ICANN83 | Prep Week – Finance and Planning Update
Wednesday, May 28, 2025 – 20:00 to 21:30 CEST

KELLY MEDINA

Hello and welcome to the Finance and Planning Update. My name is Kelly Medina, and I am the remote participation manager for this session. Please note that this session is being recorded and is governed by the ICANN Expected Standards of Behavior. During this session, questions or comments will be read aloud if submitted within the chat and if notated as a question. I will read them aloud during the time set by the moderator of this session.

If you would like to ask your question or make your comment verbally, please raise your hand. When called upon, you will be given permission to unmute your microphone. Interpretation for this session will include English, French, and Spanish. Please state your name for the record and the language you will speak if speaking a language other than English. Please speak at a reasonable pace.

I will now go over the agenda for today's session. Today we will be going over the Fiscal Year 2025 Financial Update. We will also go over the Adopted ICANN Fiscal Year 2026 Budget, the Adopted ICANN Strategic Plan for Fiscal Year 2026-30, adopted ICANN Fiscal Year 2026-30 Operating and Financial Plan, and the ICANN FY26

Operating Plan and FY26 Planning Process. We will also be given time for Q&A at the end of this session.

As a reminder, this session is going to be lasting 90 minutes. We will be taking questions between the different agenda items, but we'll also be allowing time at the end of the session for questions. A copy of this presentation is also available on the ICANN83 meeting page. I will now hand over our session to Daniel for the Fiscal Year 2025 Financial Update.

DANIEL STEPHENS

Thank you, Kelly. My name is Daniel Stephens. I'm on the finance team here at ICANN and will provide an update to our fiscal year 2025 finances. If we can go to the next slide, please. As a reminder, ICANN's fiscal year runs from July 1st through June 30th, so fiscal year 2025 is coming to a close next month, and these results are through the first nine months of our fiscal year ending March 2025.

The FY25 position is strong, both compared to budget and to last year. Our full-year forecast projects expenses lower than funding with a $10 to $12 million excess at the end of the fiscal year. This is partially due to funding, which is projected to be between $152 to $154 million. This reflects a six-month impact of fee increase of registry operators, and this is about $5 to $7 million higher than our FY25 budget. About $1.2 million is related to the fee increase, and another $4 to $6 million is due to higher transaction volumes than budgeted in fiscal year 2025.

Expenses are projected to be $12 to $14 million lower than FY24, and this aligns with the Board resolution from May of last year to reduce the run rate of expenses beginning in fiscal year 2025. The savings have been achieved primarily due to lower staffing levels and cost savings efficiencies across the organization.

If we go to the next slide. All of our financial reports are published on the ICANN website. This is a screenshot that shows you where, and fiscal year 2025 Q3 financials were published May 15th, and you can check that out on the website at any time.

If we go to the next slide. This is a view of total ICANN and the different segments that make up total ICANN. Each segment has its own source of funding. ICANN operations is funded through our annual funding, which we just spoke about.

The New gTLD Program through the New gTLD funds, which includes both the 2012 Round and the Next Round, the SFICR, which is a supplemental fund for implementation of community recommendations and the projects associated with that, the ICANN Grant Program funded by auction proceeds, and our reserve fund, which is shown for completeness of our funds under management. The funds under management in the first nine months increased partially due to investment gains and then also the operating fund deposits are greater than withdrawals at this point through the fiscal year, which have been partially offset by New gTLD Program expenses.

We can move to the next slide. And this is a closer look specifically at ICANN operations through March 2025. You can see that compared to fiscal year 2024, our operating excess is higher. This is due to $2.8 million in higher funding, which is primarily due to better or more transactions. Only about $700,000 is due to the price increase that began in January. We also have lower expenses than last year, $8.7 million compared to the same period in fiscal year 2024. And we'll take a closer look at both of these on the next two slides.

We can go to the next one. Thank you. This is a look at funding, both versus budget and versus prior year. You can see here that the transaction fees, both for registries and registrars, are higher than budget in the previous year. Registry fixed fees are flat for the previous year, and then the registrar other fees are the accreditation application and per registrar variable fees. Then the other category is other funding, such as contributions from country code operators. This is, again, primarily due to the transaction fees, which you can see here a little more clearly than on the previous slide.

If we go to the next slide we can look at the expenses. This is broken down the same way as our quarterly reporting shows into the activity-based expenses. Because the expenses compared to last year are driven primarily by a reduction in staff and travel, you'll see the community engagement has the largest dip from last year. Most of the travel the organization does is in support of the community, so it's had the largest decline compared to last year in these particular buckets. But we also have improvements across the board for lowering our expenses compared to last year.

If we move to the next slide we can look at our full year forecast for FY25. So, this reflects 10 months of actuals, so includes April data and then two months of projections. You can see here, again, as we discussed before, the funding projected between $152 million and $154 million, and then we have total expenses between $141 million and $143 million with the projected excess of $10 million to $12 million.

On the expenses, what we see here is we were able to achieve the cost savings initiatives that were part of the FY25 budget. When it was drafted, there were still $8 million of savings to find, and that's been achieved throughout the various cost categories in order to meet the target of the $141 million to $143 million. $145 million was the budget, and we're coming in better than that.

If we go to the next slide, we can look at the New gTLD Program Next Round. Specific to FY25, expenses are a little more than $3 million under budget, and this is specific to the implementation budget. The Next Round Program is split between implementation and processing budgets. And so, the implementation is for everything that is happening in the program prior to the processing of applications, which includes the Applicant Support program Applications, registry service provider, and then eventually the applications for the new gTLDs.

If we can move to the next slide, we'll also look at the Grant Program, which is for FY25, year to date, just under budget, and the program to date as well, which goes back to July 2022, is just under budget by $100,000. The total budget for FY25 is $1.6 million, excluding any grants that are being distributed during fiscal year 2025. That concludes the review of our FY25 update. I'll turn it over to Alex Moorshed for updates to the Adopted ICANN FY26 Budget, unless there are any questions at this time.

ALEX MORSHED — Thank you, Daniel. Yes, there is a question. Go ahead, please, Anne.

ANNE AIKMAN SCALESE — Thank you. Hi, it's Anne Scalese. The question for Daniel is, could you just summarize quickly, again, the operating expenses for the Grant Program, in particular, in relation to what are anticipated to be the total grants made? If you could just remind us.

ALEX MORSHED — We do have a slide on that coming up, but Xavier, if you want to jump in.

XAVIER CALVEZ — I'll explain. Let's move to that slide right away, because I think that will help us also.

ALEX MORSHED

I'm sure, Kelly, it is slide 26.

XAVIER CALVEZ

That slide is trying to gather all in one place, all the costs on the program, in relation to all the persons to be distributed. At the bottom right, the right column shows you when expected total amount of expenses to be incurred in relation, which is indicated there, the right as a range of $16M to $20M. In relation to the total estimated grant distribution, which is $214 to $220 at the moment, the auction proceeds are a bit higher than that. That's giving an expense ratio between 7% and 10%, which is something we've previously described with benchmark information on other types of programs from other organizations, as within the range a little bit below most global programs that we have been able to find information on.

KELLY MEDINA

Xavier, sorry, I apologize to interrupt. I was hoping if you could just speak a little bit louder, maybe closer to your microphone. It was harder to hear. And I think we'll ask you if you could just go over this slide once again.

XAVIER CALVEZ

Okay. Can you hear me better now?

ALEX MORSHED

Could you repeat it one more time, Xavier?

XAVIER CALVEZ

Yeah. Can you hear me better now or no?

MARGARET BENAVIDES

Yes. Thank you, Xavier.

XAVIER CALVEZ

Okay. Sorry about that. So, quickly, this slide, Anne, is showing on the very right of the table at the bottom, total amount of expenses expected for the entirety of the periods over which we would distribute the funds, the auction proceeds, divided by the total amount of auction proceeds to be distributed. And that ratio of expenses is expected to be between 7% and 10%, probably closer to 8%. And that's quite consistent and slightly below most global programs, global being across the world, that we have been able to benchmark and that we've provided that information in the past. So, that's the expense ratio that we're expecting.

The slide that Daniel went over earlier only provides the visibility on the cost incurred to date for this year where all the design of the program has occurred and no distribution has actually occurred. So, it's difficult to relate the costs to the total proceeds by just looking at the FY25 numbers, which is why we put together this information that you see here on slide 26. And I hope that helps address your question. Let me confirm with you.

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| ANNE AIKMANN SCALESE | Yeah. Just a quick follow-up there, Xavier. Thank you. I understand startup costs for this program would be higher percentage-wise in relation to the anticipated first amounts of the distribution. I'm just trying to get a general idea of how much it costs to start it up as compared to, I think we're anticipating as much as &10 million allocated for grant distribution. Is that correct? Yeah. |
| XAVIER CALVEZ | So, the first cycle of distribution, which was designed as a little bit of a pilot in the first experience, is $10 million in total of grants to be made. And the costs, the cumulative costs of designing the program, we don't have that information fully here. But you see here, if you aggregate together the FY23, 24, and 25 numbers, it's $3.6 million. It's a bit less than that, which represents effectively the startup cost, basically designing the program for about a year and a half and then launch it. Of course, when we designed the program, we didn't design it only for a first cycle of $10 million, but also obviously for the entirety of the proceeds to be distributed. Thank you, Anne. |
| KELLY MEDINA | Thank you. Are there any further questions regarding the fiscal year 2025 financial update section? Again, you can raise your hand or ask questions in the chat. If there are no further questions, we'll go |

back over to Alex to cover the Adopted ICANN Fiscal Year 2026 Budget.

ALEX MORSHED

Thank you, Kelly. So, if we could move on to the next slide. I will provide an overview of the FY26 Adopted Budget, starting with some of the revisions that were made versus the draft budget that was published in December 2024. Essentially, there were some assumptions in that draft budget that required changing.

So, the adopted budget reflects funding, which has been updated to include the registry fee increase that went into effect January 2025, and the registrar fee increase, which is expected to go into effect July of 2025, as well as positive trends that we're observing within the domain name market.

Expenses have also been updated to provide sufficient resources needed to continue executing ICANN's mission without disruption and reduction of services. No changes were made to the Next Round, the New gTLD Program or the Grant Program financials. We've given this update a few times in other webinars, and we've also recently posted a blog about the transparency about the changes in the adopted version. There is a link to that blog on the bottom of this slide.

If we can move on to the next slide, please. So, before getting into the changes, we wanted to show the funding trends of the past few years. You can see with the dark blue bars of actual funding, we have been pretty consistent at around $150 million. In FY25, our adopted budget was $145 million. We were anticipating a slight downturn in the domain name registrations, but we're noticing that we have actually positive trends, so that's the $150 million that we're now forecasting for FY25, and this could very well be higher.

Therefore, for FY26, we have also increased that to the draft budget, was $142 million. We have increased that to $150 million, and this is a result of the positive trends that we're seeing in addition to some of the fee increases that I mentioned previously. Anne, yes, go ahead, please.

ANNE AIKMANN SCALESE

Thanks, Dan, again. And I'm wondering, I have a big recollection that at one point, we were projecting an $8 million shortfall and looking at ways that we could make that up. And so now are we saying, we no longer project a shortfall and we're good to go?

ALEX MORSHED

Yeah, I think what you're referring to, Anne, was in the FY25 adopted budget, there was a $8 million cost savings initiative challenge that was required to be balanced to budget, and in FY25, ICANN implemented several cost savings initiatives to help us basically achieve that. We're anticipating not only to be balanced but actually to have higher funding than expenses.

Part of that is just because our funding was higher than we initially planned or budgeted, but also on the expense side, we've been able to reduce more than $145 million. We're actually forecasting to end FY25 around $140 million dollars, so we've been very successful at funding these cost savings and still delivering on our mission. Yes, great news, thank you. Okay. So yes, Xavier.

XAVIER CALVEZ

I just want to add for everyone that the five-year trend that you see here is helpful to put in context that if you look just at this funding, you can see that it's basically flat for five years. In order for us to ensure our costs also remain flat and within those amounts, technically speaking, that means that we need to reduce our costs every year by the same amount that if inflation increases our costs, so that we keep our costs at the same level all the way through that five-year period.

And that's one of the factors that I remember last year, for those of you who attended these sessions, that last year inflation was a factor that affected our costs. So, when funding is flat for us, since costs always increase with inflation, then we need to reduce through initiatives, through rationalization, through sometimes reduction of activities, we need to reduce our costs so that in constant dollar value, the costs do not exceed funding. And I think that's pretty obvious when you look at the funding stability at the exact same level for five years, while there's been inflation, of course, during that five-year period. I hope that's helpful. Thank you.

ALEX MORSHED

Okay. So, I think we can move on to the next slide, where this is basically a variance analysis between the funding of the draft budget and the light blue bar going to the funding of the adopted budget, the dark blue bar. So, the first orange bar shows the registrar fee increase impact. This is the impact of removing the 10% discount on fees that was supposed to be temporarily implemented, that was implemented about 20 years ago.

The next bar is the increase for registry fees. This is about a 3% increase. And as Daniel mentioned, ICANN uses the US Consumer Pricing Index as a basis for the inflation. So, this is per contractual terms and the base registry agreement. And the last orange bar reflects the positive trends that we're seeing in the domain market. So, these added up together make about $8 million higher funding.

Okay, next slide, please. So here is a more of a detailed side-by-side view of the funding of the last three years, including the FY26 budget. So some of the transaction details, you can see that compared to the FY25 forecast, we're still being conservative in projecting a decline in transactions, especially with new gTLD transactions, since these have grown in recent years. So, we're still coming up with a $150 million number, which we believe is conservative and achievable.

Next slide, please. So, moving on to expenses, we'll start with trends again. The bars between FY17 and FY19 reflected period where ICANN undertook a lot of process improvements and efficiencies that led to flat costs despite an increase in work post-IANA transition. Then between FY20 and FY22, ICANN's expenses were impacted by the COVID-19 pandemic, especially when it comes to travel and meetings. And then starting in FY23 and on, our costs increased due to the resumption of travel as well as new work and inflation.

So, cost reductions have been implemented in order to balance to funding. You can see the reductions in FY25 that I'd mentioned, where we've implemented a lot of cost savings since FY24. And the light green boxes are meant to show the estimated contingency, both in the FY25 forecast, we're projecting about $4.4 million of unplanned matters that have come up. And then in the FY26 budget, and this was consistent in the draft budget as well, we have $7.5 million of contingency for these unplanned, unforeseen matters. And yeah, that rounds out our expenses for the past few years.

Okay. We can move on to the next slide, please. Okay. So, like we did with funding, this is a variance analysis between the FY26 draft budget expenses in light blue to the adopted budget expenses in dark blue. The first orange bar reflects our headcount projections. This reflects current open positions and actually recently filled positions that were filled around the time of when the draft budget was being finalized.

The second bar and third bar reflect updated costs for engineering and IT and meetings costs. Now that we have a better sense of cost trends and actual contractual commitments for those specific ICANN meetings and Board workshops, those costs have been increased to reflect those trends and contracts. And then also our costs have increased in the last bar you can see by essentially reducing our cost savings target. The draft budget assumed a $3 million cost savings reduction. The adopted budget assumes $2 million, so that's the $1 million increase in comparison for that last orange bar, bringing the total to $150 million aligned with the funding for FY26.

Okay. Let's move on to the next slide, please. So, our headcount trends, this is shown by the end of period by our fiscal quarters. So, starting with the fiscal FY24 Q1 was $144. It peaked around Q3 or Q4 of FY24. And since then, we've been quite flat. In FY26, we are projecting marginal increases to support the needs of the organization, a mix of operational and Next Round staff, since this is total headcount trends.

Okay. If we could move on to the next slide. These are expense details for ICANN operations now, specifically for ICANN operations. As mentioned, the FY25 forecast expenses are $140 million. This is down from $155 million of FY24 actuals. And then in the FY26 budget, we are projecting $150 million, again aligned to funding. This is mostly driven by, as we saw on the on the previous slide, inflationary increases for staff, as well as an increase in the contingency expenses, and some other inflationary and contractual increases as well on the non-personnel expenses.

If we could move on to the next slide, please. Okay. This is a variance analysis from the $140 million of FY25 forecast expenses to the FY26 adopted budget expenses. We thought this would also be a helpful view to understand how our expenses are changing actual to the FY26 budget. So as mentioned, the first bar is the impact of salary increases, inflationary increases for the current staff. Next bar is our positions that are currently being recruited. And the other bar is a mix of other increases, but mostly driven by increase in travel and meetings.

Getting us to the first dark blue bar, which is the adopted budget expenses without contingency. And then just noting here that while our FY25 forecast, the contingency for the unplanned matters is about $4.4 million, the FY26 contingency budget is $7.5 million. So, this is about a $3 million increase from there, getting us to the second dark blue bar of $150 million in FY26 adopted budget expenses.

Next slide, please. Thank you. Okay. So, now looking at it more holistically, this is the total ICANN FY26 budget by business segment. So, we've gone over the ICANN operations column, the $150 million in funding and expenses. The New gTLD Program, $32 million of this is for the Next Round. And we have a slide coming up on that to go over that in more detail. And we've also touched on the Grant Program slide, but I will review that as well. But I just wanted to point out that these expenses include the projected grants that are projected to be distributed in FY26, that's $5 million.

Okay. So, next slide, please. And jump into the Next Round. So, this slide provides the actuals for the past couple of years, as well as the forecast and budget for FY25 and FY26 respectively. It also shows how the tranches of funding were approved and which source they came from. The ICANN Board recently approved the final tranche for the implementation budget. That was $25 million approved in May. The Applicant Guidebook is also planned to be published for the final public comment in May. And the application window for the program is expected to open about a year from now in 2026.

For the FY25 forecast FY26 budget, the costs include processing costs for support of the Registry Service Provider Program, the Applicant Support Program, as well as readiness activities for opening the round. So, we can see a slight ramp-up in the staff support and costs leading up to that application window opening. And then as mentioned, below the financials are the funding tranches approved, so one through four, and the sources of where the funds are coming from.

Okay. Next slide, please. So, we went through this slide earlier, but I will touch on it with the Grant Program. The first application cycle ran from March to May 2024. And in this cycle, we're projecting to award up to $10 million in grants, with the timing of about $3 million in FY25, $5 million in FY26, and $2 million in FY27. And as mentioned earlier, over the entirety of the Grant Program, the administration costs as a percentage of the total grants distributed will be between 7% and 10%, which is within industry benchmarks.

Okay. If there aren't any other questions, I will hand it off to Victoria to talk about the strategic plan.

VICTORIA YANG

Thank you. Thank you very much, Alex. All right, so with that, we will now shift our focus to another important part of today's agenda, the ICANN Strategic Plan. Let's move on to the next slide. Thank you, Kelly.

All right. So, according to ICANN's bylaw, every five years, ICANN develop a new strategic plan. And this effort is led by the ICANN Board, and the community play a crucial part during the development process. The strategic plan is built based upon where we are now to define where we are going, and how we will continue to fulfill our mission along the way. The strategic plan is not just a planning document. Ideally, the idea behind the strategic plan is it is a directional roadmap that connects our mission with our long-term goal and evolving priorities. It is a core part of ICANN's governance, as it provides clarity, focus, and the long-term perspective.

Our next five-year strategic plan is for fiscal year 26 to 30, and it will go into effect at the start of the next fiscal year on July 1, 2025. So, this plan belongs to all of us. We all have a part to play in bringing our shared vision to life, as many of you played such a crucial part during the development process in the past year. Whether this is through policy work or implementation or operation or engagement or oversight, we all will play our part to bring our vision to life together.

On these slides, you can see two important links. The first one to the left is a short video message from the ICANN Board Strategic Planning Committee co-chairs, sharing their reflections and call to actions to get aligned and prepared for what's coming ahead in light of the new strategic plan. The second link takes you to the strategic plan itself, where you can read about the strategic objective, our long-term goal, and the strategies the Board defined to achieve those goals.

On the next slide, if we can move to the next slide, you can take a closer look at the four strategic objectives that will guide ICANN's work over the next five years. Just very briefly, the first and foremost objective one is to ensure that ICANN can continue to evolve, improve, and promote our own multi-stakeholder model. This is foundational because by evolving and improving our own model, we also can set the example and help to promote the inclusive approach across the broader internet governance ecosystem.

The second strategic objective, we aim to enhance organizational excellence. This means we improve how we operate, improve our system, processes, capabilities, so that ICANN can remain efficient, effective, and accountable. The third strategic objective is evolving the internet's unique identifier systems. As technology change and new demand emerge, ICANN must continue to adopt the system that we coordinate in collaboration with relevant stakeholders to ensure the unique identifier system remains relevant, robust, and resilient.

And finally, is the security and stability focus. Security and stability have always been the heart of ICANN's mission, and now more than ever, given today's growing complexity of technology landscape, security and stability is even more critical than ever for the next five years.

And finally, what I want to mention here is because the strategic plan is a five-year plan and we recognize that the world doesn't stand still for us, so to remain responsive, we do have a mechanism called the Annual Strategy Review Program. This program is evaluation of the Strategic Outlook Program that we have run for the past five years. The plan is each year, the Board is going to assess what progress has made so far, how the external environment may be shifting or impacting us, also known as the SWOT analysis.

And in the past, we also received many input from staff and also the community member, as well as some Board members mentioned that we should perhaps embed scenario planning when doing this annual strategy evaluation. So, all of these above will help the Board to evaluate whether any adjustments are needed to our strategic direction. This will ensure that our strategic plan remains a living and adaptive framework rather than a static document. It will keep us agile and responsive to our operating environment and remain aligned with our mission.

So, the first cycle of Annual Strategy Review will be beginning of next year. Hopefully, we can have results and the evaluation by mid-next year so that these results will act as a very important input for the annual operating plan and budget process. With that, I'm going to hand it back to Kelly to see if there's any questions. Thank you.

KELLY MEDINA: Thank you, Victoria. As a reminder, you may ask your questions in the chat if you would like and I can read them out loud for you. Or you may also raise your hand for questions. Anne, I see your hand raised. Go ahead and unmute, please.

ANNE AIKMANN SCALESE: Thank you. I apologize for background noise here, but can we see the previous slide, please?

KELLY MEDINA: This slide?

ANNE AIKMANN SCALESE: Yes. Strategic Objective 3, collaborate to evolve the Internet's unique identifier systems. Do we have any more detail on what it means to evolve the identifier systems? Do we have goals? Do we have something that actually tells us what this means?

VICTORIA YANG

Yes, we do have three goals under this objective. So, the objective is basically an overarching focus area. So, this entire objective focuses on the Internet's unique identifier system that we coordinate with other stakeholders. The three goals under this objective include facilitated digital inclusion, which includes how do we promote and advance UA and IDN. And another big strategy under this goal is also the Next Round program. How do we ensure that we launch but also continue to evolve the program?

The second goal under this objective is to evolve our assessment and responsiveness to technology development. Here, we are basically talking about evolving ICANN's understanding of the identifier system landscape and adapt as we need. Also, collaborate with other technical communities such as the IETF and the RIRs and the root server operators to understand new technologies. As this objective mentioned, we need to collaborate with relevant stakeholders. The unique identifier system, ICANN is not in here alone. We have to make sure that if there's any technology impact other relevant stakeholders, we collaborate and enhance our understanding, adopt and evolve as needed.

The last one is really about the IANA function. How can we ensure that we deliver and enhance the IANA function to make sure that it meets the evolving community need? IANA function is a core part of ICANN. We have to ensure that we prioritize and make sure that the IANA function is properly resourced and make sure the delivery of the function continues to be reliable.

I hope these details help. And also, the link of the Strategic Plan will have all these details. For each strategy, there is an explanation. And in addition, it's one of the improvements that we made for this strategic plan. For every strategic goal, there is associated progress indicators and strategic risk, just so that it can help us to enhance measurement on an annual base when we review the progress we made against our long-term goal.

KELLY MEDINA

Thank you, Victoria. Thank you, Anne, for that question. A really good way to promote our strategic plan and the detail inside of it. If there are no further questions, we will move on to the next section. I will just give a short pause if I see anything. Okay, I think we're good to go over to our next session on the Adopted ICANN Fiscal Year2026-30 Operating Financial Plan and ICANN Fiscal Year 2026 Operating Plan. I will hand over to Becky.

BECKY NASH

Thank you very much, Kelly. Hello, everyone. This is Becky Nash from the ICANN Planning Team. So, now that we have heard from Victoria about the FY26-30 strategic plan, we're going to move into the FY26-30 operating and financial plan and the one-year ICANN

FY26 operating plan. These plans have a component that cascades directly from the Strategic Plan that I will outline shortly.

But where are we in the process? So, the FY26 planning process is approaching the last step in the process. We started with a draft plan posted for public comment that we talked about earlier. And throughout the process, we've held webinars and informational sessions about it. We also published a summary report on public comments. And then as discussed when Alex was presenting, following the public comment proceeding, a new set of financial projections and assumptions were developed that were not subject to the public comment. But we did publish the revised plans on the public comment page as a key step of transparency. And we held a public webinar.

Following that, recently, we did issue a blog just to clarify so that all of the changes are easy to understand and for transparency and accountability. So, following a recommendation from the Board Finance Committee in May, the Board adopted the ICANN FY26 plans, including the separate IANA FY26 Operating Plan. And that took place in May, early May.

So, following that, these plans are subject to the Empowered Community process. That process started on the 8th of May. And if the Empowered Community process concludes with no petitions raised, the plans will then be available to go in effect at the beginning of the next fiscal year, which is July 1st, 2025.

Next slide, please. So, a key step in transparency, as I mentioned on the previous slide, is to publish the plans that we call Proposed for Adoption Plans at the time that the recommendation has been made for the ICANN Board to adopt them. We also include a table of changes. And here, we're just providing that summary again that Alex went over earlier, where there were three major types of changes.

And just in order to ensure full transparency, in addition to the highlights document, which is an executive summary of all of the operating plans and budgets, we also issued a blog last week. And we did revise the table of changes with more detail that is now published on our Community Finance and Planning workspace. So, we just wanted to highlight to you that the explanation in this webinar is all outlined in both the blog and in that more detailed table of changes.

Next slide. Just to highlight some of the key planning assumptions that are laid out in the five-year and one-year operating plan document. Again, we are linking to the new five-year strategic plan. So, this is an exciting time where we are at the beginning of fulfilling the vision for 2030. And the operating plan includes 35 strategic initiatives or activities, which are developed based on this adopted ICANN strategic plan for FY 26 through 30. So, the strategic initiatives are the activities that we outline in the plans to achieve over the next five years, the strategic objectives.

We just wanted to highlight the travel meetings and engagement assumptions that are included in the plans are very important because this is how the ICANN ecosystem does its work. So, these plans include assumptions as it relates to the established ICANN public meeting schedule and also for the Board and other org travel.

We are highlighting here that although there have been some revisions based on now known ICANN meeting locations that Alex presented earlier as part of the budget section, there is the ongoing work where the community is evaluating how ICANN should meet. And we're highlighting that the assumptions that have been outlined from that community working group of a goal to reduce annual costs by $2 million per year in meetings is not subject to change and is not changed in this adopted plan as of yet.

Another key principle we've been discussing is financial sustainability. And that's a cornerstone of the ICANN planning process. And it is to ensure that ICANN's operations expenses are to remain at or lower than the ICANN operations funding available. And this is a key principle that we have provided information on in the budget section.

Another key planning assumption that we like to highlight, and again is in the introduction of the plans, is that implementation work for community-led activities are only included in the plans when those recommendations and policies have been adopted by the Board and prioritized through the community-led planning prioritization process. And this is a key process that's part of our planning process each year. And we have some additional information coming up shortly in this presentation.

So, the next slide, please. So, we like to highlight that the ICANN FY26-30 Operating and Financial Plan and the one-year FY26 Operating Plan and Budget includes all of the activities that ICANN will undertake to achieve both the strategic plan and to operate the organization and implement its mission. So, in order to present this data where we have both a five-year and a one-year, we like to highlight that this also includes the IANA functions, but that we have separated the document into two key sections or chapters.

So, we describe the 35 strategic initiatives, and these, again, are the activities and projects that directly link to implement the strategic objectives, goals, and strategies in the Adopted ICANN FY26-30 Strategic Plan. And within our plan, in Appendix A, we also highlight how each of the 35 will be accomplished throughout the five-year period of the adopted strategic plan.

The additional information we include is about our ongoing continuing operations in a section called Functional Activities. This is where we describe 33 functional activities for ICANN's continuing operations, and these are the functions and activities to implement ICANN's mission and mandate, such as contractual compliance or IANA, and also functions to operate or support the organization, such as supporting services of human resources or finance and planning. So, we hope that this slide gives you insight on how to read the five-year and one-year operating and financial plan, and again, it's accompanied by the FY26 budget as well.

Next slide, please. Now, I'm going to give a short update on FY27's Planning Process. It's really hard to believe that we're ending our FY25 as we speak. That will end on June 30, 2025. We will then be starting our FY26, which will begin on July 1, 2025, and run through June 30, 2026, but due to the open and transparent planning process, we have actually started our FY27 planning process.

So, if we go to the next slide, I just want to give an overview of some preliminary planning and timelines. So, the reason we start this process so early is that we have the community-led planning prioritization process. This is where the stakeholder groups nominate a member to participate in a prioritization process to evaluate any Board-adopted community recommendations that are now eligible to be evaluated for implementation. We do that to seek input on what we can as an organization schedule and evaluate for the next operating plan and budget cycle.

So, we established the members in March, and we're looking forward to having both a member orientation and soon a working meeting with the planning prioritization members. Following that, we then move into the kickoff and development of both the ICANN and IANA operating plan and budget, and separately, the affiliate of ICANN PTI's operating plan and budget. That is the development phase where really we kick off, and then from July through

November, the organizations, leaders, and planning liaisons developed detailed operating plans and budgets for FY27.

A key milestone, in December 2025 is when we plan to go out for public comment for the plans, which consist of the five-year operating and financial plan and the one-year operating plan and budget. So, we're just highlighting that we really target to maintain that same timeline for the public comment proceeding, and we have a longer public comment proceeding than the standard 40 days.

We typically go 60 days because we realize that that is calendar year-end, and many of the community members have other obligations around calendar year-end. And then we move into the proposed-for-adoption steps, which, again, take us through May and the empowered community process. So, this is just a tentative timeline for FY27, and we're bringing it up because we have the planning prioritization members and their group starting now.

If we go to the next slide, here we are just highlighting that the planning prioritization process includes community members that are nominated by stakeholder groups. These are the members for this FY27 cycle, and we really want to thank all of the SOs and ACs that have chosen to participate and have nominated a member to participate in the planning prioritization process. We do have a wiki space on this process, which also reports out all of our past activities as well, and we really look forward to kicking this off for the FY27 planning process. And that, I believe, is the end of our update. So, if we go to the next slide, we can pause here for Q&A.

KELLY MEDINA

Thank you, Becky. As a reminder, you may ask your question in the chat if you would like, and we can read it out loud. Just please ensure to designate your question with "question" ahead of your message. Alternatively, if you would like to ask your question verbally, you may go ahead and raise your hand, and then we can give you access to unmute. We will take questions in an orderly manner, whoever raises their hand first or the first questions in the chat that we see.

Okay, I'm not seeing anything in our chat. We also, if you find you have any questions after our presentation, we encourage you, you can send them to us at our planning@icann.org inbox. Any questions that you have, not just for the planning team, but for the finance team, you can send to this inbox.

All right. Thank you, everyone. As a reminder, we do want to encourage participation. We do have different avenues for the community to participate. We can also have the wiki page updated with our presentation, and this recording will also be linked there if you would like to re-watch our presentation.

We also want to promote our community finance mailing list. Whenever we have any updates or we publish new announcements, we will also be sending that information via the communityfinance@icann.org mailing list, so we highly encourage subscribing to that mailing list if you would like to receive notifications in your inbox.

I think that we can go ahead and wrap up for today. I want to thank all of our speakers as well. Thank you, everyone, for joining today. We can go ahead and stop the recording.

**[END OF TRANSCRIPTION]**