



ICANN|55
MARRAKECH
5 - 10 MARCH 2016



ICANN Operations Update

ICANN 55 | Marrakech | March 2016

Agenda

1

FY17 Operating
Plan & Budget
-
Update

2

Dashboard

3

Operational
Excellence

4

Enterprise
Risk
Management

5

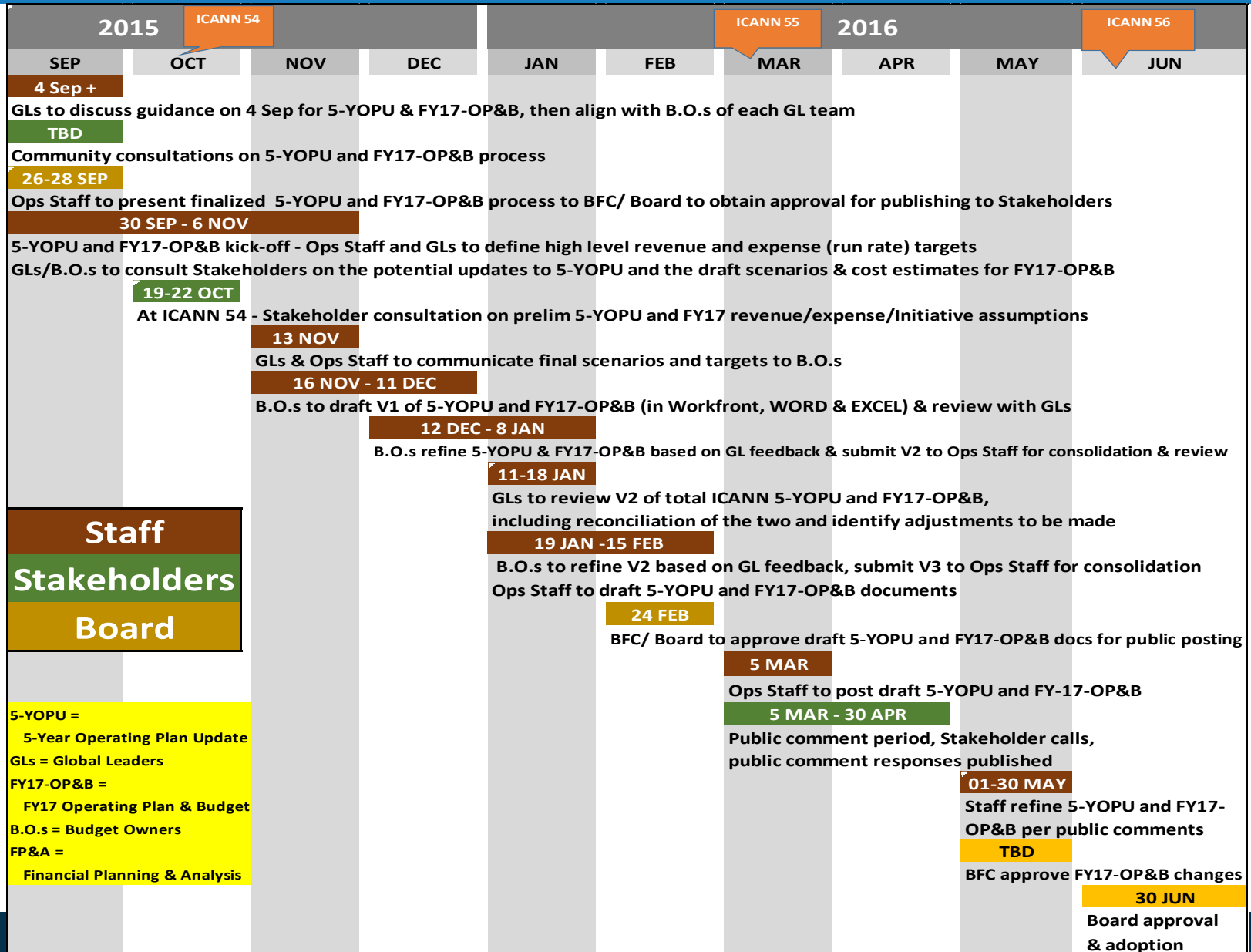
IANA
Stewardship
Transition
project costs

6

Other topics of
interest?

FY17 Operating Plan & Budget Update

1.1. 5YOPU & FY17 OP&B Process & Calendar (1 of 2)



1.2. 5YOPU & FY17 OP&B Process & Calendar (1 of 2)



GET STARTED

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IANA STEWARDSHIP & ACCOUNTABILITY

Draft ICANN FY17 Operating Plan & Budget and Five-Year Operating Plan Update

Follow Updates

Open Date

5 Mar 2016 23:59 UTC

Close Date

30 Apr 2016 23:59 UTC

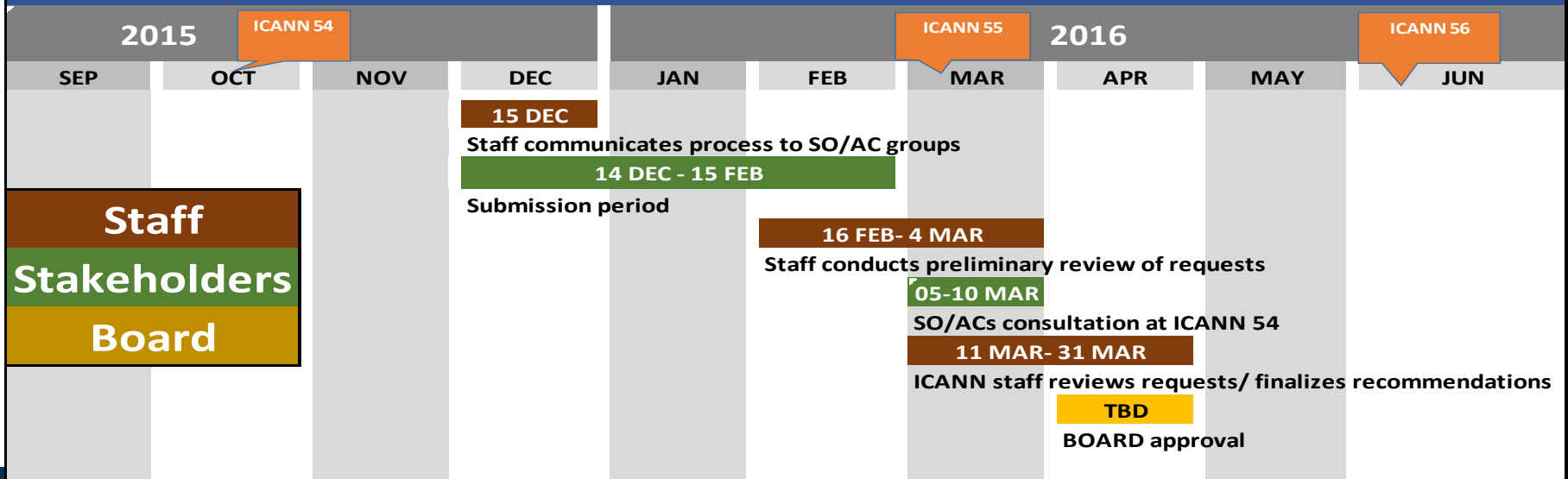
Staff Report Due

30 May 2016 23:59 UTC



Comments close in **56** Days

FY17 SO/AC ADD'L BUDGET REQUESTS PROCESS



Staff
Stakeholders
Board



2. Executive Summary

1

5-year Operating Plan update

First update since approval early 2015. No major changes. Addition of IANA Transition related work, and WHOIS research and implementation work.

2

Significant revenue increase

Despite conservative assumptions, revenue forecast reaches \$132m, nearly 10% above the FY16 forecast (\$121m), (FY15 actual revenue was \$102m).

3

Baseline expenses

Baseline expenses increase organically by about 6%, in addition to the increase of the baseline resulting from completed multiyear projects of 9%.

4

Multiyear projects expenses

- The multi-year project expenses total \$6m and include public responsibility pilots, approved IT application development, an IPv6 deployment support, and additional reviews.
- Future policy necessary to fund sustainably multi-year projects and commitments.

5

FY17 Excess / Deficit

Note: Excludes the Transition projects costs for FY16 and FY17, respectively 16m and 6m-9m.

	FY17 Draft Budget			FY16 Forecast		
	Baseline	Multi-year Projects	Total	Baseline	Multi-year Projects	Total
Revenue:	132m	-	132m	121m	-	121m
Expenses:	(126m)	(6m)	(132m)	(109m)	(5m)	(115m)
Excess / (Deficit)	6m	(6m)	0m	12m	(5m)	6m

3. IANA Functions - Costs

In millions, US D	IANA Operations FY17 Budget			
	Names	Numbers	Protocol Parameters	FY Budget
Direct costs / Dedicated resources	2.2	0.4	1.1	3.7
Direct costs / Shared resources	1.2	0.2	0.6	2.0
Support Services Allocations	1.6	0.3	0.8	2.7
PTI Specific Costs	0.6			0.6
Total	\$5.6	\$1.0	\$2.4	\$9.0
	PTI			

- Direct Costs represent the 13 activities performed by the IANA dedicated resources
- Direct Costs/Shared IANA functions performed by other departments
- Support Services Allocations represent supporting functions allocated to IANA/PTI

1) Stakeholder Reports	8) KMF Facility Management
2) Request Handling	9) Customer Surveys
3) Stakeholder Engagement	10) 3rd Party Systems Audits
4) Internal Reports	11) Risk, Security, Continuity Plans
5) Systems/Tools Enhancements	12) Consultation to Policy Groups
6) Dept. Management Responsibilities	13) Organizational Meetings (Org. & Dept.)
7) Key Signing Ceremonies	

Operation Excellence Dashboard

August 2015:
Beta Version

February 2016:
V1

Sep/Oct 2016:
V2

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ICANN KPI Dashboard

As of January 2016

Version 1

Objectives & Overall Status

▶ 1 Evolve and further globalize ICANN	86
▶ 2 Support a healthy, stable and resilient unique identifier ecosystem	76
▶ 3 Advance organizational, technological and operational excellence	88
▶ 4 Promote ICANN's role and multistakeholder approach	87
▶ 5 Develop and implement a global public interest framework bounded by ICANN's mission	73

How to read and understand the charts:

0 - 49

Tracking significantly short of target
Immediate corrective action needed

50 - 84

Tracking short of target
Corrective actions as needed

85 - 100

Tracking to target
Stay the course, no corrective action needed

- ◎ Since August 2015:
 - Great constructive feedback from the Community
 - Dashboard contents have been advancing and stabilizing
 - Progressed to Version 1 with the Feb 29 2016 release

- ◎ Future versions: Continuous improvements in metrics, contents & systems

Operation Excellence

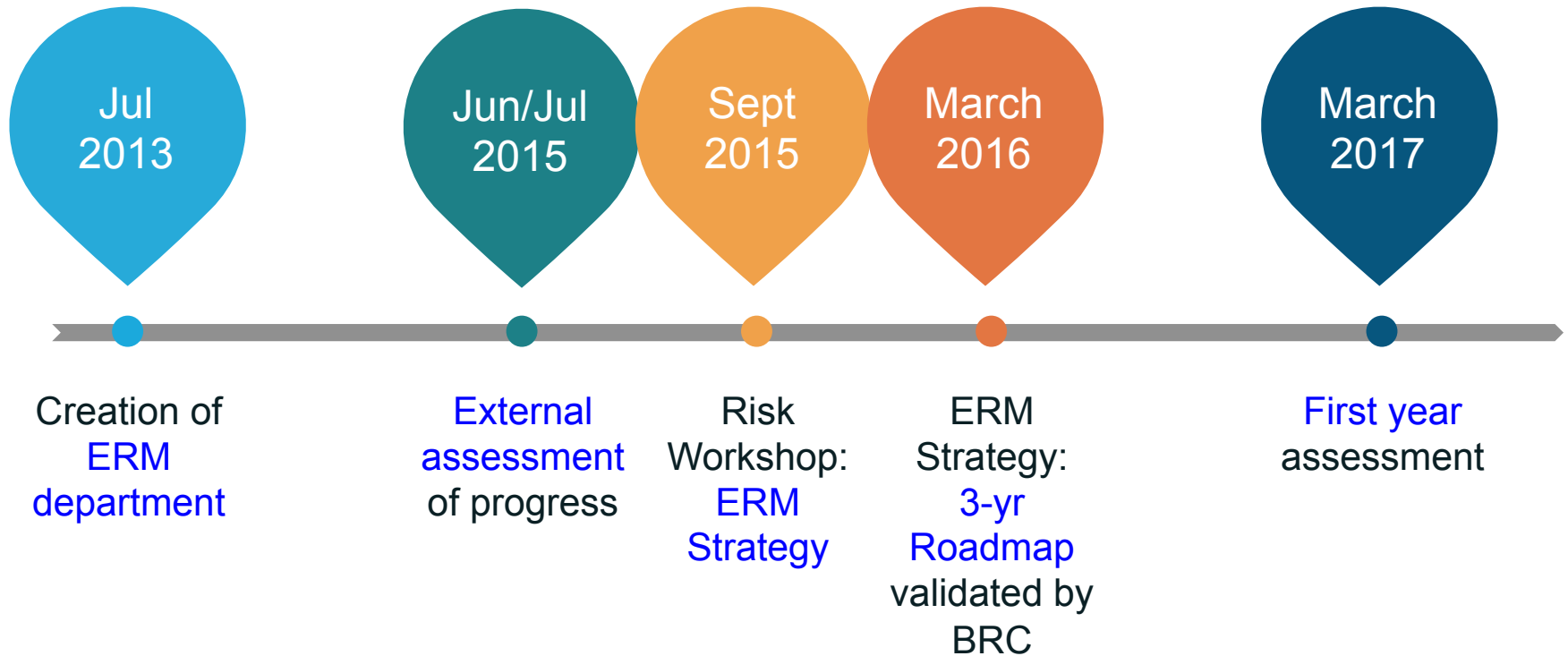
EFQM

Operational Excellence: EFQM

- ⦿ ICANN completed the organizational-wide EFQM self-assessment in FY15
- ⦿ We have begun the 2nd year of EFQM self-assessment and will continue annually
- ⦿ Target external assessment conducted by EFQM external assessors in FY18/19.
- ⦿ This path is similar to IANA EFQM program – 4 years of self-assessment before external assessment in 2013

Enterprise Risk Management

ERM Roadmap

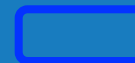


ICANN ERM roadmap

Current position



Target position



Weak

Sustainable

Mature

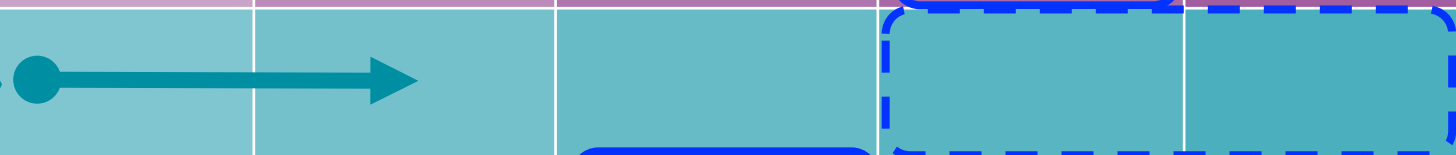
Integrated

Advanced

Risk Strategy & Appetite



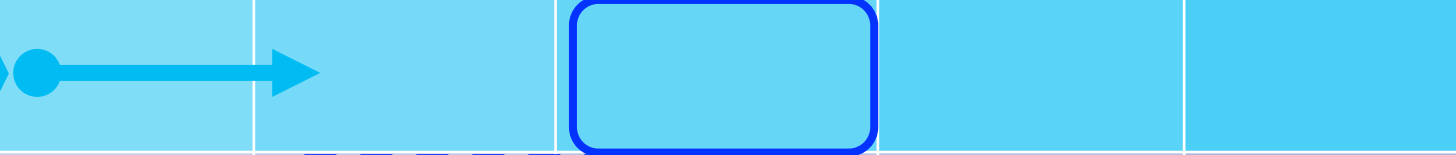
Risk Governance



Risk Culture



Risk Assessment & Measurement



Risk Management & Monitoring



Risk Reporting & Insights



Data & Technology



Target stage to be finalized during feasibility assessment.



IANA Stewardship Transition

Project costs

IANA Stewardship Transition – Project costs



1

IANA STEWARDSHIP & ACCOUNTABILITY

Overview

The current IANA Stewardship Transition proposal development process represents the final phase of a plan to privatize the coordination and management of the DNS, initially outlined in a 1998 Department of Commerce [White Paper](#). The U.S. Government recognized that, as the commercial use of the Internet expanded globally, governance of the Internet would also need to expand, evolve and adapt. The U.S. Government also believed that a private sector led organization would be better suited to lead and adapt to the rapid pace of innovation on the Internet.

Link Box

[Implementation](#)

[Board Inputs into the Process](#)

[Transition Facilitation Calls](#)

[Transition Project Costs](#)

[Transition Participation and Engagement](#)

2

NTIA's Announcement

On 14 March 2014, the U.S. National Telecommunications and Information Administration (NTIA) announced its intent to transition its stewardship of the IANA functions to the global multistakeholder community.

In its announcement, NTIA asked ICANN to convene an inclusive, global discussion to determine a process for transitioning the stewardship of these functions to the multistakeholder community. It specifically stated that the transition proposal must have broad community support and address the following four principles:

- Support and enhance the multistakeholder model;

IANA Stewardship Transition – Project costs

Costs Summary

These documents include the total costs of the project, detailed by category.

- [IANA Stewardship Transition – Cost Summary FY15 and FY16 Q1-Q2](#) [PDF, 24 KB]
- [Stewardship Track – Cost Summary FY15 and FY16 Q1-Q2](#) [PDF, 24 KB]
- [Accountability Track – Cost Summary FY15 and FY16 Q1-Q2](#) [PDF, 24 KB]

Professional Services – Expenses Breakdown

The information in this section provides a more detailed understanding of the Professional Services expense category, included in the above summary information, for the period specified in each document below. The table below indicates, for each type, the names of the vendors who supplied the services rendered.

3

- [Professional Services – Expenses breakdown by type and vendor \(FY15 and FY16 Q1-Q2\)](#) [PDF, 242 KB]

The Professional Services include Legal Advice Costs, which are disclosed in further detail below.

Legal Advice Costs

The costs included in this section are also included in the Costs Summary documents above but are focused on the legal advice incurred by [ICANN](#) with each of the three legal firms employed: Jones Day, Sidley & Austin, Adler & Colvin.

- [Legal costs: FY16 Q1-Q2 Summary by Firm](#) [PDF, 74 KB]
- [Legal costs: FY16 Q1-Q2 Summary by Group](#) [PDF, 74 KB]

Note: When monthly invoices have not yet been received, estimates are requested from the legal firms. If estimates are received from the legal firms, ICANN Finance produces an estimated monthly total cost, m...

IANA Stewardship Transition – Project costs

Category	Service/Vendor Name	Total Cost
<i>Education/Engagement/Advice</i>	<ul style="list-style-type: none"> Albright Stonebridge Group LLC Edelman Interface Media Rice Hadley Gates LLC Summit Strategies International LLC WBC Global Wiley Rein LLP 	\$1,352,057
<i>External Legal Advice</i>	<ul style="list-style-type: none"> Adler & Colvin Sidley Austin LLP Jones Day 	\$8,134,040
<i>Language Services</i>	Translations, interpretation, scribing, meeting support.	\$1,726,419
<i>Root Zone Management evaluation</i>	Implementation pre-planning.	\$67,436
<i>Support</i>	Graphics/media (including XPlane) and WG Secretariat Support.	\$1,008,498
<i>US Government Affairs (Lobbying)</i> ¹	<ul style="list-style-type: none"> Akin Grump Straus Hauer and Feld, LLP Kountoupes Denham Mehlman Castagnetti Rosen Bingel & Thomas, Inc. 	\$945,842
<i>Other (<\$20k)</i>	Includes additional payment for graphics/media work, travel support (including visas) and other miscellaneous services.	\$288,040
		\$13,522,331

OTHER TOPICS OF INTEREST?