to SSAD implementation; should the Board determine to proceed with the implementation of the SSAD, it is proposed that the funding of the corresponding costs come from the SFICR

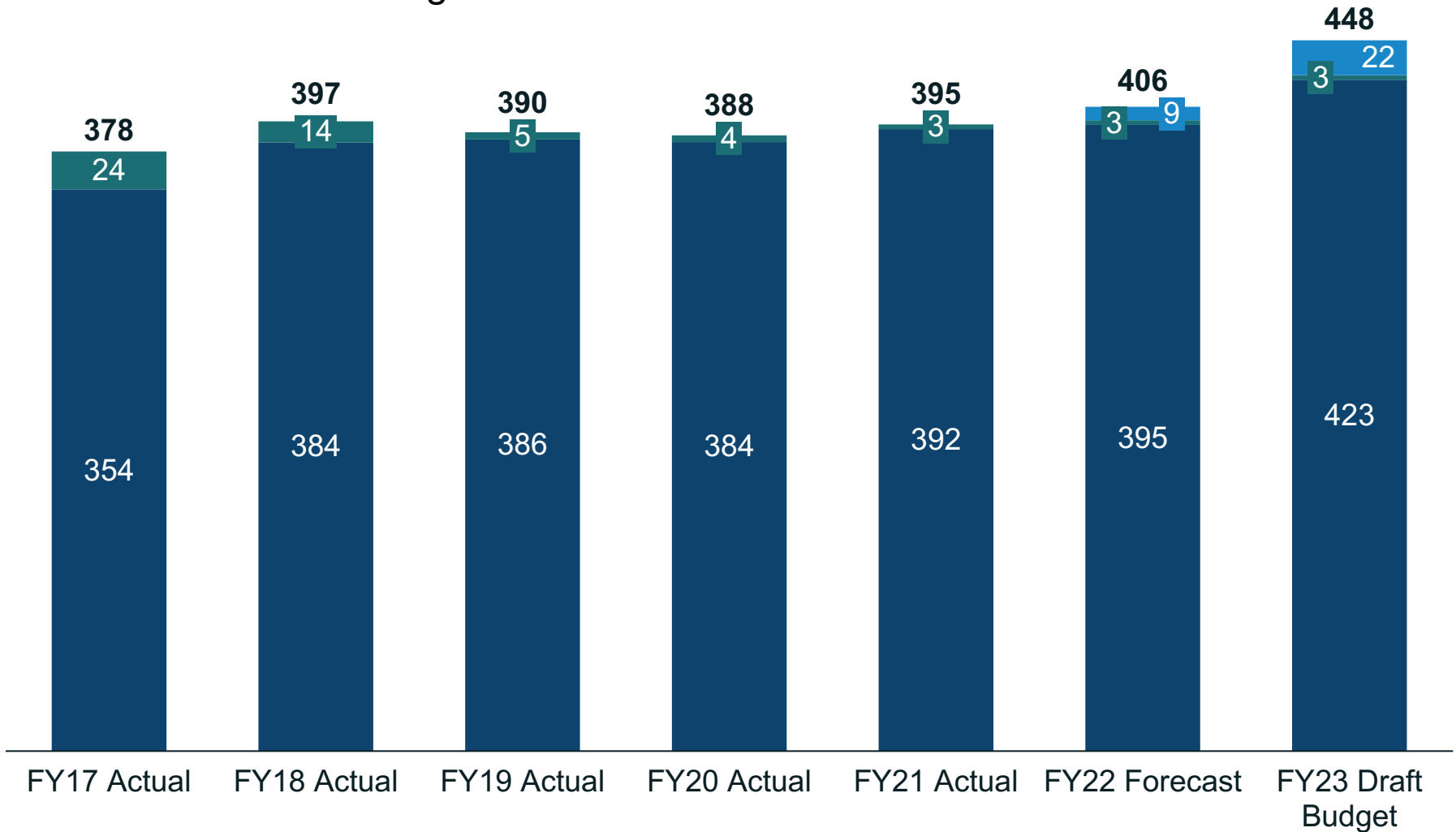
# Total ICANN – FY23 Draft Budget

In Millions, US dollars	ICANN Operations	New gTLD Rounds	SFICR	Reserve Fund	Auction Proceeds	Total
<b>Funds Under Management - 30 Jun 2022</b>	<b>77.4</b>	<b>68.7</b>	<b>20.1</b>	<b>175.2</b>	<b>213.3</b>	<b>554.6</b>
Funding	152.0	-	-	-	-	152.0
Personnel	(86.5)	(7.2)	-	-	-	(93.7)
Travel & Meetings	(14.3)	(1.0)	-	-	-	(15.3)
Professional Services	(29.7)	(5.0)	-	-	-	(34.7)
Administration	(19.3)	(0.7)	-	-	-	(20.0)
Capital	(2.2)	(0.1)	-	-	-	(2.2)
<b>Total Expenses</b>	<b>(152.0)</b>	<b>(13.9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(165.9)</b>
Operating Fund Excess Transfers (subject to Board Approval)	-	-	-	-	-	-
Change In Market Value	0.2	0.3	0.1	6.1	1.1	8.1
<b>Funds Under Management - 30 Jun 2023</b>	<b>77.6</b>	<b>55.1</b>	<b>20.2</b>	<b>181.3</b>	<b>214.4</b>	<b>548.8</b>
<b>Total Average Headcount</b>	<b>423</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>448</b>

- New gTLD Rounds consists of 2012 Round expenses and ODP expenses for the Next Round
- Operating Fund transfers resulting from unplanned excess will be recommended for Board approval after FY23 ends
- Should the Board determine to proceed with the implementation of the SSAD, it is proposed that the funding of the corresponding costs come from the SFICR

# Total ICANN – Average Headcount Trends

- Headcount is projected to increase as the Org begins staffing to support the Next Round of New gTLDs and other new work





# ICANN Operations – FY23 Draft vs FY22 Forecast

In Millions, USD	FY23 Draft Budget	FY22 Forecast	Under/(Over) vs. FY22 Forecast	
	ICANN Operations	ICANN Operations	\$	%
<b>Funding</b>	<b>\$152.0</b>	<b>\$149.1</b>	<b>\$3.0</b>	<b>2%</b>
Personnel	86.5	78.4	(8.1)	-10%
Travel & Meetings	14.3	4.7	(9.6)	-206%
Professional Services <sup>(1)</sup>	29.7	26.8	(2.9)	-11%
Administration	19.3	16.9	(2.4)	-14%
Capital	2.2	2.5	0.4	15%
<b>Total Operating Expenses</b>	<b>\$152.0</b>	<b>\$129.4</b>	<b>(\$22.7)</b>	<b>-18%</b>
<b>Net Operating Excess/(Deficit)</b>	<b>\$0.0</b>	<b>\$19.7</b>	<b>(\$19.7)</b>	<b>-100%</b>
<b>Average Headcount</b>	<b>423</b>	<b>394</b>	<b>(29)</b>	<b>-7%</b>

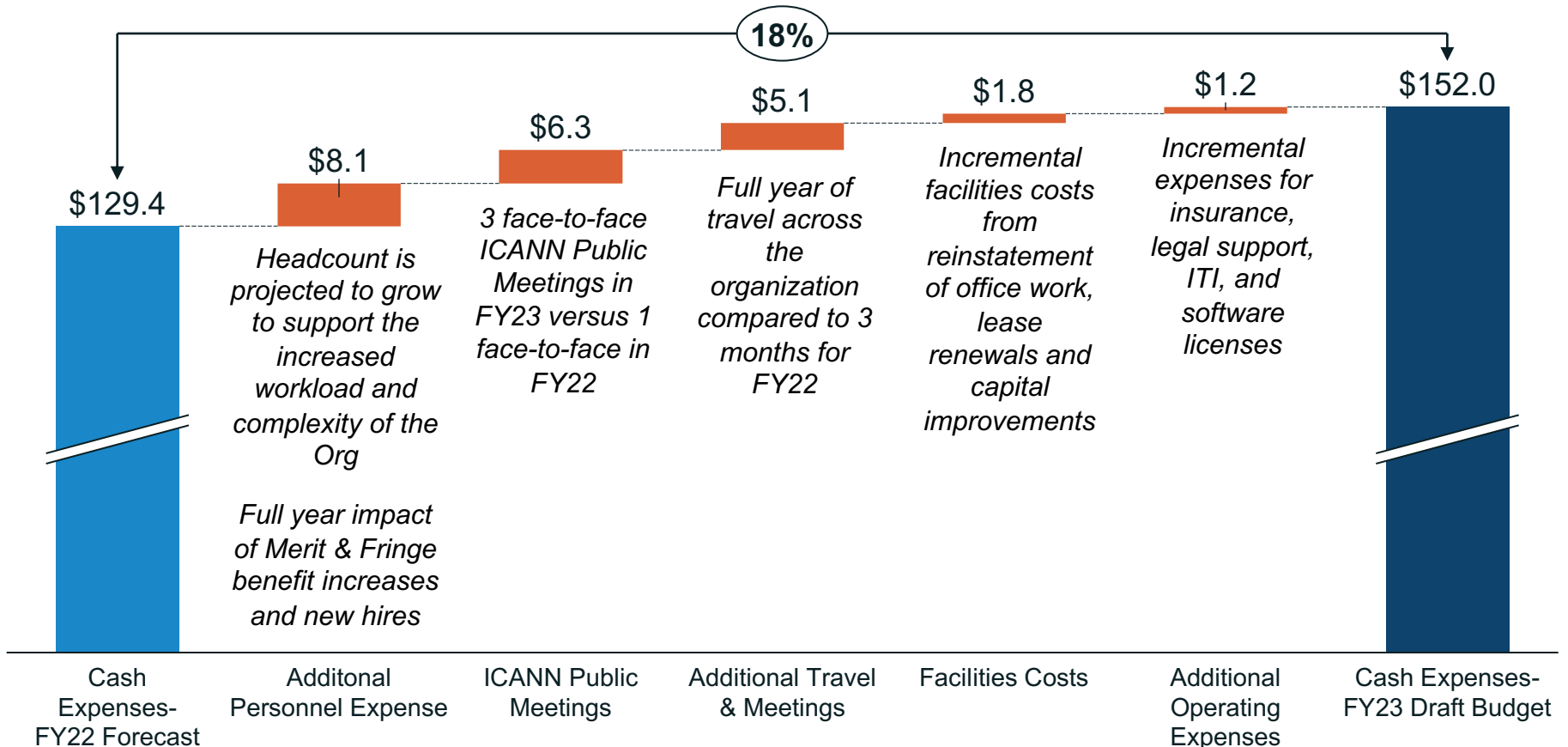
<sup>(1)</sup> Includes Contingency expense which is unallocated to specific activities or functions

- The ICANN Operations FY23 Draft Budget Funding is \$3.0 million higher than the FY22 Forecast, driven by growth in domain name transactions
- The FY23 Draft Budget assumes unrestricted travel for the entire fiscal year, whereas the FY22 Forecast assumes pandemic-related travel restrictions for the first nine months of the fiscal year
- Expenses in the FY23 Draft Budget are \$22.7 million higher, primarily due to two incremental face to face ICANN Public Meetings and increased personnel costs driven by increased headcount

# ICANN Operations – FY22 Forecast vs FY23 Budget

- While the ICANN Operations FY22 Forecast expenses are impacted by the pandemic, ICANN org assumes activities to occur in FY23 without impact from the pandemic
- Excluding the impact of incremental expenses due to a return to full meeting operations, the FY23 Draft Budget expenses are growing ~8.5% over the FY22 Forecast

\$ in millions



# New gTLD Program – 2012 Round Overview

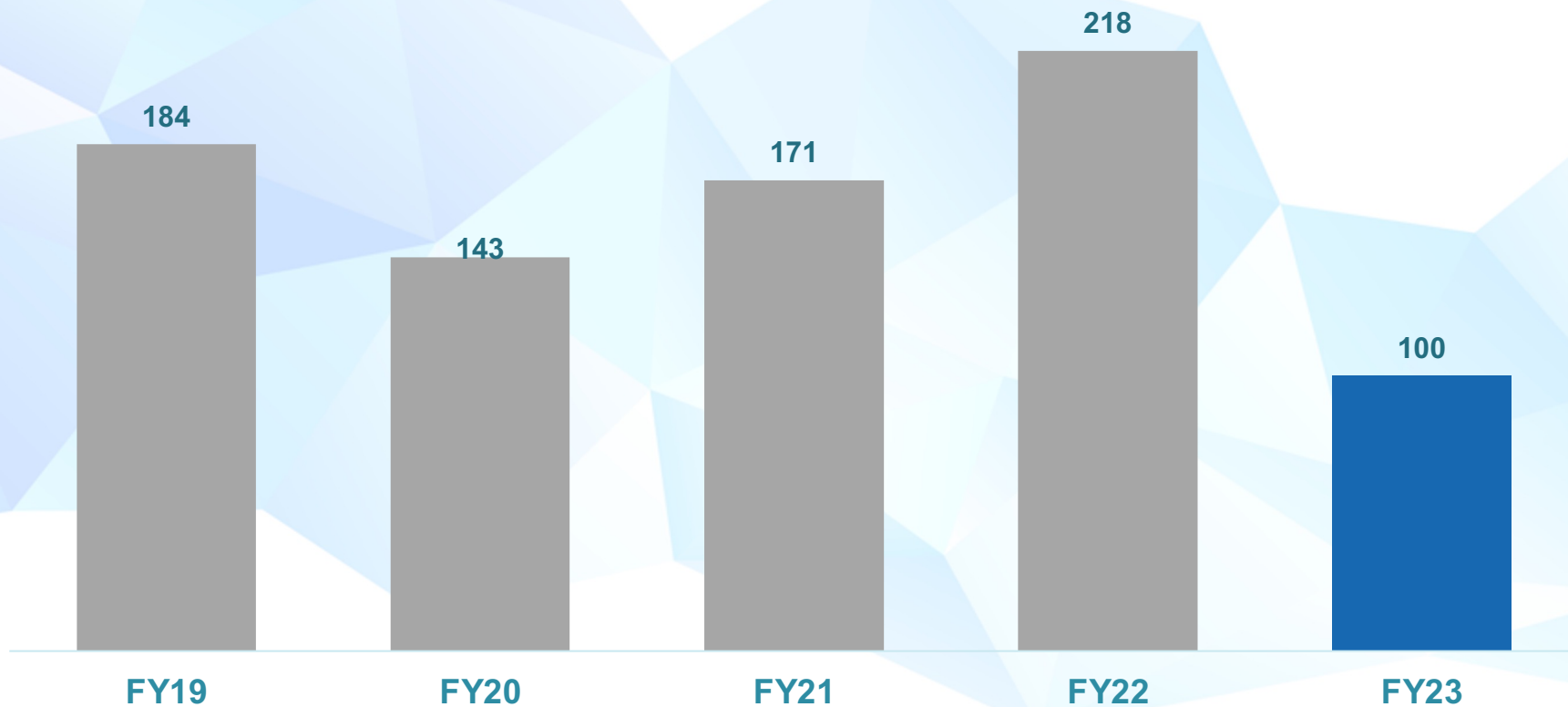
New gTLD Program 2012 Round	Statement of Activities by Fiscal Year					Statement of Activities for Full Program (Dec 2021) Current Estimate
	FY12 - FY20 Actual	FY21 Actual	FY22 Forecast	FY23 Budget	FY24 & Beyond Forecast	
New gTLD Applicant Fees	360	0	0	0	1	361
Refunds	(52)	-	(0)	(0)	(0)	(53)
<b>Applicant Fees (Net of Refunds)</b>	<b>\$ 308</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 308</b>
Initial and Extended Evaluation	(68)	-	-	-	-	(68)
Quality Control and Objection Processes	(11)	-	-	-	-	(11)
Pre-delegation	(12)	-	-	-	-	(12)
Program Costs	(38)	(2)	(3)	(2)	(9)	(54)
Staff Costs	(56)	(1)	(1)	(1)	(1)	(61)
<b>Operating Expenses</b>	<b>\$ (185)</b>	<b>\$ (4)</b>	<b>\$ (4)</b>	<b>\$ (4)</b>	<b>\$ (10)</b>	<b>\$ (206)</b>
Historical Development Costs	(32)	-	-	-	-	(32)
Risk Costs	(25)	(4)	(1)	-	-	(31)
<b>Non Operating Expenses</b>	<b>\$ (58)</b>	<b>\$ (4)</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (63)</b>
<b>Other Income/(Expense)</b>	<b>\$ (2)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2)</b>
<b>Investment Income/(Expense)</b>	<b>\$ 11</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11</b>
<b>Total Expenses</b>	<b>\$ (234)</b>	<b>\$ (8)</b>	<b>\$ (5)</b>	<b>\$ (4)</b>	<b>\$ (10)</b>	<b>\$ (259)</b>
<b>Net Remaining New gTLD Funds</b>	<b>\$ 74</b>	<b>\$ (8)</b>	<b>\$ (5)</b>	<b>\$ (3)</b>	<b>\$ (10)</b>	<b>\$ 49</b>

- New revenue recognition standard (ASC 606) was adopted in FY21 and impacted the timing of the recognition of the revenue from the application fees
- No impact to ICANN's funding or cash balances
- Risk costs and investment gains are not estimated for future years

# Draft FY23 Plans Public Comment Overview

# Summary of Number of Comments by Year

Org received 100 individual comments on the Draft FY23 Plans

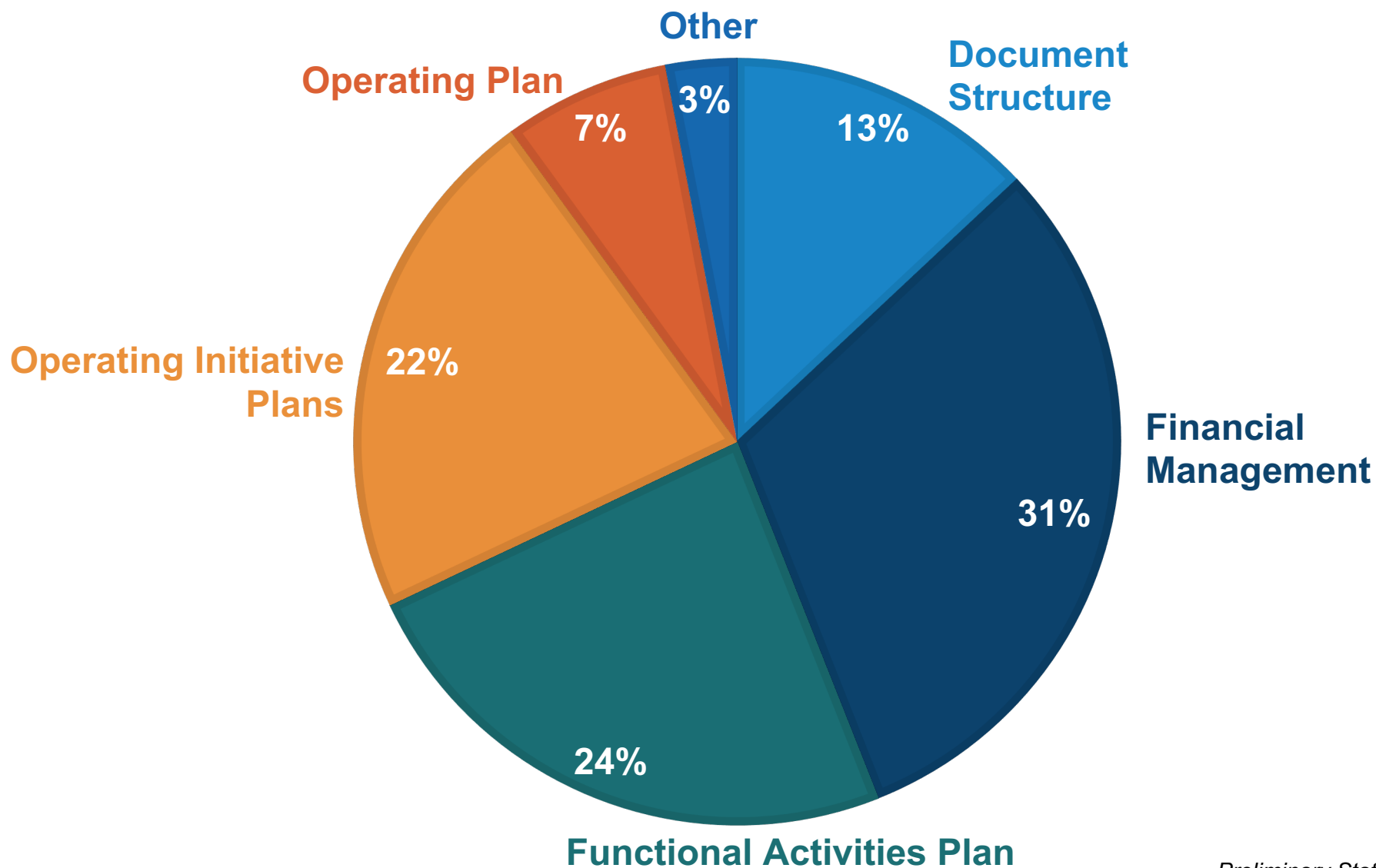


# Public Comments: Thematic Breakdown by SO/AC

No.	Groups Submitting Comments	FY21 Number of Comments	FY22 Number of Comments	FY23 Number of Comments	FY23 vs FY22 Higher / (Lower)
1	Article 19		2		(2)
2	At-Large Advisory Committee (ALAC)	17	19	22	3
3	ccNSO Strategic and Operational Planning Committee (SOPC)	48	57	28	(29)
4	Coordination Center for TLD RU (ccNSO Community)		6		(6)
5	Generic Names Supporting Organization Council (GNSO)	17	15	9	(6)
6	gTLD Registries Stakeholder Group (RySG)	37	33	20	(13)
7	i2Coalition	7			
8	ICANN Business Constituency (BC)*	21	64	18	(46)
9	ICANN Governmental Advisory Committee (GAC)	1	7		(7)
10	Individual	8	1		(1)
11	Non-Commercial Stakeholders Group (NCSG)	8	10		(10)
12	The Registrar Stakeholder Group (RrSG)*	7	4	3	(1)
	<b>Total</b>	<b>171</b>	<b>218</b>	<b>100</b>	<b>(118)</b>
	<b># of Groups Submitting by Year</b>	<b>10</b>	<b>11</b>	<b>6</b>	<b>(5)</b>

\* 2 of the 6 submissions were received late.

# Public Comments: Breakdown by Theme



*Preliminary Statistics*

# Public Comments: Thematic Breakdown by SO/AC and Theme

Theme	Total Number FY23	ALAC	BC	ccNSO SOPC	GNSO	RrSG	RySG
Document Structure	13	3	3	1		1	5
Financial Management	31	8	9	8	3	2	1
Functional Activities Plans	24	5	3	15	1		
Operating Initiatives Plan	22	4	3		3		12
Operating Plan	7	2		3	1		1
Other	3			1	1		1
<b>Total</b>	<b>100</b>	<b>22</b>	<b>18</b>	<b>28</b>	<b>9</b>	<b>3</b>	<b>20</b>

Preliminary Statistics



# FY23 Planning Next Steps

What	Who	When
✓ FY23 Planning Process Kick Off	Community	15 September 2021
✓ Review draft FY23-27 O&FP and FY23 OP&B	BFC	30 November 2021
✓ FY23–27 O&FP Public Comment ✓ FY23 OP&B Public Comment	Community	07 December 2021- 07 February 2022
✓ Two Community Webinars	Community	08/09 December 2021
✓ BFC recommends IANA Budget Approval	BFC/ Board	January / February 2022
Review ICANN FY23 Draft Plans Public Comment inputs	Board & Community	ICANN 73
Summary Report Due Date	ICANN Org	30 March 2022
BFC Recommends ICANN FY23 Plans Approval	BFC/Board	April / May 2022
Empowered Community Period	Community	May / June 2022

# Planning Prioritization Framework Project

# Introduction

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- ◎ **Project:** “Planning at ICANN” is one of the 15 operating initiatives in ICANN’s Operating Plan for FY21 and FY22
  - A component of this operating initiative is to deliver a draft prioritization framework as an improvement of ICANN’s overall planning process
- ◎ **Accountability:** ICANN’s planning department is leading this operating initiative and the delivery of the draft prioritization framework
- ◎ **Deliverable:** A draft prioritization framework to be used during the annual planning process

# Planning Prioritization Framework Update

ICANN org appreciate all the inputs received from the community consultation thus far for the development of the draft Planning Prioritization Framework

- Org held a total of 17 consultations: 5 Project Overview & Introduction webinars and 12 workshop consultations

## **Participated:**

- ✓ ccNSO Strategic and Operational Planning Committee (ccNSO SOPC)
- ✓ At-Large Operations, Finance and Budget Working Group (OFB-WG)
- ✓ GAC Leadership and interested members
- ✓ SSAC - Security and Stability Advisory Committee
- ✓ GNSO/CSG - Commercial Stakeholder Group (CSG)
- ✓ GNSO/CPH - Contracted Party House
- ✓ GNSO/NCSSG - Noncommercial Stakeholder Group
- ✓ ATRT3 Implementation Shepherds

## **Asked to participate but chose not to:**

- ASO - Address Supporting Organization
  - RSSAC - Root Server System Advisory Committee
- These sessions had ~ 200 attendees in total and ~140 data points collected



# Planning Prioritization Framework Update

## *What's next....?*



### Publication

The Draft Planning Prioritization Framework will be published by end of February. We will announce it via a blog



### Pilot

ICANN org planning team will conduct a pilot between March – April to test the draft framework with the community



### Webinar

ICANN org will host a public webinar after ICANN 73 to brief the community about the Draft Planning Prioritization Framework.

# 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](mailto:planning@icann.org)

# How to Participate in ICANN's Planning



Subscribe to the Draft  
FY23 Operating &  
Financial Plan and Draft  
FY23 Operating Plan and  
Budget Public Comment  
page to receive  
notifications of upcoming  
activities related to this  
proceeding



Visit the Finance and  
Planning Community  
Wiki page

<https://community.icann.org/display/projfinance/Finance+and+Planning+Community+Group+Workspace>

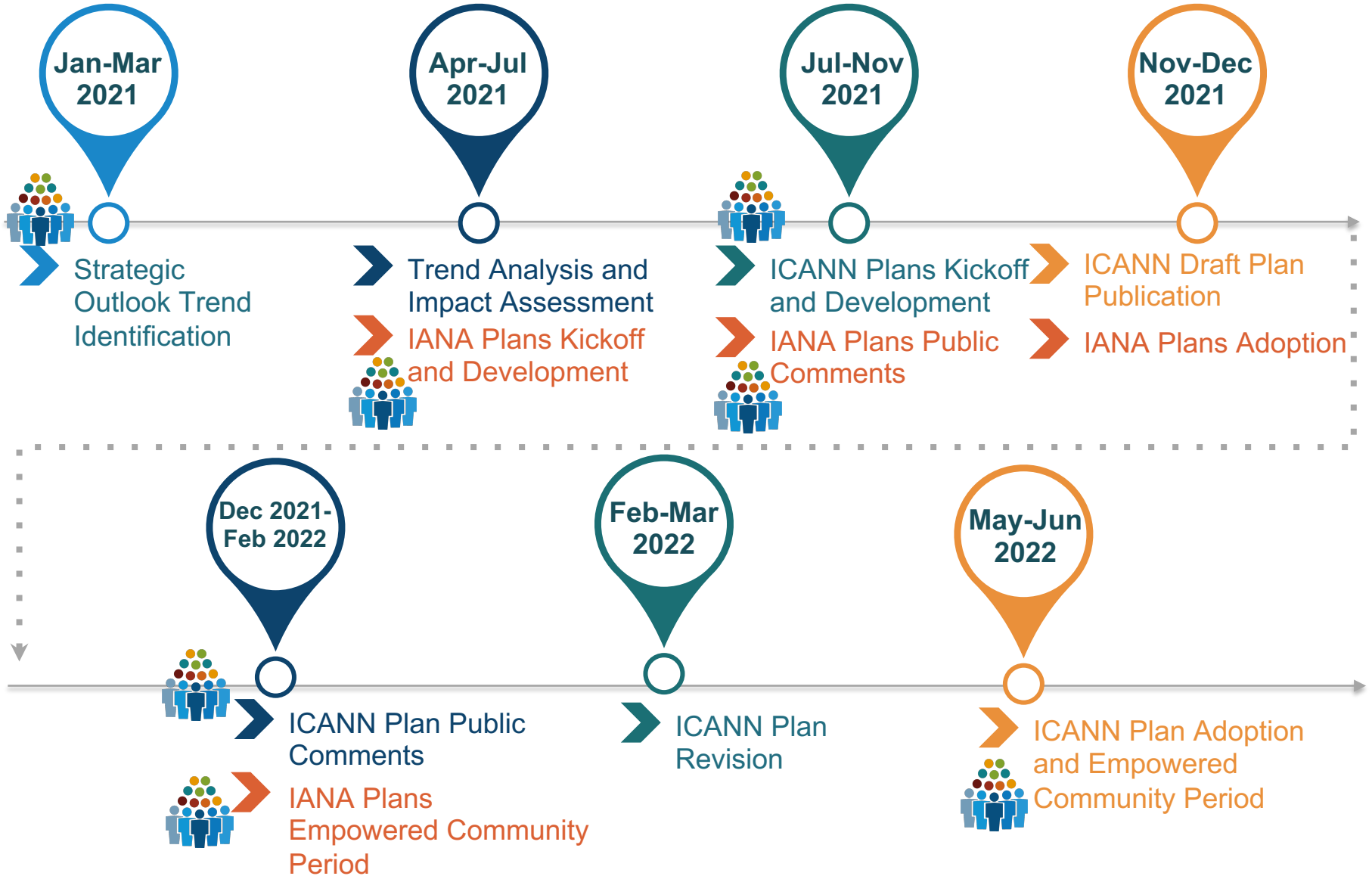


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updates on planning  
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# Appendix



# When can community members participate?



# FY23 Operating Initiatives Progress and Highlights – page 1 of 2

	Operating Initiatives	Examples of Key Milestones
1	Support the Evolution of the Root Server System	<ul style="list-style-type: none"> <li>Finalize prototype and begin internal operation of RSS Metric Monitoring System.</li> <li>Operate a prototype root zone distribution service (hyperlocal) for testing purposes.</li> <li>Publish and implement KSK Rollover Policy.</li> </ul>
2	Facilitate DNS Ecosystem Improvements	<ul style="list-style-type: none"> <li>KINDNS launched in FY21, and work will continue in FY23.</li> <li>Coordinate a Special Interest Forum on Technology (SIFT) to allow the community to engage technically with ICANN between Public Meetings.</li> </ul>
3	Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking	<ul style="list-style-type: none"> <li>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.</li> </ul>
4	Evolve and Strengthen the ICANN Community’s Decision-making Processes to Ensure Efficient and Effective Policymaking	<ul style="list-style-type: none"> <li>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.</li> </ul>
5	Develop Internal and External Ethics Policies	<ul style="list-style-type: none"> <li>Improve internal ICANN org Ethics Program for FY23.</li> <li>Collaborate with the ICANN community to develop an ICANN Community Ethics Policy for FY23–24.</li> </ul>
6	Promote and Sustain a Competitive Environment in the Domain Name System	<ul style="list-style-type: none"> <li>Supporting the Board of Directors in developing information and analysis necessary to inform decisions on the policy recommendations, including execution and completion of an Operational Design Phase.</li> <li>Planning and executing operational readiness activities including systems, tools, process definition, procurement, and other activities.</li> <li>Planning and executing communications and outreach to support the program.</li> </ul>
7	Promote the Universal Acceptance of Domain Names and Email Addresses	<ul style="list-style-type: none"> <li>Conduct gap analyses of tools and systems for UA readiness.</li> <li>Continue to reach out to technology developers and tool providers for UA remediation.</li> </ul>
8	Root Zone Management Evolution	<ul style="list-style-type: none"> <li>Continue to monitor the policy development work being done in the ICANN community (most notably through the New gTLD Subsequent Procedures Policy Development Process and on IDNs) to ensure RZMS will meet those emerging requirements.</li> </ul>

# FY23 Operating Initiatives Progress and Highlights – page 2 of 2

	Operating Initiatives	Examples of Key Milestones
9	Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem	<ul style="list-style-type: none"> <li>• Revise engagement plan to reflect the prioritization or reprioritization of engagement based on the ecosystem mapping and the MoU evaluation and relationship assessment completed in FY22.</li> <li>• Publish a document that serves as a definitional publication for the distinction between technical Internet governance and Internet governance.</li> </ul>
10	Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN Through Targeted Engagement	<ul style="list-style-type: none"> <li>• Continue creating targeted materials as needed for government participants.</li> <li>• Delivery of the postponed FY22 High-Level Governmental meeting may occur in FY23 as a virtual or in-person event in conjunction with an ICANN meeting, depending on the COVID-19 pandemic safety protocols and discussions with the GAC.</li> </ul>
11	Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration with Others that May Impact the ICANN Mission	<ul style="list-style-type: none"> <li>• Utilizing the assessment and monitoring process from FY21, continue monitoring and assessing legislative and regulatory developments around the world that could have an impact on ICANN's ability to fulfill its Mission.</li> <li>• Publish country focus papers explaining how international, national, and regional Internet-related initiatives might touch on ICANN's Mission.</li> </ul>
12	Improve Depth of Understanding Domain Name Market Drivers which Impact ICANN's Funding	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Annual delivery of funding assumptions and projections for the next five fiscal years.</li> </ul>
13	Implement New gTLD Auction Proceeds Recommendations as Approved by Board	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
14	Planning at ICANN	<ul style="list-style-type: none"> <li>• Implement the draft prioritization framework during the planning process of FY24 draft operating plan and budget.</li> </ul>
15	ICANN Reserves	<ul style="list-style-type: none"> <li>• The minimum reserve fund target level was achieved in FY21 which is 6 years earlier than Board approved timeline</li> </ul>

# Operating Plan Supplemental Appendices

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- **ICANN Rolling Five-Year Roadmap: Policy, Review and Cross-Community Working Groups (Appendix A):** A rolling five-year roadmap, with indicative and tentative timelines. Work related to these activities will be prioritized and resourced on an ongoing basis.
- **Operating Initiatives Supporting the Strategic Plan (Appendix B):** A mapping that showcases how ICANN org will achieve the objectives and goals set out in the Five-Year Strategic Plan. Each operating initiative is cross-referenced against the strategic goals, so readers can gain a comprehensive understanding to the strong interconnectedness of ICANN org's work.
- **Recommendations Relating to Cross-Community Working Group on Enhancing ICANN Accountability Work Stream 2 and Review (Appendix C):** A comprehensive list of recommendations and its status relating to reviews and cross-community working group. ICANN org will define, plan for the implementation of these recommendations, so that such implementation work can be considered for prioritization and scheduled for implementation accordingly.
- **ICANN Security, Stability, and Resiliency (SSR) of the Internet Unique Identifiers (Appendix D):** Although every function of ICANN org contributes to the overall Security, Stability and Resiliency (SSR) through its support of org's work to advance ICANN's Mission, this schedule highlights activities particularly focused on supporting the SSR of the unique Internet identifiers.

# ICANN Operations – FY23 Draft vs FY22 Budget

In Millions, USD	FY23 Draft Budget	FY22 Adopted Budget	Under/(Over) vs. FY22 Budget	
	ICANN Operations	ICANN Operations	\$	%
<b>Funding</b>	<b>\$152.0</b>	<b>\$144.4</b>	<b>\$7.6</b>	<b>5%</b>
Personnel	86.5	80.1	(6.4)	-7%
Travel & Meetings	14.3	13.8	(0.5)	-4%
Professional Services <sup>(1)</sup>	29.7	28.4	(1.3)	-5%
Administration	19.3	16.9	(2.4)	-12%
Capital	2.2	4.0	1.9	86%
<b>Total Operating Expenses</b>	<b>\$152.0</b>	<b>\$143.2</b>	<b>(\$8.8)</b>	<b>-6%</b>
<b>Excess/(Deficit) before Contributions</b>	<b>\$0.0</b>	<b>\$1.1</b>	<b>(\$1.1)</b>	<b>n/a</b>
Reserve Fund Contribution	0.0	1.1	1.1	n/a
<b>Net Operating Excess/(Deficit)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>n/a</b>
<b>Average Headcount</b>	<b>423</b>	<b>405</b>	<b>(18)</b>	<b>-4%</b>

<sup>(1)</sup> Includes Contingency expense which is unallocated to specific activities or functions

- The ICANN Operations FY23 Draft Budget Funding is \$7.6 million higher than the FY22 Adopted Budget, driven by growth in domain name transactions
- Expenses in the FY23 Draft Budget are \$8.8 million higher, primarily due to increased personnel costs driven by increased headcount

# Additional Budget Request Overview

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The Additional Budget Request process pertains to a dedicated part of the overall ICANN annual budget that is set aside to fund specific requests from the community for activities that are not already included in the recurring ICANN budget.

## Assessment Process:

- Allocating available resources to those requests which, on their face are directly and demonstrably related to current ICANN policy development, advisory and technical work
- Addressing capacity development objectives through encouraging collaboration with ICANN's Public Responsibility Support and Global Stakeholder Engagement teams, including development of materials that can be used for online (rather than face-to-face) training
- Considering the availability of resources, both financial and staff, to support the individual and collective requests submitted in an equitable and transparent manner
- For travel related requests, a primary consideration is to prioritize events taking place at an ICANN Public Meeting or other ICANN-organized meeting (e.g. the GDD Summit)

# ABR Principles

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- The ABR process helps the ICANN Board and org better **understand and develop resources** for present and future ICANN community needs.

At ICANN Board/org discretion, a request from a community group may be granted broadly and consistently to all similarly-situated community groups.

- Only community groups **recognized by the ICANN Board** can utilize the ABR process.

Requests must be consistent with the charter of the requesting community group.

ICANN org will ensure the consistency of requests across different community groups.

- Every request merits a **fully resolved response**.

Decisions will be clearly articulated (e.g., “yes”, “no”, or “partial”) with well-defined rationales.

- Although recommendations come from ICANN org, the **ICANN Board is the final decisionmaker**.

Every request has both financial and resource commitments.

# Additional Budget Requests – FY23 Key Dates

1

Community Kick off and  
Submission period

October 2021 to January 2022

2

Submissions Due – send to  
planning@icann.org

31 January 2022

3

SO/AC Consultations  
at ICANN 73

05 March to 10 March 2022

4

Notify SO/ACs of Publication on  
Website

May 2022

Visit the [FY23 Additional Budget Request \(ABR\) Process](#) page on the Finance and Planning community wiki for more information.



# Samples of Comments Received

“ The ALAC appreciates the 5-year road map provided and suggests this method could/should be used to track other elements of the plan. ”

- ALAC

“ *Summary: It is noted that additional locations of IMRS large “clusters” will require additional year-on-year funding to cover connectivity, colocation, and power costs. It is further noted that additional locations of IMRS large “clusters” will require year-zero capital expenses funding followed by year-two maintenance and hardware upgrades to maintain stability and resiliency.* ”  
*Comment: The SOPC agrees with the proposed changes.* ”

- ccNSO SOPC

“ *The GNSO Council was pleased to see those additional resources for coordination and “appropriate tools” were contemplated in the estimates of resources for the Policy Development and Advice Functional Activity. However, no further details are provided as to where these additional resources will be drawn from, such as the Supplemental Fund for Implementation of Community Recommendations (SFICR), the IT budget or contingency budget.* ”

- GNSO Council



# Samples of Comments Received-Continued

“ We suggest that ICANN compiles specific questions for key issues that ICANN is seeking community guidance on. These questions should intend to enhance the focus for specific comments, but not limit or exclude commenting on other issues. ”

- RySG

“ The FY23 budget (p19) outlines constituent travel by SOAC and illustrates that travel costs, if divided by the number of people the amount is allocated to, differ between the groups. Although most groups have similar per-individual costs (around \$2,900 USD for ICANN75 & ICANN77 and \$2,400 USD for ICANN76) there are notable differences in the costs for RSSAC (\$4,000 for ICANN75 & ICANN77) and the Technical Liaison Group (\$6,320 USD for ICANN75 & ICANN77 and \$3,150 USD for ICANN76). Even allowing for the need for more lengthy international travel to certain locations, it is not clear why the costs should be so much higher in these particular groups compared to the others. The RrSG would like to see more information provided that justifies the additional expense. ”

- RrSG

“ The BC acknowledges the value that the SFICR, as approved by the ICANN Board in FY21, brings to the Community’s ability to pursue multi-year, community recommendations that cannot fit within the annual budget. SFICR is funded if excess funds exist in the Operating Fund after an allocation to the Reserve Fund. Funding the SFICR has benefited from COVID-19 which has resulted in expense reduction and increased contributions to both it and the Reserve Fund. Yet it is not certain whether such excess funds will exist in future once normal operations resume. ”

- BC

