

Internet Corporation for Assigned Names and Numbers (ICANN) Draft FY20 Operating Plan & Budget Introduction and Highlights

17 December 2018



ICANN DRAFT FY20 PLANNING DOCUMENTS

This is part of a series of documents that together form the ICANN Draft Fiscal Year 2020 (FY20) Operating Plan and Budget.

You are currently reading the document highlighted in light blue in the following table.

Document Name	Description of Contents
FY20 Budget Introduction & Highlights	Overview of the key elements, cross-functional projects, and activities of the Draft FY20 plans
FY20 Total ICANN Budget	High-level review of the Draft FY20 budget
FY20 Operating Plan	Section 1: Summary of 6 modules of work planned for FY20 Section 2: Breakdown of the operating plan with the budget by strategic goal
FY20 Five-Year Operating Plan Update	High-level five-year perspective on the operations ICANN undertakes to implement its strategic plan
FY20 Operating Plan by Portfolio and Project	Detailed breakdown of the budget for each portfolio and project

To get the most out of this document series, first read the Introduction and Highlights document. Afterward, you can separately review each of the other standalone documents in no specific order, depending on your interest.

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1 ICANN FY20 Budget Highlights

Introduction

This document provides key highlights and an overview of the FY20 Budget as presented in the ICANN Draft FY20 Operating Plan and Budget that was published for public comment on 17 December 2018. It summarizes ICANN's planned activities for the FY20 financial year 01 July 2019 through 30 June 2020.

The operations of Public Technical Identifiers (PTI) are a part of ICANN's operations, and these planned activities are included in the ICANN budget.

ICANN welcomes and recognizes the diverse participation from stakeholders as we have continued to evolve ICANN's planning process (including the strategic plan, operating plan, budget or on-going operational and financial updates).

2 FY20 Budget Highlights: ICANN Operations Overview

ICANN Operations FY20 funding estimate is \$140 million; the cash expenses total \$137 million with a \$3 million contribution to the Reserve Fund. This results in a balanced budget.

ICANN Operations	FY18 Actuals	FY19 Adopted Budget	FY19 Forecast	FY20 Draft Budget	Increase/ (Decrease) Vs. Forecast
Funding	\$134	\$138	\$137	\$140	\$3
Cash Expenses	\$131	\$138	\$135	\$137	\$2
Reserve Fund	\$3	\$0	\$0	\$3	\$3
Excess/(Deficit)	\$0	\$0	\$2	\$0	(\$2)

\$ in US Millions

3 Funding: Three-Year Comparative Summary

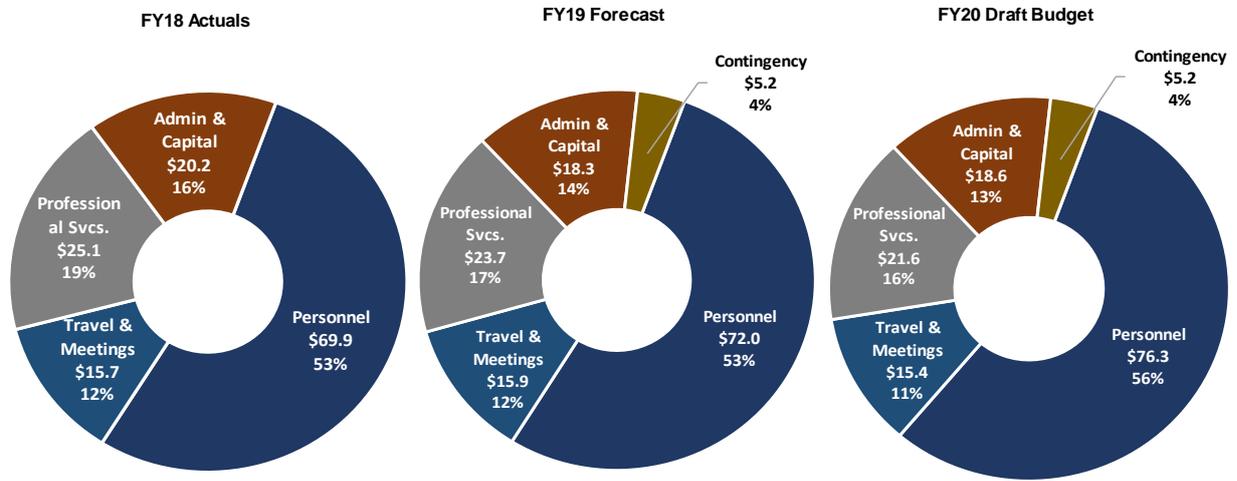
Funding for FY20 is estimated at \$140 million, which is above the FY19 Adopted Budget of \$138 million. In addition, the \$140 million is \$3 million above the FY19 Forecast of \$137 million. We anticipate funding to continue stabilizing; this is consistent with our recent funding trends.

	FY18 Actuals	FY19 Adopted Budget	FY19 Forecast	FY20 Draft Budget	Increase/ (Decrease) Vs. Forecast
Registry Transaction Fee	\$52	\$55	\$55	\$56	\$1
Registrar Transaction Fee	\$34	\$35	\$35	\$36	\$1
Registry Fixed Fee	\$31	\$30	\$30	\$30	(\$0)
Registrar Other Fees	\$15	\$14	\$14	\$14	\$1
Other	\$2	\$4	\$3	\$4	\$0
Total	\$134	\$138	\$137	\$140	\$3

\$ in US Millions

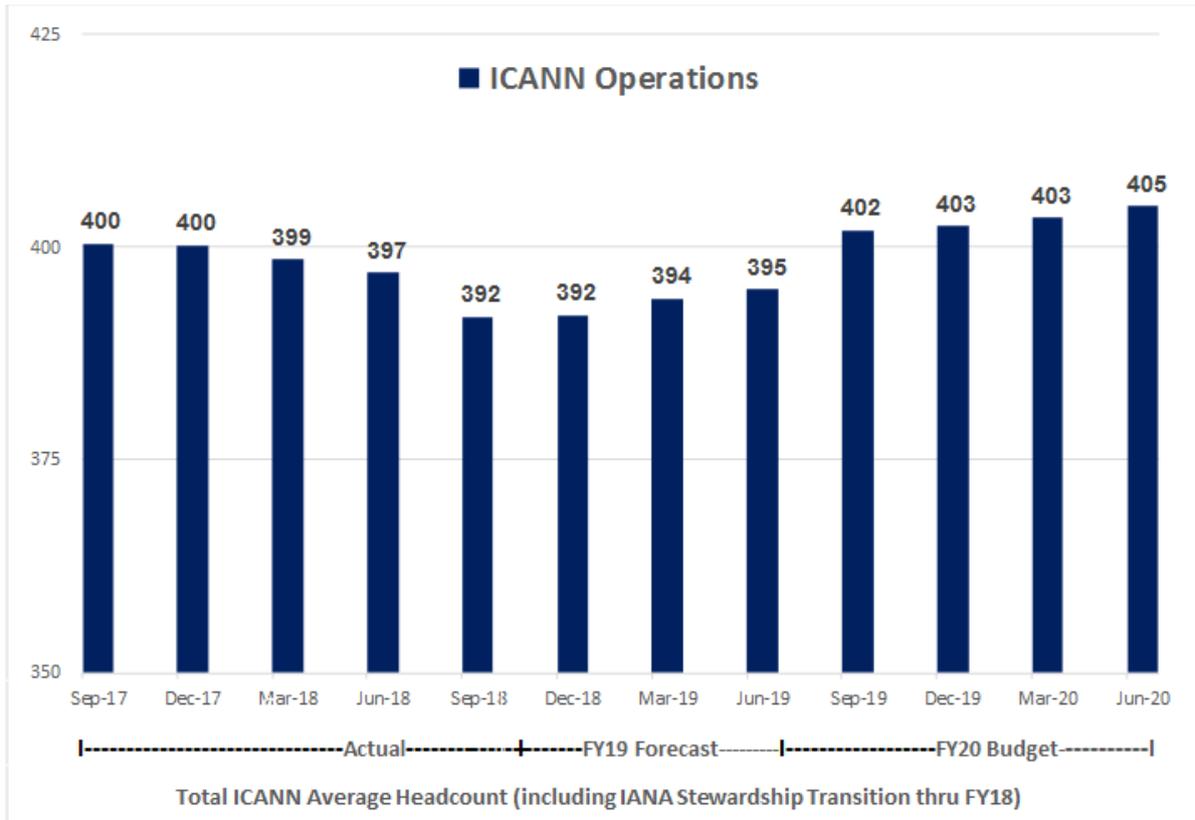
4 ICANN Operations: Cash Expenses by Category

The \$137.1 million in cash expenses for FY20 operations is \$0.6 million below the FY19 Adopted Budget expenses of \$137.7 million. In addition, this \$137.1 million is \$2 million above the FY19 Forecast expenses of \$135.2 million.



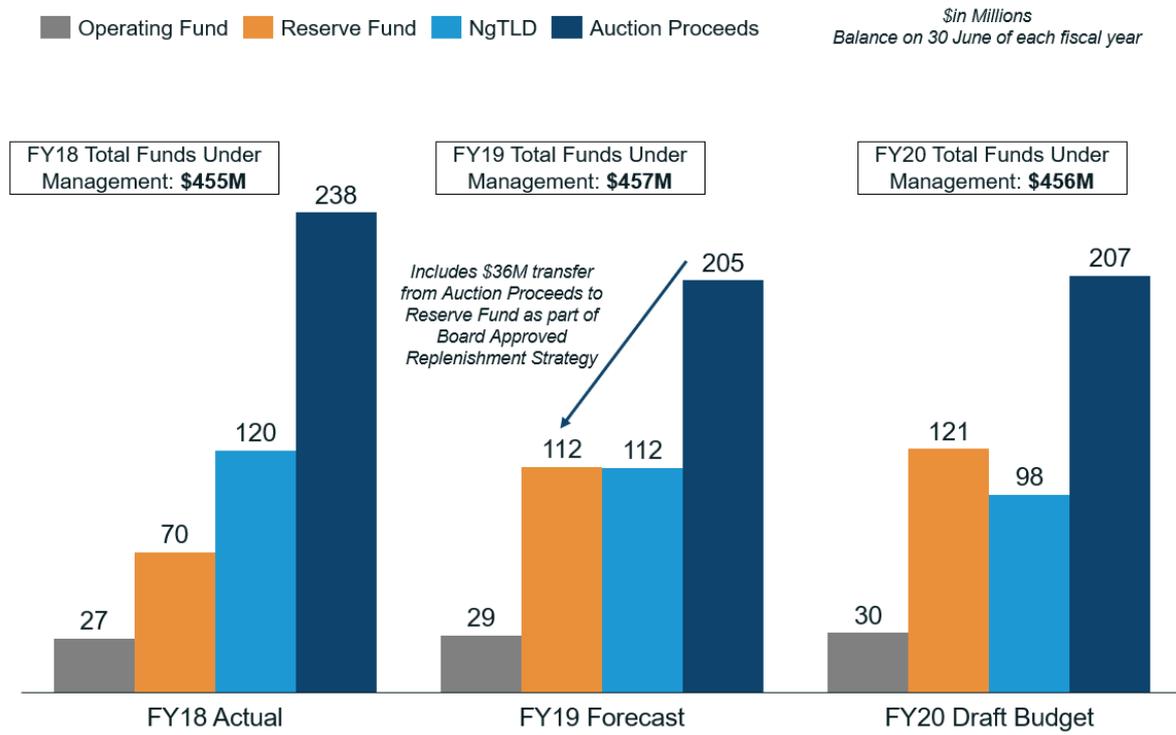
5 Budget Headcount: Three-Year Overview

The following headcount chart shows the average number of ICANN organization personnel working in each period. New gTLD Program resources who previously reported under the program are now in ICANN Operations and will continue to support the program as required.



6 Funds Under Management

The following chart provides an overview of Funds Under Management.



The positions shown in the preceding chart reflect the impact of decisions approved by the Board, such as the Reserve Fund Replenishment Strategy, and do not reflect the impact of decisions to be considered and approved by the Board.

ICANN organization publishes the investment policies for the Reserve Fund and the new gTLD/Auction Proceeds on ICANN.org at:

- ⦿ [ICANN investment-policy](#)
- ⦿ [New gTLD and Auction Proceeds investment-policy](#)

7 Key Projects and Activities

In response to community comments made in previous years, this document provides readers with a high-level overview of key activities and projects for the upcoming fiscal year. This enables readers to acquire a summary of information about the key projects and activities within ICANN.

The following criteria were used to select the activities and projects that are addressed:

- Community interest
- Cost
- Number of teams within the organization involved

7.1 ICANN Public Meetings

In FY20, ICANN will organize:

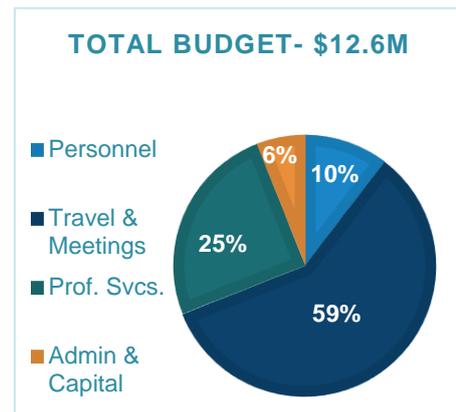
- ⦿ An Annual General Meeting in Montréal (ICANN66)
- ⦿ A community forum in Cancun (ICANN67)
- ⦿ A policy forum in Kuala Lumpur (ICANN68)

The community uses these meetings to conduct policy work, engage in outreach, exchange best practices, make business deals, network, and learn about ICANN.

ICANN Public meetings are designed by the community's [Meeting Strategy Working Group](#). The [meeting strategy](#) web page explains how the three meeting formats differ.

There was a public comment period on the [Proposed Incremental Changes to the ICANN Meetings Strategy](#), which closed in February 2018. This process collected community input on the possibility of adding one day to the Policy Forum (making it a five-day format) and reducing the Annual Meeting to a six-day format.

A project breakdown for this work is located in portfolio 1.2.1 of the Draft FY20 ICANN Operating Plan and Budget.



7.2 Policy Development Support

Coordinating policy and developing advice related to the Internet's system of unique identifiers is a fundamental part of ICANN's mission. ICANN org supports the community in several ways:

- ⦿ Providing assistance for three Supporting Organizations, four Advisory Committees, and Stakeholder Groups. This includes support for:
 - Policy and advice development
 - Cross-community working groups
 - Other community committees
- ⦿ Creating and distributing regular updates on advice and policy development
- ⦿ Coordinating constituency travel services for some community members to enable their participation in ICANN Public Meetings
- ⦿ Supporting community participation in organizational and specific reviews as well as assisting in the implementation of review recommendations (for more information about reviews, see section 4.4 of this document)



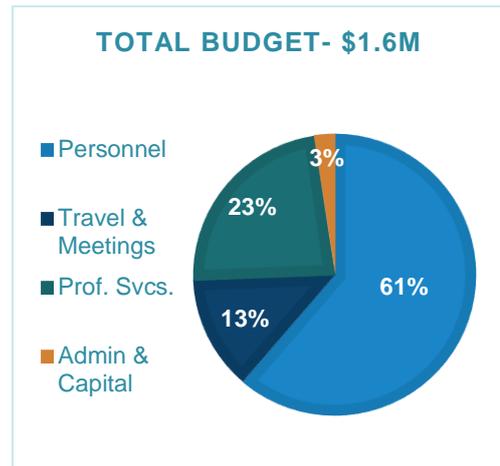
A project breakdown for this work is located in the portfolios in goal 1.3.1 of the ICANN Draft FY20 Operating Plan and Budget.



7.3 Organizational and Specific Reviews

There are two sets of thematically aligned reviews:

- ⦿ [Organizational Reviews](#) help Supporting Organizations and Advisory Committees to improve their effectiveness and accountability
- ⦿ [Specific Reviews](#) assess ICANN's progress on four themes:
 - ⦿ Accountability and Transparency
 - ⦿ Security, Stability and Resiliency
 - ⦿ Competition, Consumer Trust & Consumer Choice
 - ⦿ Registration Directory Service (formerly WHOIS)



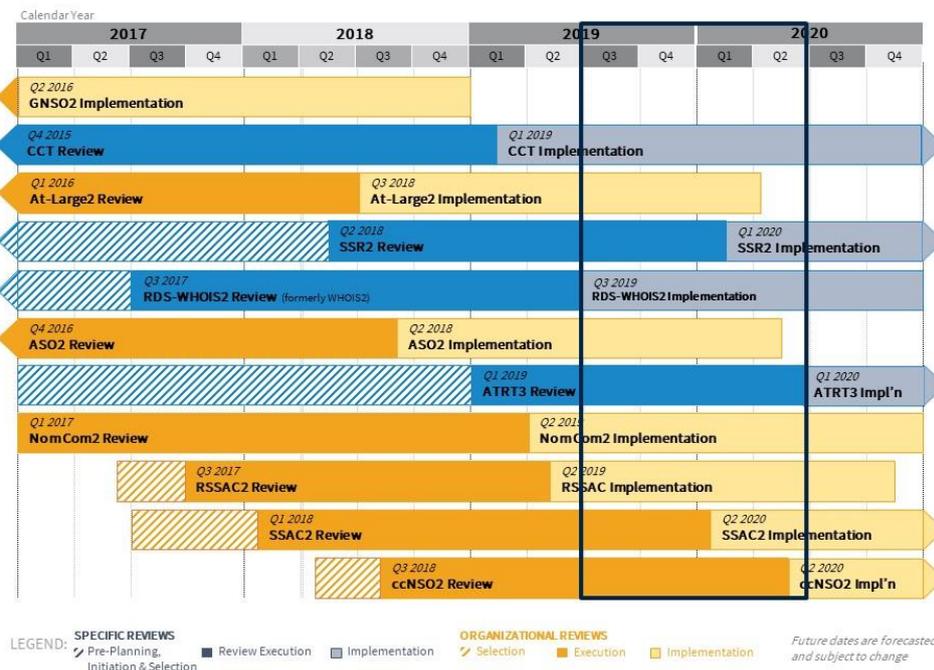
The review processes and calendars are established in Section 4 of the Bylaws. The illustration featured at the end of this section shows the current review schedule.

Useful recommendations are a key result of the reviews; they support a process of continuous improvement that benefits the ICANN community.

Review funding has been reduced in anticipation of public consultation, and a portion of the Contingency has been reserved for additional review funding if necessary.

A project breakdown for this work is located in portfolios 5.2.2 and 5.2.3 of the ICANN Draft FY20 Operating Plan and Budget. A more detailed history and management overview is in Module 6.

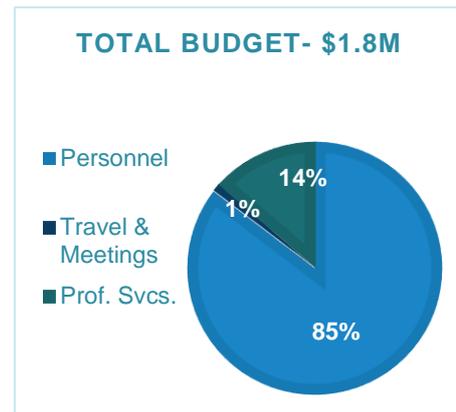
Reviews Timeline



7.4 Data Protection and Privacy

Data privacy and protection regulations, such as the European Union's [General Data Protection Regulation](#) (GDPR), are currently undergoing development that may affect specific areas of ICANN's work. ICANN org executives, subject matter experts from various departments, and Board members are guiding GDPR-specific activities. This work has two fronts:

- ⦿ “External” data processing involving domain registration data collected and processed primarily by gTLD registrars and registries under contract with ICANN
- ⦿ “Internal” data processing compliance for ICANN org



A high priority for ICANN org is finding a way to ensure compliance with GDPR while maintaining maximum access to gTLD domain registration data (also referred to as WHOIS data). To this end, ICANN org is working with external legal counsel to analyze GDPR's impact on gTLD registration directory services. This ultimately includes identifying potential models that address both GDPR and ICANN compliance obligations. We also continue to assess data we collect from internal and external sources to determine how to comply with GDPR as an organization.

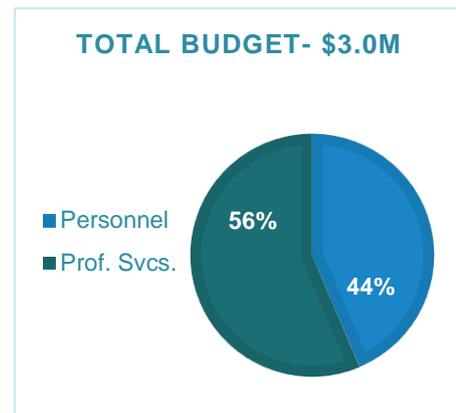
Although resources have been allocated to engage in global data privacy developments related to ICANN (e.g., GDPR and the e-privacy directive), the ICANN Draft FY20 Operating Plan and Budget has not allocated any specific resources for data privacy activities. A project breakdown for the allocated resources is located in portfolio 5.2.4, Strategic Initiatives of the ICANN Draft FY20 Operating Plan and Budget.

Since the scope of GDPR requirements is still being finalized, unforeseen costs may still be attributed to GDPR compliance. Any changes to business practices as a result of the GDPR will be considered part of the normal course of business. When this occurs, contingency dollars will be allocated to GDPR.

7.5 Information Transparency Initiative

It can be difficult to find information on ICANN.org and other sites used by the community. A permanent solution is needed; in response, [the Board approved](#) the Information Transparency Initiative on 23 September 2017.

A primary objective of this initiative is to make it easier to find ICANN's public content in all six United Nations languages. This objective responds to ICANN's mission and Bylaws – i.e., helping the community to do its work and meet commitments to accountability and transparency.



This initiative will accomplish the following goals:

- ⦿ Create an integrated, ongoing operational process to govern, preserve, organize, and secure ICANN's public content
- ⦿ Build a foundation of content governance offering consistent multilingual tagging, a functional information architecture, and enforced workflows
- ⦿ Govern content using a new document management system (the content foundation for ICANN ecosystem-wide governance)
- ⦿ Deploy new workflows and processes to ensure a consistent, multilingual taxonomy for easily finding content and supporting multifaceted searches
- ⦿ Provide this improved multilingual content and findability to the community through a new content management system that will serve as the backbone for ICANN's external web properties
- ⦿ Establish a future-proof and content-agnostic technology landscape
- ⦿ Upgrade ICANN org's technical infrastructure to better serve ICANN's global community through increased findability and multilingual content

A project breakdown for this work is in portfolio 1.2.2 of the ICANN Draft FY20 Operating Plan and Budget.