ICANN65 Pre-Meeting Webinar

Mon 17 June 2019
16:00-17:00 UTC

FY2021 – FY2025 Operating & Financial Plan Development Update

Open Data Program Update
Agenda

FY2021-FY2025 Operating & Financial Plan (O&FP)
Development Update
16:00 UTC – 16:40 UTC (40 min)

Open Data Program Update
16:40 UTC – 17:00 UTC (20 min)
Agenda

- Two-phase approach
- Public Comment #1 overview
  - Draft Financial Assumptions and Projections
  - Draft Operating Initiatives
- Public Comment #2 overview
- What’s next
Two-Phase Approach

Public Comment Period #1:
- Financial Assumptions and Projection, Operating Initiative Descriptions and Plan Development Overview

Public Comment Period #2:
- FY2021-FY2025 Operating & Financial Plan Draft
- FY2021 Operating Plan and Budget Draft
Public Comment Period #1

Purpose:

◎ To obtain community feedback on:

◎ Financial assumptions and high-level projection of the “base”, “low” and “high” funding scenarios for FY2021 – FY2025

◎ Operating Initiatives – Major initiatives that ICANN org should prioritize to achieve the Strategic Goals and Objectives of FY2021 – FY2025

Public Comment Period #1: Jun 14th to Aug 5th

https://www.icann.org/public-comments#open-public
Financial Assumptions and Projections
Our five-year funding assumptions and projections approach is developed through the following activities:

1. Marketplace Horizon Scan
2. Formulation of Assumptions
3. Forecast Generation
Results of Marketplace Horizon Scan (Recap)

1. New gTLDs a key enabler of market growth over past five years
2. New business models have emerged from New gTLD rollout. e.g. – geographic, brand gTLDs
3. Establishing and maintaining online identity remains key part of contemporary life and digital economy
4. Platforms/apps that bypass domains can represent a drag on demand, but extent of challenge uncertain
5. Dynamism of market actors in consolidation and building new sales channels to registrants
6. Regional disparity in adoption rates - fulfillment of demand in key markets an important challenge
7. Lack of universal acceptance challenges rollout and adoption of new types of domains
8. Technical challenges of secure traffic and social elements of how the domain name system operates expanding
9. Effects of regional differences in privacy regimes on demand for domain name growth uncertain
# Funding Actuals and Projections FY2017–FY2025

<table>
<thead>
<tr>
<th></th>
<th>FY17 Actuals</th>
<th>FY18 Actuals</th>
<th>FY19 Forecast</th>
<th>FY20 Forecast</th>
<th>FY21 Projection</th>
<th>FY22 Projection</th>
<th>FY23 Projection</th>
<th>FY24 Projection</th>
<th>FY25 Projection</th>
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<tbody>
<tr>
<td><strong>ICANN Ops Funding ($M)</strong></td>
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<tr>
<td>Base</td>
<td>$135.9</td>
<td>$133.8</td>
<td>$137.1</td>
<td>$139.3</td>
<td>$141.0</td>
<td>$143.2</td>
<td>$145.4</td>
<td>$147.7</td>
<td>$149.9</td>
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<tr>
<td>Low</td>
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<td><strong>Transaction Volume (M)</strong></td>
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<tr>
<td>Base</td>
<td>192.0</td>
<td>186.9</td>
<td>193.6</td>
<td>198.5</td>
<td>203.7</td>
<td>209.1</td>
<td>214.4</td>
<td>219.7</td>
<td>225.1</td>
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<tr>
<td>Low</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>193.1</td>
<td>187.9</td>
<td>182.7</td>
<td>177.5</td>
<td>172.4</td>
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<tr>
<td>High</td>
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<td></td>
<td></td>
<td></td>
<td>212.2</td>
<td>227.4</td>
<td>243.9</td>
<td>261.6</td>
<td>281.2</td>
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<td><strong>Contracted Parties</strong></td>
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<tr>
<td>Base</td>
<td>4,170</td>
<td>3,685</td>
<td>3,707</td>
<td>3,736</td>
<td>3,656</td>
<td>3,676</td>
<td>3,697</td>
<td>3,717</td>
<td>3,738</td>
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<tr>
<td>Low</td>
<td></td>
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<td></td>
<td></td>
<td>3,412</td>
<td>3,331</td>
<td>3,251</td>
<td>3,171</td>
<td>3,091</td>
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<tr>
<td>High</td>
<td></td>
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<td></td>
<td></td>
<td>3,791</td>
<td>3,846</td>
<td>3,901</td>
<td>3,956</td>
<td>4,012</td>
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</table>

*In millions, USD
Unaudited
Arithmetic inconsistencies are due to rounding to the nearest million.*
Two key principles of ICANN’s long term financial sustainability:

- Expenses do not exceed Funding
- Sufficient reserves are reached

Annually, ICANN’s maximum expenses will be within the funding available after setting aside allocation to the Reserve Fund.

Projecting Reserve Fund balance at the end of FY25 to be close to the target level of minimum of 12 months of Operating expenses.

*Board Resolution #2018.10.25.22-2018.10.25.23: To achieve target by FY26-FY27*

### Funding Available for Operations FY2021–FY2-25

<table>
<thead>
<tr>
<th>ICANN Operations</th>
<th>FY21 Projections</th>
<th>FY22 Projections</th>
<th>FY23 Projections</th>
<th>FY24 Projections</th>
<th>FY25 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Funding (base case)</td>
<td>$141.0</td>
<td>$143.2</td>
<td>$145.4</td>
<td>$147.7</td>
<td>$149.9</td>
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<tr>
<td>Contribution to Reserve Fund</td>
<td>(3.0)</td>
<td>(3.0)</td>
<td>(3.0)</td>
<td>(3.0)</td>
<td>(1.9)</td>
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<tr>
<td>Funding available for Operations</td>
<td>$138.0</td>
<td>$140.2</td>
<td>$142.4</td>
<td>$144.7</td>
<td>$148.0</td>
</tr>
</tbody>
</table>

| Reserve Fund - Beginning       | $121.0           | $126.4           | $131.9           | $137.6           | $143.3           |
| Average annual Contribution    | 3.0              | 3.0              | 3.0              | 3.0              | 1.9              |
| Annual interest (theoretical 2%)* | $2.4           | $2.5              | $2.6              | $2.8              | $2.9              |
| Reserve Fund - Ending          | $126.4           | $131.9           | $137.6           | $143.3           | $148.1           |

*Average return between 2011 and 2018 is 6%. Theoretical return intentionally chosen conservatively low.*
Operating Initiatives
Draft Operating Initiatives are foundational to the development of that five-year Operating and Financial plan.

Community feedback of whether the listed Operating Initiatives are the right ones to advance the objectives of the Strategic Plan, or if any major initiatives are missing, in addition to any more holistic comments are important.

The Operating Initiatives are not a comprehensive list of ICANN org efforts that will support the Draft Strategic Plan. ICANN’s day-to-day operating activities will be detailed in the next version of this document.
Public Comment Period #2 Overview

ICANN org will take into consideration community feedback to develop the entire FY2021–2025 O&FP Draft to be posted by December 2019 for public comment, and will include:

- Financial Assumptions and Projections
- Operating Initiatives and Operating Activities
- Detailed workplan based on the efforts currently underway to improve the effectiveness of ICANN’s multistakeholder model
- Implementation of Review Recommendations

FY21-25 O&FP Public Comment Period #2: Dec 2019 to Feb 2020
FY2021 Operating Plan and Budget will be posted at the same time
## What’s Next

<table>
<thead>
<tr>
<th>What</th>
<th>Who</th>
<th>When</th>
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<tbody>
<tr>
<td>Public Comment Period #1</td>
<td>Community</td>
<td>14 Jun – 5 Aug 2019</td>
</tr>
<tr>
<td>Overview of plan development and Public Comment #1 materials</td>
<td>Community</td>
<td>Pre-ICANN65 Webinar on 17 June 2019 16:00-17:00 UTC</td>
</tr>
<tr>
<td>Review Public Comment #1 inputs and plan development</td>
<td>Board</td>
<td>Board Retreat Sep 2019</td>
</tr>
<tr>
<td>Review draft plan for Public Comment #2</td>
<td>Board</td>
<td>ICANN66 Nov 2019</td>
</tr>
<tr>
<td>Public Comment Period #2</td>
<td>Community</td>
<td>Dec 2019 – Feb 2020</td>
</tr>
<tr>
<td>Review Public Comment #2 inputs and plan development</td>
<td>Board &amp; Community</td>
<td>ICANN67 Mar 2020</td>
</tr>
<tr>
<td>Review for Plan adoption</td>
<td>Board</td>
<td>Board Retreat May 2020</td>
</tr>
<tr>
<td>Empowered Community Period</td>
<td>Community</td>
<td>May – Jun 2020</td>
</tr>
</tbody>
</table>
Thank You and Questions

For engagement at ICANN65, Please email us:
  o Victoria.yang@icann.org
  o Susanna.bennett@icann.org

Ask Questions:
  o Raise your hand in the Zoom Room, or
  o Type your questions in Chat

Please remember to MUTE your microphone when not speaking
Open Data Program Update

Victoria Yang
Operations Program Manager

Susanna Bennett
SVP & Chief Operating Officer
Agenda

- Introduction
- Historical milestones by ICANN Meetings
- What we have been working on since ICANN64
- What’s next
ICANN Open Data Program

The Open Data Program is intended to:

- Increase transparency, and improve accessibility and availability of data.
- Strengthen ICANN org’s approach and processes of data management.
Request For Proposal (RFP) to acquire a SaaS open data platform

Open Data Datasets and Metadata for public comment.

Purchased the Open Data platform. Demonstrated OpenDataSoft platform features.

Kicked off of the Open Data Program. Discussed with ICANN Community Data Publication Process approach.
What we have been working on since ICANN64

Designing and customizing the platform based on the OpenDataSoft Platform pilot.

- Reviewing Data Asset Inventory
- Developing internal operational processes
What’s Next?

We will continue working on deliverables to launch the Open Data Portal.

Engagement at ICANN65

- ICANN65 Engagement Booth
- Wed, Jun 26th
- 14:30 – 16:00 Local time

Other Engagement

- opendata@icann.org
Thank You and Questions

Ask Questions:
- Raise your hand in the Zoom Room, or
- Type your questions in Chat

Please remember to MUTE your microphone when not speaking
Thank You

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