TITLE: Singapore Office Lease Renewal

PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

The Board is being asked to approve an extension of ICANN's Singapore office lease. The new lease will be Confidential Negotiation Information

In 2018, ICANN signed a 3-year lease Confidential Negotiation Information

. That lease is expiring in September 2021. After collaborating with a local broker, surveying other properties, and negotiating rental rates, ICANN organization recommends staying at the existing location with the square feet unchanged. The proposed agreement is for a Confidential Negotiation Information

ICANN ORGANZATION AND BOARD FINANCE COMMITTEE (BFC) RECOMMENDATIONS:

ICANN organization recommends that the Board authorizes the President and CEO, or his designee(s), to take all necessary actions to execute a new lease with Confidential Negotiation Information and to make all necessary disbursements pursuant to the lease. The Board Finance Committee has reviewed the financial implication of the recommended lease renewal and concurs with ICANN org's recommendation.

PROPOSED RESOLUTION:

Whereas, ICANN's Singapore office lease is expiring in September 2021 and ICANN org recommends remaining at the current Singapore office location and entering into a Confidential Negotiation Information

Whereas, the Board Finance Committee has reviewed the financial implication of the Confidential Negotiation Information lease.

Whereas, both ICANN organization and the Board Finance Committee have recommended that the Board authorize the President and CEO, or his designee(s), to

take all actions necessary to execute a ne^{on} lease for ICANN's current Singapore office location with Confidential Negotiation Information , and to make all necessary disbursements pursuant to the lease.

Resolved (2021.05.12.xx) the Board authorizes the President and CEO, or his designee(s), to take all necessary actions to execute a Confidential Negotiation Information current Singapore office location with landlord Confidential Negotiation Information , and to make all necessary disbursements pursuant to the lease.

Resolved (2021.05.12.xx), specific items within this resolution shall remain confidential for negotiation purposes pursuant to Article 3, section 3.5(b) of the ICANN Bylaws until the President and CEO determines that the confidential information may be released.

PROPOSED RATIONALE:

ICANN organization believes face to face interaction, including that which occurs at regional offices, is essential to carry out its work and mission. Although the org has been effectively operating remotely during pandemic, the goal is to return to offices to support staff, and eventually community, collaboration at ICANN's physical office locations.

ICANN has occupied Confidential Negotiation Information South Beach Tower in Singapore since October 2018. The 3-year lease previously signed with landlord Confidential Negotiation Information

. That lease is expiring in September 2021. After collaborating with a local broker, surveying other properties, and negotiating rental rates, ICANN organization recommends staying at the existing location with the square feet unchanged.

The proposed agreement is for a Confidential Negotiation Information
Confidential Negotiation Information

which is a nominal increase over the Confidential Negotiation Information that ICANN organization currently incurs for the Singapore office.

The size of the space is sufficient because there are no plans to materially increase headcount at the Singapore office. After a 3-year lease at the current location, ICANN org recommends a Confidential Negotiation Information to achieve favorable rental terms and to provide

stability for the Singapore staff. Over the past seven months, ICANN org engaged a local broker and evaluated multiple properties and office spaces. Rental costs at comparable properties are in line with those reflected in the new lease. Therefore, moving to a new location would not provide significant cost savings, especially after factoring the time and cost to relocate. In addition, the costs reflected in the new lease are affordable as they are nearly the same as the prior rental costs that ICANN incurred.

Executing the new Singapore lease is in the public interest as it maintains ICANN a presence in the APAC region, including the ability to eventually host meetings and collaborate with local stakeholders and community members.

The fiscal impact is a nominal ^{Confidential Negotiation Informatio} increase in average costs per month. There is no anticipated impact to the security, stability, and resiliency of the domain name system as a result of this action.

This is an Organizational Administrative function that does not require public comment.

Submitted by:	Xavier Calvez
Position:	SVP Planning and CFO
Date Noted:	26 April 2021
Email:	xaver.calvez@icann.org

ICANN BOARD SUBMISSION NO. 2021.05.12.1b

TITLE: **PAYMENT OF LEGAL INVOICES**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

Privileged and Confidential

ORGANIZATION AND BOARD ACCOUNTABILITY MECHANISMS COMMITTEE (BAMC) RECOMMENDATION:

Privileged and Confidential

PROPOSED RESOLUTION:

Whereas, there has been, and will continue to be until conclusion, extensive activity in Privileged and Confidential resulting in significant outside legal counsel fees and IRP Panel fees.

Whereas, ICANN org and the Board Accountability Mechanisms Committee have recommended that the Board approve a tranche of money in the amount of Privileged and Confidential to pay upcoming outside legal invoices and IRP Panel fees, and authorize the President and CEO, or his designee(s), to make disbursements up to this amount.

Resolved (2021.05.12.xx), the Board hereby approves a tranche of money in the amount Privileged and Confidential to pay upcoming outside legal fees and IRP Panel fees, and authorizes the President and CEO, or his designee(s), to make disbursements up to this amount, and of any amount of fees and costs that exceeds this tranche unless they exceed or are expected to exceed an additional US$500,000 in the matter.

Resolved (2021.05.12.xx), specific items within this resolution shall remain confidential pursuant to Article 3, sections 3.5(b) and (d) of the ICANN Bylaws.

PROPOSED RATIONALE:

When required, ICANN must engage outside legal counsel to help prepare for and defend against all types of disputes that are brought against ICANN. When those disputes become highly contentious, they often require significant involvement during a certain time period by outside counsel and that significant amount of time also results in significant fees and related expenses.

Per ICANN's Contracting and Disbursement policy (https://www.icann.org/resources/pages/contracting-disbursement-policy-2015-08-25-en), if any invoice calls for disbursement of more than $500,000, Board approval is required to make the payment. In furtherance of the new process for legal invoice approval developed to enhance transparency and predictability to the Board, the organization has provided the Board with an explanation of the upcoming activity in the Privileged and Confidential including anticipated workload and expected billing amounts for the remainder of the proceeding. Accordingly, the Board has been asked by the organization to approve a tranche of

money to pay estimated upcoming outside legal fees and related expenses in the which the Board Accountability Mechanisms Committee has reviewed and recommended, and which the Board has done through this resolution.

The Board is comfortable that ICANN organization, including ICANN's General Counsel's Office, is properly monitoring the work performed and expenses incurred by outside legal counsel to ensure that all fees and costs are appropriate under the given circumstances at any given time. Therefore, the Board is comfortable taking this decision.

Taking this Board action fits squarely within ICANN's mission and the public interest in that it ensures that payments of large amounts for one matter are reviewed and evaluated by the Board as appropriate in accordance with ICANN's Contracting and Disbursement Policy. This ensures that the Board is overseeing large disbursements and acting as proper stewards of the funding ICANN receives from the public.

While this will have a fiscal impact on ICANN, it is an impact that was contemplated in the FY21 budget and will be included in upcoming budgets as appropriate. This decision will not have an impact on the security, stability or resiliency of the domain name system.

This is an Organizational Administrative Function that does not require public comment.

Submitted By: Amy A. Stathos, Deputy General Counsel
Date Noted: 22 April 2021
Email: amy.stathos@icann.org

ICANN BOARD PAPER NO. 2020.05.12.1c

TITLE:	**IFR Final Report**
PROPOSED ACTION:	**For Board Consideration and Approval**

EXECUTIVE SUMMARY:

The Board is being asked to take action on the recommendations of the community-led IANA Naming Function Review (IFR). The IANA Naming Functions Review (IFR) is one of the new accountability mechanisms created as part of the IANA stewardship transition to ensure that Public Technical Identifiers (PTI) meets the needs and expectations of its naming customers.

On 16 September 2018, the first IFR was <u>convened by the ICANN Board</u>, in compliance with <u>Article 18</u> of theICANN Bylaws which state: *"The Board, or an appropriate committee thereof, shall cause periodic and/or special reviews (each such review, an **"IFR"**) of PTI's performance of the IANA naming function against the contractual requirements set forth in the IANA Naming Function Contract and the IANA Naming Function SOW to be carried out by an IANA Function Review Team (**"IFRT"**) established in accordance with <u>Article 18.</u>"*

The team conducted the review in accordance with the scope specified in [Article 18](#) of the ICANN Bylaws, which centers around a review and evaluation of the IANA naming function performance against the contractual requirements in the [IANA Naming Function Contract](#) and the [IANA Naming Function SOW](#).

The review team wrote several founding documents which provided the structure for their work. The [Rules of Engagement](#) provided the team with operating rules to set expectations on how to proceed with their work, as well as defining roles. The [Workplan](#) created a practical and actionable path for the team. The [Scope of Work](#) followed the ICANN Bylaws and ensured the team understood the IFR's objectives; reviewed and researched all pertinent information sources; and that the team provided the expected deliverables according to their defined work methodology.

The IFRT's first two recommendations identified documents to publish online according to the IANA Naming Function Contract. ICANN org and the IANA Services Operator published these documents in December 2020. Recommendation 3 requires a Bylaws change to remove a repetitive section within the Bylaws regarding an IANA customer escalation process called the Remedial Action Procedures. Recommendation 4 requires an IANA Naming Function Contract amendment to eliminate an infeasible formatting requirement for the monthly [Root Operations Audit Reports](#).

BOARD ORGANIZATIONAL EFFECTIVENESS COMMITTEE (OEC) RECOMMENDATION:

The OEC recommends that the Board take action on the IFR Final Report and recommendations as enumerated in the scorecard, "Final IFR Recommendations for Board Action". The OEC recommends approving all four (4) recommendations, of which the implementation of two have already been completed.

PROPOSED RESOLUTION:

Whereas, on 16 September 2018, the first IANA Naming Function Review (IFR) was [convened by the ICANN Board](#), in compliance with [Article 18](#) of the ICANN Bylaws which state: "*The Board, or an appropriate committee thereof, shall cause periodic and/or special reviews (each such review, an "IFR") of PTI's performance of the IANA naming function against the contractual requirements set forth in the IANA Naming Function Contract and the IANA Naming Function SOW to be carried out by an IANA Function Review Team ("IFRT") established in accordance with Article 18.*"

Whereas, the IANA Naming Function Review Team (IFRT) received no objections to the recommendations in the Initial Report published in a [Public Comment](#) that ended on 02 December 2020.

Whereas, the IFRT submitted an [IFR Final Report](#) containing four (4) recommendations to the ICANN Board for consideration on 8 April 2021.

DRAFT Board Paper: IFR Recommendations

Whereas, the IFR Final Report is the culmination of thirteen (13) months of work by sixteen (16) community members and liaisons..

Whereas, one of the IFR recommendations is for an amendment to the IANA Naming Function Contract. Section 18.6 of the ICANN Bylaws, sets out procedural requirements before the Board may consider such an amendment. Each of those procedural requirements has been met, including public comment; ccNSO Council supermajority approval on 18 February 2021; and GNSO Council supermajority approval on 24 March 2021. The Board now has 45 days within which to consider the Recommendation.

Resolved (2020.05.12.xx) the Board acknowledges the IFRT's Final Report and thanks the members and liaisons for their efforts.

Resolved (2020.05.12.xx) the Board accepts all four of the Recommendations within the IFR Final Report, as each is in the best interests of ICANN and the global public interest. The Board directs the ICANN President and CEO, or his designee(s) to take all necessary steps to implement the recommendations after any applicable Empowered Community process concludes.

PROPOSED RATIONALE:

Why the Board is addressing the issue?

Board consideration of the recommendations of the IANA Naming Function Review (IFR) is a required and essential step of the IFR Process. The Board welcomes the work of the very first of the IFR teams, and thanks them for their work and diligence in the first testing of the IFR process. Additionally, under the Bylaws, the Board must take action on Recommendation 4, regarding an amendment to the IANA Naming Function Agreement, within 45 days of the last procedural requirement to support the Board's action. That last requirement was met on 24

March 2021 when the GNSO Council approved the proposed amendment. The Board now is acting on all of the IFR recommendations as set out in the scorecard, "Final IFR Recommendations for Board Action".

What is the proposal being considered?

The IFRT issued four (4) recommendations, set out below and in detail in the scorecard, "Final IFR Recommendations for Board Action":

Recommendation 1: that PTI publishes the IANA functions transition plan as required by the IANA Naming Function Contract.

Recommendation 2: that the Annual Attestation of the PTI President that PTI has complied with the requirements of Section 6.1 of the IANA Naming Function Contract be posted on https://www.iana.org/ annually.

Recommendation 3: The IFRT, in conjunction with the CSC, has identified a duplication in the ICANN Bylaws. The remedial action procedures as generated by the CSC and PTI are referred to as components in the initiation of the Special IFR as outlined in Section 18.12.a of the ICANN Bylaws. However, the CSC and the IFRT have identified that section 18.12.a (ii) is redundant as the RAP and the IANA problem resolution process were combined into a single set of procedures (the RAPs) by the CSC. The recommendation is that the ICANN Board consider removing the redundant section 18.12.a (ii).

Recommendation 4: In Article 7 Section 7.1 (a), the IFRT recommends that this statement, "The relevant policies under which the changes are made shall be noted within each monthly report [*Root Operations Audit Reports*]," be removed from the contract as it is a legacy statement from the National Telecommunications and Information Administration (NTIA) contract that is no longer required. Implementation of this requirement has long been recognized as being operationally impracticable ever since the time of the NTIA contract, and the IFRT is satisfied that its continued inclusion in the contract adds no value to the reports.

ICANN org identifies no concerns with the recommendations as proposed by the IFR. Recommendations 1 and 2, related to publication of existing documentation, have already been completed by ICANN org as part of its commitment to transparency. To the extent applicable, the board understands that ICANN org's implementation of those recommendations will identify how to bring those publication practices into standard operating procedures.

DRAFT Board Paper: IFR Recommendations

ICANN org recommended to the Board's Organizational Effectiveness Committee, that it is appropriate for all recommendations to be accepted, and the OEC, in March 2021, agreed to recommend the same to the Board.

Which stakeholders or others were consulted?

The IFRT consulted with IANA functions subject matter experts, and on multiple occasions with the CSC. Personnel from the IANA Functions served as liaison to the IFR and contributed to the deliberations. The IFRT also convened a public comment on the Initial Draft of the Report.

Under the ICANN Bylaws, Recommendation 4 required additional consultations as it requires a IANA Naming Function Contract amendment. Per ICANN Bylaws, Article 18, Section 18.5.d.(a):

"*The IFRT may recommend, among other things to the extent reasonably related to the IFR responsibilities set forth in Section 18.3, amendments to the IANA Naming Function Contract, IANA Naming Function SOW and/or the CSC Charter. The IFRT shall, at a minimum, take the following steps before an amendment to either the IANA Naming Function Contract, IANA Naming Function SOW or CSC Charter is proposed:*

> (*i*) *Consult with the Board (such consultation to be conducted in parallel with other processes set forth in this Section 18.6(a)) and PTI;*
> (ii) *Consult with the CSC;*
> (iii) *Conduct a public input session for ccTLD and gTLD registry operators; and*
> (iv) *Seek public comment on the amendments that are under consideration by the IFRT through a public comment period that complies with the designated practice for public comment periods within ICANN.*"

The IFRT consulted regularly with PTI through the PTI Liaison to the IFR, Kim Davies, President of PTI. The IFRT also consulted with the CSC, with the ICANN Board, and performed a community webinar. The CSC and the Board responded that there were no concerns, while no issues were brought up during the community webinar.

Two public comments were held. The first, from 8 October 2020 to 2 December 2020,, requested input on the IFRT's Initial Report and all the recommendations. That public comment forum received six comments, with all six supporting all of the IFR's recommendations with no objections stated. From 10 February 2021 to 22 March 2021 a public comment was held specifically on Recommendation 4. Three comments were submitted, all of which approved of the recommendation, with no objections stated.

DRAFT Board Paper: IFR Recommendations

In parallel with the second public comment, the ccNSO Council and GNSO Council were consulted and each approved Recommendation 4 with a supermajority vote.

What concerns or issues were raised by the community?

No substantive issues were raised during the two (2) public comments or through other engagements.

Under the Bylaws, the Empowered Community will have an opportunity to consider whether it will reject the Board's acceptance of Recommendation 4, which represents a final opportunity for the community to raise concerns.

What significant materials did the Board review?

The Board reviewed the IFRT's Final Report.

What factors did the Board find to be significant?

ICANN org and PTI recommended all four recommendations be approved by the Board. Additionally, both the public comment for the Initial Report and the public comment for Recommendation 4 received support from all the comments submitted.

Are there positive or negative community impacts?

Taking action on these recommendations will contribute to ensuring ICANN meets its commitments relative to its performance of the IANA naming function. The first two recommendations ensure that the performance of the IANA naming function is in full compliance with the IANA Naming Function Contract by publishing all documents as required by the contract.

Recommendation three (3) and four (4) each focus on a misalignment against current practices that occur within the Bylaws and the IANA Naming Function Contract and call for minor corrections.

Together, all four (4) recommendations ensure that the IANA Naming Function is performed in alignment with all obligations defined within the IANA Naming Function Contract and the Bylaws.

Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

No fiscal impacts or ramifications on ICANN, the community, or the public are expected as a result of implementing the IFRT's recommendations.

Are there any security, stability or resiliency issues relating to the DNS?

No security, stability or resiliency issues relating to the DNS are expected as a result of implementing the IFRT's recommendations.

Is this decision in the public interest and within ICANN's mission?

This action is within ICANN's Mission and mandate as it is a critical part of how ICANN performs its mission based role of coordinating the allocation and assignment of names in the root zone of the Domain Name System. This is in the public interest as it a fulfillment of a Bylaws' mandate to convene and consider the recommendations of an IANA Naming Function Review Team.

Is this either a defined policy process within ICANN's Supporting Organizations or ICANN's Organizational Administrative Function decision requiring public comment or not requiring public comment?

Two public comments were completed, and no further public comments are needed.

Signature Block:

Submitted by:

Position:

Date Noted:

Email:

ICANN BOARD PAPER NO. 2021.05.12.1d

TITLE: Completion of All Actions for SAC045: SSAC Advisory on Invalid Top Level Domain Queries at the Root Level of the Domain Name System (DNS)

PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

[SAC045: Security and Stability Advisory Committee (SSAC) Advisory on Invalid Top Level Domain Queries at the Root Level of the Domain Name System (DNS)](#) was published on 15 November 2010.

The report called attention to the potential problems that may arise should a new top-level domain (TLD) applicant use a string that has been seen with measurable (and meaningful) frequency in a query for resolution by the root system and the root system has previously generated a response.

Due to further developments on the new gTLD program, on 2 November 2017, the ICANN Board requested SSAC to develop a new plan for Board approval, setting out studies regarding name collision.

In January 2018, the [SSAC Name Collision Analysis Project (NCAP) Work Party ("NCAP WP")](#) was formed to prepare a plan for name collision studies. Then on 28 February 2018, SSAC published "[SSAC Proposal for the Name Collision Analysis Project](#)", which proposed three consecutive studies to address the Board's request.

In June 2018, after input from the Board, the ICANN org CEO assigned the Office of the Chief Technical Officer (OCTO) to be responsible for completing the Name Collision Analysis Project (NCAP) studies. SSAC determined that the proposed NCAP

studies did encompass all of the elements within SAC045, so there were no further actions required related to this Advisory.

BOARD TECHNICAL COMMITTEE (BTC) RECOMMENDATION:

The BTC recommends that the ICANN Board acknowledge that the actions specified in SAC045 are encompassed by the work of the Name Collision Analysis Project (NCAP) and direct that the remaining item related to SAC045 being tracked in the ICANN org Action Request Registry may be closed.

PROPOSED RESOLUTION:

Whereas, on 2 November 2010, the ICANN Board passed a Name Collision related Resolution, requesting ICANN's Security and Stability Advisory Committee (SSAC) to develop a plan for Board approval setting out studies of the issue of name collision, with many elements detailed.

Whereas, on 15 November 2010 the SSAC Advisory, SAC045: SSAC Advisory on "Invalid Top Level Domain Queries at the Root Level of the Domain Name System" was received by ICANN org.

Whereas, on 10 December 2010, the ICANN Board passed Resolution 2010.12.10.22, which directed ICANN org's Chief Executive Officer (CEO) to implement SAC045.

Whereas, on 2 November 2017, developments in the New Generic Top Level Domain (gTLD) Program caused the ICANN Board to request, through resolutions 2017.11.02.29 and 2017.11.02.31, that SSAC develop a new plan for Board approval setting out studies of the issue of name collision.

Whereas, in January 2018, the SSAC Name Collision Analysis Project (NCAP) Work Party ("NCAP WP") was formed and prepared a plan calling for three studies.

Whereas, on 28 February 2018, SSAC published "SSAC Proposal for the Name Collision Analysis Project", which proposed three consecutive studies to address the Board's request.

Whereas, the Office of the Chief Technical Officer (OCTO) proposed minor changes to the proposal and, after discussion between SSAC and OCTO, an updated version of the proposal was published in February 2019.

Whereas, in June 2018, after input from the Board, the ICANN org CEO assigned OCTO to be responsible for completing the NCAP studies.

Whereas, in November 2019, during a meeting with representatives of OCTO and SSAC, the SSAC representatives agreed that the remaining actions called for by SAC045 are covered by the NCAP.

Resolved (2021.05.12.xx), the Board finds that the actions called for in SAC045 can be considered resolved by the NCAP and that the remaining item related to SAC045 being tracked in the ICANN org Action Request Registry may therefore be completed.

PROPOSED RATIONALE:

1.   Why is the Board addressing the issue?

On 2 November 2010, the ICANN Board passed a Name Collision related Resolution, requesting ICANN's Security and Stability Advisory Committee (SSAC) to develop a plan for Board approval setting out studies of the issue of name collision, with many elements detailed.

On 15 November 2010 the SSAC Advisory, SAC045: SSAC Advisory on Invalid Top Level Domain Queries at the Root Level of the Domain Name System was received by ICANN org. The Security and Stability Committee (SSAC) identified certain technical considerations of strings that they proposed for use by applicants and recommended specific actions with regard to applications for those strings.

On 10 December 2010, the ICANN Board immediately directed implementation of SAC045 with Resolution 2010.12.10.22,:

The Board directs the Chief Executive Officer (CEO) to:

1.   Analyze and amend the Domain Name System (DNS) Stability Review described in the Applicant Guidebook to allow the option to prohibit the delegation of problematic strings, as appropriate, to address the potential technical and stability issues discussed in SAC045; and,

2.   Develop a mechanism to alert potential applicants for new generic top-level domains (gTLDs) about the issues raised in SAC045.

Due to further developments on the new gTLD program, on 02 November 2017, the ICANN Board passed resolutions (2017.11.02.29 - 2017.11.02.31) requesting SSAC to develop a new plan for Board approval setting out studies of the issue of name collision, with many elements detailed.

Following the Board resolution, SSAC began project planning in December 2017 for the work necessary to address the Board's request. In January 2018, the SSAC Name Collision Analysis Project (NCAP) Work Party ("NCAP WP") was formed and prepared a plan calling for three studies. The NCAP Administration ("NCAP Admin"), a smaller group comprising the NCAP WP leadership and SSAC leadership, was also created to guide the NCAP effort both within SSAC and in the larger ICANN community.

On 28 February 2018, SSAC published "SSAC Proposal for the Name Collision Analysis Project", which proposed three consecutive studies to address the Board's request.

In June 2018, after input from the Board, the ICANN org CEO assigned the Office of the Chief Technical Officer (OCTO) to be responsible for completing the NCAP studies since SSAC does not have the administrative infrastructure to undertake and manage such a large project. OCTO proposed minor changes to the proposal and, after discussion between SSAC and OCTO, an updated version of the proposal was published in February 2019.

As the NCAP studies encompass all of the elements within SAC045, during ICANN66 in November 2019, SSAC agreed with OCTO that SAC045 could be closed.

This Board Paper demonstrates ICANN org's completion of work on SAC045's recommendations. As a result, the Board is now directing that the remaining items related to SAC045 being tracked in the ICANN org Action Request Registry may be closed, at the recommendation of the Board Technical Committee (BTC).

2.   What is the proposal being considered?

The Board is considering a recommendation from the BTC that the ICANN Board direct that the remaining items related to SAC045 being tracked in the ICANN org Action Request Registry may be closed.

3. Which stakeholders or others were consulted?

The SSAC agreed that ICANN org has fulfilled its role in implementing the Recommendations of this Advisory.

4. What concerns or issues were raised by the community?

None.

5. What significant materials did the Board review?

In determining that the remaining items related to SAC045 being tracked in the ICANN org Action Request Registry may be closed, the Board considered the recommendation of the BTC and the rationale from ICANN org demonstrating that work on these remaining items is now complete.

6. Are there positive or negative community impacts?

This Board resolution confirms that the Advisory's recommendations were completed by ICANN org and does not assess the impacts of the implementation of the recommendations.

7. Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

No fiscal impacts or ramifications on ICANN, the community, or the public are expected as a result of closing these remaining SAC045 items.

8. Are there any security, stability or resiliency issues relating to the DNS?

No security, stability, or resiliency issues relating to the DNS are expected as a result of closing these remaining SAC045 items.

9. **Is this decision in the public interest and within ICANN's mission?**

Yes. Confirming the completion of the implementation of an Advisory provides an accountability mechanism for ICANN's work, which is in the public interest and within ICANN's mission.

10. Is this either a defined policy process within ICANN's Supporting Organizations or ICANN's Organizational Administrative Function decision requiring public comment or not requiring public comment?

This action does not require public comment.

8 April 2021

Re: Completion of SSAC Advisories

To the ICANN Board;

At the direction of the ICANN Board, ICANN org has implemented the recommendations for multiple Security and Stability Advisory Committee (SSAC) Advisories. As a result, ICANN org believes that all of the recommendations in the Advisories listed below are now complete and that no further actions are required for any of these Advisories.

On 11 October 2018, ICANN org carried out the first rollover of the root zone key signing key (KSK). The project is documented in Review of the 2018 DNSSEC KSK Rollover, published by ICANN's Office of the Chief Technology Officer (OCTO). This successful rollover completed the remaining open recommendations from three SSAC Advisories:

> SAC063**: SSAC Advisory on DNSSEC Key Rollover in the Root Zone**, made five recommendations for actions to be taken by ICANN org related to the first root zone KSK rollover.
> SAC073: **SSAC Comments on Root Zone Key Signing Key Rollover Plan**, contained SSAC's comments on the draft report of the root KSK rollover Design Team. SAC073 reiterated SSAC's recommendations from SAC063 and called for ICANN org's final plan to directly address each recommendation.
> SAC102: **SSAC Comment on the Updated Plan for Continuing the Root KSK Rollover**, was the response to the ICANN Board's request that SSAC provide advice to the Board on the Plan for Continuing the Root KSK Rollover. SSAC advised continuing with the rollover.

SAC045: SSAC Invalid Top Level Domain Queries at the Root Level of the Domain Name System

> During discussions with OCTO at ICANN66, SSAC confirmed that the recommendations in this Advisory were covered by the Name Collision Analysis Project (NCAP) and could be closed.

SAC062: SSAC Advisory Concerning the Mitigation of Name Collision Risk

> SAC062's Recommendation 1 called for ICANN org to work with the wider Internet community, including the Internet Architecture Board (IAB) and the Internet Engineering

Task Force (IETF), to identify what strings are appropriate to reserve for private namespace use and what type of private namespace use is appropriate (i.e., at the top-level domain [TLD] level only or at any additional lower level).

Members of OCTO worked diligently in an attempt to update RFC 6761 (Special-Use Domain Names) through the IETF process, but were unable to gain traction in the DNSOP Working Group. OCTO requested closing this recommendation because the wider Internet community was not able to achieve consensus on how to move forward with updating RFC 6761, despite OCTO's efforts.

Recommendations 2 and 3 advised ICANN to consider a series of questions regarding Name Collision, to ensure that ICANN could clearly articulate what choices have been made and why, as part of its decision whether to delegate any TLD on a trial basis and under what circumstances un-delegation of a TLD is the appropriate mitigation for a security or stability issue. These questions were considered by ICANN while developing the Name Collision Occurrence Management Framework which was adopted on 20 July 2014 by the ICANN Board's New Generic Top-Level Domain (gTLD) Program Committee (NGCP).

SAC065: SSAC Advisory on DDoS Attacks Leveraging DNS Infrastructure

SAC065's Recommendation 1 called for ICANN to "help facilitate an Internet-wide community effort to reduce the number of open resolvers and networks that allow network spoofing."

ICANN org has long been supportive of community efforts underway to raise visibility of open resolvers, such as those efforts by the Shadowserver Foundation and the Open Resolver Project.

Regarding explicit efforts to reduce the number of open resolvers, the org has investigated the viability of such a project and determined it would need considerable resource requirements and even then the results would be unlikely to make a material difference. In preparation for the root KSK roll in 2018, ICANN org attempted to reach operators of recursive resolvers believed to be unready for the KSK roll. Determining a resolver's operator and then contacting them proved to be extremely difficult and often unsuccessful. We believe it would be similarly difficult to identify and contact operators of open resolvers.

With respect to facilitating an Internet-wide community effort to reduce the number of networks that allow network spoofing, this activity may be viewed as outside of ICANN's limited technical remit. The org notes that the Internet Society continues to make great strides with their Mutually Agreed Norms for Routing Security (MANRS) in encouraging network operators to reduce the impact of network spoofing.

Recommendations 2 through 5 were directed at network operators, not ICANN. However, ICANN org supported community efforts with several projects, so that on 12 February 2020, SSAC agreed ICANN org had fulfilled the recommendation to the extent feasible.
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SAC070: SSAC Advisory on the Use of Static TLD / Suffix Lists

Recommendation 1 and 2 addressed the Internet Engineering Task Force (IETF) and on 01 June 2016, ICANN received SSAC's approval of understanding acknowledging there was no action for the Board.

Recommendation 3 advised that to close the knowledge gap between registries and popular Public Suffix List (PSL) maintainers, ICANN and the Mozilla Foundation should collaboratively create informational material that can be given to Top Level Domain (TLD) registry operators about the Mozilla PSL. On 18 May 2020, "The Public Suffix List: A Guide for TLD Administrators" (OCTO-011) was published. This document was written specifically for TLD registry operators to inform them about the Mozilla PSL.

Recommendation 4 had three (3) parts. 4a advised ICANN to request the Universal Acceptance Steering Group (UASG) encourage the development of software resources enabling or enhancing the effective use of the Mozilla PSL, and with the UASG's consideration of the SSAC advice in its document UASG007, ICANN notified SSAC of this recommendation's closure on 08 August 2017.

Recommendation 4, part 4b and 4c, advised application developers to use a canonical file format and modern authentication protocols as specifications to their work and replace proprietary PSLs with well-known and widely accepted PSL implementations such as the Mozilla PSL and the proposed IANA PSL (part of Recommendation 5). On 30 August 2016, ICANN received SSAC's approval of understanding acknowledging there was no action for the Board.

Recommendation 5 called for the Internet Assigned Numbers Authority (IANA) to host a PSL containing information about the domains within the registries with which IANA has direct communication. As of 1 December 2019, IANA staff began hosting an authoritative PSL for all TLDs in the root zone. On 12 February 2020, SSAC agreed that recommendation 5 was ready to close.

Recommendation 6 encouraged those parties working on universal acceptance, such as the UASG, to explicitly include the use of a PSL and actions related to a PSL as part of their work. As the UASG considered the SSAC advice in its document UASG007, ICANN notified SSAC of this recommendation's closure on 08 August 2017.

The Board Technical Committee (BTC) has reviewed these Board Papers and recommended submitting them to the ICANN Board.

If you have any questions, please do not hesitate to contact me.

Regards,

Matt Larson
VP, Research
Office of the CTO
ICANN

ICANN BOARD PAPER NO. 2021.05.12.1e

TITLE: **Completion of** SAC062 Advisory Concerning the Mitigation of Name Collision Risk

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

SAC062: Security and Stability Advisory Committee (SSAC) Advisory Concerning the Mitigation of Name Collision Risk, was published on 7 November 2013.

Recommendation 1 advised ICANN org to facilitate internet community discussions on identifying appropriate use of Special Use Domain Names. SAC062 specified that ICANN should work with the Internet Architecture Board (IAB) and the Internet Engineering Task Force (IETF). ICANN org fulfilled this recommendation by attempting to update RFC 6761 through the IETF process, but was unable to gain momentum in the Domain Name System Operations (DNSOP) Working Group. The community's lack of interest and failure to achieve consensus brought this Recommendation to a close, but ICANN org fulfilled its required role. As a result, the Office of the Chief Technology Officer (OCTO) requests to close this Recommendation 1.

Recommendations 2 and 3 advised ICANN org to consider a series of questions regarding Name Collision, to ensure that ICANN org could clearly articulate what choices have been made and why, as part of its decision whether to delegate any top-level domain (TLD) on a trial basis and under what circumstances un-delegation of a TLD is the appropriate mitigation for a security or stability issue.

The questions posed in Recommendations 2 and 3 were considered by ICANN org while developing the Name Collision Occurrence Management Framework, which was adopted on 20 July 2014 by the ICANN Board's New Generic Top-Level Domain (gTLD) Program Committee (NGCP).

The Board Technical Committee (BTC) is now recommending that the ICANN Board direct that the remaining open items related to SAC062 may be closed in the ICANN org Action Request Registry.

BOARD TECHNICAL COMMITTEE (BTC) RECOMMENDATION:

The Board Technical Committee (BTC) recommends that the ICANN Board acknowledge that ICANN org worked to coordinate the update of RFC 6761 and ICANN org completed the remaining Advisory recommendations by ensuring the questions posed were considered in the development of the Name Collision Occurrence Management Framework. The BTC recommends that the ICANN Board direct that the remaining items related to SAC062 being tracked in the ICANN org Action Request Registry may be closed.

PROPOSED RESOLUTION:

Whereas, on 7 November 2013, the Security and Stability Advisory Committee (SSAC) published SAC062: SSAC Advisory Concerning the Mitigation of Name Collision Risk.

Whereas, on 21 November 2013, the ICANN Board accepted this advice and directed ICANN org to implement SAC062 per ICANN org's recommendation.

Whereas, ICANN org attempted to shepherd the Special-Use Domain Name delegation issues through an IETF process for updating RFC 6761, as well as related discussions within the Domain Name System Operations (DNSOP) Working Group, and discussions ended without any related decisions due to a lack of interest from these groups and the wider Internet community.

Whereas, on 20 July 2014, the ICANN Board New gTLD Program Committee (NGCP) adopted the Name Collision Occurrence Management Framework which considered the questions, as instructed, from Recommendations 2 and 3.

Resolved (2021.05.12.xx), the Board finds that ICANN org has implemented all of SAC062's Recommendations, and considers SAC062 to be completed.

PROPOSED RATIONALE:

1.   Why is the Board addressing the issue?

ICANN org received SAC062: Concerning the Mitigation of Name Collision Risk on 7 November 2013. On 21 November 2013 the Board passed a resolution that "directs ICANN's President and CEO to have the advice provided in SAC062 evaluated." On 8 June 2017, ICANN org submitted the requested feasibility analysis, and on 24 June 2017, the ICANN Board accepted this advice and directed ICANN org to implement per the ICANN org's recommendation.

This Board Paper demonstrates ICANN org's completion of work on SAC062's recommendations. As a result, the Board is now directing that the remaining items related to SAC062 being tracked in the ICANN org Action Request Registry may be closed, at the recommendation of the Board Technical Committee (BTC).

2.   What is the proposal being considered?

The Board is considering a recommendation from the BTC that the ICANN Board direct that the remaining items related to SAC062 being tracked in the ICANN org Action Request Registry may be closed.

3.   Which stakeholders or others were consulted?

The SSAC agreed that ICANN org has fulfilled its role in implementing the Recommendations of this Advisory.

4.   What concerns or issues were raised by the community?

None.

5.   What significant materials did the Board review?

In determining that the remaining items related to SAC062 being tracked in the ICANN org Action Request Registry may be closed, the Board considered the recommendation of the BTC and the rationale from ICANN org demonstrating that work on these remaining items is now complete.

<u>**BACKGROUND**</u>
Recommendation 1

Recommendation 1 on Special-Use Domain Names recommended that ICANN org should work with the wider Internet community, including at least the Internet Architecture Board (IAB) and the Internet Engineering Task Force (IETF), to identify (1) what strings are appropriate to reserve for private namespace use and (2) what type of private namespace use is appropriate (i.e., at the TLD level only or at any additional lower level).

ICANN org attempted to update [RFC 6761](#) through the IETF process. The [Domain Name System Operations (DNSOP) Working Group](#) raised awareness on its work in this area by organizing a webinar entitled, "IETF Overview and Special-Use Domain Names Problem Statement" held on 23 May 2017. Despite these efforts, this subject was unable to gain momentum in the [DNSOP Working Group](#). OCTO's (Office of the Chief Technical Officer, ICANN org) attempts at working with the wider Internet community failed to achieve consensus on how to move forward with updating Request For Comment (RFC) 6761, despite OCTO's direct involvement.

Recommendation 2 and 3

Recommendation 2 advises that ICANN org should explicitly consider the following questions regarding trial delegation and clearly articulate what choices have been made and why, as part of its decision as to whether or not to delegate any TLD on a trial basis:

1.   Purpose of the trial: What type of trial is to be conducted? What data are to be collected?

2.   Operation of the trial: Should ICANN org (or a designated agent) operate the trial or should the applicant operate it?

3.   Emergency rollback: What are the emergency rollback decision and execution procedures for any delegation in the root, and have the root zone partners exercised these capabilities?

4.   Termination of the trial: What are the criteria for terminating the trial (both normal and emergency criteria)? What is to be done with the data collected? Who makes the decision on what the next step in the delegation process is?

Recommendation 3 advises that ICANN org should explicitly consider under what circumstances un-delegation of a TLD is the appropriate mitigation for a security or stability issue. In the case where a TLD has an established namespace, ICANN org should clearly identify why the risk and harm of the TLD remaining in the root zone is greater than the risk and harm of removing a viable and in-use namespace from the DNS. Finally, ICANN org should work in consultation with the community, in particular the root zone management partners, to create additional processes or update existing processes to accommodate the potential need for rapid reversal of the delegation of a TLD.

Recommendations 2 and 3 were considered by ICANN org while developing the [Name Collision Occurrence Management Framework](#) and included in said framework. The ICANN Board New gTLD Program Committee (NGCP) [adopted](#) the Name Collision Occurrence Management Framework on 20 July 2014 in order "to continue to manage the occurrence of collisions between new gTLDs and existing private uses of the same strings, and directed the President and Chief Executive Officer (CEO), or his designee(s), to take the necessary actions to implement the Name Collision Occurrence Management Framework."

6.   Are there positive or negative community impacts?

This Board resolution confirms that the Advisory's recommendations were completed by ICANN org and does not assess the impacts of the implementation of the recommendations.

7.   Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

No fiscal impacts or ramifications on ICANN, the community, or the public are expected as a result of closing these remaining SAC062 items.

8.   Are there any security, stability or resiliency issues relating to the DNS?

No security, stability, or resiliency issues relating to the DNS are expected as a result of closing these remaining SAC062 items.

9.   Is this decision in the public interest and within ICANN's mission?

Yes. Confirming the completion of the implementation of an Advisory provides an accountability mechanism for ICANN's work, which is in the public interest and within ICANN's mission.

10.   Is this either a defined policy process within ICANN's Supporting Organizations or ICANN's Organizational Administrative Function decision requiring public comment or not requiring public comment?

This action does not require public comment.

ICANN BOARD PAPER NO. 2021.05.12.1f

TITLE: Completion of SAC065: SSAC Advisory on DDoS
                                             Attacks Leveraging DNS Infrastructure

PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

SAC065: Security and Stability Advisory Committee (SSAC) Advisory on DDoS
Attacks Leveraging DNS Infrastructure was published on 18 February 2014.

SAC065's Recommendation 1 advised ICANN organization to help facilitate an
internet-wide community effort to reduce the number of open resolvers and networks
that allow network spoofing. Since then, ICANN org has been supportive of
community efforts underway to raise visibility of open resolvers, such as
https://dnsscan.shadowserver.org and http://openresolverproject.org. ICANN org has
researched other more explicit efforts and determined any further efforts are infeasible.

Recommendations 2 through 5 provided advice for "all kinds" of network operators in
regards to reducing open resolvers, and prompted ICANN org to help "facilitate"
internet-wide efforts. However, this is beyond ICANN's remit.

On 12 February 2020, ICANN org and SSAC agreed that ICANN org's efforts had
completed the SAC065's recommendations.

BOARD TECHNICAL COMMITTEE (BTC) RECOMMENDATION:

The BTC recommends that the ICANN Board acknowledge that ICANN org has
supported community efforts to raise visibility of open resolvers to the limits of

ICANN's remit, and concludes that ICANN org has completed the appropriate recommendations in this Advisory. The BTC recommends that the ICANN Board direct that the remaining item related to SAC065 being tracked in the ICANN org Action Request Registry may be closed.

PROPOSED RESOLUTION:

Whereas, on 18 February 2014, SSAC published SAC065: Security and Stability Advisory Committee (SSAC) Advisory on DDoS Attacks Leveraging DNS Infrastructure.

Whereas, on 24 June 2017, the ICANN Board accepted this advice and directed ICANN org to implement SAC065 per ICANN org's recommendation.

Whereas, ICANN org supported community efforts with several projects so that on 12 February 2020, SSAC agreed ICANN org had fulfilled the recommendation to the extent feasible.

Resolved (2021.05.12.xx), the Board finds that ICANN org acted upon SAC065's Recommendation 1. The Board considers SAC065 to be completed.

PROPOSED RATIONALE:

1.   Why is the Board addressing the issue?

On 18 February 2014, ICANN received SAC065: Security and Stability Advisory Committee (SSAC) Advisory on DDoS Attacks Leveraging DNS Infrastructure.

On 24 June 2017, the Board adopted the advice in SAC065 and directed the CEO to implement the advice as described in the document:

"SAC065 is an advisory on DDoS attacks leveraging DNS infrastructure and Recommendation 1 indicates that ICANN should help facilitate an Internet-wide community effort to reduce the number of open resolvers and networks that allow network spoofing. Upon the creation of such a community effort, ICANN should provide measurement and outreach support with appropriate allocation of staff and funding."

This Board Paper demonstrates ICANN org's completion of work on SAC065's recommendations. As a result, the Board is now directing that the remaining items related to SAC065 being tracked in the ICANN org Action Request Registry may be closed, at the recommendation of the Board Technical Committee (BTC).

2.   What is the proposal being considered?

The Board is considering a recommendation from the BTC that the ICANN Board direct that the remaining items related to SAC065 being tracked in the ICANN org Action Request Registry may be closed.

3. Which stakeholders or others were consulted?

The SSAC agreed that ICANN org has fulfilled its role in implementing the Recommendations of this Advisory.

4. What concerns or issues were raised by the community?

None.

5. What significant materials did the Board review?

In determining that the remaining items related to SAC065 being tracked in the ICANN org Action Request Registry may be closed, the Board considered the recommendation of the BTC and the rationale from ICANN org demonstrating that work on these remaining items is now complete.

BACKGROUND

Only Recommendation 1 advised actions for ICANN org, while Recommendations 2 through 6 were addressed to other parties in the community (network operators, DNS operators, and manufacturers and/or configurators of customer premise networking equipment):

Recommendation 1: ICANN should help facilitate an Internet-wide community effort to reduce the number of open resolvers and networks that allow network spoofing. This effort should involve measurement efforts and outreach and cooperation in relevant technical fora involving network operators worldwide, but will not have an operational component. ICANN should support this effort with adequate staffing and funding.

The Recommendation outlined data that ICANN org should collect in order to create reports for all kinds of network server operators and manufacturers to whom Recommendations 2 thru 6 were addressed.

b. Coordinate with the Internet community to popularize and support recommendations 2-5. This coordination should include exploration of whether operational requirements regarding open resolvers and the prevention of network spoofing can be incorporated into regulatory compliance frameworks and certification regimes.

Since then, ICANN org has been supportive of community efforts underway to raise visibility of open resolvers, such as https://dnsscan.shadowserver.org and http://openresolverproject.org. In particular, ICANN org has funded the Shadowserver Foundation.

Regarding explicit efforts to reduce the number of open resolvers, the org has investigated the viability of such a project. The effort is daunting, if not impossible, given the large number of open resolvers (tens of millions) and the difficulty in determining and then reaching operators. As an example of this difficulty, in 2018 the Office of the Chief Technical Officer (OCTO) made a significant effort to reach out to operators of resolvers that were thought to be using only KSK-2010 in order to prepare for the key rollover. ICANN org discovered that contacting individual resolver

operators to alert them of possible problems was extremely difficult and largely unsuccessful. Given the large number of open resolvers (tens of millions) and the anticipated effort it would take to get even a significant fraction of operators of those resolvers to enable appropriate resolution service access controls, the org believes further efforts in this area would be extremely resource intensive and unlikely to make a material difference.

With respect to facilitating an Internet-wide community effort to reduce the number of networks that allow network spoofing, this activity may be viewed as outside of ICANN's limited technical remit. The org notes that the Internet Society continues to make great strides with their [Mutually Agreed Norms for Routing Security](#) (MANRS) in encouraging network operators to reduce the impact of network spoofing.

Based on the work discussed above, on 12 February 2020, SSAC agreed that actions related to SAC065 Recommendation 1 should be considered complete.

6. Are there positive or negative community impacts?

This Board resolution confirms that the Advisory's recommendations were completed by ICANN org and does not assess the impacts of the implementation of the recommendations.

7. Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

No fiscal impacts or ramifications on ICANN, the community, or the public are expected as a result of closing these remaining SAC062 items.

8. Are there any security, stability or resiliency issues relating to the DNS?

No security, stability, or resiliency issues relating to the DNS are expected as a result of closing these remaining SAC065 items.

9. **Is this decision in the public interest and within ICANN's mission?**

Yes. Confirming the completion of the implementation of an Advisory provides an accountability mechanism for ICANN's work, which is in the public interest and within ICANN's mission.

10. Is this either a defined policy process within ICANN's Supporting Organizations or ICANN's Organizational Administrative Function decision requiring public comment or not requiring public comment?

This action does not require public comment.

ICANN BOARD PAPER NO. 2021.05.12.1g

TITLE: **Completion of all actions for SAC070: the Security and Stability Advisory Committee (SSAC) Advisory on the Use of Static TLD / Suffix Lists**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

SAC070: the Security and Stability Advisory Committee (SSAC) Advisory on the Use of Static TLD / Suffix Lists was published on 28 May 2015 and contained six recommendations. Four of the recommendations called for action by ICANN org, and all actions associated with those recommendations in SAC070 have now been completed.

On 25 June 2015 the ICANN Board passed resolutions 2015.06.25.03 – 2015.06.25.06 directing ICANN org to undertake a feasibility analysis. On 1 June 2016, SSAC confirmed ICANN org's Statement of Understanding that there was no action for the Board in regards to recommendations 1, 2, 4b, and 4c, which provided advice for the Internet Engineering Task Force (IETF) and/or the applications community but with no directives for ICANN org.

Based on ICANN org's analysis, on 24 June 2017, the ICANN Board directed ICANN org to implement per the ICANN organization's recommendation.

Recommendation 3 advised that to close the knowledge gap between registries and popular Public Suffix List (PSL) maintainers, ICANN org and the Mozilla Foundation should collaboratively create informational material that could be given to Top Level Domain (TLD) registry operators to educate them about the Mozilla PSL. ICANN org

completed this recommendation with the publication of "The Public Suffix List: A Guide for TLD Administrators" (OCTO-011) on 18 May 2020.

Recommendation 4a advised ICANN org to request the Universal Acceptance Steering Group (UASG) to encourage the development of software resources enabling or enhancing the effective use of the Mozilla PSL. The UASG addressed this SSAC recommendation with its document UASG007. ICANN org and SSAC agreed this recommendation was complete on 8 August 2017.

Recommendation 5 advised ICANN org to create a public suffix list that could represent an authoritative list of TLDs and potentially subdomains of those TLDs that are known to be public suffixes. As of 1 December 2019, the Internet Assigned Numbers Authority (IANA) is now hosting an authoritative PSL for all TLDs in the root zone, which completes this recommendation.

Recommendation 6 encouraged those parties working on universal acceptance, such as the UASG, to explicitly include the use of a PSL and actions related to a PSL as part of their work. Considering that the UASG addressed the SSAC recommendation in its document UASG007, ICANN org notified SSAC of this recommendation's closure on 8 August 2017.

BOARD TECHNICAL COMMITTEE (BTC) RECOMMENDATION:

The BTC recommends that the ICANN Board acknowledge that the actions directed at ICANN org in SAC070 have been completed by ICANN org, and direct that the remaining items related to SAC070 being tracked in the ICANN org Action Request Registry may be closed.

PROPOSED RESOLUTION:

Whereas, on 28 May 2015, SSAC published SAC070: SSAC Advisory on the Use of Static TLD / Suffix Lists.

Whereas, on 1 June 2016 the ICANN org and SSAC agreed through a Statement of Understanding that Recommendations 1, 2, 4b, and 4c had no actions for the Board.

Whereas, on 24 June 2017, in Resolution 2017.06.24.19, the ICANN Board accepted this advice and directed the ICANN org to implement per the ICANN org's recommendation.

Whereas, on 18 May 2020, ICANN org published "The Public Suffix List: A Guide for TLD Administrators" (OCTO-011) which completed Recommendation 3.

Whereas, on 8 August 2017, the UASG considered the SSAC advice in its document UASG007, and ICANN org notified SSAC of the completion of the actions called for in Recommendation 4a.

Whereas, on 1 December 2019, IANA org started hosting an authoritative PSL for all TLDs in the root zone, completing Recommendation 5.

Whereas, on 8 August 2017, the UASG considered SAC070's Recommendation 6 advice in UASG007, and ICANN org notified SSAC of Recommendation's 6 completion.

Resolved (20xxxxxx), the Board finds that the actions called for by the recommendations from SAC070 advising action for ICANN org, specifically Recommendations 3, 4a, 5, and 6, have been completed by ICANN org.

PROPOSED RATIONALE:

1.   **Why is the Board addressing the issue?**

On 24 June 2017, the ICANN Board accepted SAC070's advice and directed the ICANN org to implement the advice per the ICANN org's recommendation.

This advisory concerns the use of static TLD / suffix lists. Software that processes domain names, such web browsers, sometimes needs to know whether a domain name ends in a "public suffix", i.e., a domain typically open for registration, such as .com or .co.uk. "Public suffix lists" (PSLs), most notably the one maintained by Mozilla, attempt to list all such public suffix domains. Software uses this list for various purposes, such as quickly validating a TLD without requiring a DNS query, highlighting the public portion of a domain name in a browser's address bar, or determining if one domain is able to set a cookie for another (which is not allowed if the domains are unrelated, which is the case if they are peers under the same public suffix).

As of May 2020, all recommendations from SAC070 calling for action by ICANN org had been completed.

This Board Paper demonstrates ICANN org's completion of work on SAC062's recommendations. As a result, the Board is now directing that the remaining items related to SAC070 being tracked in the ICANN org Action Request Registry may be closed, at the recommendation of the Board Technical Committee (BTC).

2. What is the proposal being considered?

The Board is considering a recommendation from the BTC that the ICANN Board direct that the remaining items related to SAC070 being tracked in the ICANN org Action Request Registry may be closed.

3. Which stakeholders or others were consulted?

The SSAC agreed that ICANN org has fulfilled its role in implementing the Recommendations of this Advisory.

4. What concerns or issues were raised by the community?

None.

5. What significant materials did the Board review?

In determining that the remaining items related to SAC070 being tracked in the ICANN org Action Request Registry may be closed, the Board considered the recommendation of the BTC and the rationale from ICANN org demonstrating that work on these remaining items is now complete.

BACKGROUND

Recommendations 1 and 2: No Action Required by ICANN org
Recommendations 1 and 2 addressed the IETF and the applications community and on 1 June 2016, SSAC approved a statement of understanding acknowledging that no action was required from ICANN org.

Recommendation 3
SAC070 Recommendation #3 advised that ICANN org, in concert with the Mozilla Foundation, prepare educational materials on the Mozilla PSL covering the meaning of the resource and the impact of the resource.

ICANN org hired a contractor to provide the materials and on 18 May 2020, "The Public Suffix List: A Guide for TLD Administrators" (OCTO-011) was published. This document about the Mozilla PSL can be given to TLD registry operators and is designed to close the knowledge gap between registries and popular PSL maintainers.

Recommendation 4 which has three (3) parts:
4a advised that ICANN org should request that the UASG encourage the development of software resources enabling or enhancing the effective use of the Mozilla PSL, with attention toward software developers. As the UASG considered the SSAC advice in its document UASG007, ICANN org notified SSAC of this recommendation's closure on 8 August 2017.

4b advised that application developers should use a canonical file format and modern authentication protocols as specifications to this work. On 30 August 2016, ICANN org

received SSAC's approval of understanding acknowledging there is no action for the Board.

4c advised that application developers should also replace proprietary PSLs with well-known and widely accepted PSL implementations such as the Mozilla PSL and the proposed IANA PSL (part of Recommendation 5). On 30 August 2016, ICANN org received SSAC's approval of understanding acknowledging there is no action for the Board.

Recommendation 5

Recommendation 5 advised that IANA should host a Public Suffix List (PSL) containing information about the domains within the registries with which IANA has direct communication. Such a PSL would be authoritative for those domains. Such a list should include, at a minimum, all Top Level Domains (TLDs) in the IANA root zone.

As of 1 December 2019, IANA staff is now hosting an authoritative PSL for all TLDs in the root zone as stated in recommendation 5 of SAC070. On 12 February 2020, SSAC agreed that SAC070, Recommendation 5 had been completed.

Recommendation 6

Recommendation 6 encouraged those parties working on universal acceptance such as the UASG to explicitly include the use of a PSL and actions related to a PSL as part of their work. As the UASG considered the SSAC advice in its document UASG007, ICANN org notified SSAC of this recommendation's closure on 8 August 2017.

6. Are there positive or negative community impacts?

This Board resolution confirms that the Advisory's recommendations were completed by ICANN org and does not assess the impacts of the implementation of the recommendations.

7. Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

No fiscal impacts or ramifications on ICANN, the community, or the public are expected as a result of closing these remaining SAC070 items.

8. Are there any security, stability or resiliency issues relating to the DNS?

No security, stability, or resiliency issues relating to the DNS are expected as a result of closing these remaining SAC070 items.

9. **Is this decision in the public interest and within ICANN's mission?**

Yes. Confirming the completion of the implementation of an Advisory provides an accountability mechanism for ICANN's work, which is in the public interest and within ICANN's mission.

10. Is this either a defined policy process within ICANN's Supporting Organizations or ICANN's Organizational Administrative Function decision requiring public comment or not requiring public comment?

This action does not require public comment.

Signature Block:

Submitted by:

Position:

Date Noted:

Email:

ICANN BOARD PAPER NO. 2021.05.12.2a

TITLE: **FY22-26 Operating and Financial Plan and FY22 Operating Plan and Budget Approval**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

As required by Article 22, Sections 22.4 (a) and 22.5 (a) of the Bylaws, on 17 December 2020 the Internet Corporation for Assigned Names and Numbers (ICANN) organization posted for public comment the draft FY22-26 Operating and Financial Plan and draft FY22 Operating Plan and Budget. In addition, consultations were held with ICANN organization, Board and community members. All of the received comments have been taken into consideration, and where appropriate and feasible, have been incorporated into a Proposed for Board Adoption FY22-26 Operating and Financial Plan and Proposed for Board Adoption FY22 Operating Plan and Budget. Further, per section 3.9 of the currently effective Registrar Accreditation Agreements, and as needed to develop the budget, the Board must establish the Accreditation fee and the Variable Accreditation Fee that the Registrars are required to pay. The Registrar Accreditation Fees and Variable Fees are set forth in the FY22 Operating Plan and Budget.

The Board is being asked to approve the proposed ICANN FY22-26 Operating and Financial Plan and proposed FY22 Operating Plan and Budget; such approval will be considered by the Empowered Community, which has the power to reject that approval.

BOARD FINANCE COMMITTEE (BFC) RECOMMENDATION:

After careful consideration of the public comments received and the corresponding responses, and of the plans proposed for adoption, the BFC has recommended that the Board approve the Proposed for Board Adoption FY22-26 Operating and Financial Plan and Proposed for Board Adoption FY22 Operating Plan and Budget**.**

PROPOSED RESOLUTION:

Whereas, the draft FY22-26 Operating and Financial Plan and draft FY22 Operating Plan and Budget were posted for public comment in accordance with the Bylaws on 17 December 2020.

Whereas, the public comments received were considered and revisions were applied as appropriate and feasible to the revised draft FY22-26 Operating and Financial Plan and draft FY22 Operating Plan and Budget.

Whereas, in addition to the public comment process, ICANN organization actively solicited community feedback and consultation with the ICANN Community by other means, including a remote public session during ICANN 70.

Whereas, at each of its recent regularly scheduled meetings, the Board Finance Committee (BFC) has discussed, and guided ICANN organization on the development of the Proposed for Board Adoption FY22-26 Operating and Financial Plan and the Proposed for Board Adoption FY22 Operating Plan and Budget.

Whereas, the BFC reviewed and discussed suggested changes to the FY22-26 Operating and Financial Plan and the FY22 Operating Plan and Budget resulting from public comment and consultations and recommended that the Board approve the Proposed for Board Adoption FY22-26 Operating and Financial Plan and the Proposed for Board Adoption FY22 Operating Plan and Budget.

Whereas, per section 3.9 of the 2013 Registrar Accreditation Agreements, the Board is to establish the Registrar Accreditation Fees and Variable Accreditation Fees, which must be established to develop the annual budget.

Whereas, the description of the Registrar fees, including the recommended Registrar Accreditation Fees Variable Accreditation Fees, for FY22 have been included in the FY22 Operating Plan and Budget.

Resolved (2021.05.12.xx), the Board adopts the FY22-26 Operating and Financial Plan, which describes the activities ICANN org will undertake and the resources needed to achieve the ICANN Board adopted ICANN's Strategic Plan for Fiscal Years 2021-2025.

Resolved (2021.05.12.xx), the Board adopts the FY22 Operating and Budget including the FY22 ICANN Caretaker Budget that would be in effect in the event the FY22 ICANN Operating Plan and Budget is not in effect at the beginning of FY22.

PROPOSED RATIONALE:

In accordance with Article 22, Sections 22.4 (a) and 22.5 (a) of the ICANN Bylaws, the Board is to adopt an annual budget and publish it on the ICANN website. On 17 December 2020, drafts of the ICANN FY22-26 Operating and Financial Plan and draft FY22 Operating Plan and Budget were posted for public comment. The Public Technical Identifiers (PTI) Board approved the PTI FY22 Operating Plan and Budget on 13 January 2021, and the PTI Operating Plan and Budget was received as input into the FY22 IANA Budget.

The published draft FY22-26 Operating and Financial Plan and draft FY22 Operating Plan and Budget and the FY22 IANA Budget were based on numerous discussions with members of ICANN organization and the ICANN Community, including extensive consultations with ICANN Supporting Organizations, Advisory Committees, and other stakeholder groups throughout the prior several months.

The comments received from the public comment process resulted in no revisions to the 17 December 2020 draft FY22-26 Operating and Financial Plan and draft FY22 Operating Plan and Budget.

In addition, the following consultation activities were carried out:

- 6 October 2020 – Community webinar held on the FY2 Planning Process and Timeline.
- 12 January 2021 and 13 January – two Community webinars were held to review the Draft FY22-26 Operating and Financial Plan and draft FY22 Operating Plan and Budget published for public comment
- 9 March 2021- the comments received through the public comment process were discussed by Board members and ICANN organization members during a remote public session on public comments during ICANN 70 Prep week with representatives of the ICANN bodies that submitted them to help ensure the comments were adequately understood and appropriate consideration was given to them.

- In addition to the public comment process, ICANN actively solicited community feedback and consultation with the ICANN Community by other means, including during sessions with Supporting Organizations and Advisory Committees during ICANN 70.

All comments received were considered in developing the Proposed for Board Adoption FY22-26 Operating and Financial Plan and the Proposed for Board Adoption FY22 Operating Plan and Budget. Where feasible and appropriate these inputs have been incorporated into the Proposed for Board Adoption FY22-26 Operating and Financial Plan and the Proposed for Board Adoption FY22 Operating Plan and Budget.

In addition to the day-to-day operational requirements, the FY22 Operating Plan and Budget allocates amounts to various FY22 budget requests received from community leadership. The FY22 Operating Plan and Budget also discloses financial information on the 2012 New gTLD Program, relative to expenses, funding and net remaining funds. Further, because the Registrar Variable Accreditation Fee is key to the development of the budget, the FY22 Operating Plan and Budget sets out and establishes those fees, which are consistent with recent years, and will be reviewed for approval by the Registrars.

The FY22-26 Operating and Financial Plan and FY22 Operating Plan and Budget, all will have a positive impact on ICANN in that together they provide a proper framework by which ICANN will be managed and operated, which also provides the basis for the organization to be held accountable in a transparent manner.

This decision is in the public interest and within ICANN's mission, as it is fully consistent with ICANN's strategic and operational plans, and the results of which in fact allow ICANN to satisfy its mission.

This decision will have a fiscal impact on ICANN org and the Community as is intended. This should have a positive impact on the security, stability and resiliency of the domain name system (DNS) with respect to any funding that is dedicated to those aspects of the DNS.

This is an Organizational Administrative Function that has already been subject to public comment as noted above.

Submitted By: Xavier Calvez, SVP & Chief Financial Officer

Date Noted: 3 May 2021

Email: xavier.calvez@icann.org

Highlights of the Proposed for Adoption FY22-26 Operating and Financial Plan and FY22 Operating Plan and Budget

ICANN

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1 Overview

The purpose of the Highlights document is to provide an overview of ICANN's FY22–26 Operating & Financial Plan and its FY22 Budget.

It accompanies two other documents:
- Five-Year Operating and Financial Plan and One-Year Operating Plan (FY22-26 and FY22)
- FY22 Budget

In accordance with ICANN's Bylaws and the Empowered Community process, documents are divided into a five-year operating and financial plan, a one-year operating plan, and a one-year budget.

2 Proposed for Adoption Plans Compared to the Draft Plans

According to ICANN's Bylaws, Article 22, sections 22.4 (a) and 22.5 (a), prior to approval of the Operating Plan and the Budget, a draft shall be posted on the Website and shall be subject to a Public Comment process. After reviewing the comments submitted during the public comment period, the Board may direct ICANN org to post a revised draft of the Operating Plan and revised draft of the budget.

Following the Public Comment period, all received comments were taken into consideration, and where appropriate and feasible, incorporated into the Proposed for Adoption plans. The staff report of Public Comment was published in March 2021. The table below summarizes the updates made to the revised draft plans:

Plan Reference	Type of change	Description of the Change	Comments and Rationale
FY22-26 Operating and Financial Plan	Update reference link	Update reference from draft IANA and PTI Operating Plan & Budget to Adopted IANA and PTI Operating Plan & Budget.	Due to the completion of the process.
FY22-26 Operating and Financial Plan	Update Operating Initiative: Universal Acceptance	The title of this initiative changed from "Universal Acceptance" to "Promote the Universal Acceptance of Domain Names and Email Addresses".	In response to Public Comments received.

FY22-26 Operating and Financial Plan	Update Operating Initiative: Universal Acceptance	Added scope to this initiative: Update ICANN org's relevant technical systems to be UA ready.	In response to Public Comments received.
FY22-26 Operating and Financial Plan	Update Operating Initiative: Universal Acceptance	Added specifics to "how progress is tracked".	In response to Public Comments received.
FY22-26 Operating and Financial Plan	Update Operating Initiative: Support the Evolution of the Root Server System	Wording update under "Resources".	In response to Public Comments received.
FY22-26 Operating and Financial Plan	Update Functional Activity: Risk Management	Wording update under "Considerations".	In response to Public Comments received.
FY22-26 Operating and Financial Plan	Update Functional Activity: Policy Research and Stakeholder Programs	Wording update under "Activities".	In response to Public Comments received.
FY22-26 Operating and Financial Plan	Update Functional Activity: Internationalized Domain Names and Universal Acceptance	Wording update under "Activities".	In response to Public Comments received.
FY22-26 Operating and Financial Plan	Update Functional Activity: Global Stakeholder Engagement - Regional Offices	Add specifics "ICANN has engagement centers in Nairobi, Washington DC and Beijing."	In response to Public Comments received.
FY22-26 Operating and Financial Plan	Update Functional Activities: Government and Intergovernmental Organization Engagement	Wording update under "Activities".	In response to Public Comments received.
FY22-26 Operating and Financial Plan	Update Operating Initiative: Evaluate, align, and facilitate improved engagement in the internet ecosystem	Wording update under "Considerations".	In response to Public Comments received.
FY22-26 Operating and Financial Plan	Operating Initiative Resources estimate	Added Operating Initiatives financial estimate by fiscal year.	In response to Public Comments received.

FY22-26 Budget	Update constituent travel	Removed 34 GAC seats from Constituent Travel by SO/AC table and reflected them in Other SO/AC Events table (no net change)	In response to Clarifying questions and Public Comments received.
FY22-26 Budget	Update additional budget request	Update approved ABR chart to include the $15K each for Business Constituency and Non Commercial Users Constituency approved items	In response to Public Comments received.

3 Operating Plan Highlights

3.1 Operating Plan Assumptions

ICANN's Five-Year Strategic Plan for FY21-25 came to effect in July 2020. Throughout its life cycle, the Five-Year Strategic Plan is periodically reviewed and adapted as needed to account for significant shifts in existing or new trends. ICANN tracks and monitors trends that impact the Internet ecosystem to update and inform its plans as needed. On 17 December 2020, the Board resolved that the ICANN Strategic Plan for FY2125 shall remain in force and unchanged, with no restatement of the Strategic Plan needed at this time.

The FY22–26 Operating and Financial Plan is forward-looking and uses "base" scenario funding projections. However, the financials used beyond FY22 are intended to be flexible to allow ICANN to adjust the level of activity and expenses should future funding change. Each fiscal year, the resources for the cost of work planned do not exceed funding available.

The COVID-19 pandemic has changed how the ICANN community has worked and interacted since late FY20. Resulting safety protocols shifted nearly all face-to-face work and engagement activities online in FY21. While the future is unknown, our planning and budgeting forecast for the next five years anticipates a return to face-to-face meetings and engagement at pre-pandemic levels in FY22. This is a practical assumption, intended to ensure that ICANN is prepared to resume travel based on historical levels, while leaving room for adjustment resulting from permanent or ongoing challenges related to pandemic health concerns. As needs arise, ICANN org will adapt, and update operations as required in close collaboration with the Board and community.

The plans include the implementation of Board-approved recommendations of the Cross-Community Working Group on ICANN Accountability Work Stream 2 as a priority, as well as facilitation and implementation of the Enhancing the Multistakeholder Model work plan, which is critical to ensuring that the multistakeholder model is able to evolve and meet the ever-changing needs of ICANN's global community. All other Board-approved recommendations, including the five recommendations from the third Accountability and Transparency Review, are subject to prioritization efforts with the exception of one recommendation which itself calls for a prioritization process. In an effort to present a comprehensive view of projected ICANN org operations over the five year period, the FY22–26 Operating and Financial Plan includes areas of

work still under discussion within the community or under Board consideration (please see [Appendix A](#) for more details of ICANN Five-Year Rolling Roadmap).

3.2 Operating Initiatives

Operating initiatives describe how ICANN org will achieve the objectives and goals set out in the ICANN Five-Year Strategic Plan. The 15 operating initiatives listed below represent major areas of work that support the strategic objectives and targeted outcomes identified in the Strategic Plan. The 15 operating initiatives are:

1. Support the Evolution of the Root Server System
2. Facilitate DNS Ecosystem Improvements
3. Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking
4. Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking
5. Develop Internal and External Ethics Policies
6. Promote and Sustain a Competitive Environment in the Domain Name System
7. Promote the Universal Acceptance of Domain Names and Email Addresses
8. Root Zone Management Evolution
9. Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem
10. Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN
11. Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission
12. Formalize the ICANN org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers
13. Implement New gTLD Auction Proceeds Recommendations As Approved by Board
14. Planning at ICANN
15. ICANN Reserves

Each Operating Initiative within this document includes background on the purpose, scope and activities, as well as a description of needed resources and considerations or risks that may impact the work. Below are the high-level financial estimates of possible expenses, with less likely "low" and "high" estimates offered as a range. The midpoints between the "low" and "high" estimates were used for financial modeling.

(in Millions USD)

	Operating Initiatives (in Millions USD)	5-Year Financial Estimate (Low)	5-Year Financial Estimate (Midpoint)	5-Year Financial Estimate (High)	Financial Assumptions for Midpoint Scenario
1	Support the Evolution of the Root Server System	$3.0	$4.5	$6.0	2 headcount for the 5-year period and and funds for 3rd party consulting expense for meeting facilitation and research
2	Facilitate DNS Ecosystem Improvements	$4.0	$6.0	$8.0	1 headcount for the 5-year period along with costs for engagement and research. This excludes outcomes from the policies that will result from EPDP Phase 1 and 2
3	Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking	$3.0	$4.3	$5.5	1 headcount for a Project Manager to facilitate and advise and funds for implementation relating to the recommendations and outcomes
4	Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking	$1.0	$1.5	$2.0	1 headcount for the 5-year period
5	Develop Internal and External Ethics Policies	$0.5	$0.8	$1.0	3rd party consulting costs to help administer the tracking and facilitation of the program
6	Promote and Sustain a Competitive Environment in the Domain Name System	-	-	-	Separately funded and therefore no incremental resources are included in the projections
7	Promote the Universal Acceptance of Domain Names and Email Addresses	$1.5	$2.0	$2.5	3rd party consulting expense
8	Root Zone Management Evolution	$3.0	$4.5	$6.0	1.5 FTEs from Engineering and IT and 1 FTE from the IANA team and and funds for 3rd party consulting expense for research
9	Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem	-	-	-	Resources for this initiative are included within the functional activities of the financial plan
10	Through Targeted Engagement Improve Governments and Intergovernmental Organizations (IGOs) Engagement and Participation in ICANN	-	-	-	Resources for this initiative are included within the functional activities of the financial plan
11	Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission	-	-	-	Resources for this initiative are included within the functional activities of the financial plan
12	Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers	$0.5	$1.0	$1.5	1 headcount for the 5-year period and funds for 3rd party consulting expense for research
13	Implement New gTLD Auction Proceeds Recommendations As Approved by Board	-	-	-	Separately funded and therefore no incremental resources are included in the projections
14	Planning at ICANN	-	-	-	Resources for this initiative are included within the functional activities of the financial plan
15	ICANN Reserves	-	-	-	Resources for this initiative are included within the functional activities of the financial plan
	Total	**$16.5**	**$24.5**	**$32.5**	

3.3 Functional Activities

Functional activities are those necessary to operate the organization, such as Human Resources or Finance, or implement ICANN's mission, such as Contractual Compliance or the IANA functions. The 34 functional activities have been placed into five service groups which represent the broad categories of work that ICANN org conducts.

The functional activities are:

- Technical and DNS Security:
  - Office of the Chief Technology Officer
  - ICANN Managed Root Server
  - Internationalized Domain Names and Universal Acceptance
  - IANA Functions
  - Contractual Compliance
- Policy Development and Implementation Support:
  - Policy Development and Advice
  - Policy Research
  - Contracted Parties Services Operations
  - Technical Services
  - Strategic Initiatives
  - Constituent and Stakeholder Travel
- Community Engagement and Services:
  - Global Stakeholder Engagement
    - Regional Offices
  - Public Responsibility Support
  - Government and Intergovernmental Organization Engagement
  - GDD Accounts and Services
  - Consumer Safeguards
  - Global Communications and Language Services
  - Global Meetings Operations
  - Ombudsman
- ICANN org Governance:
  - Board Activities
  - Office of the President and CEO
  - Governance Support
  - Nominating Committee Support
  - Complaints Office
  - Planning
  - Reviews Support and Implementation
- ICANN Shared Services:
  - Finance and Procurement
  - Risk Management
  - Engineering and Information Technology
  - Global Human Resources and Administrative Services
  - Global Support Center
  - Board Operations
  - Security Operations
  - ICANN Offices

Each Functional Activity within the Operating Plan includes background on the purpose, activities, progress measurement, as well as description of considerations or risks that may impact the work. While the anticipated resources needed by each functional activity for the period of FY22-26 is at a high-level, the planned resources for FY22 is more detailed (please click here to review).

4 Financial Plan and Budget Highlights

4.1 FY22-26 Funding Approach and Assumptions

The FY22–26 financials provide forward-looking information that represents ICANN's attempt at conservatively estimating its future funding and expenses. The information contained within this document is derived from what ICANN org believes to be a reasonable assumption based on current information, understanding, market trends, and circumstances at the time of the FY22–26 Operating and Financial Plan's publication. However, this information involves risks, variables, and uncertainties. As a result, it is expected that actual funding could differ from what is projected in this document in any given year.

At this point, considering the uncertainty on the timing of the release into the root of new top-level domain names resulting from a new round of applications, it is assumed, to be conversative, that no funding from such new top-level domains would be generated over the five-year period.

In the table below, 'base-case' funding assumptions for each period, along with 'high' and 'low' funding estimates are included, as well as related, potential impacts to funding. This is consistent with ICANN's approach to developing funding forecast assumptions, which are regularly evaluated and recalibrated as additional data becomes available.

5-Year Projections	FY22	FY23	FY24	FY25	FY26
ICANN Ops Funding *(in Millions USD)*					
Base	$144.4	$146.9	$149.6	$152.1	$152.7
Low	$128.4	$125.1	$123.3	$122.2	$119.5
High	$149.9	$157.4	$165.4	$173.7	$180.7
Transaction Volumes *(in Millions)*					
Base	208.9	215.7	222.1	228.3	234.6
Low	179.6	175.0	172.6	171.6	170.9
High	219.4	236.0	253.2	271.2	290.3
Contracted Parties					
Base	3,497	3,482	3,471	3,461	3,452
Low	2,967	2,931	2,902	2,878	2,860
High	3,536	3,590	3,646	3,703	3,760

○

4.2 FY22-26 Financial Projections

Over the FY22–26 period, ICANN's expenses will be funded from the annual funding available. This reflects the application of two key principles of ICANN's long-term financial sustainability:

- Expenses do not exceed funding.
- Sufficient reserves are reached and maintained at all times.

The table below reflects financial projections for the five year period FY22–26. The projections define the maximum amount of operational expenses to be incurred on an annual basis, considering the available funding net of an approved allocation to the Reserve Fund and the funding allocated to the Operating Initiatives. The Reserve Fund allocation is designed to enable the Reserve Fund balance to reach the minimum target level of 12 months of operating expenses by the end of the Board-approved Reserve Fund Replenishment Strategy.

Updates to the Draft FY22 Budget will be subject to updates from a forecast during FY22 as part of the FY22–26 Operating and Financial Plan and FY22 Operating Plan and Budget process, and no later than in time for the publication of the FY23 annual planning documents, estimated to be in December 2021. ICANN's activities will be carried out under a principle of increased prudence, frugality, and with heightened attention to necessity. It is important to understand that all activities previously planned will be reevaluated with this new perspective and mindset. These considerations apply to all ICANN activities and expenses.

(in Millions USD)

5-Year Projections	FY22 Projections	FY23 Projections	FY24 Projections	FY25 Projections	FY26 Projections	5-Year Total
Funding [(1)]	**$144.4**	**$146.9**	**$149.6**	**$152.1**	**$152.7**	**$745.6**
Expense						
Personnel	$80.1	$81.7	$83.4	$85.0	$86.8	$417.1
Travel and Meetings	$13.8	$14.2	$14.6	$15.0	$15.5	$73.1
Professional Services	$19.6	$19.6	$19.6	$19.6	$19.6	$98.2
Administrative	$17.2	$17.2	$17.2	$17.2	$17.2	$85.9
Capital	$4.0	$4.0	$4.0	$4.0	$4.0	$20.2
Incremental Operating Initiatives [(2)]	$5.5	$6.0	$6.5	$6.5	-	$24.5
Contingency [(3)]	$5.2	$5.4	$5.5	$5.7	$5.9	$27.6
Cost Savings Initiatives	($2.2)	($2.7)	($3.3)	($3.5)	-	($11.7)
Total Operating Expenses	**$143.2**	**$145.4**	**$147.6**	**$149.6**	**$148.9**	**$734.8**
Excess/(Deficit) before Contributions	**$1.1**	**$1.5**	**$2.0**	**$2.5**	**$3.7**	**$10.8**
Reserve Fund allocation to maintain minimum level	$1.1	-	-	-	-	$1.1
Additional Reserve Fund allocation	-	$1.5	$2.0	$2.5	$3.7	$9.7
Allocation to the Reserve Fund	**$1.1**	**$1.5**	**$2.0**	**$2.5**	**$3.7**	**$10.8**
Net Operating Excess/(Deficit)	**-**	**-**	**-**	**-**	**-**	**-**
Average Headcount	**405**	**410**	**410**	**410**	**410**	

(1) Includes contributions for ICANN Security, Stability, and Resiliency (SSR) activities.

(2) Figures only reflect Operating Initiatives that require resources in addition to functional activity plans.

(3) Contingency expense represents an amount of budgeted expenses unallocated to specific activities or functions.

4.3 FY22 Proposed for Adoption Budget versus FY21 Forecast

This table compares ICANN org funding and expenses in the FY22 Proposed for Adoption Budget to the FY21 Forecast. The FY21 Forecast is based on eight months of actual data and four months of estimates. The FY22 Proposed for Adoption Budget assumes unrestricted travel for the entire fiscal year, whereas the FY21 Forecast assumes pandemic-related travel restrictions for the entire fiscal year.

Compared to the FY21 Forecast, the FY22 Proposed for Adoption Budget funding is $4.4 million higher, driven by growth in domain name transactions per historical trends and a full year of contributions for SSR initiatives versus half a year of contributions for the SSR initiatives in the FY21 Forecast. Expenses in the FY22 Proposed for Adoption Budget are $23.4 million higher than the FY21 Forecast, driven by three incremental face-to-face ICANN Public Meetings, more headcount and inflationary personnel expenses, and incremental operating initiatives. Due to the uncertain economic environment from the global pandemic, the Reserve Fund contribution in FY21 Forecast will be reviewed and assessed at the end of the FY21. FY22 Proposed for Adoption Budget plans for a $1 million contribution to the Reserve Fund

In Millions, USD	FY22 Proposed for Adoption ICANN Operations	FY21 Forecast ICANN Operations	Under/(Over) vs. FY21 Forecast $	%
Funding (1)	$144.4	$140.0	$4.4	3%
Personnel	80.1	76.5	(3.6)	-5%
Travel & Meetings	13.9	1.5	(12.4)	-810%
Professional Services	22.1	19.2	(2.9)	-15%
Administration	16.9	14.8	(2.1)	-15%
Capital	1.7	4.0	2.3	57%
Incremental Operating Initiatives (2)	5.5	2.0	(3.5)	-173%
Contingency (3)	5.2	1.9	(3.3)	-175%
Cost Savings Initiatives	(2.2)	0.0	2.2	n/a
Total Operating Expenses	$143.3	$119.9	($23.4)	-20%
Excess/(Deficit) before Contributions	$1.1	$20.1	($19.0)	n/a
Reserve Fund Contribution	1.1	0.0	(1.1)	n/a
Net Operating Excess/(Deficit)	$0.0	$20.1	($20.1)	n/a
Average Headcount	405	395	(10)	-2%

(1) Includes contribution for SSR initiatives, which are part of ICANN's Operating Initiatives
(2) Figures only reflect Operating Initiatives that require resources in addition to functional activity plans
(3) Contingency represents an amount of budgeted expenses unallocated to specific activities or functions

4.4 Funds Under Management

ICANN manages four funds. The Operating Fund covers day-to-day operations and the Reserve Fund is ICANN's funding of last resort to cover large expenses from unavoidable, unpredictable, or unplanned events. Both are governed in accordance with the ICANN Investment Policy.

The New gTLD Program funds correspond to the unspent portion of the New gTLD Program application fees, collected from applicants during the application window in 2012. The funds are used to evaluate the applications and to cover hard-to-predict costs, including risks. Auction proceeds come from ICANN auctions held to resolve string contention in the New gTLD Program. These are reserved and earmarked until the Board

determines a plan for the appropriate use of the funds after consultation with the community. Both are governed in accordance with the New gTLD and Auction Proceeds Investment Policy.
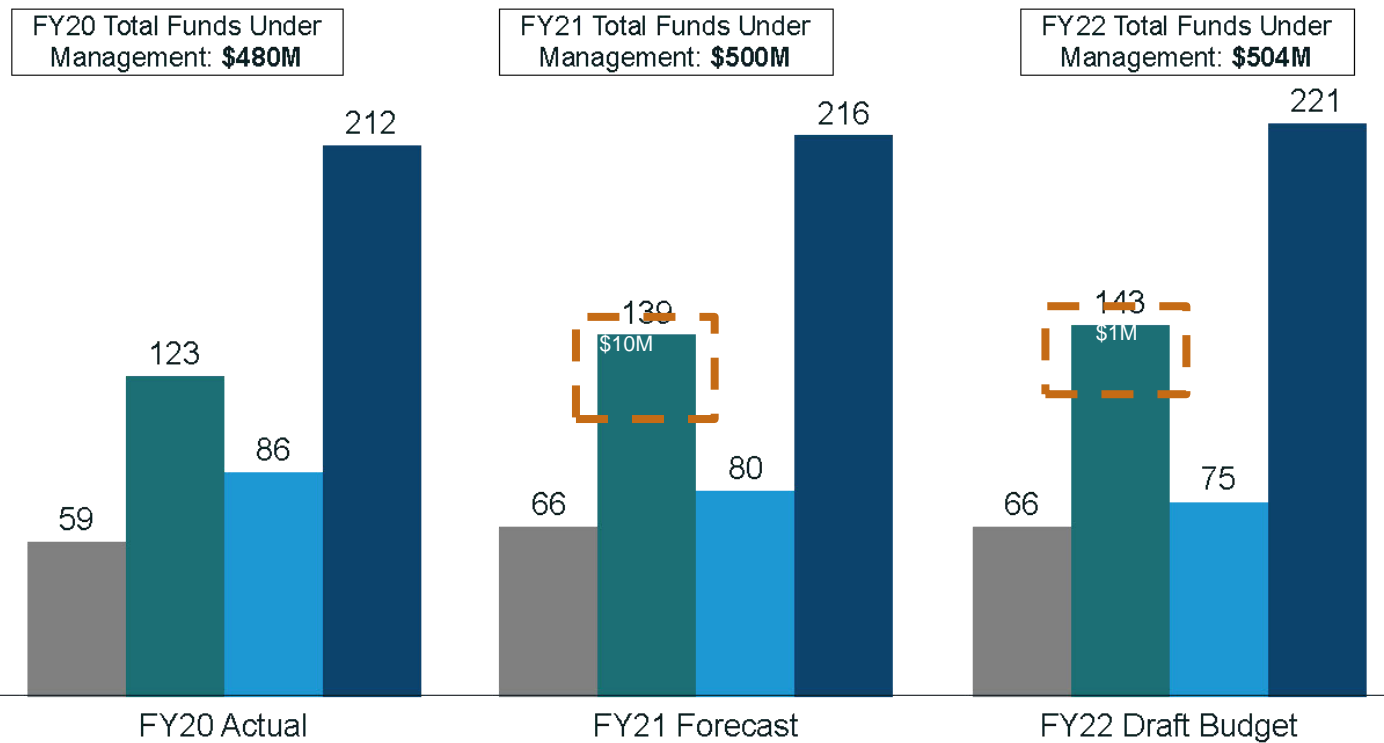
ICANN org projects to have sufficient cash on hand in the Operating Fund through FY22 despite the uncertainty from the impact of COVID-19. In FY20, $20 million of New gTLD Program funds were transferred to the Operating Fund as a reimbursement for expenses paid by ICANN in FY18-20. The Funds Under Management listed in the FY22 Draft Budget assume the following:

- Subject to Board approval, $10 million planned contribution to the reserve fund in FY21 from net excess generated from FY20.
- Due to the uncertain economic environment from the COVID-19 pandemic, the FY21 Forecast Reserve Fund contribution will be reviewed and assessed at the end of the FY21.
- $1 million planned contribution to the Reserve Fund in FY22, and a two percent interest increase from the FY21 balance to the FY22 balance.
- No significant market gains or losses in any other fund; only operating expenses reducing the New gTLD and Operating Fund.
- Keeping a FY21 surplus in the Operating Fund to mitigate potentially late or uncollectable funding.

The chart below shows the balance of each fund on 30 June of each fiscal year listed.

Operating Fund · Reserve Fund · NgTLD · Auction Proceeds

$ in Millions
Balance on 30 June of each fiscal year

FY20 Total Funds Under Management: **$480M**

FY21 Total Funds Under Management: **$500M**

FY22 Total Funds Under Management: **$504M**

FY20 Actual
- 59
- 123
- 86
- 212

FY21 Forecast
- 66
- 138 ($10M)
- 80
- 216

FY22 Draft Budget
- 66
- 143 ($1M)
- 75
- 221

ICANN org Contributions

4.5 Average Headcount Trends

The following headcount chart shows the average number of ICANN org personnel working in each period. New gTLD Program personnel who previously reported under the program are now included in ICANN Operations expenses. These org personnel will continue to support the program as required.
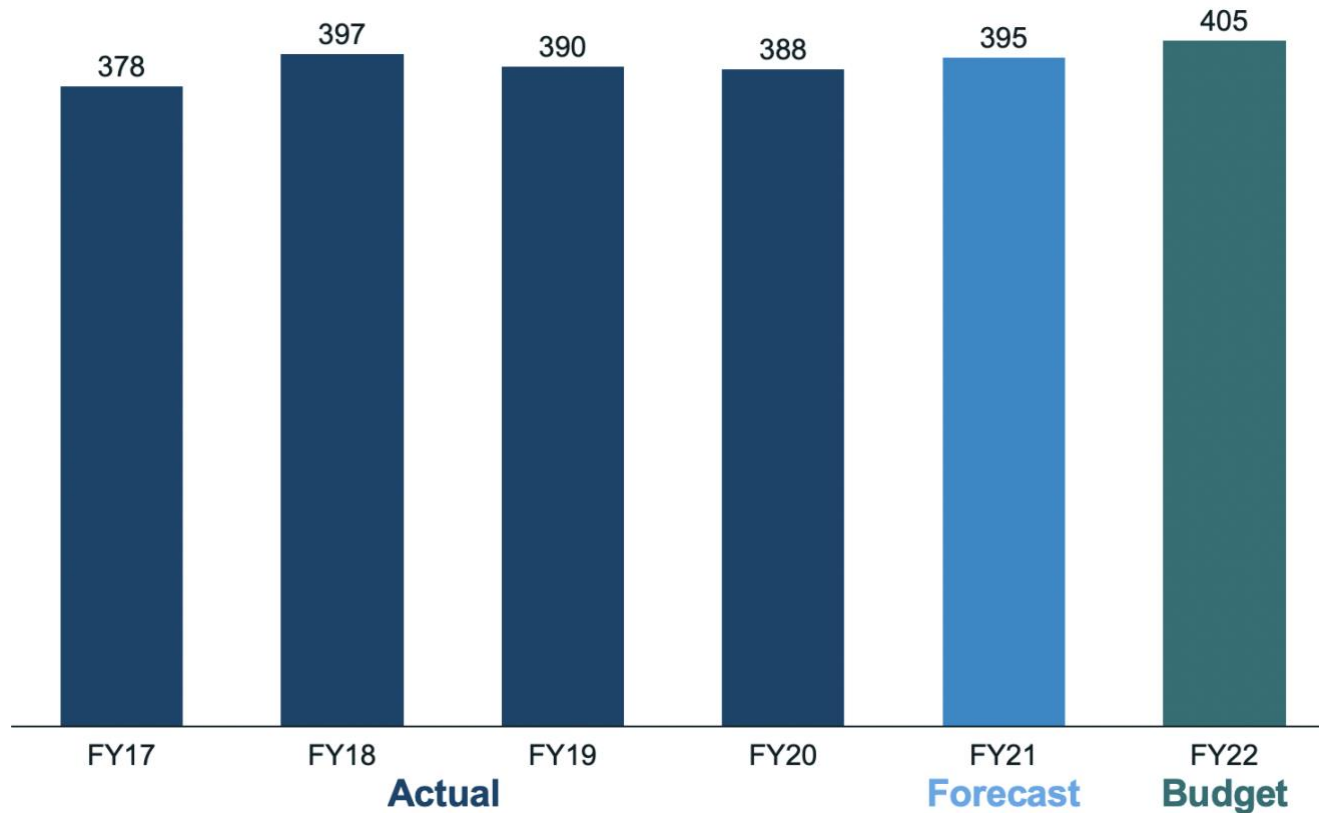
4.6 FY22 Contingency

The contingency is an amount included in the budget, but not allocated to any specific activities. This allows for the flexibility to cover the difference between projected and actual costs, expenses impossible to forecast such as litigation costs, or activities that have been confirmed for implementation by the Board after the budget was finalized.

ICANN org supports the community-led activities that result in review recommendations, cross-community working group recommendations, policy development processes, and advisory recommendations. Policies and recommendations progress through various stages such as initiation, development, finalization, Board consideration, implementation planning, and implementation. ICANN begins designing the expected implementation work only as recommendations and policies move forward and reach the stage of Board consideration. After the Board adopts these recommendations and policies, the implementation work of design, planning, scheduling and delivery starts.

In an effort to present a comprehensive view of projected ICANN org operations over the five-year period, the FY22–26 Operating and Financial Plan includes areas of work still under discussion within the community or under Board consideration (please see Appendix A for more details of ICANN Five-Year Rolling Roadmap).

The contingency in the FY22 Draft Budget is $5.2 million (approximately 4% of total expenses).

OPERATING & FINANCIAL PLANS

for FY22-26 (Five-Year) and FY22 (One-Year)

April 2021

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The term "ICANN," throughout this document, refers to the ICANN ecosystem as a whole – ICANN Board, community, and organization (org) – unless otherwise specified. ICANN's fiscal year begins 1 July and ends 30 June.

Letter from SVP Planning & CFO

To carry out ICANN's Mission and the obligations set forth in its Bylaws, and to implement the Five-Year Strategic Plan, the supporting Five-Year Operating and Financial Plan, and One-Year Operating Plan and Budget, ICANN organization must plan and allocate its resources properly and thoroughly.

ICANN's planning process involves close collaboration among the community, Board, and organization to prioritize and effectively implement ICANN's work while ensuring accountability, transparency, fiscal responsibility, and continuous improvement. This robust planning process and the resulting plans help to fulfill ICANN's Mission.

To protect ICANN's long-term financial sustainability, we must ensure that expenses do not exceed funding and that sufficient reserves are reached and maintained at all times. Over the next five years, we expect ICANN's financial position to remain stable. We anticipate that operating expenses will remain below budget due to careful cost control, funding will remain consistent with previous years, and the Reserve Fund will continue to be at or above target level. Additionally, the FY22–26 Operating and Financial Plan is forward-looking and uses "base" scenario funding projections. However, the financials used beyond FY22 are intended to be flexible to allow ICANN to adjust the level of activity and expenses should future funding change.

Our planning and budgeting forecast for the next five years anticipates a return to face-to-face meetings and engagement at pre-pandemic levels in FY22. This is a practical assumption, intended to ensure that ICANN is prepared to resume travel based on historical levels, while leaving room for adjustment resulting from permanent or ongoing challenges related to pandemic health concerns. As needs arise, ICANN org will adapt, and update operations as required in close collaboration with the Board and community.

The plans include the implementation of Board-approved recommendations of the Cross-Community Working Group on ICANN Accountability Work Stream 2 as a priority, as well as facilitation and implementation of the Enhancing the Multistakeholder Model work plan, which is critical to ensuring that the multistakeholder model is able to evolve and meet the ever-changing needs of ICANN's global community. All other Board-approved recommendations, including the five recommendations from the third Accountability and Transparency Review, are subject to prioritization efforts with the exception of one recommendation which itself calls for a prioritization process.

ICANN's focus remains firmly on the prioritization and allocation of resources needed to successfully implement the operating initiatives and functional activities set forth in the FY22–26 Operating and Financial Plan and the FY22 Operating Plan and Budget. Over time, ICANN org expects to continuously improve organizational effectiveness through adequate planning and measurement of the delivery against plans. ICANN's robust planning process facilitates collaboration, prioritization, and performance-monitoring on important activities, which enables progress toward the achievement of the Strategic Plan and ICANN's Mission in a financially responsible and affordable way.

Sincerely,

Xavier Calvez

Senior Vice President, Planning and Chief Financial Officer

HIGHLIGHTS

Click here for the highlights of the Proposed For Adoption FY22–26 Operating and Financial Plan, FY22 Operating Plan and the Proposed For AdoptionFY22 Budget.

INTRODUCTION

- About ICANN

- ICANN Plans

- FY22–26 Planning Assumptions

About ICANN

ICANN's MISSION is to help ensure a stable, secure, and unified global Internet. To reach another person on the Internet, you need to type an address – a name or a number – into your computer or other device. That address must be unique so computers know where to find each other. ICANN helps coordinate and support these unique identifiers across the world. ICANN was formed in 1998 as a not-for-profit public-benefit corporation with a community of participants from all over the world.

ICANN's VISION is that of an independent, global organization trusted worldwide to coordinate the global Internet's systems of unique identifiers to support a single, open, globally interoperable Internet. ICANN builds trust through serving the public interest, and incorporating the transparent and effective cooperation among stakeholders worldwide to facilitate its coordination role.

ROLES AND RESPONSIBILITIES WITHIN ICANN

ICANN provides a service to the world through the performance of a specific set of technical jobs that play a fundamental role in maintaining the stability and security of the Internet. ICANN is an ecosystem made up of three components: the ICANN community, the ICANN Board of Directors, and the ICANN organization.

The ICANN community works together through a bottom-up process to give advice, make policy recommendations, conduct reviews and propose implementation solutions for common problems within ICANN's Mission and scope.

The fundamental responsibility of the Board of Directors is to act in the best interests of ICANN and for the benefit of the Internet community as a whole. It is the duty of the Board to oversee management's performance to ensure that ICANN operates with efficiency and effectiveness, in a fiscally responsible and accountable manner, and in a manner that is responsive to the needs of the global Internet community. The Board is also responsible for setting the strategy of ICANN and oversight of ICANN org's development of the Operating Plan for Board consideration.

The ICANN organization is the operational arm of ICANN. ICANN org:

1. Focuses personnel and resources on policy development support, event management, registrars and registries support, community support, contract compliance, IANA functions, outreach and capacity development, external services for the broader community (ICANN Managed Root Server, WHOIS, etc.), and internal personnel services.

2. Implements the community's recommendations adopted by the Board and that are within ICANN's Mission and scope.

3. Accomplishes accountability through transparency, financial responsibility, operational excellence, and continuous improvement while acting in the global public interest in a continuously evolving global environment.

ICANN Plans

ICANN's planning process has three components: a Five-Year Strategic Plan, a Five-Year Operating and Financial Plan, and an annual Operating Plan and Budget. Input from ICANN constituency groups, stakeholders, Board of Directors and ICANN org is key to the development of these plans, in keeping with ICANN's multistakeholder model.

FIVE-YEAR STRATEGIC PLAN

Designed to shape ICANN's priorities, the Five-Year Strategic Plan establishes a vision and a set of strategic objectives and goals in service of ICANN's Mission. The Strategic Plan enables ICANN to continue to fulfill its Mission and meet new and continuously evolving challenges and opportunities. ICANN's Bylaws require the preparation and adoption of a Strategic Plan every five years. The current Five-Year Strategic Plan covers fiscal years 2021 through 2025.

FIVE-YEAR OPERATING AND FINANCIAL PLAN

The Five-Year Operating and Financial Plan articulates the feasibility and timing of services, activities, and milestones identified to achieve the Strategic Plan's objectives and goals. It is intended to serve as an overarching, holistic view of the activities ICANN org is undertaking, or will undertake, in support of the Strategic Plan, to carry out its Mission in the public interest over the next five years. ICANN's Bylaws require the preparation and adoption of a Five-Year Operating Plan at the beginning of each fiscal year.

ANNUAL OPERATING PLAN AND BUDGET

Informed by the Five-Year Operating and Financial Plan, the Annual Operating Plan and Budget further clarifies specific activities and resources for the upcoming year. The Annual Operating Plan and Budget sets forth the focus of efforts and organizational commitments for the current fiscal year. ICANN's Annual Operating Plan and Budget includes the IANA and PTI Annual Operating Plan and Budget. ICANN's Bylaws require the preparation and adoption of an Annual Operating Plan and Budget prior to the commencement of each fiscal year.

A set of targeted outcomes and strategic risks for each strategic goal determine the conditions for success of the Strategic Plan. While the strategic risks identify external or internal factors that may impact the pursuit of the strategic goals and objectives, the targeted outcomes illustrate what achieving the strategic goals looks like. All activities in the Five-Year and Annual Operating Plans are linked to the targeted outcomes that motivate them, creating a clear connection between the Strategic Plan and the Operating Plan.

FY22–26 Planning Assumptions

Below are the assumptions underlying the operations of ICANN, which apply to both the five-year and one-year operating plans.

UPDATES TO THE STRATEGIC PLAN

Throughout its life cycle, the Five-Year Strategic Plan is periodically reviewed and adapted as needed to account for significant shifts in existing or new trends. ICANN tracks and monitors trends that impact the Internet ecosystem to update and inform its plans as needed.

Between November 2019 and March 2020, ICANN convened 21 strategic outlook sessions with 398 participants from the community and the org. Feedback received during those trend sessions was collected and analyzed as strategic outlook trends, risks, opportunities, and potential impacts on ICANN were assessed.

With new five-year plans just coming into effect in July 2020, little to no changes were expected. The assessment made of this year's strategic outlook trends focused on evaluating potential short- and/or long-term impacts of the COVID-19 pandemic on ICANN's plans. While the pandemic has not changed ICANN's strategic objectives over the five-year horizon, it has produced some opportunities for adjustments to the Five-Year Operating and Financial Plan, specifically in how and when objectives are addressed. On 17 December 2020, the Board **resolved** that the ICANN Strategic Plan for Fiscal Years 2021 to 2025 shall remain in force and unchanged, with no restatement of the Strategic Plan needed at this time. The details of this analysis and conclusions have been documented in the 2020 Strategic Outlook Trends Report, which can be found **here**.

AFFORDABILITY

The FY22–26 Operating and Financial Plan is forward-looking and uses "base" scenario funding projections. However, the financials used beyond FY22 are intended to be flexible to allow ICANN to adjust the level of activity and expenses should future funding change. During FY22–26, ICANN will prioritize allocation of funds to its Reserve Fund. Ensuring that expenses do not exceed funding and that sufficient reserves are reached and maintained at all times are two key principles of ICANN's long-term, financial sustainability.

FACE-TO-FACE MEETINGS AND ENGAGEMENT

The COVID-19 pandemic has changed how the ICANN community has worked and interacted since late FY20. Resulting safety protocols shifted nearly all face-to-face work and engagement activities online in FY21. While the future is unknown, ICANN org has elected to conduct its planning and budgeting forecasts processes for FY22–26 based on normal, pre-COVID operations including face-to-face ICANN meetings and other types of engagement activity. ICANN org will adapt and update operations as required in close collaboration with the Board and community.

CHANGES FROM FY21–25 OPERATING PLAN

The current Operating and Financial Plan for Fiscal Years 2022–2026 updates the Operating and Financial Plan for Fiscal Years 2021–2025, and continues to demonstrate how ICANN org implements its current Strategic Plan. Many of ICANN org's activities to implement its Mission or operate the organization recur each year. Any new activities or changes to existing ones are marked with a delta (Δ).

PLANNING DEPENDENCIES AND ROLLING PLANS

ICANN org supports the community-led activities that result in review recommendations, cross-community working group recommendations, policy development processes, and advisory recommendations. Policies and recommendations progress through various stages such as initiation, development, finalization, Board consideration, implementation planning, and implementation. ICANN begins designing the expected implementation work only as recommendations and policies move forward and reach the stage of Board consideration. After the Board adopts these recommendations and policies, the implementation work of design, planning, scheduling and delivery starts.

In an effort to present a comprehensive view of projected ICANN org operations over the five-year period, the FY22–26 Operating and Financial Plan includes areas of work still under discussion within the community or under Board consideration. (**Please see Appendix A for more details of the ICANN Rolling Five-Year Roadmap**).

ICANN org updates its Five-Year Operating and Financial Plan annually to include the latest activities that the org is responsible to implement. While the Five-Year Operating and Financial Plan reflects a high-level roadmap of community-led activities; any implementation activities expected during the coming fiscal year are incorporated into the Annual Operating Plan and Budget.

FIVE-YEAR OPERATING PLAN

- Approach

- FY22–26 Operating Initiatives

- FY22–26 Functional Activities

Approach

ICANN org's FY22–26 Operating and Financial Plan includes descriptions of the major work ICANN org will undertake to achieve its Strategic Plan, operate the organization and implement its Mission.

Within the FY22–26 Operating and Financial Plan, ICANN org describes 15 operating initiatives and 34 functional activities for the upcoming five-year period. Each entry within this document includes background on the purpose, scope and activities related to each major workstream, as well as a description of needed resources and considerations or risks that may impact the work.

Each operating initiative and functional activity are also cross-referenced against the targeted outcomes developed in the Strategic Plan, so that readers can gain a comprehensive understanding of the strong interconnectedness of ICANN org's work. Any new activities or changes to existing ones are marked with a delta (Δ).

The operating initiatives and functional activities provide what can be considered ICANN org's statement of intention, outlining planned activities while acknowledging the challenges and dependencies that could impact ultimate delivery.

It is important for readers to consider that planning over a five-year horizon is quite different than budgeting for the next year. A five-year plan is much more high-level and relies on more assumptions and fewer facts than a one-year budget does. This is simply because there is more unknown information in a longer horizon and therefore less specificity can be provided. This is particularly well illustrated in the lack of specificity that can be provided to the financial information supporting a five-year plan.

Operating Initiatives

FY22–26

Operating initiatives describe how ICANN org will achieve the objectives and goals set out in the ICANN Strategic Plan. The 15 operating initiatives listed here represent major areas of work that support the strategic objectives identified in the strategic plan. Draft operating initiatives were published for **public comment** and presented to the ICANN Board for feedback.

For each initiative, high-level financial estimates of possible expenses, with a low and a high range have been offered. A mid-point between the "low" and the "high" was used for financial modeling as described in the Financials section of this document.

- Support the Evolution of the Root Server System

- Facilitate DNS Ecosystem Improvements

- Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking

- Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking

- Develop Internal and External Ethics Policies

- Promote and Sustain a Competitive Environment in the Domain Name System

- Promote the Universal Acceptance of Domain Names and Email Addresses

- Root Zone Management Evolution

- Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem

- Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN

- Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration with Others that May Impact the ICANN Mission

- Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers

- Implement New gTLD Auction Proceeds Recommendations as Approved by Board

- Planning at ICANN

- ICANN Reserves

Support the Evolution of the Root Server System

PURPOSE

As the Root Server System evolves with greater demand, new technologies and governance models, ICANN will continue to support and collaborate with key stakeholders to ensure the stable, secure, and resilient operation of the Domain Name System (DNS) root zone for the global Internet community.

SCOPE

This initiative covers these work areas:

- Support the implementation of the Root Server System Advisory Committee (RSSAC) document RSSAC037 "A Proposed Governance Model for the DNS Root Server System" and RSSAC038 "RSSAC Advisory on a Proposed Governance Model for the DNS Root Server System," both published on 15 June 2018.

- Support eventual outcome of RSSAC 037 and 038 that could propose a plan for the coordination of an appropriate response to any Root Server System incidents.

- Develop mechanisms by which the community can be alerted to issues relating to overly-rapid growth in the root zone.

- Develop a prototype Root Server System Metric Monitoring System to collect data on the operation of the root server system as discussed in RSSAC 047.

- Encourage development of mechanisms to further distribute and scale the root of the DNS, e.g., "hyperlocal" root configuration in recursive resolvers and set up a root zone distribution service, as discussed in **OCTO-016**.

- Leveraging lessons learned from the first root zone Key Signing Key (KSK) rollover, define and publish a long-term root zone KSK Rollover Policy and implement the next rollover in accordance with that policy.

Support the Evolution of the Root Server System, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.

- Working with DNS root server operators and other relevant parties, ICANN continues to enhance the governance and technical evolution of DNS root server operations and services.

- ICANN, in collaboration with DNS root server operators and other relevant parties, develops a coordinated emergency plan to address DNS Root Server System attacks.

- Increased availability of root zone data enables greater decentralization and distribution of DNS root service.

- The Internet community's trust in ICANN to provide resilient, scalable, and accountable KSK management – as an adjunct to existing public key infrastructures – increases, facilitating improved security technologies and greater use of the DNS.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following measures will be used over the five-year period for this initiative:

- Monitor and report on the implementation of the Root Server System governance changes proposed in RSSAC 037/038.

- Deployment of items related to root zone distribution service.

- Measure the ease of enabling hyperlocal support in popular recursive resolver implementations.

- Occurrence of the Root KSK Rollover.

Support the Evolution of the Root Server System, Cont'd.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- The progression of RSSAC 037/038, such as development of a coordinated emergency response, requires collaboration between ICANN org's Office of the Chief Technology Officer (OCTO) and Policy Development Support.

- Deployment of the root zone distribution service will require collaboration with ICANN org's Global Stakeholder Engagement and Government Engagement functions to reach audiences and coordinate messaging.

- The awareness about the implementation plan of RSSAC 037/038 will require collaboration with ICANN org's Global Stakeholder Engagement and Government Engagement functions to reach audiences and coordinate messaging.

- OCTO will need support from ICANN org's Communication team to develop tailored messaging for relevant stakeholders.

- Resources to support ICANN's efforts to preserve and enhance the security, stability, and resiliency of the DNS including Root Server System governance, mitigation of DNS security threats, promotion and/or facilitation of DNSSEC deployment, the mitigation of name collisions, and DNS operations research.

Learn more about ICANN's overall approach in **Appendix C — ICANN Security, Stability, and Resiliency (SSR) of the Unique Internet Identifiers**.

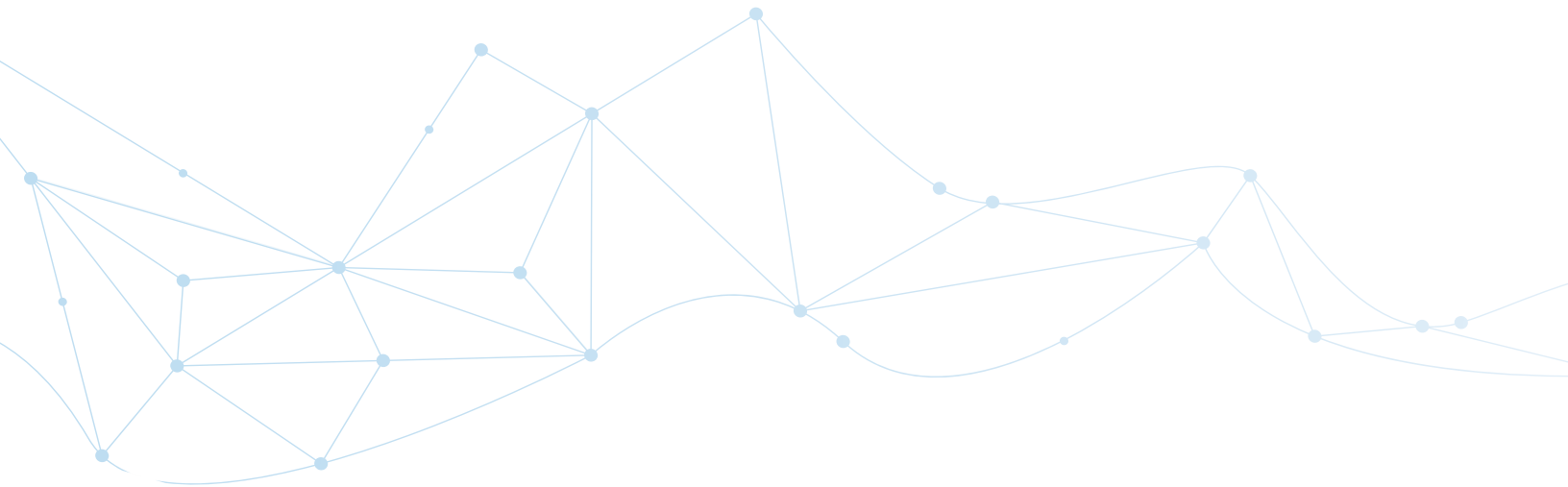| OPERATING INITIATIVE	FIVE-YEAR FINANCIAL ESTIMATE		
	Low	Mid-point	High
Support the Evolution of the Root Server System	$3.0	$4.5	$6.0

Note: The Five-Year Financial Estimate (mid-point) is the scenario ICANN proposes.

Support the Evolution of the Root Server System, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Political considerations surrounding root server operators.

- Continued unforeseen risks surrounding future Root KSK Rollovers.

- Ensuring the Root Server System continues to meet requirements as defined by the Internet community. ◼

Facilitate DNS Ecosystem Improvements

PURPOSE

This initiative encompasses efforts to understand, document, and improve the emergency readiness of ICANN and other actors in the DNS ecosystem.

SCOPE

The scope of this initiative covers three main work areas:

- **Advocate and Promote Improvements to DNS Security Infrastructure**
  - Advocate for developers to enable Domain Name System Security Extensions (DNSSEC), both signing and validation, by default.
  - Promote hyperlocal as an additional root zone distribution model and encourage resolver developers to enable the technology by default.
  - Support the implementation of DNS-based Authentication of Named Entities (DANE).

- **Technical Engagement and Capacity Development**
  - Continue to improve and deliver capacity-building training on key Internet technologies that support a secured DNS ecosystem aligned with ICANN's technical remit, such as DNSSEC and DANE. Work internally to expand ICANN org's technical remit, such as DNSSEC and DANE.
  - Expand ICANN org's training footprint.
  - Expand programs for DNS ecosystem security and technical engagement.
  - Work with the community to develop and promote commonly agreed norms for a secure DNS ecosystem.

- **Research**
  - Continue to collect data, analyze, and publish fact-based, unbiased, objective information on how the DNS is used and abused.
  - Research, report, and raise community awareness on Emerging Identifiers Technologies and how they impact and/or compare to the DNS.
  - Research the use of artificial intelligence to enhance understanding and identification of abusive trends in DNS registration.

Facilitate DNS Ecosystem Improvements, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN, in partnership with relevant stakeholders, establishes and promotes a coordinated approach to effectively identify and mitigate DNS security threats and combat DNS abuse.

- ICANN continues to provide a trusted forum that effectively convenes relevant parties for discussions on the security, stability, evolution, and interoperability of the DNS.

- ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.

- The inherent security of the DNS and unique identifiers system measurably increases, due to higher adoption of global open Internet standards and greater awareness of security threats among stakeholders.

- ICANN, in collaboration with relevant hardware, software, and service vendors, enhances knowledge about DNS safety and security.

- Security threats leveraging the DNS measurably decline as a result of encouraging relevant hardware, software, and service vendors to incorporate key security measures.

- The reliable, resilient, and interoperable DNS remains the leading trusted platform for the Internet's naming system.

- Increased availability of root zone data enables greater decentralization and distribution of DNS root service.

- The Internet community's trust in ICANN to provide resilient, scalable, and accountable KSK management – as an adjunct to existing public key infrastructures – increases, facilitating improved security technologies and greater use of the DNS.

- Enhanced engagement with contracted parties creates more robust industry relationships, dynamic participation, and improved responsiveness to emerging technologies.

- Mechanisms are established with which ICANN assesses new technologies and, when appropriate, embrace them.

Facilitate DNS Ecosystem Improvements, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. These measures will be used over the five-year period for this initiative:

- Establishment of community agreement on the needs for the DNS Security Facilitation Center. The DNS Security Facilitation Initiative will investigate and promote activities with reach into the DNS community and other communities as appropriate. The goal is to establish and promote best practices, facilitate communications between ecosystem participants, and implement processes to help the community handle threats.

- Formalization of the Special Interest Forum on Technology (SIFT) program.

- Implementation of data collection and gathering for various statistical analyses.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- Training and outreach activities require collaboration with the ICANN community as well as ICANN org functions such as Global Stakeholder Engagement, Communications, and Government and IGO Engagement.

- Emergency preparedness efforts also support the work of teams such as Contractual Compliance.

- Activities support ICANN's efforts to preserve and enhance the security, stability, and resiliency of the DNS including root server system governance, mitigation of DNS security threats, promotion and/or facilitation of DNSSEC deployment, the mitigation of name collisions, and DNS operations research.

Learn more about ICANN's overall approach in **Appendix C — ICANN Security, Stability, and Resiliency (SSR) of the Unique Internet Identifiers**.

Facilitate DNS Ecosystem Improvements, Cont'd.

RESOURCES, Cont'd.

OPERATING INITIATIVE	FIVE-YEAR FINANCIAL ESTIMATE		
	Low	Mid-point	High
Facilitate DNS Ecosystem Improvements	$4.0	$6.0	$8.0

Note: The Five-Year Financial Estimate (mid-point) is the scenario ICANN proposes.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Care must be taken not to exceed ICANN's remit.
- Privacy considerations may impact activities.
- Lack of access to all the relevant data may impede activities.
- Key stakeholders may not agree with norms developed. ■

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking

PURPOSE

This initiative aims to ensure that participation in the policy development work of ICANN's three Supporting Organizations (SOs) and policy advice developed by the four Advisory Committees (ACs) is globally representative. The work of the SOs and ACs is carried out through the facilitation of informed participation in the policy process by diverse groups and interests, with clearly demonstrated levels of stakeholder support and commitment to reaching consensus.

SCOPE

The scope of this initiative covers these work areas:

- The regular cycle of Bylaws-mandated Organizational and Specific Reviews, which plays a key role in identifying any new participation gaps and challenges, and developing and assessing possible short- and long-term solutions.

- The Bylaws-mandated Reviews of stakeholder group and constituency charters ensure that the governance structures, membership and other rules of these groups are analyzed and improved to maintain recognition with the ICANN Board.

- The implementation of the Cross-Community Working Group on Enhancing ICANN Accountability Work Stream 2 (WS2) recommendations will allow the community to inventory, document, and improve its processes and efforts to ensure diverse and inclusive participation in its work.

- Additional community, Board and org work may be initiated to develop approaches and solutions to improve the effectiveness of ICANN's Multistakeholder Model (see **"Enhancing the Effectiveness of ICANN's Multistakeholder Model"** paper which was revised in October 2020), including addressing the issue of representation and inclusivity as described in that work plan.

- Continuation of policy development support for the work of all the ICANN SOs and ACs, including stakeholder groups and constituencies, by providing subject matter and process expertise as well as day-to-day secretariat operations, is essential to ensure progress is made and documented.

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed-upon global public interest.

- The knowledge and skill levels across the stakeholder community and organization increase, demonstrated by community members and ICANN org personnel equipped with basic knowledge of the DNS as well as ICANN policy and advisory processes.

- The ICANN community establishes mechanisms, such as an accurate measure of community participation, to equitably distribute workload among the pool of stakeholder representatives.

- Representation across all stakeholders continues to reflect the evolving functional, geographic, and cultural diversity of the Internet.

- Continued efforts of the ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.

- Decision-making processes ensure that input from all stakeholders is considered.

- Improved multistakeholder model processes, such as Policy Development Process (PDP) 3.0 or streamlined Organizational and Specific Reviews, and other evolutions of ICANN's governance and cross-community working methods help produce timely and relevant results.

- ICANN stakeholders collaborate to define prioritization mechanisms that ensure the cumulative workload is reasonable at any one time, and that ICANN priorities reflect the community's collective needs.

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. These measures are examples of those that will be used over the five-year period for this initiative:

- Membership tracking by SOs, ACs, stakeholder groups, and constituencies and other metrics.

- Implementation of Board-approved recommendations from Organizational Reviews and Community Charter Reviews.

- Metrics related to Public Comment proceedings.

- Community activity indicators that track global participation in projects and activities as well as the translation and interpretation services required for those projects and activities.

- Reports and statistics for ICANN prep week and ICANN Public Meetings.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- ICANN org Language Services, Meetings, and Engineering and IT functions each provide services that facilitate diverse and inclusive participation and directly impact community service levels and work.

- ICANN org's Policy Development Support function collaborates with the ICANN Board and community on prioritization and planning for anticipated future work.

- Collaboration across IT, Communications, Policy Development Support and other ICANN org functions must occur to ensure a clear, early communications strategy and coordinated approach across related functions when transitioning to new technological tools.

- Increased understanding across ICANN org of the need for better data collection for use within the policymaking realm, such as through the Generic Names Supporting Organization (GNSO) Data Metrics for Policymaking process.

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking, Cont'd.

RESOURCES, Cont'd.

- Increased collaboration with the Global Domains and Strategy, Operations and Policy Research and Global Stakeholder Engagement teams.

OPERATING INITIATIVE	FIVE-YEAR FINANCIAL ESTIMATE		
	Low	Mid-point	High
Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking	$3.0	$4.3	$5.5

Note: The Five-Year Financial Estimate (mid-point) is the scenario ICANN proposes.

CONSIDERATIONS

Risks and considerations exist for this initiative and may impact its advancement:

- Community expectations for facilitation and other support from the Policy Development Support function must be balanced with robust discussions about costs and benefits. There is a connection between personnel levels and the ability to provide support to existing policy development and advisory work as well as the anticipated increase in projects and workload stemming from implementation of the Board-approved Cross-Community Working Group on Enhancing ICANN Accountability Work Stream 2 (CCWG-Accountability WS2) recommendations and Board-approved recommendations from the recently concluded reviews.

- Generally, extended operations by the Policy Development Support department below the 35 full-time employee (FTE) level runs the risk of:
  - Lower levels of service to the community and regional disparity.
  - Delayed policy and advisory outputs.
  - Community frustration and loss of active participants.
  - Potential team member burnout.

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking, Cont'd.

CONSIDERATIONS Cont'd.

- Adequate funding of the Policy Development Support budget is important because it may signal to the community:

  – Prioritization of policy activities integral to ICANN's Mission.

  – Emphasis of support for community operations central to ICANN governance processes.

  – Organizational support for efforts to ensure global, diverse volunteer participation that provides legitimacy to ICANN's multistakeholder model.

- Newer community members need time to get used to ICANN's participation and working methods; veteran community members need to adjust to any new tools and platform changes.

- Challenges to effective participation due to the diverse nature of community groups, priorities, interests, and structural issues (e.g., lack of alignment as between Board-community goals and priorities, need to factor in cadence of Bylaws-mandated reviews and Empowered Community timelines).

- As reliance on accurate and relevant data within the policymaking process increases, there is a need to develop capacity among community participants in data analysis and related skills.

- Continued impact of COVID-19 on community volunteers and the need to rely on largely virtual interactions (with accompanying challenges such as time zone issues) may affect stakeholder participation in policy discussions. ∎

Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking

PURPOSE

This initiative focuses on the facilitation of more efficient, timely, and effective policy development work by ICANN's three SOs and advice by the four ACs. Personnel support is provided for developing, documenting, and implementing changes and improvements to community procedures and processes intended to reflect commitment to reaching consensus and effective policymaking.

SCOPE

The scope of this initiative covers these work areas:

- Periodic review by community groups of their internal procedures and requirements to address new challenges and gaps, such as improvements to membership outreach and participation requirements.

- Development and improvement of community templates and procedures in relation to the Empowered Community (EC) powers and Bylaws-mandated processes.

- Additional community, Board, and org work may be initiated to develop approaches and solutions to improve how consensus is achieved by addressing the issues identified through the work on the Evolution of ICANN's Multistakeholder Model.

- Policy Development Support personnel support for community projects and activities that strengthen the consensus-building process by providing guidance and clarifications on existing procedural rules, alternative processes, and possible improvements for community decision-making and planning.

- Management of Public Comment proceedings, community consultations, and other processes for public input that are essential for ICANN's accountability and transparency.

- Organizational support for enhanced data collection and analysis, including legal or other types of expertise, surveys, and policy impact assessments.

Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.

- Decision-making process ensures that input from all stakeholders is considered.

- Improved multistakeholder model processes, such as Policy Development Process 3.0 (PDP 3.0) or streamlined Organizational and Specific Reviews, and other evolutions of ICANN's governance and cross-community working methods help produce timely and relevant results.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. Milestones and progress for this initiative are tracked through indicator metrics aimed at measuring ICANN org accountability and community activity. Among these indicators are metrics related to:

- Processes for Empowered Community actions.
- Public Comment proceedings.
- Milestone reporting by working groups.
- Tracking of hours spent on community deliberations.
- Meeting and report statistics.

RESOURCES

Effective cross-functional and community collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- Engagement with the ICANN Board and community on workload management and project and activity prioritization. This is critical to ensure shared realistic expectations regarding scope, timing, and resource allocation for current and anticipated projects and activities.

Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking, Cont'd.

RESOURCES, Cont'd.

- Collaboration with IT, Communications, and other ICANN org functions must occur to ensure a clear, early communications strategy and coordinated approach across related functions when transitioning to new technological tools.

- The GNSO PDP 3.0 Improvements Project and the Consensus Playbook may result in clearer roles for working group chairs and personnel that can be adapted for other SOs and ACs as appropriate.

- Implementing training and research opportunities for interested personnel may improve writing and analytical skills.

- Development of a proactive internal plan is needed to achieve the effective and successful implementation of policy outcomes across functions.

- Coordination with ICANN org's Meetings, Language Services, Meetings Technical Services and Board Operations teams is required to implement improvements to ICANN Public Meeting planning.

OPERATING INITIATIVE	FIVE-YEAR FINANCIAL ESTIMATE		
	Low	Mid-point	High
Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking	$1.0	$1.5	$2.0

Note: The Five-Year Financial Estimate (mid-point) is the scenario ICANN proposes.

Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Community expectations for facilitation and other support from the Policy Development Support team must be balanced with robust discussions about costs and benefits. There is a connection between personnel levels and the ability to provide support to existing policy development and advisory work, especially with the potential launch of several new PDPs within this five-year timeframe.

- Generally, extended operations by the Policy Development Support team below the 35 FTE level runs the risk of:
  – Lower levels of service to the community and regional disparity.
  – Delayed policy and advisory outputs.
  – Community frustration and loss of active participants.
  – Potential team member burnout.

- Adequate funding for the Policy Development Support budget is important as it may signal to the community:
  – Prioritization of policy activities integral to ICANN's Mission.
  – Emphasis of support for community operations central to ICANN governance processes.
  – Organizational support for efforts to ensure global, diverse volunteer participation that provides legitimacy to ICANN's multistakeholder model.

- Ensure the introduction of new technological tools as well as platform changes is orderly and well-planned, and that community training and transition needs are accounted for, particularly in an environment of increased reliance on virtual meetings.

- Prioritization is challenging and better tools are needed to support meaningful and effective prioritization.

- Lack of academic-quality policy research despite having qualified personnel, due to workload issues.

- Limited data collection to date means that data-driven policy work has been difficult and time-consuming, and that decision-making is sometimes required without specific data or other factual evidence.

- Continued impact of COVID-19 on community volunteers may affect project timelines and increase the amount of time required for decision-making. ■

Develop Internal and External Ethics Policies

PURPOSE

This operating initiative focuses on the development of internal and external ethics policies to guide behavior within ICANN org and the community. The internal Ethics Policy will provide additional guidance and direction for ICANN org personnel. This will continue to improve the confidence that the ICANN community places in org personnel, by providing further transparency into how ICANN org expects personnel to conduct their work.

The ICANN Community Ethics Policy will provide transparency and guidance regarding how members of the ICANN community should approach their ICANN-related work and interact with one another.

SCOPE

The scope of this initiative covers these work areas:

- Develop an internal ICANN org Ethics Policy.

- Develop an ICANN community Ethics Policy.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN Board and org continue enhancing transparency initiatives and upholding accountability.

- ICANN community enhances their transparency practices to increase cross-community accountability and trust.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following steps will be taken over the five-year period for this initiative:

- Gather all existing policies that will make up elements of the ethics policies and conduct a gap analysis.

- Conduct an assessment to understand the baseline ethics level as of FY20.

Develop Internal and External Ethics Policies, Cont'd.

HOW PROGRESS IS TRACKED, Cont'd.

- Develop a plan or policies to fill the gaps.
- Launch internal Ethics Page and Ethics Dashboard on ICANN org Intranet.
- Deliver ICANN Internal Ethics Policy.
- Deliver ICANN Community Ethics Policy.
- Launch Ethics Page and Ethics Dashboard on ICANN.org .

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- The Legal team leads this initiative and coordinates with Human Resources.
- Collaboration with ICANN org's Engineering and IT functions to help with tracking mechanisms.

OPERATING INITIATIVE	FIVE-YEAR FINANCIAL ESTIMATE		
	Low	Mid-point	High
Develop Internal and External Ethics Policies	$0.5	$0.8	$1.0

Note: The Five-Year Financial Estimate (mid-point) is the scenario ICANN proposes.

CONSIDERATIONS

The primary risks that may impact this initiative's advancement are the lack of internal and external awareness of the work and resulting lack of buy-in to the effort. ■

Promote and Sustain a Competitive Environment in the Domain Name System

PURPOSE

This initiative encompasses ICANN org activities in support of a competitive environment in the DNS marketplace. This includes preparation for the launch of additional rounds of new gTLDs, applying knowledge gained through the implementation of the 2012 round and subsequent reviews aimed at evaluating different aspects of the program. ICANN org is in the pre-planning phase of a potential subsequent round of new gTLDs, monitoring community discussions, supporting Board and community work, and estimating anticipated resource requirements.

Though the policy work is still underway through processes such the GNSO's New Generic Top-Level Domain Subsequent Procedures (Subpro) Policy Development Process Working Group, the possibility of an additional round of new gTLDs being launched within this five-year period exists. Each year the Operating and Financial Plan will be progressively updated to reflect the latest policy developments related to subsequent rounds of new gTLDs.

SCOPE

The scope of this initiative covers these work areas:

- Implementation of community-developed recommendations that the Board adopts and then directs ICANN org to implement prior to opening the next application window.

- Implementation of an operational infrastructure (systems, processes, and people) to support ongoing operations of the New gTLD Program.

- Development and execution of a global communications and awareness campaign.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Support the continued evolution of the Internet's unique identifier systems with a new round of gTLDs that is responsibly funded, managed, risk-evaluated, and consistent with ICANN processes.

Promote and Sustain a Competitive Environment in the Domain Name System, Cont'd.

HOW PROGRESS IS TRACKED

Work within this initiative is expected to occur in three distinct areas, dependent on ICANN Board and community actions:

- **Planning and Preparation:** As per the Consensus Policy Implementation Framework, in parallel to PDP discussions, ICANN org prepares for the eventual implementation of policy recommendations. Activities include monitoring community discussions, considering preliminary implementation options, assessing implementation feasibility, and estimates of resource requirements.

- **Policy Implementation:** This track of activity commences once the Board adopts community-developed recommendations and directs ICANN org to implement. During this phase, ICANN org works with the community to implement recommendations adopted by the Board. Activities may include a detailed assessment of the recommendations, drafting and development of documentation to support the execution of an application process, and building on work done in the planning and preparation phase.

- **Operational Readiness:** To bring the organization to operational readiness, ICANN org onboards and trains vendors and internal resources, tests systems and tools, conducts exercises of the defined processes and tools, and continues executing the communications and awareness-building campaign. Opening the application window marks the end of this phase and beginning of application acceptance.

Once the application window opens, the program is operational. Once the application window closes, ICANN org begins processing applications according to the procedures defined during the implementation phase. If an application successfully completes the required evaluation and other relevant phases, the applicant will then move to a process to execute an agreement with ICANN and then pass technical testing of its infrastructure prior to delegation of a new top-level domain (TLD) into the DNS root zone.

Promote and Sustain a Competitive Environment in the Domain Name System, Cont'd.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. This project will likely require significant cross-functional collaboration and support from functions such as Legal, Communications, Global Stakeholder Engagement, Human Resources, Finance, Global Domains and Strategy, Office of the Chief Technology Officer, IANA, and Engineering and IT.

Based on the draft reports issued by the SubPro Policy Development Process Working Group, the processing of applications received through future application rounds for new gTLDs is expected to remain subject to the principle of cost recovery, meaning that funding the necessary preparatory and development expenses (as well as future processing fees) comes from fees paid by applicants.

Two implications should be noted: First, application fees may need to be set at levels that are appropriate for the repayment of the preparatory and development expenses to be incurred to launch the next round. Second, an alternative and temporary source of funds will need to be used to cover these expenses, which will be incurred before application fees are received. This source of funding will need to be identified and approved by the Board.

Resources for this initiative will be funded from the subsequent round of new gTLDs which is separate from ICANN Operations.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- This initiative is highly dependent upon community-developed recommendations, and subsequent approval and direction by the Board to ICANN org regarding what needs to be implemented prior to launching the next application round. The number of changes and new things that need to be implemented will determine the scope, level of effort, and timeline of the implementation.

- Given the scale of the anticipated implementation work, planning and preparation before implementation begins is essential to ensure successful implementation. The timing of such planning and preparatory work is dependent upon completion of community activities and Board action on community-developed recommendations.

Promote and Sustain a Competitive Environment in the Domain Name System, Cont'd.

CONSIDERATIONS, Cont'd.

- This project requires an upfront commitment to design and build the operational infrastructure (people, processes, and systems) without precise knowledge of and insight into the demand and the number of applications in the next and future rounds. Determining the scope and level of investment will need to be based on certain assumptions. ICANN org has developed a set of operational planning assumptions that has been shared with the Board and community. The assumptions will be refined over time based on input received and additional information that becomes available such as the policy recommendations resulting from the SubPro Policy Development Process. ◼

Promote the Universal Acceptance of Domain Names and Email Addresses

PURPOSE

This program encompasses ICANN org's Universal Acceptance (UA) efforts to ensure that Internet applications and systems treat all TLDs in all scripts and email addresses based on those domains in a consistent manner. UA promotes consumer choice and provides broader access to end users.

SCOPE

The current scope of this initiative covers these work areas:

- Outreach to providers of standards, programming language, tools, and platforms to support UA.

- Raise awareness and capacity of technology developers to develop or update applications to be UA-ready.

- Raise awareness and capacity of email tool and service providers to support internationalized email addresses.

- Raise awareness in the public sector for governments to require UA readiness in their tendering processes.

- Update ICANN org's relevant technical systems to be UA Ready.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN engages in greater cooperation with stakeholder groups and different policy and standards development bodies locally, regionally, and globally, to raise awareness about Universal Acceptance.

- Internationalized Domain Names (IDNs) are increasingly adopted and treated in a standard fashion by software vendors.

- Foster competition, consumer choice, and innovation in the Internet space by increasing awareness and encouraging readiness for Universal Acceptance, IDN implementation, and IPv6.

Promote the Universal Acceptance of Domain Names and Email Addresses, Cont'd.

HOW PROGRESS IS TRACKED

Document a broader state of implementation, started in FY21 and will progress until FY25. These will cover:

- The remediation of technology, e.g. programming languages, email tools, etc., from FY21–24.
- Develop and deliver training for UA readiness in FY21–23.
- Train technical stakeholders on developing and deploying UA-ready software from FY21 to FY24.
- Creating public sector awareness from FY21–25. This may be a slow and consistent effort.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- The ICANN community, particularly the At-Large Advisory Committee (ALAC) and Governmental Advisory Committee (GAC), and ICANN org functions including Communications, Global Stakeholder Engagement, and Government Engagement will need to help raise awareness of UA.
- Support is also needed for the community-based working groups addressing UA at a global level as well as for local initiatives focusing on specific geographies through Universal Acceptance Steering Group (UASG).

OPERATING INITIATIVE	FIVE-YEAR FINANCIAL ESTIMATE		
	Low	**Mid-point**	**High**
Promote the Universal Acceptance of Domain Names and Email Addresses	$1.5	$2.0	$2.5

Note: The Five-Year Financial Estimate (mid-point) is the scenario ICANN proposes.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Efforts to increase UA readiness means reaching and activating stakeholders beyond the conventional ICANN community that may have different priorities.
- Raising awareness and encouraging UA as a mainstream design consideration may require considerable effort and time. ∎

Root Zone Management Evolution

PURPOSE

This initiative supports the continued advancement of the technology platform used to provide root zone management services. This system manages the workflow of change requests from customers, automates many aspects of the processing, and ensures quality, accuracy, and timeliness of the business process.

Root Zone Management today continues to evolve toward more complex requirements and the need to cater for higher customer expectations. Work to improve the platform and service offering adapts to these requirements in order to retain high levels of customer satisfaction and continue to adhere to advancing policy requirements.

SCOPE

The scope of this initiative covers these work areas:

- Identify features and enhancements of how the root zone is managed that will improve operations while ensuring accuracy, quality, and timeliness of business processes.

- Develop solutions for the evolution of requirements from the SubPro Policy Development Process and technological developments related to IDNs.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Mechanisms are established with which ICANN assesses new technologies and, when appropriate, embraces them.

- ICANN collaborates with relevant parties and effectively leverages partnerships in the IETF, RIRs, and naming communities to develop and integrate new technologies with existing Internet protocol structures, including the DNS.

- ICANN org continues to provide reliable delivery and continuous improvement of the IANA functions, consistent with community service level agreements.

- ICANN promotes and supports awareness of the IANA functions, including among stakeholders, to successfully maintain the broad array of Internet unique identifiers and deliver effective DNS root zone operations.

Root Zone Management Evolution, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES, Cont'd.

- The expansion of the DNS root zone attracts continued investment and innovation, as indicated by market developments and new registry services.

- The reliable, resilient, and interoperable DNS remains the leading trusted platform for the Internet's naming system.

- Increased availability of root zone data enables greater decentralization and distribution of DNS root service.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following milestones will be used over the five-year period to track progress for this initiative:

- Launch of a significant new version of the Root Zone Management System (RZMS) with redesigned backend.

- Launch of a new authorization model to allow additional appropriate parties to be authorized as TLD managers with associated user management improvements.

- Launch of customer application programming interface (API) access.

- Implementation of approved policy recommendations on IDNs.

- Implementation of approved policy recommendations on New gTLD Subsequent Procedures. ICANN org's Operations team needs to be trained.

- Audit criteria of the RZMS needs to be updated, documented, and managed.

Root Zone Management Evolution, Cont'd.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. This initiative is accomplished through:

- Personnel who are assigned a percentage of their time to this project, along with minor additional ad-hoc resources for things like security testing of the applications prior to deployments.

- Approximately 1.5 FTEs within ICANN org's Engineering and IT function perform software development and 1 FTE on the IANA team provides product management, design and requirements setting.

- Activities support ICANN's efforts to preserve and enhance the security, stability, and resiliency of the DNS including Root Server System governance, mitigation of DNS security threats, promotion and/or facilitation of DNSSEC deployment, the mitigation of name collisions, and DNS operations research.

Learn more about ICANN's overall approach in **Appendix C — ICANN Security, Stability, and Resiliency (SSR) of the Unique Internet Identifiers**.

OPERATING INITIATIVE	FIVE-YEAR FINANCIAL ESTIMATE		
	Low	**Mid-point**	**High**
Root Zone Management Evolution	$3.0	$4.5	$6.0

Note: The Five-Year Financial Estimate (mid-point) is the scenario ICANN proposes.

Root Zone Management Evolution, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

• Success is heavily dependent on the stability and commitment of engineering resources. In the past year there has been a more predictable cadence of development which helped ICANN org bring enhancements to the community in a timely fashion.

• The greatest risks are the loss of development resources that are prioritized to other objectives.

• The inability for IANA to provide sufficient designs and requirements settings to inform development.

• Policy development work being done in the ICANN community, such as in the New gTLD Subsequent Procedures Policy Development Process and for Internationalized Domain Names, must be monitored to ensure RZMS will meet those emerging requirements. ∎

Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem

PURPOSE

Increasingly, governments and intergovernmental organization forums develop policies, legislation, and regulations that impact the Internet. In some cases, this may also impact ICANN's ability to develop policies, run its operations, and fulfill its Mission. To address this and to ensure a single, globally interoperable Internet, ICANN plans to identify where these discussions and initiatives are taking place and determine where ICANN has or should engage to address these initiatives. This work follows the issues identified through the trend assessment work conducted by ICANN as part of the strategic planning process. This process also will identify any activities ICANN org's Government and IGO Engagement team will need to reduce or stop as well as where targeted engagement must increase.

SCOPE

The scope of this initiative covers these work areas:

- Reviewing trends, existing agreements and relationships, conducting an analysis of the relationship between ICANN and these organizations, and developing an approach to align engagement through face-to-face and virtual gatherings.

- Identifying bodies within the Internet ecosystem that are relevant to ICANN's remit and analyzing others to assess whether ICANN org should be more involved with them or in other arenas.

- Considering other opportunities for influencing global Internet issues.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN fosters successful and mutually beneficial relationships with local, regional, and global partners to ensure knowledge building about ICANN and its Mission continues.

- ICANN is engaged, its role acknowledged, and its presence valued in the arenas where topics within its remit are discussed.

- ICANN plays an important role in raising awareness among legislators, regulators, and stakeholders about its Mission and the effect of various regulatory and other proposals on the Internet ecosystem.

Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following milestones will be used over the five-year period for this initiative:

- FY21: Complete a cross-functional inventory of relationships in the Internet ecosystem.

- FY22: Assess the current mechanisms and identify gaps.

- FY22–25: Build relationships in gap areas as an ongoing activity. In conjunction with legislative and regulatory tracking, this will give ICANN org another layer of insight and help to prioritize targeted engagement.

- Ongoing annual review of alliances based on emerging issues or changes in other org focuses.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. While the Government and IGO Engagement team will lead global strategy and political and environmental assessments of global intergovernmental organizations and initiatives, collaboration will be needed as follows:

- Political assessment input from ICANN org's regional engagement offices regarding activities in the national capitals, regional trends, and influences.

- Communications team to develop narratives to ensure consistent messaging.

- Legal analysis of reports on the potential impact of legislative or regulatory activity.

Resources for this initiative are included within the functional activities of the financial plan and therefore no incremental resources are needed.

Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Possible increased resources needed to cover new venues with additional technical resources for legislative analysis.

- Possibility of forging an alliance with an organization that takes the contrary position to ICANN's on a common issue.

- Potential perception from some in the community that reassignment of work might lead to a change in funding or reducing some participation in events at a level that the community previously had become accustomed. ■
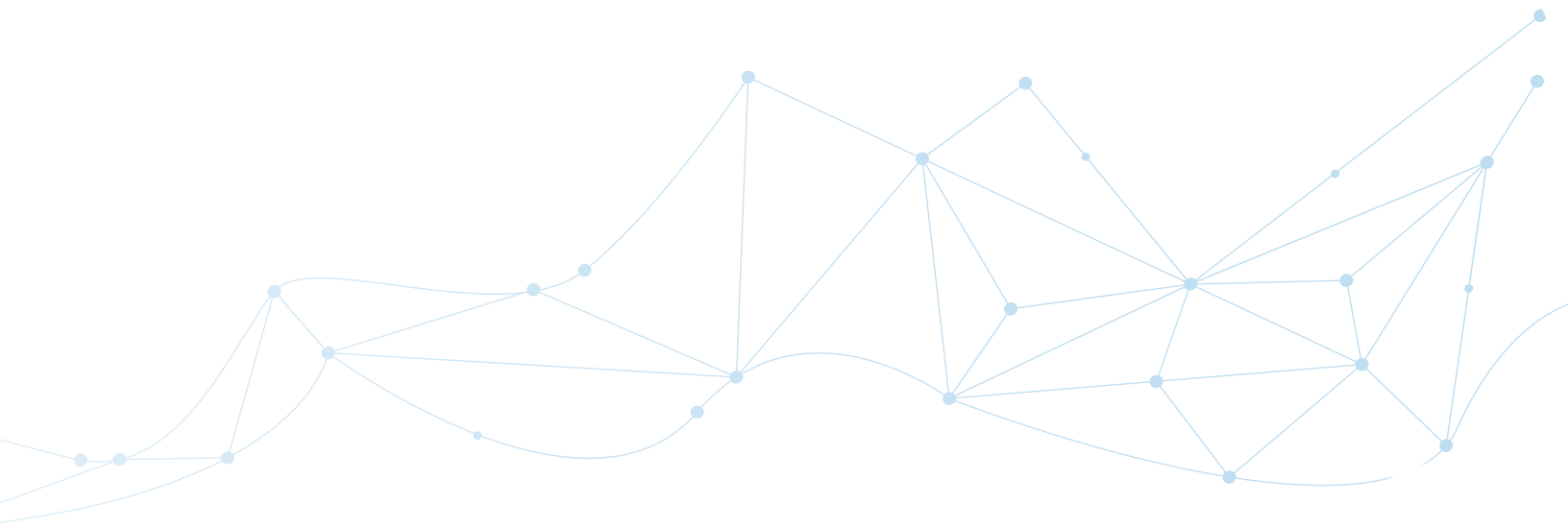
Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN

PURPOSE

This operating initiative focuses on two areas: working with governments and IGOs engaged with ICANN and the policy development process through the GAC and, more broadly, working with governments and IGOs on issues beyond those being addressed through policy development processes.

Governments and IGOs participate in the ICANN policy development process through the GAC. The GAC considers and provides advice on the activities of ICANN as they relate to concerns of governments, particularly matters where there may be an interaction between ICANN's policies and various laws and international agreements or where they may affect public policy issues.

The GAC has steadily grown in membership and participation, yet has more turnover of its representatives than other ACs. As a result, some GAC representatives are less familiar with ICANN's processes and issues, making it difficult for them to effectively engage. It is important, where possible, for governments to participate in ICANN rather than addressing potential issues through external legislative or regulatory activity, or taking those issues to be discussed at the UN and/or other IGOs.

Additionally, dialogues that will impact ICANN increasingly involve different aspects or ministries of national governments than those commonly participating in ICANN through the GAC. Therefore, activity has to be broader than government and IGO activity within ICANN's policy development process. This requires targeted engagement through global, regional, and national governmental events, including new structures and diversified venues where dialogue is conducted on topics such as cybersecurity, data protection, privacy, cultural and geographic identifiers, emerging technologies, and proposed new systems of unique identifiers.

Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN, Cont'd.

SCOPE

The scope of this initiative covers these work areas:

- Assessing the expectations of government participants within the GAC.

- Creating targeted information and capacity development materials to better equip government stakeholders around the world, enabling them to become more active participants in ICANN's policymaking processes.

- Assessing expectations of government participants in capacity-development activities

- Creating targeted materials as needed for government participants.

- Assessing and mapping the scope of global dialogue venues relevant to ICANN on topics such as cybersecurity and the unique identifiers.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN org continues to develop and evolve systems to detect and monitor legislative and regulatory initiatives and other governmental or IGO actions or initiatives that could impact ICANN's Mission or operations.

- ICANN fosters successful and mutually beneficial relationships with local, regional, and global partners to ensure knowledge-building about ICANN and its Mission continues.

- ICANN plays an important role in raising awareness among legislators, regulators, and stakeholders about its mission as well as the effect of various regulatory and other proposals on the Internet ecosystem.

Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following measures will be used over the five-year period as indicators of progress for this initiative:

- Delivery of High-Level Governmental meetings.

- Reports and statistics on participation in outreach, technical briefings and capacity-development sessions for the GAC as well as through collaboration with other organizations in the ecosystem. Similar data will be provided for briefings and capacity building events for diplomats from the Permanent Missions to the UN, UN staff, as well as other UN agencies or other IGOs, where appropriate.

- Comparison of before and after capacity-development event surveys to measure delivery of information against expectations and knowledge gained.

- Contributions to open consultations over legislative, regulatory, policy or standards initiatives and technical briefings to policy makers.

- Completed review of existing Memoranda of Understanding (MoUs) for continuing alignment with goals.

- Metrics related to the number of countries and intergovernmental organizations represented in the GAC as well as the number of countries and IGOs actively participating in GAC and ICANN policy processes.

Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN, Cont'd.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- Regional Global Stakeholder Engagement teams to identify which countries are not part of the GAC.

- Government Engagement and Global Stakeholder Engagement teams to conduct gap analysis on IGOs that are not part of the GAC.

- Communications team to develop a consistent narrative for outreach messaging.

- Public Responsibility Support team to develop online courses.

- Office of the Chief Technology Officer to develop technical capacity-development curriculum to assist with trainings and capacity development through the GAC's Underserved Regions Working Group (USRWG) work plans and other collaborative initiatives in the Internet governance ecosystem.

Resources for this initiative are included within the functional activities of the financial plan core budget and therefore no incremental resources are needed.

CONSIDERATIONS

The following risk and consideration exists for this initiative and may impact its advancement over the FY22–26 period:

- Allocation of adequate resources to sufficiently monitor global dialogue and alignment with the Strategic Plan. ■

Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission

PURPOSE

This initiative builds on the work begun by ICANN org in 2018 to identify and report on legislative and regulatory developments around the world that could have an impact on ICANN's ability to fulfill its Mission. Part of ICANN's work within this initiative is providing educational information to governments on those issues in order to help ensure that lawmakers have the full benefit of ICANN's technical expertise.

SCOPE

The scope of this initiative covers these work areas:

- Examine existing processes and further develop the mechanisms to capture community feedback and input.

- Creation of an internal assessment mechanism. ICANN org will also review its experience in FY21 to inform the process of determining the criteria for escalation from monitoring to activity of a use case. This will act as a resource in outreach and engagement efforts.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN org continues to develop and mature systems to detect and monitor legislative initiatives and other governmental or IGO actions or initiatives that could impact ICANN's Mission or operations.

- ICANN org proactively engages with the community to develop common awareness of ICANN's contribution to the early warning system.

- ICANN has effective processes in place to receive and act on input from the community.

- ICANN effectively convenes and facilitates discussions with relevant parties to help address relevant global challenges and opportunities.

Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following milestones will be used over the five-year period for this initiative:

- FY21: Assess and refine the legislation, regulatory, standards or other external initiative monitoring process. This includes developing criteria for when an item that is being monitored should be escalated to educational action.

- Development of community dialogue mechanism with support of ICANN org's Policy Development Support function.

- Ongoing Performance Measurements.
  - Publication of reports to community on legislative or regulatory events being tracked.
  - Publication of technical assessments and use cases.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- Regional Global Stakeholder Engagement teams to provide analysis of upcoming regional legislation that might impact ICANN.Government and IGO Engagement team to provide data collection and analysis, awareness raising, and technical briefings.

- Office of the Chief Technology Officer to assess the impact of proposed legislation on the DNS and to conduct use case analysis as applicable.

- Legal to review reports on legislative and regulatory activity.

- Communications to develop a narrative to ensure consistent messaging on key issues.

Resources for this initiative are included within the functional activities of the financial plan core budget and no incremental resources are needed.

Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Resources are needed to monitor and compare information across various venues to detect the "weak signals" early enough to identify trends and evaluate actions to address possible challenges. In certain cases deliberations on issues related to ICANN's Mission take place with multilateral settings behind closed doors without much, if any, information being released publicly.

- Political judgment is crucial in determining when to move from monitoring to active educational engagement efforts.

- Limited ability to provide briefings, technical training, and other engagement efforts in some governmental or IGO bodies. ■

Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers

PURPOSE

The domain name marketplace has matured over the past five years, following the 2012 round of the New gTLD Program. ICANN org must analyze its funding model within the context of the marketplace, reviewing key market enablers and challenges to domain name industry growth over the same period to provide a solid foundation for future funding projections. This initiative brings together those activities.

SCOPE

The scope of this initiative covers these work areas:

- Review and analyze trends and driving forces of the domain name industry marketplace.

- Seek to validate and improve forecasting accuracy through review of data including zone files, registry transaction reports, contracted party family affiliation, corporate disclosures, market intelligence, and more.

- As ICANN org formalizes its funding model, it plans to evaluate the migration of the forecast model to a platform that will provide a robust system for preparing and analyzing future funding projections.

Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- The Five-Year Strategic Plan is supported by a Five-Year Operating and Financial Plan. All plans are updated as and when necessary to take into account relevant changes in ICANN's environment.

- Evolution to five-year rolling financial planning allows ICANN to appropriately address changes that impact ICANN's budget, operating and financial plan, or strategic plan.

- ICANN has reliable and predictable five-year funding projections, based on a sound understanding of the evolution in the domain name marketplace and realistic assumptions.

- ICANN utilizes data about the directions and trends in the market to effectively guide the organization.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following measures will be used over the five-year period for this initiative:

- Build and establish a process to develop the funding model during FY21.

- Explore options for a new modeling tool or platform.

- Annual delivery of funding assumptions and projections for the next five fiscal years.

- Continued enhancement of funding model tool and an increase in the Global Domains and Strategy (GDS) team's domain market intelligence in relation to the forecasting process.

Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers, Cont'd.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- The skills of ICANN org's GDS, Finance, and Engineering and IT teams to evaluate and migrate the current forecast model to a more robust platform.

- The skills of ICANN org's GDS, Finance, Office of the Chief Technology Officer, and Global Stakeholder Engagement teams to collect and contextualize market intelligence in relation to the forecast.

- Processes and tools are in place to effectively prioritize and periodically reprioritize work.

OPERATING INITIATIVE	FIVE-YEAR FINANCIAL ESTIMATE		
Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers	**Low**	**Mid-point**	**High**
	$0.5	$1.0	$1.5

Note: The Five-Year Financial Estimate (mid-point) is the scenario ICANN proposes.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- It is not clear how threats to the DNS might impact ICANN's funding. ICANN org must expand its understanding and knowledge of the impact these threats may have. ∎

Implement New gTLD Auction Proceeds Recommendations as Approved by Board

PURPOSE

This initiative relates to preparations for the implementation of the Board-approved recommendations arising from the Cross-Community Working Group on New gTLD Auction Proceeds (CCWG-AP).

SCOPE

The scope of this initiative covers these work areas:

- ICANN org will facilitate a review of the specific roles of the Board and ICANN org in this initiative. The specific roles of the Board and ICANN org in the various stages of the operational and review stage are yet to be determined. However, regardless of the eventual processes or structures needed and/or the use of external entities, the Board remains ultimately accountable for the actions related to the proceeds.

- ICANN org will provide feasibility assessments and costs for the ICANN Board's consideration of the CCWG-AP recommendations.

- ICANN org to implement the Board decisions following the recommendations, including coordination with a community implementation review team.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Funding, expenses, and reserves are addressed in each plan in a manner consistent with policies, Board decisions, strict financial responsibility, and conservatism.

- ICANN prioritizes its activities to deliver its Mission in the global public interest in the most cost-effective way.

- ICANN has processes and tools in place to effectively manage and control costs.

- Financial accountability and responsibility guide how decisions are made prior to committing ICANN's resources, how expenses are managed once approved, and those commitments.

- Key cost drivers are clearly defined and understood.

Implement New gTLD Auction Proceeds Recommendations as Approved by Board, Cont'd.

HOW PROGRESS IS TRACKED

Work within this initiative will happen in distinct stages, dependent on ICANN Board and community actions. The specific milestones guiding next steps are:

- Submission of the CCWG-AP Final Report to the Chartering Organizations for approval. (Completed in FY21.)
- Chartering Organization approval. (Completed in FY21.)
- Submission to the ICANN Board for consideration. (Completed in FY21.)
- Implementation feasibility review assessment.
- Board consideration of recommendations.
- Implementation plan development.
- Board approval of implementation plan.
- Implementation work commences.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- The final recommendations approved by the Board and the design of the implementation plan will drive costs, which will be funded out of the auction proceeds.
- The recommendations will need to be reviewed from a resourcing standpoint in order to understand practicalities, including estimated workload, potential new hires, and needed skills.
- As implementation progresses, the internal ICANN resources supporting this work will be reimbursed to ICANN's operations from the auction proceeds.

Resources for this initiative are included within the functional activities of the financial plan core budget and therefore no incremental resources are needed.

CONSIDERATIONS

This work is dependent on the pending Board action on the recommendations contained in the Final Report of the CCWG-AP. ■

Planning at ICANN

PURPOSE

Careful planning of ICANN activities helps safeguard ICANN's long-term financial sustainability and ensure that ICANN org is accountable to the public in its stewardship of ICANN's Mission. This initiative encompasses ICANN org planning activities.

SCOPE

As part of its planning efforts, ICANN org strives to improve the quantification of resources, evaluation of needs, prioritization, flexibility, and transparency of the management of ICANN's resources and activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN org prioritizes its activities to deliver its Mission in the global public interest in the most cost-effective way.
- ICANN org has processes and tools in place to effectively manage and control costs.
- Financial accountability and responsibility guide how decisions are made prior to committing ICANN's resources, and how expenses are managed once approved in order to stay within those commitments.
- Key cost drivers are clearly defined and understood.
- Risk assessments are periodically reviewed to determine the adequacy of ICANN's Reserve Fund level to address potential mitigation needs.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. These include:

- Evolution of ICANN's planning processes, including integration of the strategic outlook and strategic planning processes into an overall rolling planning process.
- Design and implementation of a progress and achievements reporting process.
- Research, analysis, design, and implementation of a work prioritization approach in collaboration with ICANN org, Board and the Community.

Planning at ICANN, Cont'd.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative:

• Planning involves all stakeholders of the ICANN ecosystem, including the ICANN Board, community, org, and the public.

• The number of ICANN org resources involved over the five-year plan period are expected to increase as compared to the previous five-year plan period. This is to accommodate the need for operational alignment, prioritization, increased number and quality of plans, and increased communication. Limited external resources will be needed to help with education, skills, and facilitation at the beginning of the period as internal capabilities ramp up.

Resources for this initiative are included within the functional activities of the financial plan core budget and therefore no incremental resources are needed.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

• A lack of organizational support for cross-collaboration efforts may delay an effective planning process.

• Newer community members need time to get used to ICANN's planning process and may not fully engage in Public Comment proceedings. ICANN will need to provide information and engagement opportunities to ensure that the Bylaws-mandated review and Empowered Community timelines are achievable. ∎

ICANN Reserves

PURPOSE

To safeguard ICANN's long-term financial sustainability and ensure that ICANN org is accountable to the public in its stewardship of ICANN's Mission, the level of ICANN reserves must be continuously set, reached, and maintained consistent with the complexity and risks of ICANN's environment.

SCOPE

The scope of this initiative covers these work areas:

• Ensure implementation of the October 2018 Board resolution to replenish the Reserve Fund to an amount equal to one year of operating expenses as the minimum target level of the Reserve Fund.

• Maintain minimum target level of the Reserve Fund as operating expenses change.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• Financial accountability and responsibility guide how decisions are made prior to committing ICANN's resources, and how expenses are managed once approved in order to stay within those commitments.

• Replenishment strategy for ICANN's Reserve Fund is adhered to and implemented successfully.

• Risk assessments are periodically reviewed to determine the adequacy of ICANN's Reserve Fund level to address potential mitigation needs.

ICANN Reserves, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following measures will be used over the five-year period for this initiative:

- The replenishment strategy suggests that approximately USD $32 million be allocated to the Reserve Fund over eight years. Future increases in operating expenses may trigger an increase to the Reserve Fund target level, meaning that more funds would need to be added.

- The level of the Reserve Fund is expected to be approximately $139 million at the beginning of FY22 and reach $165 million by the end of FY26.

RESOURCES

Resources for this initiative are included within the functional activities of the financial plan core budget and therefore no incremental resources are needed.

CONSIDERATIONS

The success of the replenishment strategy is dependent upon:

- Stability of ICANN's funding.

- That there are no events requiring Board-approved withdrawals from the Reserve Fund during the period.

- Stability of the minimum target level for the Reserve fund. ∎

Functional Activities

FY22–26

Functional activities are those necessary to operate the organization, such as Human Resources or Finance, or implement ICANN's Mission, such as Contractual Compliance or the IANA department. These 34 functional activities describe ICANN's ongoing work for the period of FY22–26.

The 34 functional activities have been placed into five service groups:

- Technical and DNS Security
- Policy Development and Implementation Support
- Community Engagement and Services
- ICANN Org Governance
- ICANN Shared Services

These service groups were selected because they represent the broad categories of work that ICANN org conducts in fulfillment of its Mission. The five service groups express the functional activities at a high level.

FIVE SERVICE GROUPS:

TECHNICAL & DNS SECURITY

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

COMMUNITY ENGAGEMENT & SERVICES

ICANN ORG GOVERNANCE

ICANN SHARED SERVICES

Functional Activities

FY22–26

Technical & DNS Security

- Office of the Chief Technology Officer

- ICANN Managed Root Server

- Internationalized Domain Names and Universal Acceptance

- IANA Functions

- Contractual Compliance

Office of the Chief Technology Officer

PURPOSE

ICANN org's Office of Chief Technology Officer (OCTO) aims to constantly improve knowledge about the identifiers ICANN helps coordinate, to disseminate this information to the Internet community, to improve the technical operation of the Internet's system of unique identifiers, and to improve ICANN's technological stature.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Support the evolution of the Root Server System.

- Lead: Facilitate DNS ecosystem improvements.

- Support: Evaluate, align, and facilitate improved engagement in the Internet ecosystem.

- Support: Through targeted engagement improve governmental and Intergovernmental Organization (IGO) engagement and participation in ICANN.

- Support: Monitor legislation, regulation, norms, principles, and initiatives in collaboration with others that may impact the ICANN Mission.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN, in partnership with relevant stakeholders, establishes and promotes a coordinated approach to effectively identify and mitigate DNS security threats and combat DNS abuse.

- ICANN continues to provide a trusted forum that effectively convenes relevant parties for discussions on the security, stability, evolution, and interoperability of the DNS.

- ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.

- Working with DNS root server operators and other relevant parties, ICANN continues to enhance the governance and technical evolution of DNS root server operations and services.

- ICANN, in collaboration with DNS root server operators and other relevant parties, develops a coordinated emergency plan to address DNS Root Server System attacks.

TECHNICAL & DNS SECURITY

Office of the Chief Technology Officer, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES, Cont'd.

- The inherent security of the DNS and unique identifiers system measurably increases, due to higher adoption of global open Internet standards and greater awareness of security threats among stakeholders.

- ICANN, in collaboration with relevant hardware, software, and service vendors, enhances knowledge about DNS safety and security.

- Security threats leveraging the DNS measurably decline as a result of encouraging relevant hardware, software, and service vendors to incorporate key security measures.

- The reliable, resilient, and interoperable DNS remains the leading trusted platform for the Internet's naming system.

- Increased availability of root zone data enables greater decentralization and distribution of DNS root service.

- The Internet community's trust in ICANN to provide resilient, scalable, and accountable Key Signing Key management – as an adjunct to existing public key infrastructures – increases, facilitating improved security technologies and greater use of the DNS.

- Enhanced engagement with contracted parties creates more robust industry relationships, dynamic participation, and improved responsiveness to emerging technologies.

- Mechanisms are established with which ICANN assesses new technologies and, when appropriate, embraces them.

ACTIVITIES

- **External Operations:** Activities that have an external impact, such as creating the DNS Security Facilitation Center and prototyping the Emergency Warning System. A new activity in the feasibility phase in FY22 is the Domain Name Security Threat Identification, Collection and Reporting (DNSTICR) activity which aims to develop an ongoing solution for identifying, documenting and reporting domain names that are being actively abused.

TECHNICAL & DNS SECURITY

Office of the Chief Technology Officer, Cont'd.

ACTIVITIES, Cont'd.

- **Technical Engagement and Outreach:**
  - Support and provide training, engagement, and outreach to the technical community on current and upcoming technologies.
  - Support other ICANN org teams such as Global Stakeholder Engagement and Government Engagement.

- **Research:** Activities centered around the analysis of the impact of new and existing technologies to the Internet's unique identifier systems as well as the investigation of new technologies and how they may impact the unique identifier ecosystem. ICANN org anticipates a number of OCTO-led implementations will result from the Board-approved recommendations from the Security, Stability and Resiliency (SSR2) review. ICANN org will continue work related to the Name Collision Analysis Project (NCAP) Study 1 and monitor and support decisions related to next steps for NCAP studies 2 and 3.

- **Reporting:**
  - Providing tools and platforms in which to report on various aspects of the unique identifier ecosystem, such as Domain Abuse Activity Reporting (DAAR) and Identifier Technologies Health Indicators (ITHI).
  - Leading or supporting other work such as the Contractual Compliance Registrar Audit Study or verifying ICANN's contracted parties are meeting their contractual obligations related to IPv6 deployment.
  - Track and implement Board-approved recommendations from SSR2.

- **Internal Operations:**
  - Activities that have an internal impact or recurring activities such as support of the Action Request Register (ARR) and implementation of recommendations from Specific Reviews and policy development processes.
  - Collaboratively working with ICANN's Public Responsibility Support team on online learning development.
  - Project management.
  - Team meetings and planning.

TECHNICAL & DNS SECURITY

Office of the Chief Technology Officer, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- **External Operations:** Much of the progress and milestones will be tracked via the operating initiatives, such as:

  – The progression of recommendations within the Root Server System Advisory Committee document RSSAC037 "A Proposed Governance Model for the DNS Root Server System" and RSSAC038 "RSSAC Advisory on a Proposed Governance Model for the DNS Root Server System," both published on 15 June 2018.

  – Formalization of the Special Interest Forum on Technology (SIFT) program.

  – Establishing community agreement on the DNS Security Facilitation Center

  – Items related to root zone availability service being deployed.

  – Development and evaluation of DNSTICR.

- **Technical Engagement and Outreach:**

  – More DNS resolver developers enabling hyperlocal technology.

  – Additional personnel added in FY21 will help the team deliver engagement and outreach activities in a more timely, efficient, and broadened capacity.

- **Research:**

  – Track and implement as appropriate Board-approved recommendations from SSR2.

  – Track and support recommendations for NCAP studies 2 and 3.

- **Reporting:**

  – Data or reports published as relevant to the various efforts underway such as DAAR and ITHI reporting, publication of technical papers, etc.

  – Implement data collection and gathering for various statistical analyses.

  – Track and implement Board-approved recommendations from SSR2.

TECHNICAL & DNS SECURITY

Office of the Chief Technology Officer, Cont'd.

RESOURCES

FY22–26: Resource requirements expected to increase.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Bandwidth constraints or competing demands on the available personnel resources due to a resource acting as a subject matter expert for internal and community efforts.

- Assumptions regarding community interest in security and stability could be reduced, which may cause a reprioritization of personnel time and effort.

- Community appetite for technical outreach, training, and engagement is strong but this could change, which may lead to a reprioritization.

- In FY22, ICANN org anticipates a number of OCTO-led implementations will be forthcoming resulting from the Board-approved recommendations from SSR2. ∎

TECHNICAL & DNS SECURITY

ICANN Managed Root Server

PURPOSE

Through the ICANN Managed Root Server (IMRS) program, ICANN org provides trusted technical expertise and solutions to support the global Internet by building and maintaining a sustainable, stable, and resilient root server that is able to respond to identified and vetted technical needs.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Working with DNS root server operators and other relevant parties, ICANN continues to enhance the governance and technical evolution of DNS root server operations and services.

- ICANN, in collaboration with DNS root server operators and other relevant parties, develops a coordinated emergency plan to address DNS Root Server System attacks.

ACTIVITIES

- Deliver and maintain a highly secure, stable, and resilient root server.

- Respond to defined strategic initiatives and vetted community expectations of the Root Server System.

- Maintain a low total cost of operations while building capacity, good engineering practices, and RSS community engagement.

TECHNICAL & DNS SECURITY

ICANN Managed Root Server, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Tracking the number of ICANN Managed Root Server (IMRS) instances deployed every 12 months.

- Tracking the number of IMRS service outages every 12 months.

- Financial: measuring actual expenses against planned budget.

RESOURCES

FY22–26: Resource requirements expected to increase.

△ Additional locations of IMRS large "clusters" will require additional year-on-year funding to cover connectivity, colocation, and power costs.

△ 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.

CONSIDERATIONS

Risks and considerations exist for this functional activity and may impact its advancement:

- Hiring and retaining expert-level personnel continues to be challenging in the current economic climate.

- Personnel may leave if clear paths for professional development are not implemented. ■

Internationalized Domain Names and Universal Acceptance

PURPOSE

This functional activity supports community-based work and leads internal work for Internationalized Domain Names (IDNs) and Universal Acceptance (UA) efforts.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Promote the Universal Acceptance of Domain Names and Email Addresses.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN engages in greater cooperation locally, regionally, and globally, with stakeholder groups and different policy and standards development bodies to raise awareness about UA, IDN implementation, and IPv6..

- UA readiness measurably increases.

- IDNs are increasingly adopted and treated in a standard fashion by software vendors.

ACTIVITIES

- Make the IDN table review process more consistent, transparent, and secure; and its publication in the IANA Repository of IDN Practices smoother.

- Support the development of Root Zone Label Generation Rules (RZ-LGR) by the community for remaining scripts identified in Maximal Starting Repertoire (MSR).

- Support policy development work on IDNs, including IDN variant top-level domains.

- Develop messaging and undertake communication to reach out to technical and gTLD registries and registrars to promote UA readiness in applications.

- Develop and undertake training for technology developers and email tools and service providers to promote UA readiness.

- Reach out to the public sector to promote UA readiness awareness and demand.

TECHNICAL & DNS SECURITY

Internationalized Domain Names and Universal Acceptance, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics and reports to track functional activities. The following milestones will be used over the five-year period for this functional activity:

- The IANA Repository for IDN Practices is updated by addition of missing IDN Tables for the gTLD registries. Also, the Reference IDN Tables are published at icann.org/idn and the IDN Table review process is updated to make it more transparent and consistent using the Reference IDN tables.

- For the scripts identified in Maximal Starting Repertoire, proposals currently underway are finalized and integrated in subsequent versions of RZ-LGR.

- Continued community progress on UA based on its annual action plans which are developed with the support of UA Program, both through global working groups and local initiatives.

- Continued progress of ICANN org in making its own systems UA-ready.

- IDN guidelines are implemented based on input from the GNSO and approval by the ICANN Board.

- IDN variant TLDs for gTLDs and ccTLDs are implemented based on the policies finalized by GNSO and ccNSO and approved by the ICANN Board.

RESOURCES

FY22–26: Resource requirements expected to increase.

CONSIDERATIONS

Risks and considerations exist for this functional activity and may impact its advancement:

- The work on implementation of IDN variant TLDs depends on the finalization of the respective policies by the GNSO and ccNSO. The ICANN Board has asked the SOs to develop a consistent set of policies for variant TLDs.

- Implementation of IDN Guidelines depends on the direction provided by GNSO and its eventual approval by the ICANN Board.

- Work on UA is based on influencing technology developers and policymakers who may have other priorities.

- ICANN has started the IDN-UA Steering Committee to coordinate the cross-functional work on IDNs and UA. ■

TECHNICAL & DNS SECURITY

IANA Functions

PURPOSE

The purpose of the IANA functions is to assign unique identifiers for the Internet in accordance with relevant policies, and to be the registry of record for those allocations. This work is essential to promoting Internet interoperability by ensuring devices on the Internet communicate in a standardized manner. This work is administered through contracts that provide accountability to the respective communities that use these services.

ICANN's affiliate Public Technical Identifiers (PTI) performs these functions on behalf of ICANN org according to service level agreements and other obligations defined in the contracts. PTI has a separate operating plan and budget process that is reviewed by the PTI Board of Directors. The PTI Operating Plan and Budget constitutes a large component of the IANA Operating Plan and Budget and is included in ICANN's Operating Plan and Budget. Read the **Adopted FY22 PTI and IANA Operating Plans and Budgets**.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Root Zone Management Evolution.
- Support: Support the evolution of the Root Server System.
- Support: Facilitate DNS ecosystem improvements.
- Support: Promote and sustain a competitive environment in the Domain Name System.
- Support: Promote the Universal Acceptance of Domain Names and Email Addresses.

TECHNICAL & DNS SECURITY

IANA Functions, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Mechanisms are established with which ICANN assesses new technologies and, when appropriate, embraces them.

- ICANN collaborates with relevant parties and effectively leverages partnerships in the IETF, RIRs, and naming communities to develop and integrate new technologies with existing Internet protocol structures, including the DNS.

- ICANN org continues to provide reliable delivery and continuous improvement of the IANA functions, consistent with community service level agreements.

- ICANN promotes and supports awareness of the IANA functions, including among stakeholders, to successfully maintain the broad array of Internet unique identifiers and deliver effective DNS root zone operations.

- The expansion of the DNS root attracts continued investment and innovation, as indicated by market developments and new registry services.

- ICANN engages in greater cooperation locally, regionally, and globally, with stakeholder groups and different policy and standards development bodies to raise awareness about UA, IDN implementation, and IPv6.

- New stakeholder services are defined, delivered, and effectively supported.

- UA readiness measurably increases.

- IDNs are increasingly adopted and treated in a standard fashion by software vendors.

- IPv6 usage measurably increases.

- The Internet community's trust in ICANN to provide resilient, scalable, and accountable Key Signing Key (KSK) management – as an adjunct to existing public key infrastructures – increases, facilitating improved security technologies and greater use of the DNS.

- The reliable, resilient, and interoperable DNS remains the leading trusted platform for the Internet's naming system.

- Increased availability of root zone data enables greater decentralization and distribution of DNS root service.

TECHNICAL & DNS SECURITY

IANA Functions, Cont'd.

ACTIVITIES

- Operations: Perform the IANA functions in accordance with contractual obligations.

- Operational Improvement: Monitor and improve operations through regular analysis and review, including third-party audits and operational excellence activities.

- System enhancement: Evolve the technical systems that manage the workflow of change requests from customers, and publish registry data to customers, ensuring quality, accuracy and timeliness of the business processes.

- Cryptographic Business Operations: Perform key ceremonies and improve key management facilities to mitigate security threats and maintain facility quality.

Δ System enhancements: Root Zone Management System (RZMS).

Δ System readiness for a subsequent round of new gTLDs when ICANN org is ready to implement Board-approved policy recommendations.

Δ Continue to invest in the current key signing facilities.

Δ Further streamlining and automation of business processes.

Δ Evolve business excellence capabilities across the function.

HOW PROGRESS IS TRACKED

- Operations: Continue to report on IANA performance against its service level agreements.

- Operational Improvement: Continue to analyze customer feedback received through surveys as well as areas for improvement identified through external audits and use results to drive operational improvements.

- System enhancement: Publish registry data to customers, ensuring quality, accuracy and timeliness of the business processes.

- Cryptographic Business Operations: Maintain the transparency of ceremony administration practices and continue to engage with key stakeholders to ensure suggested improvements are implemented to the systems, processes and facilities.

Metrics include:
- Performance service level agreements.
- Customer satisfaction through surveys.
- Audit reports.

TECHNICAL & DNS SECURITY

IANA Functions, Cont'd.

RESOURCES

FY22–26: Modest incremental increases annually unless there is a significant scope change in the underlying IANA functions (e.g., new requirements driven by community-developed policies).

See **Adopted FY22 PTI and IANA Operating Plans and Budgets**.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Ongoing customer satisfaction relies on the evolution of IANA systems. Meeting growing customer volume while adhering to service level agreements is dependent on increasing advancement of the systems, and customer expectations on the level of sophistication in those systems grows over time.

- Increased demands relating to the operating envelope around the KSK management. This includes more regular hardware replacement cycles, more frequent key replacement cycles (rollovers), and new security facilities.

- Losing personnel can significantly impact the function. Most roles in the team lack redundancy and filling positions when personnel depart has often proved challenging.

- A higher number of gTLDs may impact the root zone. ■

Contractual Compliance

PURPOSE

The Contractual Compliance functional activity ensures that ICANN's contracted parties (registries and registrars) demonstrate and are held in compliance with the applicable agreements and consensus policies.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN, in partnership with relevant stakeholders, establishes and promotes a coordinated approach to effectively identify and mitigate DNS security threats and combat DNS abuse.

- ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.

ACTIVITIES

- Conduct monitoring, outreach and audits to proactively ensure contracted parties are in compliance with agreements.

- Receive, analyze, respond and resolve complaints regarding potential compliance issues with contracted parties.

- Support policy development processes (PDPs), Organizational and Specific Reviews, and the Registrar Accreditation Agreement (RAA) and Registry Agreement (RA) contracting process by providing input from the contractual compliance perspective. Implement recommendations arising from Specific Reviews and PDPs as necessary and appropriate.

- To enhance operational excellence, the Contractual Compliance team plans to improve business operations, methods, and processes, including looking to increase automation in FY22–26.

- The team also plans to reduce professional services by completing migration to the Naming Services Portal in FY22, as well as increasing headcount to support Contractual Compliance audit and reporting activities.

TECHNICAL & DNS SECURITY

Contractual Compliance, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Number of low-complexity complaints processed.
- Number of high-complexity complaints processed.
- Turn-around time for processing low-complexity complaints.
- Closure rate of high-complexity complaints processed.
- The number of elevated-risk registrars or top-level domains audited.
- High-risk issues mitigated through audit.
- Contracted parties and reporter satisfaction level measured via perception survey.

RESOURCES

FY22–26: Resource requirements expected to be stable.

- Migration to Naming Services Portal (NSp) can potentially save approximately USD $50,000 annually.
- Adding personnel to perform audits can potentially save up to USD $430,000 annually by reducing services from external sources.
- Adding personnel to provide in-house performance and metrics reporting rather than relying on third-party professional vendors can potentially save almost USD $100,000 annually.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Complaints may increase in volume, type and complexity as Registry Directory Services (RDS) obligations are implemented. This may lead to a reallocation of existing resources among ticket queues. At this point, no additional personnel are considered necessary to address this consideration. ◼

Functional Activities

FY22–26

Policy Development & Implementation Support

- Policy Development and Advice

- Policy Research and Stakeholder Programs

- Contracted Parties Services Operations

- Technical Services

- Strategic Initiatives

- Constituent and Stakeholder Travel

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Development and Advice

PURPOSE

The Policy Development Support functional activity facilitates the policy development and advisory work of the ICANN community. It provides process management, subject matter expertise, and administrative and professional secretariat support to ICANN's Supporting Organizations (SOs), Advisory Committees (ACs), and other community structures recognized under the Bylaws.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking. .

- Lead: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes, and committed to cooperating in global public interest.

- The knowledge and skill levels across the stakeholder community and organization increase, demonstrated by community members and personnel equipped with basic knowledge of the DNS as well as ICANN policy and advisory processes.

- The ICANN community establishes mechanisms, such as an accurate measure of community participation, to equitably distribute workload among the pool of stakeholder representatives.

- Representation across all stakeholders continues to reflect the evolving functional, geographic, and cultural diversity of the Internet.

- Continued efforts of ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Development and Advice, Cont'd.

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.

- Decision-making processes ensure that input from all stakeholders is considered

- Improved multistakeholder model processes, such as Policy Development Process 3.0 (PDP 3.0) or streamlined Organizational and Specific Reviews, and other evolutions of ICANN's governance and cross-community working methods help produce timely and relevant results.

- ICANN stakeholders collaborate to define prioritization mechanisms, which ensure that cumulative workload is reasonable at any one time and that ICANN priorities reflect the community's collective needs.

ACTIVITIES

- Facilitate policy deliberations and consensus-building by managing the policy process from start to end for all community-driven policy-related projects **(see Appendix A)**. This work includes:

  – Conducting research, drafting reports, tracking recommendations, preparing briefing papers and updating working drafts as policy work progresses.

  – Providing secretariat and administrative services such as meeting organization and record keeping.

  – Providing neutral advice on procedural and strategic approaches for successful consensus-building and effective policy outcomes.

  – Drafting briefing papers, conducting webinars and presentations, and producing other informational materials to inform community members and others about policy initiatives.

  – Managing community governance processes and relationships across multiple and diverse stakeholders globally.

- Manage Public Comment proceedings, a key mechanism for obtaining public feedback on all pending policy proposals before the ICANN Board considers and adopts them.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Development and Advice, Cont'd.

ACTIVITIES, Cont'd.

- Support the management and oversight work performed by the various SO/AC councils and community leadership teams by providing process guidance, neutral advice, and briefings on the progress of all community-managed efforts.

- Support ICANN's various community structures in their work to implement Cross Community Working Group on Enhancing ICANN Accountability Work Stream 2 recommendations.

- Improve effective organizational management and tracking of community activities, including milestones, work plans, and records by migrating and transitioning existing tools into ICANN org's central Customer Relationship Management (CRM) platform.

⚠ Implement CRM to transition the following department functions in support of SOs and ACs:
  – Group enrollment and event management.
  – Membership management.
  – Council or advisory council management.
  – Project management and status reporting.
  – Initiative vs. activity management.
  – Engagement management.
  – Action requests for community support.
  – Business intelligence.
  – Centralize historical records.

⚠ Transition of SO and AC websites to the new platform and improve reporting and tracking using new features.

⚠ Improvements to Public Comment proceedings and (if funded) more effective data collection in support of PDPs.

⚠ Evaluate potential realignment of the Policy Development Support teams and functions to optimize policy development and advisory support services in response to outcomes of the Evolving ICANN's Multistakeholder Model project.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Development and Advice, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- ICANN org reporting.
  - Membership tracking and reporting by community structures (including any diversity and other reporting as part of implementation of Work Stream 2).
  - Implement all Decisional Participants' reviews of and amendments to internal processes to handle Empowered Community actions.
  - Implementation of recently-concluded Organizational Reviews and community charter review efforts.
  - Documenting and tracking improvements to Public Comment proceedings.
  - Progress on migration and transition to CRM platform.

- Metrics.
  - Number of active projects and recurring activities.
  - Extent of community deliberations measured by preparation, conference calls, webinars and meeting hours.
  - Milestone reporting by working groups and documenting of timelines.
  - Issuance of reports, resolutions, and other documented decisions.

- ICANN Public Meetings and report metrics.
  - ICANN Prep Week reports and statistics (including, where available, geographic distribution and SO/AC affiliation).
  - ICANN Public Meetings reports and statistics.
  - Annual ICANN Public Comment proceedings reports.
  - ICANN Public Meeting Policy Outlook and Policy Outcomes briefing papers.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Development and Advice, Cont'd.

RESOURCES

FY22–26: Resource requirements expected to increase.

⚠ There is a clear upward trend in the number and scope of policy initiatives across the ICANN community, as well as a continuing increase in the number of community members participating in these initiatives. Current strategic objectives and strategic goals further call for increased, diverse, and meaningful participation. Without deliberately capping the number of active policy efforts in concurrent operation, these trends will require a correlated increase in resources (e.g., personnel, travel, and professional services). Based on current trends and expected workload, it is anticipated that an additional three FTE policy specialists or managers will be required to adequately support the community work, in addition to two FTEs for SO and AC secretariat and community operations and one dedicated Project or Program Manager for the Policy Development Support team.

⚠ Professional services are a cost-effective, flexible way to supplement full-time personnel resource requirements and allow for organizational efficiencies in driving improvement efforts and should be considered along with additional hiring.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

• Community expectations for facilitation and other support from the Policy Development Support team must be balanced with robust discussions of costs and benefits. There is a connection between personnel levels and the ability to provide support to existing policy development work, especially given the potential launch of several new PDPs within this five-year timeframe.

• Generally, extended operations by the Policy Development Support function below the 35 FTE level run the risk of:

  – Lower levels of service to the community and regional disparities.

  – Delayed policy and advisory outputs.

  – Community frustration and loss of active participants.

  – Potential team member burnout.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Development and Advice, Cont'd.

CONSIDERATIONS, Cont'd.

- Adequate funding for the Policy Development Support budget is important because it may signal to the community:

  – Prioritization of policy activities integral to ICANN's Mission.

  – Emphasis of support for community operations central to ICANN governance processes.

  – Organizational support for efforts to ensure global, diverse volunteer participation that provides legitimacy to ICANN's multistakeholder model.

- Need to ensure that the introduction of new technological tools as well as platform changes is orderly and well-planned, and that community training and transition needs are accounted for, particularly in view of the increased reliance on virtual meetings.

- Prioritization is challenging and tools are needed to engage in meaningful and effective prioritization.

- Lack of academic-quality policy research despite having qualified personnel, due to workload issues.

- Limited data collection to date means that data-driven policy work has been difficult and time consuming, and that decision-making is sometimes required without specific data or other factual evidence.

- Continued impact of COVID-19 could adversely impact the availability and engagement level of numerous stakeholders in ICANN policy processes. ◼

Policy Research and Stakeholder Programs

PURPOSE

The Policy Research and Stakeholder Programs functional activity leads and supports implementation of key policies and cross-functional projects, provides research and thought leadership capabilities to support relevant organizational work, and leads and supports community-based work to develop and promote a multilingual Internet and secure user experience.

This function also includes ensuring cross-functional coordination and subject matter support for the Board's and org's activities around relevant recommendations and advice from the multistakeholder community.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Promote and sustain a competitive environment in the DNS.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Foster competition, consumer choice, and innovation in the Internet space by increasing awareness and encouraging readiness for UA, IDN implementation, and IPv6.
- Support the continued evolution of the Internet's unique identifier systems with a new round of gTLDs that is responsibly funded, managed, risk-evaluated, and consistent with ICANN processes.
- Strengthen ICANN's bottom-up multistakeholder decision-making process and ensure that work gets done and policies are developed in an effective and timely manner.
- Support and grow active, informed, and effective stakeholder participation.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Research and Stakeholder Programs, Cont'd.

ACTIVITIES

- Supporting Board consideration of GNSO consensus policy recommendations. **See Appendix A** showing current and anticipated policy activities.

- Managing organizational activities around implementation of Board-approved GNSO consensus policy recommendations.

- Managing and performing policy reviews.

- Executing and supporting data, research and study requests from the stakeholder community.

- Providing subject matter support to internal and external stakeholder projects, including support during development of recommendations by Supporting Organizations and Advisory Committees.

- Managing implementation of relevant review team recommendations.

- Supporting the development of Root Zone Label Generation Rules (RZ-LGR) for multiple scripts.

- Supporting policy development and implementation work on Internationalized Domain Names (IDNs), including IDN variant top-level domains.

- Managing and supporting communications with technical and other stakeholders to promote UA readiness in applications.

- Developing and providing tools and training for technology developers to promote UA readiness.

- Provide support for Operational Design Phase prior to Board consideration of policy recommendations resulting from the multistakeholder process.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Research and Stakeholder Programs, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics and reports to track functional activities, as follows:

- Progress on implementation of Board-adopted policy recommendations is reported on a dedicated consensus policy implementation page. Milestones include draft policy language, terms and requirements, analysis of input received on implementation via Implementation Review Team feedback and public comment, and announcement of policy effective dates.

- Progress on implementation of relevant advice items is reported on a dedicated webpage which provides status of advice to the Board from Advisory Committees. Milestones include confirmation of understanding, exchanges and discussions with the relevant advisory committee, and closure of the advice item.

- Progress on development of Root Zone Label Generation Rules (RZ-LGR) is reported via public comment periods and integration of additional scripts into updated versions of the LGR. Milestones include submission of proposals from script generation panels, integration and release of new versions of the RZ-LGR to accommodate additional scripts.

For many of this function's activities, the timing and milestones depend on factors such as community decisions and engagement and Board consideration and direction. The team communicates progress by direct engagement with the relevant SOs, ACs and other stakeholder groups, by sharing work plans and draft documents for community comment and consultation, by publication of blogs and announcements, and by webinars and public meeting sessions.

RESOURCES

FY22–26: Resources requirements expected to increase.

Increased resources will likely be needed to deliver this work, as major policy efforts move into implementation, operational readiness planning continues to support future gTLD applications and operations, activity increases in the IDN policy space and the need for UA coordination rises. Existing personnel will collaborate with other functions including:

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Research and Stakeholder Programs, Cont'd.

RESOURCES, Cont'd.

⊿ Support from multiple functions across ICANN org, including: Legal, Contractual Compliance, Multistakeholder Strategy and Strategic Initiatives, Communications, Office of the Chief Technology Officer, Policy Development Support, Global Stakeholder Engagement, and Operations.

⊿ Development and execution of data functions model may require procurement of specialized expertise.

⊿ Particular study and research requests may require procurement of professional services, e.g., consumer or registrant surveys, extension of statistical analysis of DNS abuse in gTLDs, or economic analysis.

CONSIDERATIONS

• A number of recommendations from the CCT and RDS Review Teams relate to this team's areas of responsibility. Prioritization and resource allocation for these activities is subject to the forthcoming Planning process.

• A defined set of prerequisites and milestones to subsequent New gTLD Program rounds will need to be established.

• There may be insufficient resources to cover major implementation efforts such as work around registration data (EPDP Phase 1 and if approved, Phase 2) and a future application round in the New gTLD Program simultaneously.

• The work on implementation of IDN variant TLDs depends on the finalization of the respective policies by the GNSO and ccNSO. The ICANN Board has asked the SOs to develop a consistent set of policies for variant TLDs.

• Implementation of IDN Guidelines depends on the direction provided by GNSO and eventual approval by the ICANN Board.

• Progress on UA is based on influencing technology developers and policymakers and subject to external prioritization. ◼

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Contracted Parties Services Operations

PURPOSE

Contracted Parties Services Operations delivers and evolves defined, high quality, repeatable services and processes to applicants and contracted parties in a timely, consistent and predictable manner.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• New stakeholder services are defined, delivered, and effectively supported.

ACTIVITIES

• Process contracted party service requests.

• Manage contracted party contracts.

• Facilitate execution of contracted party agreements.

• Generate and execute contract amendments as a result of service requests.

• Process agreement terminations.

• Manage registrar application and evaluation process.

• Monitor conditions required by contracted party agreements and execute outbound communications to facilitate contracted party compliance with agreements.

• Manage procurement, negotiation, contracting, onboarding, and oversee accountability of vendors that provide contracted party capabilities and evaluation functions needed to process service requests.

• Develop business systems requirements and provide management functions for Operations platforms.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Contracted Parties Services Operations, Cont'd.

ACTIVITIES, Cont'd.

- Manage Action Request Register (ARR) functions for Correspondence and Advice to the Board.

- Deliver WHOIS ARS functions when and if unpaused.

- Support all New gTLD Program services and functions for remaining applicants of the 2012 round:

  - Application Processing (evaluation, objections, contention resolution, application change requests, etc.).

  - Contracting (Registry Agreement execution, Specification 13, and Code of Conduct Exemption Amendments).

  - Predelegation activities (predelegation testing, onboarding, and transition to delegation).

  - Vendor management of new gTLD services including service development and contract renewals.

  - Support initiatives and projects related to the New gTLD Program.

  - Support for ICANN org's Legal team on New gTLD Program-related Accountability Mechanisms and litigation.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics and reports to track functional activities. The following milestones will be used over the five-year period for this functional activity:

- Service Level Targets will continue to be monitored and modified as per operational needs.

- Reporting of service delivery against Service Level Targets will continue.

- Transactional reporting of Service Level Targets.

- Monitor contracted party transactional survey responses.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Contracted Parties Services Operations, Cont'd.

RESOURCES

• Stable in FY22.

• Expansion expected in FY23, FY24, and FY25 to support Board-approved policy recommendations, including the New gTLD Subsequent Procedures Policy Development Process and Expedited Policy Development Process (EPDP) on the Temporary Specification for gTLD Registration Data.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

• Services defined by contracts and policies are varied, complex and difficult to automate. Critical thinking and human judgment are required to complete transactions.

• Global amendments offer an opportunity to reduce operational complexity, clarify language, and increase efficiency.

• Board action to initiate work on Subsequent Procedures for New gTLDs readiness will require resources from this group to be realigned to support readiness activities. The possibility exists that additional resources may be needed if this functional activity is designated for new responsibilities based on potential future Board-approved recommendations related to the Expedited Policy Development Process on the Temporary Specification for gTLD Registration Data (EPDP).

• Global Domains and Strategy Operations resources are in high demand both internally and outside the organization. Providing development opportunities and career growth to retain personnel is critical to successful ongoing operations.

• Tapping current personnel to fill positions related to implementation of Board-approved recommendations from the New gTLD Subsequent Procedures Policy Development Process will increase load on Human Resources to fill current positions so as not to negatively impact operational continuity.

• New gTLD Program 2012 Round support activities are currently projected to run through FY24. Changes to that timeline would impact resources and activities.

• Changes to service strategy and objectives could impact the service delivery approach in several key areas such as Registry Services Testing (RST) and data escrow.

• Accountability Mechanisms and litigation pertaining to the New gTLD Program typically require significant and unplanned support from the team and may require significant expenditure of resources to manage. ◾

Technical Services

PURPOSE

The Technical Services functional activity provides technical knowledge and data regarding domain name space inside ICANN org, working to maintain the security and stability of the DNS.

OPERATING INITIATIVE CONTRIBUTION

Support: Promote and sustain a competitive environment in the Domain Name System.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.

• Consumer confidence in the evolving domain name marketplace remains strong, as measured by increasing domain name registrations and other indicators.

ACTIVITIES

• Manage systems such as the Service Level Agreement Monitoring (SLAM), Technical Compliance, Registration Reporting Interface (RRI), Technical Onboarding, Monitoring System Application Program Interface (MoSAPI), Zone File Access (ZFA), Bulk Registration Data Access (BRDA), Controlled Interruption (CI) monitoring and the Centralized Zone Data Service (CZDS). Coordinate and support ICANN initiatives, such asRegistration Data Access Protocol (RDAP) implementation.

• Manage services such as the Emergency Back-end Registry Operation (EBERO) and Registry System Testing (RST).

• Develop and maintain technical specifications used by the contracted parties, such as data escrow, TMCH, RRI, MoSAPI.

• Engage with the technical community.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Technical Services, Cont'd.

HOW PROGRESS IS TRACKED

- Deliver new and updated systems.

- Update services as needed.

- Maintain up-to-date technical specifications.

RESOURCES

FY22–26: Resource requirements expected to increase marginally.

- Potential need for additional resources due to:

  - EPDP phase 2 implementation.

  - Operational readiness planning to support future gTLD applications and operation.

CONSIDERATIONS

- A potential increase of resources is needed when unbudgeted projects are assigned or delegated to the team. ■

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Strategic Initiatives

PURPOSE

The Strategic Initiatives functional activity focuses on strategic initiatives and evolving issues that impact ICANN org's remit and its stakeholders. It includes supporting work undertaken by the community such as the evolution of ICANN's multistakeholder model, and coordination of ICANN org's strategy as it relates to compliance with the European Union's General Data Protection Regulation (GDPR). More broadly it coordinates cross-functional strategic efforts related to mitigating DNS abuse, New gTLD Subsequent Procedures, the operationalization of RDAP, UA and IDN-related topics, and ICANN's Registrant Program.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking.

- Support: Promote and Sustain a Competitive Environment in the Domain Name System.

- Support: Promote the Universal Acceptance of Domain Names and Email Addresses.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Strengthen ICANN's bottom-up multistakeholder decision-making process and ensure that work gets done and policies are developed in an effective and timely manner.

- Foster competition, consumer choice, and innovation in the Internet space by increasing awareness and encouraging readiness for UA, IDN implementation, and IPv6.

- ICANN engages in greater cooperation locally, regionally, and globally, with stakeholder groups and different policy and standards development bodies to raise awareness about UA, IDN implementation, and IPv6.

- UA readiness measurably increases.

- IDNs are increasingly adopted and treated in a standard fashion by software vendors.

- New gTLD awareness increases, as measured in surveys of Internet users.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Strategic Initiatives, Cont'd.

ACTIVITIES

- Subsequent Procedures for New gTLDs:
  - Support the preparation for and implementation of Board-adopted recommendations developed through the New gTLD Subsequent Procedures Policy Development Process.

- Registrant program:
  - Development of materials to educate registrants about their rights and responsibilities as well as their roles within the DNS.
  - Raise awareness about issues and challenges impacting registrants.
  - Ensure that registrants' perspectives are represented in ICANN org's work when implementing policies and services.

- Registration Directory Services (RDS) and WHOIS:
  - Cross-functional coordination as it relates to data protection/privacy issues, including RDS compliance with GDPR and other laws.
  - Continued engagement and activities related to the Expedited Policy Development Process on Temporary Specification for gTLD Registration Data Policy Phase 2 (EPDP Phase 2) recommendations.
  - Cross-functional coordination of various work streams related to the launch of RDAP services in the gTLD name space.

- Cross-functional coordination and strategizing as it relates to other initiatives and program areas of strategic importance to ICANN, including mitigating DNS abuse, UA and IIDNs, RDS, and data protection/privacy issues.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Strategic Initiatives, Cont'd.

HOW PROGRESS IS TRACKED

Standard project management tracking will ensure timely completion of deliverables and coordination among functions as they relate to strategic initiative support.

For New gTLD Subsequent Procedures:

- Provide support for implementation of policy recommendations resulting from the New gTLD Subsequent Procedures Policy Development Procedure.

For Registrant Program:

- Continue to produce content, including blogs, reports and other communications to inform registrants of their rights as domain name holders, and how they fit within the domain name ecosystem.

For Registration Directory Services:

- Provide support for implementation of policy recommendations resulting from EPDP Phase 2 on a System for Standardized Access/Disclosure.
- Coordinate ICANN org's strategy and related activities across functions to ensure alignment with org's goals related to ensuring RDS and access to non-public gTLD registration data meet with the requirements of data protection/privacy laws, including the GDPR.

RESOURCES

FY22–26: Resource requirements expected to increase, though this depends on the direction provided by Board-approved recommendations from the New gTLD Subsequent Procedures Policy Development Process and EPDP Phase 2.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Activities related to recommendations from the New gTLD Subsequent Procedures Policy Development Process and EPDP Phase 2 are expected to be a major effort during this period. Ongoing project planning will inform when additional resources are necessary to support required activities in this time period. ■

Constituent and Stakeholder Travel

PURPOSE

The purpose of the Constituent and Stakeholder Travel functional activity is to provide travel support for community members selected through appropriate processes and broaden participation in ICANN's processes.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.
- Support: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.
- Support: Evaluate, align, and facilitate improved engagement in the Internet ecosystem.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed-upon global public interest.
- Representation across all stakeholders continues to reflect the evolving functional, geographic, and cultural diversity of the Internet.
- Continued efforts of ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

ACTIVITIES

- Provide travel support for community members selected through appropriate processes following Travel Support Guidelines.
- Update Travel Support Guidelines as needed and solicit public comment on updates.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Constituent and Stakeholder Travel, Cont'd.

HOW PROGRESS IS TRACKED

The following measures will be used over the five-year period for this functional activity:

- Publication of reports following each ICANN Public Meeting with details of travel support provided.

RESOURCES

FY22–26: Resource requirements expected to be stable.

The number, cost, and support of funded seats for SO and AC constituent travel is stable.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Allocating limited travel funding among ICANN community members requires prioritization.
- Advance planning is needed to ensure cost-effective pricing. ■

Functional Activities

FY22–26

Community Engagement & Services

- Global Stakeholder Engagement
  - Regional Offices
- Public Responsibility Support
- Government and Intergovernmental Organization Engagement
- GDD Accounts and Services
- Consumer Safeguards
- Global Communications and Language Services
- Global Meetings Operations
- Ombudsman

Global Stakeholder Engagement

PURPOSE

ICANN org's Global Stakeholder Engagement (GSE) team leads engagement and outreach around the world with stakeholders about ICANN and its Mission. Through local coverage in eight GSE regions, the team is a point of contact for ICANN org and the ICANN community. Its purpose is:

- Raising awareness and understanding of ICANN's role and remit.

- Encouraging participation in ICANN policy development and technical activities.

- Enhancing ICANN org's operating model across all regional offices and ensuring alignment of regional engagement efforts with ICANN org strategic and operational priorities.

OPERATING INITIATIVE CONTRIBUTIONS

As GSE's role is to lead engagement and outreach for ICANN org, it provides direct and indirect support to many of the operating initiatives which have outreach components that contribute to success.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of GSE function, all strategic goals' targeted outcomes are supported directly or indirectly.

COMMUNITY ENGAGEMENT & SERVICES

Global Stakeholder Engagement, Cont'd.

ACTIVITIES

- Ongoing cross-functional regional engagement related to technical and policy work, participation in relevant national and regional discussions, and delivery of regional engagement strategies, with consideration given to the impact of the COVID-19 pandemic on travel and in-person gatherings.

- Capacity development to increase understanding of ICANN's Mission and to diversify participation in ICANN's core activities.

- Engagement measurement, planning, and administration.

- Support cross-organizational collaboration for legislative tracking, government engagement, operational and strategic planning, and other functions.

- Ongoing implementation of engagement activities related to Specific and Organizational Reviews' implementation, community work on New gTLD Subsequent Procedures Policy Development Process recommendations. For example, we expect there to be more outreach and awareness-raising activities related to Board-approved recommendations for the subsequent round of new gTLDs.

- Support of other ICANN org team initiatives at a regional level, including OCTO, Government Engagement, and GDD Accounts and Services.

- GSE participates in internal subject matter expert teams on the implementation of the various Organizational and Specific Reviews.

△ GSE will evaluate the regional events ICANN org currently supports to determine effectiveness and modify if needed.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following milestones and metrics will be used over the five-year period for GSE:

- Update and alignment of regional engagement strategies with the Strategic Plan.

- Data on ICANN's geographical presence and services to regional stakeholders.

- Number of capacity development and training events and analysis of community feedback.

COMMUNITY ENGAGEMENT & SERVICES

Global Stakeholder Engagement, Cont'd.

HOW PROGRESS IS TRACKED, Cont'd.

- Incorporation of stakeholder journeys data into ICANN org Open Data Initiative.

- Metrics related to cross-functional work on DNS ecosystem security, DNSSEC deployment, UA and IDNs, and ICANN Managed Root Server instances.

- Engagement reporting for Competition, Consumer Trust, and Consumer Choice (CCT) Review and Registration Directory Service (RDS-WHOIS2) Review Team recommendations implementation.

- Support of community prioritization effort at regional level to participate in Public Comment periods.

- DNSSEC statistics from regional trainings and local adoption levels by top-level domains, Internet service providers, and others.

RESOURCES

FY22–26: Resource requirements expected to increase.

⬠ Increased funding needed for the GSE team to support the demand for: engagement stemming from operating initiatives; implementation of Organizational Review recommendations; a potential next round of new gTLDs; and regional capacity development requests.

⬠ Regional ICANN Forums or meetings conducted in collaboration with GDS and OCTO to raise awareness of ecosystem security issues, technical Internet governance, DNS business issues, and policy development.

⬠ Additional resources are needed for legislative tracking in certain countries in Asia. GSE anticipates working closely with Government Engagement to share costs for monitoring developments that may impact ICANN org.

⬠ GSE also assumes that travel costs will increase as in-person gatherings resume from historically low levels due to the pandemic. Community demand for support with regional events is likely to continue to increase.

COMMUNITY ENGAGEMENT & SERVICES

Global Stakeholder Engagement, Cont'd.

CONSIDERATIONS

The following considerations exist for the GSE team, some of which may pose risks:

• GSE anticipates continued close integration on engagement activities with the GDS, OCTO, and Government Engagement functions. Cross-organizational collaboration has improved significantly since the last Operating Plan was published.

• Improvements in collaboration were made in FY21 with the Managing Directors network for the regional offices. Some shifting of personnel with new VPs in Europe, North America and a new Managing Director of the Middle East and Africa regional office in Istanbul have provided opportunities for growth. Continued attention to personnel retention, development, and performance is important during this period.

• The organizational priority on legislative tracking continues to require resources and engagement.

• The community prioritization effort may identify the need to recruit new stakeholders, which will involve the GSE team to target new active participants.

• Work continues on full deployment of software tools through the ICANN CRM to enable cross-functional collaboration, request management, and performance tracking.

• Uncertainty remains on the resumption of in-person engagement and global travel due to the COVID-19 pandemic. While some regional and in-country travel may return before others, the pandemic has likely resulted in long-term changes to face-to-face engagement that will need to be considered. This may impact the ability for newcomers to participate in ICANN technical and policy work and may impact the volunteers in the ICANN community. ■

COMMUNITY ENGAGEMENT & SERVICES

Regional Offices

ICANN has regional offices in Brussels, Belgium; Istanbul, Turkey; Montevideo, Uruguay, and Singapore. ICANN has engagement centers in Nairobi, Washington DC and Beijing.

PURPOSE

The primary purpose of the regional offices is stakeholder engagement. Besides bringing ICANN's functions closer to stakeholders, the offices facilitate the functions housed in the region to achieve the goals set out in the Strategic Plan.

OPERATING INITIATIVE CONTRIBUTIONS

As each regional office leads stakeholder engagement in its region and collaborates with other ICANN functions at a regional level, each regional office directly or indirectly supports all operating initiatives.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Effective regional stakeholder engagement underpins the success of many of targeted outcomes in the Strategic Plan and reflects the regional offices' ongoing collaboration with other ICANN functions.

ACTIVITIES

ICANN's regional offices work with the community to help them obtain the support and services they need from ICANN org. Each office provides a broad range of localized services to the community. The regional offices are often a first point of contact for stakeholders in the area, and serve as the regional interface for ICANN org.

COMMUNITY ENGAGEMENT & SERVICES

Regional Offices, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. Key measures for the regional offices in the five-year period are:

- Facilitate collaboration to achieve identified cross-functional goals based on the Strategic Plan. The success of this collaboration will be tracked against the goals and targeted outcomes of agreed-upon goals.

- Collaborate to address engagement gaps, develop an engagement gaps matrix, and incorporate into an org-wide platform.

- Evaluate options for Singapore office expansion or relocation prior to current lease expiration on 30 September 2021.

RESOURCES

Brussels: Resources are expected to increase.

Δ Personnel increase to support increased engagement around technical and legislative issues and new initiatives such as the possible next round of new gTLDs.

Δ Support for community and engagement meetings.

Istanbul: Resources are expected to remain stable.

Δ One new team member in the Africa region by FY23/24, supported by the Istanbul regional office.

Δ Upgrade audio-visual equipment in support of community and engagement meetings (covered by Engineering and IT).

Δ Allocation of adequate resources for MEA/Istanbul-based personnel to support ICANN org engagement activities in the region.

COMMUNITY ENGAGEMENT & SERVICES

Regional Offices, Cont'd.

RESOURCES, Cont'd.

Montevideo: Resources are expected to increase.

Δ Increase funding for regional personnel to attend annual capacity development week and office-wide meetings.

Δ Add administrative support in FY22.

Δ Add contracted parties account manager in FY24.

Δ Add Contractual Compliance personnel member in region in FY25.

Singapore: Resources are expected to increase.

Δ Increased budget to expand space or relocate. Extra space to be used for hosting community meetings and workshops.

Δ Support for community and engagement meetings.

CONSIDERATIONS

The following risks and considerations exist for the success of the regional offices and may impact their progression:

• Work depends on other functions which may have other priorities.

• Functional teams should have region-specific plans and goals in place.

• Use of a CRM platform to better coordinate regional requests and assign resources.

• Allocation of adequate budget for GSE personnel and regional support.

• Willingness of the community to use the regional offices for ICANN-supported face-to-face meetings.

• The Istanbul office may need to be expanded if the demand for larger face-to-face meetings in that region increases. ■

Public Responsibility Support

PURPOSE

The Public Responsibility Support (PRS) team provides the community with the necessary support and tools to carry out public responsibility activities that support ICANN's Mission. Increasing diversity and lowering barriers to participation at ICANN is central to these efforts.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Implement New gTLD auction proceeds recommendations as approved by Board.

- Support: Facilitate DNS ecosystem improvements.

- Support: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.

- Support: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.

- Support: Through targeted engagement improve governmental and intergovernmental organization (IGO) engagement and participation in ICANN..

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN, in collaboration with relevant hardware, software, and service vendors, enhances knowledge about DNS safety and security.

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed-upon global public interest.

- The knowledge and skill levels across the stakeholder community and organization increase, demonstrated by community members and personnel equipped with basic knowledge of the DNS as well as ICANN policy and advisory processes.

COMMUNITY ENGAGEMENT & SERVICES

Public Responsibility Support, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES, Cont'd.

- Representation across all stakeholders continues to reflect the evolving functional, geographic, and cultural diversity of the Internet.

- ICANN Board and org continue enhancing transparency initiatives and upholding accountability.

- Continued efforts of ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

- ICANN prioritizes its activities to deliver its Mission in the global public interest in the most cost-effective way.

ACTIVITIES

- **Research and expertise:** Support for public responsibility initiatives within ICANN's remit in the areas of diversity, human rights, anti-harassment, public interest, and continue to support preparation for implementation of Board-adopted recommendations from the New gTLD Auction Proceeds CCWG.

- **Diversity programs:** PRS is developing online curricula and virtual programming for the Fellowship Program, NextGen@ICANN, and Newcomer Day during ICANN Public Meetings.

- **Capacity-development initiatives:** ICANN Learn, Leadership Program, Chairing Skills Program, and the ICANN History Project. New online curricula and virtual programming are in development for the Chairing Skills Program.

- **Human rights initiatives:** PRS has assumed responsibility for these activities from Multistakeholder Strategy & Strategic Initiatives. This work includes facilitating support to other departments as they carry out the implementation of recommendations in ICANN's Human Rights Impact Assessment. This work may include developing a framework or statement of intent, further assessments, surveys, trainings and/or research projects.

△ Establish ICANN Learn as the main capacity-development tool across ICANN, featuring a robust catalogue of technical and skill building courses.

△ Improve linkages between newcomers and individuals and groups who perform policy development and advice work.

△ Establish a more data-driven approach to diversity issues, program management, and evaluation.

COMMUNITY ENGAGEMENT & SERVICES

Public Responsibility Support, Cont'd.

ACTIVITIES, Cont'd.

⬠ Evaluate and improve PRS programs on a rolling basis; conduct community consultation for the Fellowship Program in FY23 and for NextGen@ICANN in FY25.

⬠ Phase out ICANN History Project work beginning in FY21 and reduce to minimal maintenance levels in FY25.

⬠ Evaluate new engagement opportunities for Fellows and NextGen alumni such as mentorship activities and resources and periodic meetups.

⬠ Facilitate support for ICANN Human Rights initiatives.

⬠ In conjunction with the Leadership Program and following community requests, PRS will facilitate a community-led Intercultural Awareness Program training session aimed at raising community awareness and understanding of cultural norms and best practices across regions.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Research and expertise:
  - A diversity dashboard will be implemented during this five-year planning cycle.
  - A procedural Public Interest Framework developed by FY25.
  - New gTLD Auction Proceeds CCWG: Continue to support coordination efforts leading up to Board approval of recommendations.
- Diversity programs: Fellowship Program, NextGen@ICANN, Newcomer Day at ICANN Meetings, the Newcomer Portal on icann.org, and the ICANN Community Childcare Grants Pilot.
  - ICANN Community Childcare Grants Pilot will be evaluated in FY21 to determine whether the program will continue as a recurring activity.
  - Evaluations of diversity programs will start five years after the previous review (Fellowship in FY23 and NextGen@ICANN in FY25).
  - Fellowship and NextGen@ICANN:
    - Number of participants by region and sector.
    - Number of pen holders on policy reports and documents.
    - Number of mailing list contributors.
    - Number of public comment contributors.
    - Number of alumni in leadership positions.

COMMUNITY ENGAGEMENT & SERVICES

Public Responsibility Support, Cont'd.

HOW PROGRESS IS TRACKED, Cont'd.

- Capacity-development initiatives:
  - Other capacity development delivery will be evaluated and improved on a rolling basis.
  - Phasing out ICANN History Project work will begin in FY21 and reduced to minimal maintenance levels in FY25.
  - Online Learn (ICANN Learn):
    - Number of active users.
    - Number of new courses.
    - Number of multilingual courses.

RESOURCES

FY22–26: Resource requirements expected to increase.

- PRS resources will remain at FY22 levels (adjusted annually for inflation).

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Work depends on clear community and organizational public responsibility priorities and cross-functional collaboration.

- Reputational risk may arise from failure to provide sufficient transparency and ability to demonstrate impact and return on investment of programs. This includes failure to support educated and informed stakeholders and a perceived lack of diversity in PRS programs.

- Continued improvement to PRS operations is needed, increasing transparency and responsiveness to the community.

- ICANN Learn should be leveraged to improve scalability of capacity-development efforts. ■

Government and Intergovernmental Organization Engagement

PURPOSE

ICANN org's Government and Intergovernmental Organization (IGO) Engagement team is responsible for outreach and engagement with national and regional governments and intergovernmental organizations to protect the remit and mandate of ICANN.

The team acts as a central point of contact to help government entities understand technology and its role in the problems they are seeking to solve. The team's goal in engagement is to provide information to make governments aware of or mitigate the sometimes unintended consequences of government action on areas within ICANN's remit or impacting policies developed through ICANN's multistakeholder processes. The team specifically provides information about the global Domain Name System.

The Government and IGO Engagement team works with the Governmental Advisory Committee (GAC) as the constituency that is the home of governments and IGOs within ICANN. The team also represents the Mission of ICANN with government ministries and IGOs.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Evaluate, align, and facilitate improved engagement in the Internet ecosystem.
- Lead: Through targeted engagement improve governmental and intergovernmental organization (IGO) engagement and participation in ICANN..
- Lead: Monitor legislation, regulation, norms, principles, and initiatives that may impact the ICANN Mission in collaboration with others.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN is engaged, its role acknowledged, and its presence valued in the arenas where topics within its remit are discussed.
- ICANN plays an important role in raising awareness among legislators, regulators, and stakeholders about its Mission and the effect of various regulatory and other proposals on the Internet ecosystem.

COMMUNITY ENGAGEMENT & SERVICES

Government and Intergovernmental Organization Engagement, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES, Cont'd.

- ICANN effectively convenes and facilitates discussions with relevant parties to help address relevant global challenges and opportunities.

- ICANN org continues to develop and mature systems to detect and monitor legislative initiatives and other governmental or intergovernmental actions or initiatives that could impact ICANN's Mission or operations.

- ICANN org proactively engages with the community to develop common awareness of ICANN's contribution to early warning systems.

- The inherent security of the DNS and unique identifiers system measurably increases, due to higher adoption of global open Internet standards and greater awareness of security threats among stakeholders.

- The reliable, resilient, and interoperable DNS remains the leading trusted platform for the Internet's naming system.

- Decision-making processes ensure that input from all stakeholders is considered.

- Widespread understanding of the ICANN multistakeholder model is established through increased communication with relevant governmental organizations and institutions.

- ICANN fosters successful and mutually beneficial relationships with local, regional, and global partners to ensure knowledge building about ICANN and its Mission continues.

ACTIVITIES

- Assessment of risks to ICANN org due to legislative or regulatory activity or through global action by IGOs.

- Facilitation of global, regional and national government engagement strategies reflecting geopolitical changes and reflecting the changes in the Strategic Plan.

- Ongoing cross-functional regional engagement related to technical and policy work, participation in relevant national and regional discussions.

- Capacity development.

- Support cross-organizational collaboration for legislative tracking, government engagement, operational and strategic planning, and other functions.

COMMUNITY ENGAGEMENT & SERVICES

Government and Intergovernmental Organization Engagement, Cont'd.

ACTIVITIES, Cont'd.

- Review and revision of the global government and IGO engagement strategies to align with the Strategic Plan, which expands the number of strategic objectives with engagement elements.

- △ The team will update demand-driven government capacity development activities against the Strategic Plan, and ensure these activities align with the new Strategic Objectives for ICANN org.

- △ The team will evaluate the government engagement events ICANN org currently supports to determine effectiveness and modify engagement strategy as needed.

- △ The team will develop and implement an annual engagement plan for the Global Internet Governance Forum, to coordinate ICANN activities and maximize involvement through speaking engagements, workshops, the Open Forum, social media, booth and flash sessions. The Hybrid Global IGF four-day event is planned for December 2021. In addition, the engagement plan will work with the local host and the IGF Secretariat on opportunities for intersessional engagement with parliamentarians about technical Internet Governance and ICANN's role managing the unique identifier system. Each year's engagement is a basis for the following year's work and uses the IGF Secretariat report, the community questions and feedback through the IGF portal, views and attendance participation information and feedback from presenters to assess and plan for the following year's work.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Delivery of the postponed FY21 High-Level Governmental meeting may occur in FY22 as a virtual or in-person event in conjunction with ICANN71, depending on pandemic safety protocols and discussions with the Governmental Advisory Committee. If so, then subsequent High-Level Governmental meetings could potentially occur in FY24 and FY26.

- Reports and statistics on participation in outreach, technical briefings and capacity development sessions for the GAC and through collaboration with other organizations in the ecosystem.

- Comparison of surveys conducted before and after capacity development event surveys to measure information learned and delivery of information against expectations.

COMMUNITY ENGAGEMENT & SERVICES

Government and Intergovernmental Organization Engagement, Cont'd.

- Completed review of existing Memoranda of Understanding (MoUs) for continuing alignment with goals.
- Metrics related to the number of countries and intergovernmental organizations represented in the GAC and the number of countries and IGOs actively participating in GAC and ICANN policy processes.

RESOURCES

FY22–26: Increased resources will be needed to address:

⊿ Growth in risks to ICANN org through intended and, more frequently, unintended consequences of the legislative and regulatory actions of governments and intergovernmental organizations.

⊿ Growth in risks to the single, stable global Internet through new technologies, lack of government understanding of those technologies, or political initiatives to address challenges governments believe are posed by those technologies.

⊿ Stakeholder demand for engagement and capacity development through the GAC's Underserved Regions Working Group and Public Safety Working Group.

⊿ Increased regional capacity-building workshops, technical briefings, and training to fulfill collaboration with other organizations within the Internet ecosystem.

⊿ Increased activity in the cybersecurity areas reflecting growing governmental concerns and proactive and preemptive behavior to address or exploit possible vulnerabilities in the critical Internet infrastructure.

⊿ Increased need for professional service contracts to cover specialized events and information gathering.

⊿ Increased participation in arenas that ICANN has not previously engaged as the locus of political action that can impact ICANN shifts.

COMMUNITY ENGAGEMENT & SERVICES

Government and Intergovernmental Organization Engagement, Cont'd.

△ Changes in personnel needs during FY22–26.

– Personnel changes in FY21 reallocated the team's nine personnel positions more evenly among the cities of Brussels, Geneva, Los Angeles, and New York, instead of primarily centered in Geneva. Moving forward, the Government and IGO Engagement team anticipates that the number of personnel in Geneva will decrease from two to one. These changes reflect a shift in location of activities and IGO dialogues that have the greatest likelihood to impact ICANN and its Mission.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

• Changes in the assessment of risk environment.

• Change in functional resources and team allocation. Given limited resources and pressure on ICANN org budget, there will need to be ongoing increasing collaboration with GSE, OCTO, Communications, and other community-facing functions in ICANN org. ◼

GDD Accounts and Services

PURPOSE

The GDD Accounts and Services functional activity is responsible for the effective implementation of GNSO Consensus Policy and contract-related services. Its team builds and maintains relationships with the ICANN-accredited registrars, gTLD registries, and their respective stakeholder groups.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Formalize the ICANN org funding model and improve understanding of the long-term drivers of the domain name marketplace.

- Support: Promote and sustain a competitive environment in the Domain Name System.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Enhanced engagement with contracted parties creates more robust industry relationships, dynamic participation, and improved responsiveness to emerging technologies.

- ICANN, in partnership with relevant stakeholders, establishes and promotes a coordinated approach to effectively identify and mitigate DNS security threats and combat DNS abuse.

- ICANN continues to provide a trusted forum that effectively convenes relevant parties for discussions on the security, stability, evolution, and interoperability of the DNS.

- ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.

- Evolution to five-year rolling financial planning allows ICANN to appropriately address changes that impact ICANN's budget, operating and financial plan, or Strategic Plan.

- ICANN has reliable and predictable five-year funding projections, based on a sound understanding of the evolution in the domain name marketplace and realistic assumptions.

- ICANN utilizes data about the directions and trends in the market to effectively guide the organization.

COMMUNITY ENGAGEMENT & SERVICES

GDD Accounts and Services, Cont'd.

ACTIVITIES

- Continue to build and maintain relationships with ICANN's contracted parties.
- Collect and contextualize market intelligence about the domain name industry ecosystem.
- Implement GNSO policy recommendations after adoption by the ICANN Board.
- Implement and enhance services for the contracted parties.
- Develop the annual and five-year funding forecast and funding assumptions.
- Support the contracted parties transition to the Registration Data Access Protocol (RDAP)-based technology platform for registration data directory services as called for in amendments to the Base gTLD Registry Agreement and Registrar Accreditation Agreement.
- Coordinates ICANN's efforts, to conduct research, provide tools, factual information and education for the ICANN community regarding DNS Security Threats and DNS Abuse.
- Collaborate and coordinate with industry actors toward reducing DNS security threats (botnets, malware, pharming, phishing, and spam when used as vectors).
- Work with the community to identify gaps in addressing DNS security threats within ICANN's remit and means to reduce DNS security threats.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Production of funding forecast and forecast assumptions for quarterly and annual budgeting processes.
- Implementation of adopted consensus policies.
- Periodic Survey of contracted parties.

COMMUNITY ENGAGEMENT & SERVICES

GDD Accounts and Services, Cont'd.

RESOURCES

FY22–26: Resource requirements expected to increase.

Personnel levels may increase to provide account management support to a larger base of registries and registrars as more are added through subsequent rounds of new gTLDs. The team has also added responsibility to lead ICANN org's coordinated efforts related to mitigating DNS security threats and combating DNS abuse. Additionally the increased level of focus and priority applied to the funding forecasting requires an additional level of effort for market analysis and improved financial models.

CONSIDERATIONS

- The transition from WHOIS to RDAP depends on completion of amendments to gTLD Base Registry Agreement, and 2013 Registrar Accreditation Agreement, expected in early FY22.

- Implementation of approved GNSO Council-developed Policy Recommendations partially depends on volunteer-based Implementation Review Team (IRTs). ■

Consumer Safeguards

PURPOSE

ICANN org's Consumer Safeguards team facilitates community-wide discussions to identify:

- Existing safeguards within ICANN's remit.

- Potential means to address safeguard gaps.

The functional activity also contributes to org assessments of local and regional regulations that may impact the DNS, as well as community and broader public engagement.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN effectively convenes and facilitates discussions with relevant parties to help address relevant global challenges and opportunities.

ACTIVITIES

- Facilitate community-wide sessions during ICANN Public Meetings and in regional venues to discuss safeguard and DNS abuse topics.

- Engage with the public and community members on legal and regulatory efforts that may impact the DNS.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Number of facilitated community discussions.

- Issue papers.

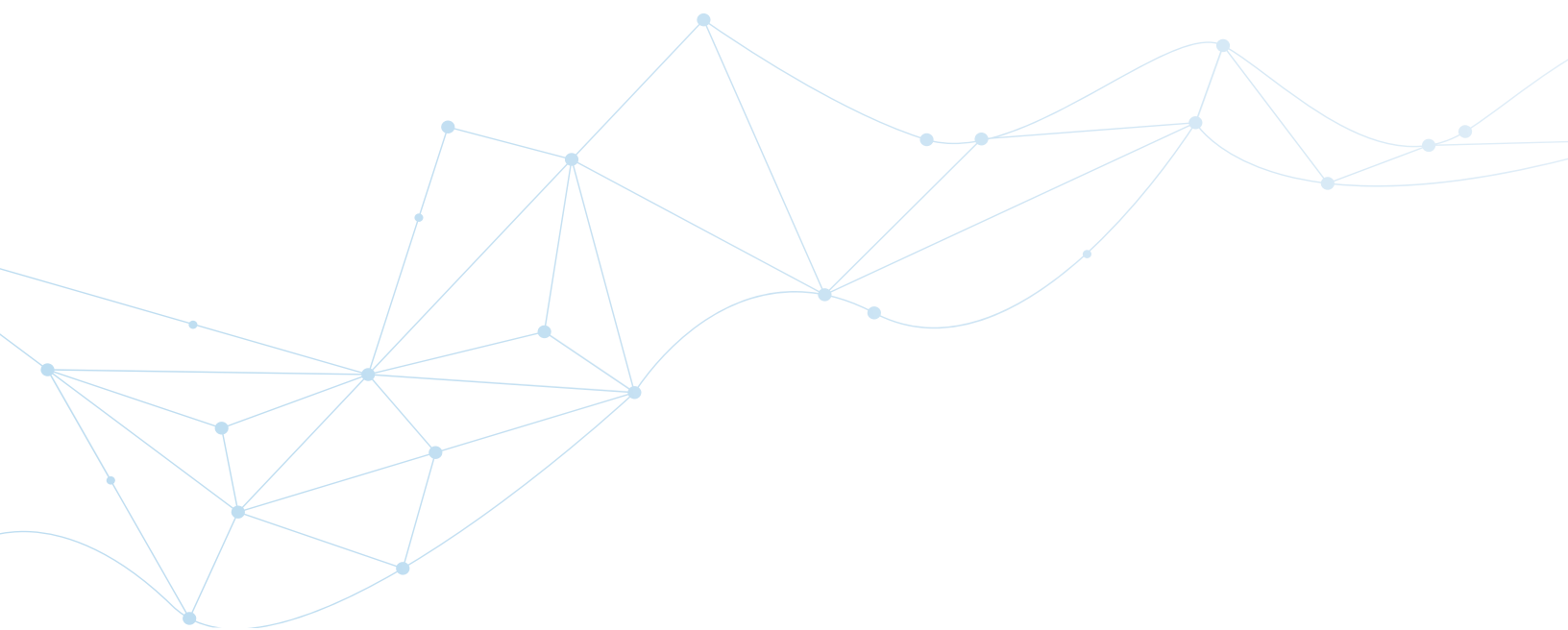# COMMUNITY ENGAGEMENT & SERVICES

Consumer Safeguards, Cont'd.

RESOURCES

FY22–26: Resource requirements expected to be stable.

CONSIDERATIONS

The following consideration exists for this initiative and may impact its advancement:

• Level of community interest and engagement may not be constant. There may be pressure on the Consumer Safeguards director to go beyond the facilitator role to advocate in favor of a particular position or positions. ◼

Global Communications and Language Services

PURPOSE

The primary purpose of ICANN org's Global Communications and Language Services function is to ensure that ICANN is represented accurately and consistently in all forms of communication. This is accomplished in several ways:

- Demonstrate successes, knowledge, and thought leadership through compelling, clear, and consistent positioning.

- Continue to grow, globalize, and diversify communications efforts and channels for geographic and target-audience reach.

- Expand to and engage with new audiences by reaching outside of traditional forums.

- Leverage media and industry contacts to amplify key messages.

- Increase external understanding of and increase participation in ICANN's policy development process and multistakeholder model.

- Explain the role of the IANA functions and ICANN's technical remit.

- Educate internal audiences and support personnel activities.

- Facilitate access to ICANN by providing translations, interpretation, and transcription services in the six UN languages for ICANN Public Meetings and other events.

The secondary purpose is to provide communication tools to personnel and community to advance their work.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Facilitate DNS ecosystem improvements.

- Support: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.

- Support: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.

COMMUNITY ENGAGEMENT & SERVICES

Global Communications and Language Services, Cont'd.

OPERATING INITIATIVE CONTRIBUTIONS, Cont'd.

- Support: Promote and sustain a competitive environment in the Domain Name System.

- Support: Evaluate, align, and facilitate improved engagement in the Internet ecosystem.

- Support: Through targeted engagement improve governmental and intergovernmental organization (IGO) engagement and participation in ICANN.

- Support: Monitor legislation, regulation, norms, principles, and initiatives in collaboration with others that may impact the ICANN Mission.

- Support: Implement new gTLD auction proceeds recommendations as approved by the Board.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN maintains a reputation as a source of unbiased, reliable, and factual information on DNS health.

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed upon global public interest.

- Widespread understanding of the ICANN multistakeholder model is established through increased communication with relevant organizations and institutions.

- ICANN engages in greater cooperation locally, regionally, and globally, with stakeholder groups and different policy and standards development bodies to raise awareness about Universal Acceptance, IDN implementation, and IPv6.

- Universal Acceptance readiness measurably increases.

- IDNs are increasingly adopted and treated in a standard fashion by software vendors.

- New gTLD awareness increases, as measured in surveys of Internet users.

- ICANN promotes and supports awareness of the IANA functions, including among stakeholders, to successfully maintain the broad array of Internet unique identifiers and deliver effective DNS root zone operations.

COMMUNITY ENGAGEMENT & SERVICES

Global Communications and Language Services, Cont'd.

ACTIVITIES

- To ensure professional, consistent messaging that properly positions ICANN in the community, and the org, and through media and other sources. This team is responsible for brand and usage standards, website content, social media, graphic design, writing, proofing, and editing.

- Following the roll-out of the Information Transparency Initiative (ITI), the team will continue the development and implementation of the Information Transparency Platform (ITP).

- The Global Communications function supports capacity-building efforts in the regional offices through public relations, media facilitation, and communication strategy.

- This function is part of the strategic communications planning and implementation (drafting, editing, content review, and scorecard development) for many of the functions within ICANN org, as well as Internal Communications, editing, writing, and communications planning support for internal functions such as Engineering and IT, Finance, and HR.

△ In FY22–26, Global Communications anticipates adding writers and a graphic designer to the team pending an evaluation of how to best structure the resources to better support each function.

△ Several sets of community recommendations are now moving to Board consideration, and, upon approval, eventual implementation. The recommendations that will require strategic communications planning and content support include those from the New gTLD Subsequent Procedures Working Group, Expedited Policy Development Process (EPDP) on Temporary Specification for gTLD Registration Policy Phase 2, and the Cross-Community Working Group on new gTLD Auction Proceeds (CCWG-AP).

△ Since development of the FY21–25 plan, Global Communications has taken on ownership of the Open Data Program. This will include development of a roadmap for the program and managing progress of the program.

COMMUNITY ENGAGEMENT & SERVICES

Global Communications and Language Services, Cont'd.

HOW PROGRESS IS TRACKED

The Global Communications team will utilize tools, such as social listening tools, media monitoring, and Google analytics to track content likes, retweets, shares, etc.

RESOURCES

FY22–26: Resource requirements expected to increase, as the team has requested the addition of two personnel to increase capacity.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Overall, unclear or inconsistent communications and messaging to stakeholders can negatively impact ICANN's reputation or put ICANN at legal risk.

- Advance notice of special projects or initiatives that will require communications support is key to ensuring that resources are available to provide assistance. Other functions are strongly encouraged to involve the team as early as possible.

- Promoting a shared understanding of key and current issues requires that personnel throughout ICANN org work with the Global Communications team to access accurate and consistent information on topics of interest.

- Translated materials, which are costly to produce, are not well used in some of the languages. ■

COMMUNITY ENGAGEMENT & SERVICES

Global Meetings Operations

PURPOSE

Global Meetings Operations supports face-to-face and virtual meetings hosted by ICANN globally. For face-to-face meetings, the team ensures that the selected cities, venues, meeting facilities, and services provide an environment conducive to an effective meeting. They work in close collaboration with the community to establish the meeting schedule and provide travel support for funded travelers and personnel.

For virtual meetings, the team works with the community and the org to establish the schedule and ensure effective participation strategy in the online environment.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed-upon global public interest.

• Continued efforts of ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

ACTIVITIES

The team provides extensive pre-planning and on-site and/or virtual support to:

– Three ICANN Public Meetings a year.

– Three Board Retreats a year.

– Community face-to-face and virtual meetings, the number of which varies from year to year.

COMMUNITY ENGAGEMENT & SERVICES

Global Meetings Operations, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed-upon global public interest.

- Continued efforts of the ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

- Meetings team: Number of meetings supported.

- Travel Support: Number of travelers supported.

RESOURCES

FY22–26: Resource requirements expected to increase.

⚠ As face-to-face and virtual meeting demand continues to increase and consume available resources, our ability to complete work in a timely manner is increasing direct and indirect costs due to reduced lead times. The team anticipates additional resources in FY22–26.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- There is a need to define the purpose of ICANN Public Meetings and work toward internal alignment within ICANN org.

- ICANN org is seeing an upward trend in the number of face-to-face and virtual meetings, even with flat funding.

- ICANN org has confirmed locations through March 2023 and is in the process of finalizing contracting for some meeting venues. Changes to the number or type of meetings could incur cancellation penalties.

- The COVID-19 pandemic-related disruption is likely to affect the format and cost of meetings conducted face-to-face or virtually in FY22. ∎

COMMUNITY ENGAGEMENT & SERVICES

Ombudsman

PURPOSE

The Office of the Ombudsman is a neutral dispute resolution practitioner for the ICANN community. The principal function of the Ombudsman shall be to provide an independent internal evaluation of complaints by members of the ICANN community who believe that the ICANN org, Board, or an ICANN constituent body has treated them unfairly. The Ombudsman serves as an objective advocate for fairness, and seeks to evaluate and resolve complaints about unfair or inappropriate treatment by ICANN org personnel, the Board, or ICANN constituent bodies, clarifying the issues and using conflict resolution tools such as negotiation, facilitation, and "shuttle diplomacy" to achieve these results.

The Ombudsman also has a formal role in conducting a substantive review of Reconsideration Requests. However, the Ombudsman recuses the office from such a review if the office has been previously involved in the subject matter of the Reconsideration Request.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• Continued efforts of ICANN Board, community, and org to facilitate the inclusion and participation of all stakeholders.

• ICANN community enhances their transparency practices to increase cross-community accountability and trust.

COMMUNITY ENGAGEMENT & SERVICES

Ombudsman, Cont'd.

ACTIVITIES

The primary role of the Ombudsman includes:

- Complaint management.

Δ Raise awareness of expected standards of behavior and anti-harassment policies within the community, Board, and org. There is currently some awareness but plans over the next five years would increase visibility and activity.

Δ Substantive evaluation of Requests for Reconsideration under ICANN Bylaw 4.2.1.

- Ongoing education to empower leadership in community via ICANN Learn and providing training for community leaders to empower and educate on conflict resolution.

- Implementation of recommendations related to the Ombudsman from the Cross-Community Working Group on Enhancing ICANN Accountability Work Stream 2.

HOW PROGRESS IS TRACKED

ICANN Bylaws require the Office of the Ombudsman to produce an annual report with consolidated analysis of the year's complaints and resolutions, documentation of adherence to confidentiality obligations and concerns, as well as recommendations for steps to minimize future complaints.

RESOURCES

FY22–26: Resource requirements expected to be stable.

The number of Reconsideration Requests affects resources required. The Ombudsman collaborates with several teams within the org including: Communications, Public Responsibility Support, Legal, Meetings, as well as the Board and the community.

CONSIDERATIONS

Work Stream 2 of the Cross-Community Working Group on Enhancing ICANN Accountability issued recommendations that have been accepted by the Board, relating to the Office of the Ombudsman. This portion of the plan will be updated as the planning work continues. ■

Functional Activities

FY22–26

ICANN Org Governance

- Board Activities

- Office of the President and CEO

- Governance Support

- Nominating Committee Support

- Complaints Office

- Planning

- Review Support and Implementation

Board Activities

PURPOSE

The Board Activities functional activity represents the work and responsibilities of the ICANN Board of Directors. Among its duties, the ICANN Board:

- Ensures that ICANN remains at all times true to its Mission, Vision, commitments and core values.
- Oversees ICANN org's performance to ensure it operates with efficiency and effectiveness, in a fiscally responsible and accountable manner and, where practicable and not inconsistent with ICANN's other obligations under the Bylaws, in a manner that is responsive to the needs of the global Internet community.
- Oversees development and periodic revisions of the Strategic Plan and Operating Plan.
- Ensures that ICANN operates pursuant to the highest ethical standards, complies with applicable laws, and considers adherence to best practices in all areas of operation.
- Ensures all policy development and decision-making processes are transparent, open, reflective of the public interest, and accountable to all stakeholders.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. The Board supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- The ICANN Board aligns its core FY22–26 activities with the FY21–25 Strategic Plan. At a high level the ICANN Board focuses on the following aims:
  - Strengthening the security of the DNS and the DNS Root Server System.
  - Improving the effectiveness of ICANN's multistakeholder model of governance.
  - Evolving the unique identifier systems in coordination and collaboration with relevant parties to continue to serve the needs of the global Internet user base.
  - Addressing geopolitical issues impacting ICANN's Mission to ensure a single and globally interoperable Internet.
  - Ensuring ICANN's long-term financial sustainability.

ICANN ORG GOVERNANCE

Board Activities, Cont'd.

ACTIVITIES

- Board Committees form a fundamental part of Board activities. Committees allow a smaller group of Board members to work together when a more focused approach is needed. The list of Committees as well as their charters defining the scope of their duties and activities can be found here: **https://www.icann.org/resources/pages/board-committees-2018-04-13-en**.

- When necessary, the Board may also establish working groups or caucuses that are focused on a specific topic or issue.

- Board members focus on serving the global public interest.

- Board members participate in external events in order to develop effective relationships across the global Internet ecosystem. The Board advocates ICANN's Mission and its multistakeholder model of governance within the Internet governance ecosystem.

HOW PROGRESS IS TRACKED

The ICANN Board fulfills its objectives and outcomes by directing the President and CEO to implement the Board's decisions. The following measures will be used over the five-year period:

- **Outcomes:**
  – Successful implementation of the Strategic Plan and the Operating and Financial Plan.
  – Implementation of the work plan to improve the effectiveness of ICANN's multistakeholder model.
  – Strengthen DNS and DNS Root Server System security.
  – Evolution of unique identifier systems.
  – ICANN's long-term financial sustainability.

- **Performance metrics:**
  – Timely revision of the Strategic Plan and the Operating and Financial Plan.
  – Amount of funds transferred into the Reserve Fund, per **Board resolution** for replenishment.
  – Number of geopolitical issues impacting ICANN's Mission identified on time and successfully addressed.

ICANN ORG GOVERNANCE

Board Activities, Cont'd.

HOW PROGRESS IS TRACKED, Cont'd.

– Number of additional stakeholders join ICANN globally.

– Number of effective relationships with key actors in the global Internet ecosystem established.

RESOURCES

FY22–26: Resource requirements expected to be stable. This may change as community recommendations related to new gTLD auction proceeds and subsequent rounds of new gTLDs move to the Board for consideration and eventual implementation.

CONSIDERATIONS

The following risks and considerations exist for the ICANN Board in its activities:

• Workload and competing priorities may slow down progress in key areas of work.

• Maintaining institutional knowledge is helped if there is stability in the Board's composition over the long-term.

• The ability to select and retain qualified and diverse Board members is dependent on factors such as available candidate pool, time commitments required, and compensation.

• Failure to identify trends impacting ICANN and subsequent adaptation of the Strategic Objectives could have important repercussions.

• The COVID-19 pandemic has limited travel and face-to-face gatherings, which may impact the ability to establish effective relationships with key actors in the global Internet ecosystem. ◼

ICANN ORG GOVERNANCE

Office of the President and CEO

PURPOSE

The Office of the President and CEO provides support to the President and CEO, who has fiduciary responsibility for the organization. The goals of the President and CEO are achieved through work conducted by ICANN org.

OPERATING INITIATIVE CONTRIBUTIONS

The President and CEO oversees progression of all operating initiatives.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

The Office of the President and CEO provides support to the President and CEO, thus contributing to many of ICANN's strategic goals and targeted outcomes.

ACTIVITIES

The nature of the Office of the President and CEO is to provide ongoing support to the President and CEO, to effectively manage ICANN org. No significant considerations were identified. It is notable that the ICANN Board has extended the employment contract of the current President and CEO, Goran Marby, through May 2024, which provides continued stability and consistency throughout the execution of the FY22–26 Operating and Financial Plan.

Activities include:

- Supporting the President and CEO as he provides direction to the Executive Team to achieve organizational goals.
- Day-to-day support of the President and CEO, including travel and meetings arrangement, and other administrative tasks, so that the President and CEO can run the organization effectively.
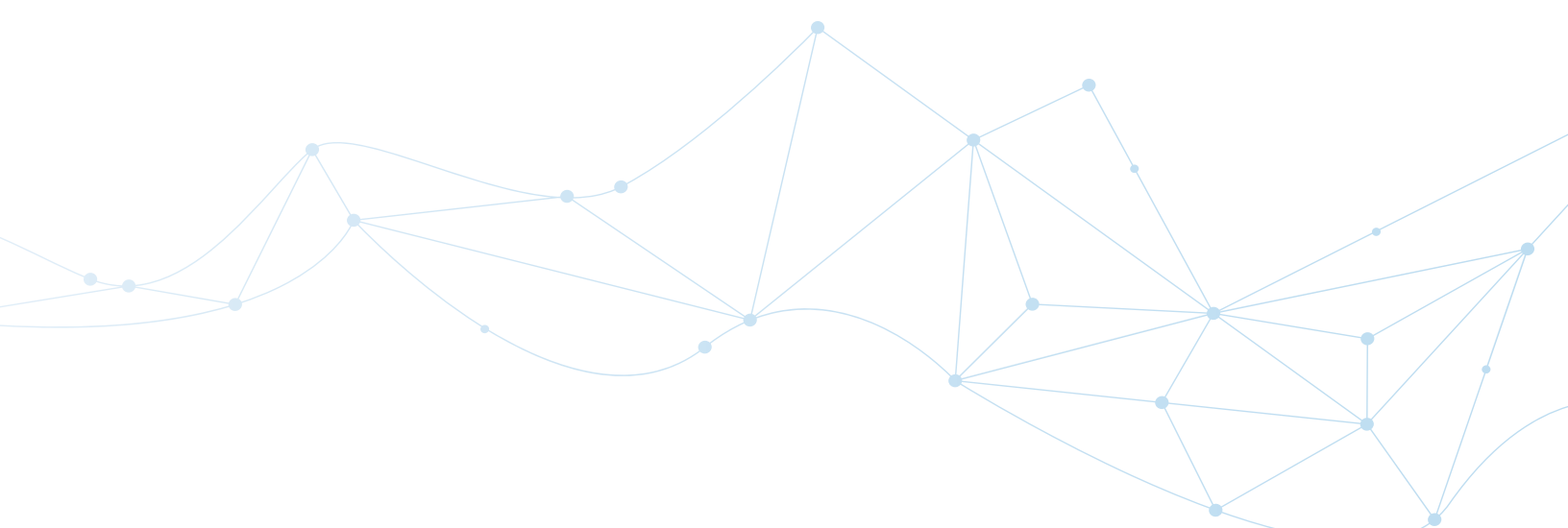
ICANN ORG GOVERNANCE

Office of the President and CEO

RESOURCES

FY22–26: Resource requirements expected to be stable.

HOW PROGRESS IS TRACKED

Progress of the Office of the President and CEO is related to the progress made on the established **goals** of the President and CEO, which are approved by the ICANN Board. Additionally, the President and CEO and Executive Team provide **regular reports** to the Board and the community ahead of ICANN Public Meetings. ∎

ICANN ORG GOVERNANCE

Governance Support

PURPOSE

Governance Support legally safeguards ICANN org and mitigates adverse litigation and regulatory impacts to ICANN org.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Develop internal and external ethics policies.

- Support: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.

- Support: Promote and sustain a competitive environment in the Domain Name System.

- Support: Facilitate DNS ecosystem improvements.

- Support: Root Zone management evolution.

- Support: Evaluate, align, and facilitate improved engagement in the Internet ecosystem.

- Support: Monitor legislation, regulation, norms, principles and initiatives in collaboration with others that may impact the ICANN Mission.

- Support: Implement New gTLD Auction Proceeds recommendations.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.

- Decision-making processes ensure that input from all stakeholders is considered.

- Improved multistakeholder model processes, such as Policy Development Process (PDP) 3.0 or streamlined Organizational and Specific Reviews, and other evolutions of ICANN's governance and cross-community working methods help produce timely and relevant results.

ICANN ORG GOVERNANCE

Governance Support, Cont'd.

ACTIVITIES

- Litigation support, such as maintaining litigation readiness and monitoring and managing ICANN litigation matters and issues, including Accountability Mechanisms.

- General legal internal support.

- Advice to senior management.

- Contractual support, such as contract review, analysis, recommendations, risk assessments and amendments.

- Secretarial support to ICANN Board and PTI Board, such as performing Secretary's duties related to notices, meetings, corporate records and implementation of Board and committee decisions.

- Service as Chief Data Protection Officer, with a focus on ICANN organization-level data to ensure ICANN's internal data protection and privacy program is compliant and up-to-date.

  – Anticipated implementation of a standardized system for accessing registration data.

- Continue to support ICANN org and community, and monitor dynamic privacy and data protection legislation.

⊿ Establishment of a contract management database. Currently, contracts are managed within each business unit, which can cause potential legal and financial risk to the organization.

⊿ With the current global environment, there has been an increase in the activities and resources due to the support services provided by Governance Support to support the org's response to the pandemic.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Achieving functional purpose within funding allowance.

- Sufficient contingency funds to cover unforeseen legal events (e.g., skilled in looking at past trends, present environment and future projections to deriving contingency fund amounts year-over-year).

ICANN ORG GOVERNANCE

Governance Support, Cont'd.

RESOURCES

FY22–26: Resource requirements expected to increase.

- A growing trend for more legal analysis translates into additional resource requirements. This assumption is based on the continued increase in projects, reviews, and policy development processes coming before the Board for consideration. Governance resources are needed at each part of this effort, in assessing feasibility of recommendations, in supporting Board deliberations on recommendations, and in advising the org in implementation.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Dependency: Document management system readiness.

- Risk: unexpected legal events. To best mitigate this risk, ICANN org has to ensure sufficient contingency funding for unbudgeted events.

- Changing landscape of privacy regulations.

- Outcomes related to litigation or general internal legal support are dependent on when Legal team is engaged on matters or issues.

- Advance notice of special projects or initiatives that will require legal services is key to ensuring that budget and resources are available. Other functions are strongly encouraged to involve the Legal function as early in the planning stages as possible. ■

ICANN ORG GOVERNANCE

Nominating Committee Support

PURPOSE

The Nominating Committee Support function provides support and coordination for the ICANN Nominating Committee (NomCom), an independent committee responsible for appointing leadership positions to the ICANN Board, At-Large Advisory Committee, Country Code Names Supporting Organization, and Generic Names Supporting Organization. The NomCom acts on behalf of the interests of the global Internet community and within the scope of ICANN's Mission and responsibilities in the Bylaws.

OPERATING INITIATIVE CONTRIBUTIONS

Support: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Representation across all stakeholders continues to reflect the evolving functional, geographic, and cultural diversity of the Internet.

- Widespread understanding of the ICANN multistakeholder model is established through increased communication with relevant organizations and institutions.

- ICANN community enhances their transparency practices to increase cross-community accountability and trust.

ACTIVITIES

This team supports the NomCom by providing:

- Systems Administration: Configuring systems and tools for NomCom use including the NomCom application system, web pages, and wiki.

- Meeting Planning: Plans and coordinates telephonic, face-to-face and virtual NomCom meetings.

- Meeting Support: Facilitates the work of the NomCom, including maintaining process and procedures documents and agendas.

ICANN ORG GOVERNANCE

Nominating Committee Support, Cont'd.

ACTIVITIES, Cont'd.

- Training: Produce content used in NomCom meetings.

- Vendor Management: Procure, negotiate, contract, and manage vendors in support of NomCom functions, including training and recruitment firms.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. In FY22–26, the following metrics will be used:

- Number of face-to-face meetings supported.

- Number of telephonic/virtual meetings supported.

- Number of leadership positions filled.

RESOURCES

FY22–26: Resource requirements expected to be stable.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Implementation work to be undertaken by NomCom support personnel to implement Board-approved recommendations of the NomCom Organizational Review Team may exceed the skills and capacity of existing resources.

- Ongoing NomCom operational costs may increase as a result of the review team recommendations.

- Due to the fluid status of NomCom leadership, ICANN org must be prepared to revise operating procedures and approach.

- Due to the COVID-19 pandemic, more of NomCom's work is conducted virtually, which will impact how progress is tracked. ∎

ICANN ORG GOVERNANCE

Complaints Office

PURPOSE

The Complaints Office is an operational accountability mechanism that enables ICANN org to transparently identify and resolve issues in one centralized location. The Complaints Office handles complaints regarding ICANN org that do not fall into an existing complaints mechanism, such as Contractual Compliance, Request for Reconsideration, or the Office of the Ombudsman.

The Complaints Office reviews verifiable information to ensure recommendations and resolutions are based in fact. It strives to be open and transparent, responsive and accountable to all parties, and to make recommendations that are constructive and actionable. Above all else, the Complaints Office acts with the utmost integrity in service of ICANN's Mission.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Continued efforts of ICANN Board, community, and org to facilitate the inclusion and participation of all stakeholders.
- ICANN community enhances their transparency practices to increase cross-community accountability and trust.

ACTIVITIES

The Complaints Office reviews verifiable information to ensure recommendations and resolutions are based in fact. The office strives to be open and transparent, responsive and accountable to all parties, and to make recommendations that are constructive and actionable. Its responsibilities include:

- Receiving, researching, analyzing, and responding to submitted complaints.
- Reporting.
- Business and communications planning and implementation.
- Internal and external engagement.

ICANN ORG GOVERNANCE

Complaints Office, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Number of complaints received.

- Number of complaints received in scope.

- Number of complaints resolved.

- May consider reporting turnaround time in FY22–26.

RESOURCES

FY22–26: Resource requirements expected to be stable.

- Additional headcount to mitigate the risk caused by having limited staff resources.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Shifting to a centralized system for complaints depends on ICANN org's prioritization and resource availability.

- The function has limited personnel, which creates risk that could lead to slow or stalled delivery on commitments.

- As awareness and visibility regarding the Complaints Office increases over time, the number of in-scope complaints could escalate rapidly. ■

ICANN ORG GOVERNANCE

Planning

PURPOSE

The purpose of this functional activity is to support the development, implementation, monitoring, and evolution of ICANN's strategy and to carefully plan ICANN's activities to help address efficiently and effectively essential requirements of ICANN's Mission and ensure that ICANN org is accountable to the public in its stewardship of ICANN's Mission. In July 2020, a new Planning department was formed to lead and coordinate all planning activities across ICANN and to prioritize and organize ICANN's activities with all participants in the ICANN ecosystem (org, Board, and community). The long-term objective of the Planning department is to continuously develop the effectiveness of the organization through adequate planning and measurement of the delivery against the plans.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Planning at ICANN.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN Strategic Plan is supported by a five-year Operating and Financial Plan. All plans are updated as and when necessary to take into account relevant changes in ICANN's environment.

- Evolution to five-year rolling financial planning allows ICANN to appropriately address changes that impact ICANN's budget, operating and financial plan, or strategic plan.

- ICANN has processes and tools in place to effectively prioritize and periodically reprioritize its work.

- Community's engagement in prioritization and decisions about affordability measurably increases.

- Funding, expenses, and reserves are addressed in each plan in a manner consistent with policies, Board decisions, strict financial responsibility, and conservatism.

- ICANN has reliable and predictable five-year funding projections, based on a sound understanding of the evolution in the domain name marketplace and realistic assumptions.

ICANN ORG GOVERNANCE

Planning, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES, Cont'd.

- ICANN utilizes data about the directions and trends in the market to effectively guide the organization.

- ICANN prioritizes its activities to deliver its Mission in the global public interest in the most cost-effective way.

ACTIVITIES

- Lead ICANN's planning processes, including strategic outlook and strategic planning, operating planning, budgeting and progress reporting.

- Communicate and engage on the planning processes, timelines, and milestones with ICANN org, Board and Community.

- Manage the development of all plans per ICANN Bylaws' requirements.

- Ensure alignment of regional and other planning programs and implementation efforts with ICANN plans.

- Manage progress reporting and measurement.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Timely delivery of ICANN's Five-Year Strategic Plan, Five-Year Operating Plan, Annual Operating Plan and Budget.

- Regular completion of trends identification. Ability to factually inform trends based on public data.

- Regular completion of trends, prioritization, and impacts analysis.

- Regular decision to revise or prolong the Strategic Plan.

- As needed, revision of Strategic Plan.

- Regular production of reports on achievements and progress against the ICANN plans.

ICANN ORG GOVERNANCE

Planning, Cont'd.

HOW PROGRESS IS TRACKED, Cont'd.

- Design and implement ICANN's planning processes, including the strategic planning process, operating planning process, budgeting process and process reporting process.

- Research, analyze, design, and implement a prioritization approach in collaboration with ICANN org, Board and the community.

RESOURCES

FY22–26: Resource requirements expected to increase.

∆ Support establishing a systematic set of activities to support the rolling planning process.

∆ Facilitate the strengthening of monitoring of trends.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Lack of planning tools, including data collection and analysis, to facilitate organization-wide prioritization and progress reporting can impact the efficiency and effectiveness of planning activities.

- Cross-functional collaboration and resources are needed and progress will depend on their availability. ■

Review Support and Implementation

PURPOSE

The ICANN Bylaws-mandated reviews represent a fundamental mechanism to continuously improve ICANN's multistakeholder model. The improvements result from the implementation of Board-adopted recommendations made by community-led review teams (for Specific Reviews) or by external independent reviewers (for Organizational Reviews). The org's functional support of the reviews process is provided by two complementary teams actively involved in the entire process from inception of the review to the conclusion of the implementation:

- The Review Support team facilitates and supports both the Specific and Organizational Reviews. This work includes the evolution of review processes and ICANN org support from inception of the review through Board action on the recommendations made by the review team.

- The Implementation Operations team is responsible for the implementation of the Board-adopted recommendations and coordinates the efforts with all parties, including org, Board and community, to ensure effective implementation. These recommendations could result from reviews or other community-led working groups, such as the Cross-Community Working Group on Enhancing ICANN Accountability Work Stream 2 (CCWG-Accountability WS2), the program to Evolve the Effectiveness of the Multistakeholder Model, and the Cross-Community Working Group on Auction Proceeds.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.

- Support: Implement New gTLD Auction Proceeds recommendations as approved by Board.

- Support: Planning at ICANN.

ICANN ORG GOVERNANCE

Review Support and Implementation, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.

- Decision-making processes ensure that input from all stakeholders is considered.

- Improved multistakeholder model processes, such as Policy Development Process 3.0 (PDP 3.0) or streamlined Organizational and Specific Reviews, and other evolutions of ICANN's governance and cross-community working methods help produce timely and relevant results.

- ICANN stakeholders collaborate to define prioritization mechanisms, which ensure that cumulative workload is reasonable at any one time, and that ICANN priorities reflect the community's collective needs.

- ICANN Board and org continue enhancing transparency initiatives and upholding accountability.

- ICANN community enhances their transparency practices to increase cross-community accountability and trust.

- Continued efforts of ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

ACTIVITIES

- Support ICANN org cross-functional engagement in the review life cycle from inception to implementation of Board-approved recommendations.

- Establish a cohesive streamlining of reviews to enhance the efficiency and effectiveness of Reviews and the review program as part of continuous improvement.

- Design and establish a cohesive approach to the resourcing and prioritization of community recommendations.

- Evaluate the effectiveness of review recommendations as part of informing the next cycle of that review, and also in a broader sense to ensure that all Reviews deliver on community and Board expectations.

ICANN ORG GOVERNANCE

Review Support and Implementation, Cont'd.

ACTIVITIES, Cont'd.

- Continue the implementation of the recommendations from the CCWG-Accountability WS2. This work involves coordination across ICANN org, as well as with the Board and the community structures carrying out their work to implement WS2 recommendations incumbent on the community.

- Define, plan for and implement the program 'Evolve the Effectiveness of the Multistakeholder Model' through monitoring of the activities already in progress which contribute to this program, and implementation of the new activities or projects that complement those already in progress to fully address the three issue areas prioritized by the community in the August 2020 public comment. In a second phase, the remainder of the issues identified will be considered for implementation.

- Define, plan for and implement the CCT, ATRT3, RDS and SSR2 recommendations (**See Appendix B**) as adopted by the Board, so that such implementation work can be considered for prioritization and scheduled for implementation accordingly.

  Δ In FY21 and FY22, the team plans to support the Board and community efforts to streamline the Bylaws-mandated Specific and Organizational Reviews, based on the Board action taken on ATRT3 recommendations in November 2020. The implementation of the streamlined process is targeted for FY22 as supported by the community and approved by the Board.

  Δ In FY21, the team plans to propose modifications to the Operating Standards for Specific Reviews to reflect improvements included in the **Draft Proposal on Resourcing and Prioritization of Community Recommendations** community input on this topic, based on the Board action taken on ATRT3 recommendations and related work to streamline reviews.

  Δ Improve both the performance measurement and outcome measurement of reviews, by identifying and agreeing on a set of measurements for ICANN org, review teams, and independent examiners. Better measurement will hold each party accountable and ensure quality reporting of reviews activities.

ICANN ORG GOVERNANCE

Review Support and Implementation, Cont'd.

HOW PROGRESS IS TRACKED

The Review Support and Implementation Operations functional activities progress depends on progress made in FY21 in the following areas:

- Streamlining of reviews.

- Prioritization and resourcing of the Board-approved ATRT3 recommendations pertaining to reviews.

- Prioritization and resourcing of the implementation of community recommendations.

- Implementation planning of the CCWG-WS2 recommendations.

- Completed Improvements included in the program to Evolve the Effectiveness of the Multistakeholder Model.

Measurement of progress will be updated to reflect the Board action on ATRT3 recommendations, such as facilitating a pilot for the Holistic Review and the Continuous Improvement Program for all ICANN structures in addition to developing a framework of prioritization with input from the community.

The following measures will also be used over the five-year period for this functional activity:

- ICANN org provides cross-functional support to the review teams, so that each Review Team understands progress since the last review, considerations that may impact implementability of recommendations, the associated resources and costs involved in the implementation, and dependencies that could delay implementation. ICANN org provides analysis and assessment to inform Board actions and decisions in accordance with timelines set in the ICANN Bylaws and Review work plan.

- Track resources and expenditures as compared to plans and budgets via fact sheets.

- Produce high-level implementation plan to inform Board consideration of review final report and recommendations; facilitate Board consideration within the Bylaws-mandated six-month period.

- Produce periodic progress reports on the status of implementation planning and implementation of recommendations resulting from reviews and cross community working groups.

- Produce Annual Review Implementation Report on time, in compliance with the Bylaws provision.

ICANN ORG GOVERNANCE

Review Support and Implementation, Cont'd.

HOW PROGRESS IS TRACKED, Cont'd.

- Maintain up-to-date Operating Standards for Specific Reviews, in compliance with the Bylaws.

Review Team and Independent Examiner Performance Measurement:

- Review team's adherence to its terms of reference, work plan, and operating standards and other relevant processes.

- Completion of review within the defined timeframe and allocated budget.

- Adherence to Bylaws requirements.

- Review team considers substantive feedback from the community, Board and ICANN org, to inform focused, useful and implementable recommendations leading to intended review outcomes.

For Organizational Reviews, the entity under review prepares an implementation plan and implements all Board-approved recommendations within a reasonable time frame.

RESOURCES

FY22–26: Unknown.

⚠ As reviews are streamlined and improvements or changes made to how ICANN org supports reviews throughout their life cycle in alignment with the Board-directed actions resulting from ATRT3 recommendations, any resourcing adjustments to ensure strong ICANN org support will be addressed.

⚠ Note: the resources needed to support the next cycle of reviews will be impacted by the outcomes of various work streams to improve reviews in alignment with Board-directed actions to implement ATRT3 recommendations, such as budget amount, personnel, and timing. These resource items will be forecasted once the improvement work is further along.

ICANN ORG GOVERNANCE

Review Support and Implementation, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- FY22–26 operations will be impacted by the events that are currently unfolding, but the outcome is not yet known at the time of publication of this plan. Specifically, the ICANN Board and community work to streamline reviews, including efforts as approved by the Board through its November 2020 action on ATRT3 recommendations. The ATRT3 recommendations related to reviews, when implemented will bring significant changes to the timing and the nature of the reviews starting in FY22. These changes would require Bylaws amendments. Progress also depends on ICANN org's ability to support and facilitate the process of conducting reviews as directed by ICANN Board in its action on ATRT3 Recommendation related reviews, from planning phase through assessment of implementation, and considering the Holistic Review pilot and the Continuous Improvement Program pilot.

- Given the large number of recommendations resulting from the current cycle of specific Reviews and other community work, and their complexity and dependencies on other work, there needs to be an agreed upon set of principles for effective recommendations and their effective implementation. Discussions are currently underway, as reflected in **"Resourcing and Prioritization of Community Recommendations: Draft Proposal for Community Discussions"**; the effective consideration and implementation of the large number of community recommendations depends on ICANN community, ICANN Board and ICANN org reaching agreement on applicable principles and related process steps. ∎

Functional Activities

FY22–26

ICANN Shared Services

- Finance and Procurement

- Risk Management

- Engineering and Information Technology

- Global Human Resources and Administrative Services

- Global Support Center

- Board Operations

- Security Operations

- ICANN Offices

ICANN SHARED SERVICES

Finance and Procurement

PURPOSE

The Finance and Procurement function is the steward of ICANN's public funds, and the champion of financial accountability and transparency. It provides timely, accurate, and reliable financial and procurement services that support responsible decision-making.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: ICANN Reserves.
- Support: Formalize the ICANN org funding model and improve understanding of the long-term drivers of the domain name marketplace.
- Support: Planning at ICANN.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

The Finance and Procurement functional activity handles all accounting, audit, planning, financial analysis, financial reporting, statutory reporting, tax, payroll, billing and collections, insurance, treasury (including payments), procurement, and sourcing for ICANN operations, IANA functions, or PTI as applicable.

ICANN SHARED SERVICES

Finance and Procurement, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Continuous improvement of processes to gain efficiency and improve quality.

- Continuous improvement of financial analysis.

- Measuring and reporting service-level metrics.

- Tracking of ICANN's Reserve Fund replenishment.

- Contribute to the operating initiative planning at ICANN.

RESOURCES

FY22: Resources are expected to increase.

FY23–26: Resources are expected to remain stable.

CONSIDERATIONS

No new risks or considerations noted. ■

ICANN SHARED SERVICES

Risk Management

PURPOSE

The primary purpose of Risk Management is to facilitate the identification and articulation of risks faced by ICANN org so that it may make informed decisions about planning for and managing those risks. Through the established Risk Framework, the function focuses on developing a risk-aware culture which incorporates the risk framework into activities.

OPERATING INITIATIVE CONTRIBUTIONS

Support: Risk Management supports all operating initiatives.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

- Active identification and articulation of risks to the organization allowing for a conscious decision to be taken regarding risks.

- Transparency of risks so that risks are managed before they become a threat to fulfilling the organization's objectives. While adverse events will occur, the goal is a proactive approach to risk management and a minimization of surprises.

- A risk-aware culture where all personnel feel empowered to identify and escalate risk concerns.

- Personnel and functions own the risks and responses related to their activities.

- Provide concise and insightful reporting to executive management and the Board.

ICANN SHARED SERVICES

Risk Management, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Disciplined risk planning.

- Risk Appetite Statement referenced by personnel.

- Risk ownership by personnel.

- Board feels assured that org Risk Management Framework is effective.

RESOURCES

FY22–26: Resource requirements expected to be stable.

CONSIDERATIONS

The Strategic Plan does not create any new risks or challenges in itself for the Risk Management function. The Strategic Risks in the Strategic Plan are included in the work done by the Risk Management function in its normal operations. The existing challenges and dependencies of working with multiple other functions applies to managing any new risks added to the Risk Register from the Strategic Plan.

The largest consideration for this functional activity is the team's dependency on other functions and personnel, who may have other priorities. The team must rely on Risk Liaisons to respond and also personnel alerting Risk Management when issues arise. ■

Engineering and Information Technology

PURPOSE

Engineering and Information Technology (E&IT) provides trusted technical expertise to support the global multistakeholder model and ICANN org by:

- Building a sustainable and resilient team that is able to respond to organizational needs.

- Fostering trusted, transparent relationships with stakeholders through collaborative planning and data-driven decisions.

- Delivering secure, effective, and accessible services through innovation and persistence.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.

- Support: Root zone management evolution.

- Support: Promote and sustain a competitive environment in the Domain Name System.

- Support: Formalize ICANN org funding model and improve understanding of the long-term drivers of the domain name marketplace.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

- Align E&IT delivery capacity along the organization's long-term strategy.
- Enable organizational effectiveness through efficient use of ICANN's digital services.
- Provide effective support to ICANN's international office strategy.
- Maintain financial soundness and business continuity.
- Achieve lower total cost of ownership while building capacity.

ICANN SHARED SERVICES

Engineering and Information Technology, Cont'd.

ACTIVITIES, Cont'd.

- Secure ICANN's digital services and systems.

- Support all functions within ICANN org, Board, and community via end-user support, business analysis, custom application development, and off-the-shelf software selection and support, infrastructure support, security monitoring, and network services.

- Continue to emphasize portfolio management and platform reduction mindset.

- Rough cut capacity planning tool for organizational capacity planning to define, develop, and deliver on requests to the organization.

- To improve personnel and subject matter expertise retention as well as execution control, the E&IT team is potentially changing the development model from a mix of internal and external or offshore outsourcing, to 100 percent internal.

- Investigate professional development opportunities to improve retention, provide greater clarity to personnel, and help identify resource gaps.

- Expectation to move from Capability Maturity Model (CMM) Level 3 to CMM Level 4, with process definition, redesign, measurement, and improved transparency being some of the desired outcomes.

- Continue to prioritize platform rationalization and consolidation.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Number of projects and services requested and completed every six months.

- Number of projects delayed or cancelled every six months.

- Evaluation of financial management through review of planned and actual budgets.

- Digital services availability.

- Universal Acceptance readiness.

- Overall Center for Internet Security (CIS) Score for cybersecurity.

ICANN SHARED SERVICES

Engineering and Information Technology, Cont'd.

RESOURCES

FY22–26: Resource requirements expected to be stable.

• FY20–21: Shifting to a development team that is entirely internal personnel will require additional resources.

• FY21–23: Likely to need external or outsourced resources to backfill and add to internal resources as personnel is reallocated to new strategic initiatives.

• FY21: Projects such as implementation of the Board-approved Competition, Consumer Trust, and Consumer Choice Review Team recommendations will likely add pressure to the identified resource gaps. External resources will likely be needed to complete these projects per expected timelines and scope.

• The internal resource count and mix could be impacted if a net new platform technology is sourced to support new initiatives.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

• Completion of strategic projects depends on Board and community efforts.

• Finding a suitable offshore location for outsourced work is challenging.

• Hiring and retaining personnel continues to be challenging in the current economic climate. Personnel may leave, but improvements in process documentation will lessen new employee onboarding time and costs.

• Personnel may leave if initiatives offering career progression are not implemented.

• Business decisions may mean ICANN org is not able to reduce the number of platforms it uses. This may lead to retaining talent to deal with potential issues. A possible mitigation is to make platform reduction part of the functional business strategies.

• Lack of understanding of capacity and capability, leading to unrealistic scope and delivery expectations from Board and community. ■

ICANN SHARED SERVICES

Global Human Resources and Administrative Services

PURPOSE

The primary purpose of Global Human Resources is to attract and retain top talent for ICANN org throughout the entire human capital life cycle. This includes talent acquisition, onboarding and offboarding of personnel, administration of global compensation and benefit plans, performance management, employee relations, investigations, training and development, employment policies and workplace compliance, global mobility and immigration, team member morale and engagement activities, Enterprise Resource Planning (ERP) data integrity and reporting, and organizational planning and development.

The primary purpose of Administrative Services is to provide office administrative support and facilities management for ICANN org across all locations. This includes real estate and lease management, construction management, ergonomics program management, office security access controls management, and special events planning for employee morale activities and events.

OPERATING INITIATIVE CONTRIBUTIONS

• Support: Develop internal and external ethics policies.

• Support: Promote and sustain a competitive environment in the Domain Name System.

• Support: Implement New gTLD Auction Proceeds CCWG recommendations.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ICANN SHARED SERVICES

Global Human Resources and Administrative Services, Cont'd.

ACTIVITIES

Global Human Resources activities include:

- Throughout FY22–26, Global Human Resources will ensure appropriate personnel levels as needed for initiatives including support of technical platforms, implementation of Board-approved recommendations from the New gTLD Subsequent Procedures Policy Development Process, Auction Proceeds, and more.

- In partnership with the Legal team, Global Human Resources will support the development of ethics policies as applicable to personnel.

- Global Human Resources will provide the internal programs necessary for leadership training and professional development of personnel in order to retain talent.

- Global Human Resources will provide an update to the internal grades and ladders to provide more guidance and clear structure for conversations around career path and development.

Administrative Services activities include:

- In FY22–26, Administrative Services will oversee four major lease negotiations for its locations in Singapore (renewal or relocation September 2021), Los Angeles (renewal or relocation June 2022), Istanbul (renewal or relocation October 2022), and Washington D.C. (renewal or relocation January 2023).

- Provide support for a healthy work environment in ICANN offices and for those working remotely. Support the safety readiness of ICANN offices as personnel return from working remotely as a result of the COVID-19 pandemic.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the five-year period for this functional activity:

- Global Human Resources will focus on maintaining personnel engagement by sustaining ICANN's organizational culture seamlessly between offices, regions, and remote working while continuing to build our diversity to best represent the community we serve.

- Administrative Services will ensure lease negotiations result in favorable outcomes to maintain budgetary commitments.

ICANN SHARED SERVICES

Global Human Resources and Administrative Services, Cont'd.

RESOURCES

FY22–26: Resource requirements expected to be stable.

CONSIDERATIONS

The following risks and considerations exist for the Human Resources component:

- Maintaining productivity and efficiency when personnel have to balance work with personal isolation, concerns for family health, safety and schooling, political turmoil and prevailing economic challenges during the COVID-19 pandemic.

- Geographic spread over 32 countries and 20 U.S. states makes it hard to efficiently handle employee relations issues within existing policies and local differences.

- Personnel are eager for development opportunities but may leave before taking advantage of what is currently available to them because they do not see a path to clear career progression.

The following risks and considerations exist for the Administrative Services component:

- Uncertainty exists in the global real estate market as a result of the COVID-19 pandemic which may create instability in cost for office space in the next five years.

- Maintain a flexible workspace environment for personnel remotely and in offices during the COVID-19 pandemic and as personnel return to ICANN facilities. ■

ICANN SHARED SERVICES

Global Support Center

PURPOSE

ICANN's Global Customer Service and Support (Global Support) supports ICANN's Mission, vision, and strategy, through the continued pursuit of excellence in the execution of world-class service delivery practices and principles.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time, as this is business-as-usual.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

- Contracted party support.
- New gTLD applicant support.
- Account and contact management.
- Registrant and community support.
- Stakeholder communication.
- Portal access management.
- Inbound org request triage and routing.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. During FY22–26, the following milestones will be met:

- Service level targets will continue to be monitored and modified as per operational needs.

- Customer satisfaction will continue to be measured through transactional surveys and reported regularly.

ICANN SHARED SERVICES

Global Support Center, Cont'd.

RESOURCES

FY22–26: Resource requirements expected to initially remain steady and then increase.

△ Resources are expected to be steady in FY22.

△ Resources are expected to grow in FY23 to support increased demand to support community members and the general public in the subsequent procedures for new gTLDs.

△ Potential for expansion in FY24 to FY26 to support Board-approved policy recommendations, including the New gTLD Subsequent Procedures Policy Development Process, which may result in an increase of contracted parties.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

• The role of Global Support to provide Tier 1 support for contractual compliance inquiries is currently under discussion. Should Global Support take on this function, resources and tools would need to be reviewed.

• Policies and contractual obligations continuously evolve. This requires the Global Support team to stay abreast of the changing landscape in order to provide accurate responses to contracted parties and community members.

• The effectiveness and efficiency of the Global Support function is highly dependent on the operating systems and tools upon which it relies. Specifically, the team is highly reliant on the usability of the Naming Services Portal (NSp).

• Global Support resources are in high demand both internally and outside the organization. Retaining personnel is critical to successful ongoing operations. ■

ICANN SHARED SERVICES

Board Operations

PURPOSE

The purpose of this function is to support the ICANN and PTI Boards, and to serve as liaison between the ICANN Board and org. This includes coordinating with ICANN org to provide substantive content and logistical support to the ICANN Board, as well as its committees and subgroups. This function also facilitates the interaction between the Board and the community.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

- Content management: Supports the agenda development of Board meetings and workshops, facilitates preparation and submission of org-wide materials for Board Meetings, workshops, committees, and other subgroup meetings, manages Board materials publication, supports drafting of Board operational priorities, Board Correspondence and Board Public Comments submissions, and facilitates preparation for Board and stakeholder meetings.

- Logistics management: Manages Board members travels and expenses, vendor management and relations, manages and reports Board budget, facilitates and organizes calls and meetings.

- Training and capacity development: Supports the Board training programs and tools, including Board members onboarding, development, and mentorship programs.

- Board communications and engagement: Supports and facilitates the Board's communications and engagement efforts with the community as well as participation in other meetings, events, and speaking engagements.

- Org cross-functional improvements efforts: Participates in cross-functional ICANN org teams and projects aimed at improving effectiveness and cost management.

ICANN SHARED SERVICES

Board Operations, Cont'd.

ACTIVITIES, Cont'd.

△ The team does not anticipate any significant changes, but will embark on operational excellence and team member development efforts that focus on process improvements and tools enhancement. One team member's role will be shifted to focus on collaborating with Engineering and IT and other org teams on cross-functional tools and processes development.

HOW PROGRESS IS TRACKED

- Outcome measurement:
  - Smooth operations of the Board activities (content, logistics, skills development, etc.) and continuous advancement in Board best practices.
  - Continuous advancement of org-wide support to Board.

- Performance measurement:
  - Content Management: Bylaws compliance, accountability and transparency metrics.
    - Percent of Board Materials ready prior to Board Meeting per Bylaws.
    - Percent of Board meeting agenda published prior to meeting per Bylaws.
  - Logistic management:
    - Number of trips booked for Board.
    - Number of expense reports managed for Board.
  - Training and capacity development:
    - Number of Board members completing the onboarding process.
    - Number of trainings attended by individual Board members.
    - Number of trainings attended by full Board.
    - Improvements in Board skill sets.

ICANN SHARED SERVICES

Board Operations, Cont'd.

RESOURCES

FY22–26: Resource requirements expected to be stable.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- A key performance measurement relies on a survey that often receives a low response rate due to Board workload. The team will work on addressing this challenge as part of its process improvement.

- The team works closely with ICANN org, including the Legal team, to timely deliver content to the Board and publish Board materials, but that support depends on the workload and priorities of other functions within the org that prepare the initial drafts.

- The loss of institutional knowledge on the Board poses a significant risk and could have a negative impact on the Board's operational effectiveness and subsequent negative impact to ICANN org. The team plans to continue teaming up with the President and CEO and the General Counsel and Secretary to advance Board and committees manuals, process documentation, training and development, and more. ■

Security Operations

PURPOSE

The purpose of Security Operations is to provide a safe and secure environment in which the community, Board, and ICANN org operate.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

- **Event Security:** Provide on-site health, safety, and security support to ICANN Public Meetings and other ICANN-hosted events.
- **Travel Security:** Review, assess, and support personnel and Board travel. Ensure COVID-19 risks are assessed, understood, and minimized. The Travel Safety Committee to assess all high-risk travel.
- **Security Intelligence:** Research and provide key security information and situational awareness for ICANN's presence around the world, including offices, personnel, events, and travelers.
- **Response Planning:** Furnish ICANN with the necessary tools to successfully respond to any incident at both tactical (emergency response) and strategic (crisis management) levels to include pandemic and business continuity preparedness in response to COVID-19.
- **Physical Security:** Ensure that ICANN's global offices are sufficiently secured. Implement physical security upgrades and enhancements where warranted and feasible.
- **Knowledge Management:** Create and deliver comprehensive training to ensure ICANN org has consistent, relevant, and actionable information and skills to address security and safety needs.
- **Threat Management:** Detect, assess, mitigate, and respond to ICANN's internal and external security threats.

ICANN SHARED SERVICES

Security Operations, Cont'd.

ACTIVITIES, Cont'd.

⊿ In FY22–26, the Security Operations team will further evolve the Regional Security Manager (RSM) model by deepening RSM engagement within the geographic regions where ICANN has offices and, where appropriate, incorporating existing regional personnel from other functions as Regional Security Coordinators (RSCs). The team will also look at ways to further optimize the effectiveness of the RSM model by better aligning regions with their respective RSMs and potentially relocating RSMs to achieve this.

HOW PROGRESS IS TRACKED

- **Risk Identification and Assessment**
  - Ensure Security Operations is formally and consistently incorporated into the ICANN Public Meeting location selection process, to allow for an advance risk assessment of the health and safety profile of prospective cities.
  - Continue to refine the Event Risk Assessment and Event Security Planning processes to ensure that Security Operations supports ICANN Public Meetings and events as cost-effectively and efficiently as possible while sufficiently mitigating identified risks.
  - Continue to refine the Travel Risk Assessment process, in particular ICANN org's internal Travel Safety Committee, and in light of COVID-19, to ensure all proposed travel to higher-risk locations is thoroughly and sufficiently assessed, justified, and supported.

⊿ Establish and maintain regular cadence of collaboration between Security Operations, Risk Management, Information Security, Administrative Services, and OCTO teams to ensure ICANN's comprehensive risk profile is sufficiently understood and managed.

- **Culture of Security Awareness**
  - Continue to promote a culture of security awareness to inform the org's decision-makers and furnish personnel with the tools and know-how to operate and travel safely and securely in an increasingly insecure threat landscape. Personnel are "street-smart" and "travel-savvy."

- **Bolster Incident Response Capabilities**
  - Complete annual training for the Global Crisis Management Team (G-CMT), office Emergency Response Teams (ERTs), and Workplace Violence Prevention (WVP) Teams.

ICANN SHARED SERVICES

Security Operations, Cont'd.

RESOURCES

FY22–26: Resource requirements expected to be stable.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- ICANN's Mission and engagement requires the org to send travelers to and host events within locations of highly variable risk profiles. Over time, ICANN may conduct more frequent and robust engagement in higher-risk locations, requiring increased and more costly Security Operations support in the form of risk assessment and mitigation and security planning. While Security Operations does not control where ICANN hosts events or travels, the team is still responsible to sufficiently support events and travel as cost-effectively as possible.

- Security Operations should be more deeply integrated in the early consideration and planning stages of engagement of travel and events in higher-risk locations. This would afford all key stakeholders the opportunity to assess and understand the total cost of such engagement.

- Security Operations will continue its efforts to develop and bolster an organizational culture of security awareness. This will both inform the decision-making of the organization's key stakeholders and empower individual personnel to proactively mitigate security risks and reduce the likelihood of safety incidents.

- Security Operations will continue to ensure that the org is sufficiently prepared to respond to and manage the ongoing COVID-19 pandemic. This includes robust office, meeting, and travel procedures and protocols in order to promote the health and safety of personnel and the community, as well as maintain agile crisis management teams and mechanisms to respond efficiently and effectively to incidents and spikes in cases. ■
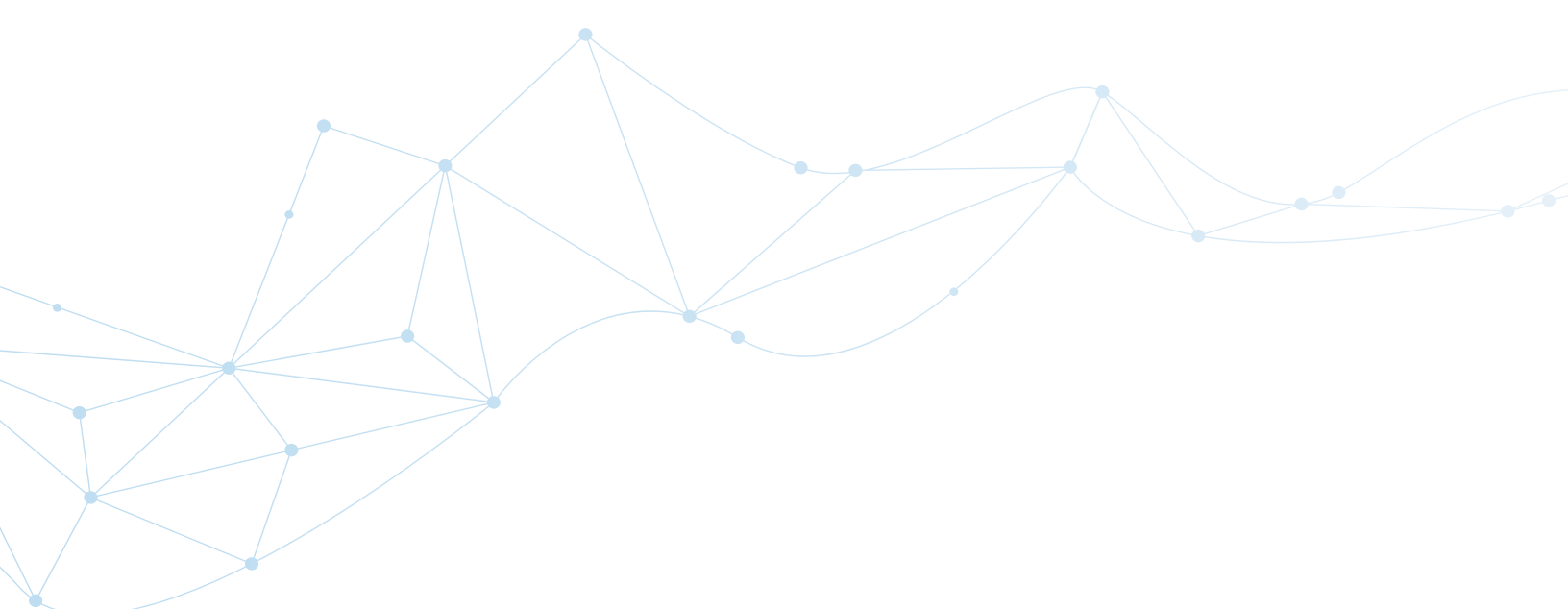
ICANN SHARED SERVICES

ICANN Offices

PURPOSE

ICANN offices are located around the world and work together to serve the global community. Brussels, Istanbul, Montevideo and Singapore have detailed plans described in the GSE section of the FY22–26 Operating and Financial Plan.

RESOURCES

FY22–26: Resource requirements expected to increase. ■

FIVE-YEAR FINANCIALS

- Approach
- Funding Assumptions and Projections
- Financial Projections

Approach

The following FY22–26 financials provide forward-looking information that represents ICANN's attempt at conservatively estimating its future funding and expenses. The intent is to maximize the chances that such future funding is higher than these projections would suggest, to allow ICANN to plan for a level of activity and expenses that minimize the risk that funding would be lower than expenses in the future.

The information contained within this document is derived from what ICANN org believes to be a reasonable assumption based on current information, understanding, market trends, and circumstances at the time of the FY22–26 Operating and Financial Plan's publication. However, this information involves risks, variables, and uncertainties. As a result, it is expected that actual funding could differ from the one projected in this document, in any given year.

The FY22–26 financials are not fully costed. Instead, they are a high-level overview of ICANN org's financial assumptions. The financials are intended to be flexible, and we anticipate that these numbers will shift as we learn and adjust accordingly. This also allows for activities to be reprioritized based on the current environment.

Please note the following considerations:

- The FY22–26 financials do not include headcount at the functional activity level, which allows for flexibility in internal personnel and external resources.

- Many of the activities in the FY22–26 financials will require substantial internal resources, meaning other activities will have less resources available. The Resources section of the FY22–26 Operating and Financial Plan highlights the cross-collaboration within the org.

This document will be supplemented by ICANN org's annual plans and budgets, which will provide fully costed financial information for their respective year.

It is important to note that the Five-Year Operating and Financial Plan will be reviewed and updated on an annual basis, and any activity, initiative, or financial estimate included in the Five-Year Operating and Financial Plan will be reevaluated periodically through the five-year period.

Funding Assumptions and Projections

ICANN org uses external information to develop multiple scenarios that incorporate various assumptions of growth or decline for each of its funding categories. These assumptions are developed for the specific purpose of creating reasonably conservative funding assumptions. They are not intended to convey ICANN org's views or positions on any specific aspect of the DNS ecosystem. Other parties may use the same information but for different purposes, which can lead them to draw different conclusions. A report on the Five-Year Funding Forecast Assumption is published, which can be found **here**.

This document contains forward-looking information (available at the time of publication) that reflects ICANN org's efforts to conservatively estimate future funding. This approach assists the org in maximizing the use of expected funding, accommodating higher than expected projections, and minimizing risk and impact should future funding be lower than expected.

It is important to note that these projections have been prepared during unprecedented and uncertain times due to the COVID-19 pandemic. The true depth and duration of the ongoing economic recession and potential spillover effects on the DNS industry are yet to be fully understood. In light of these circumstances, a number of forecast scenarios, each with varying assumptions and thresholds that depict plausible viewpoints, have been included in this document.

In addition, 'base-case' funding assumptions for the period, along with 'high' and 'low' funding estimates are included, as well as related, potential impacts to funding. This is consistent with ICANN's approach to developing funding forecast assumptions, which are regularly evaluated and recalibrated as additional data becomes available.

ICANN org used a three-step process to project what its funding levels will be for the next five years. At this point, considering the uncertainty on the timing of the release into the root of new top-level domain names resulting from a new round of applications, it is assumed, to be conversative, that no funding from such new top-level domains would be generated over the five-year period. Below, each step of the process is explained in greater detail.

1 The Marketplace Horizon Scan

A marketplace horizon scan was performed to take a comprehensive look at the key factors affecting the DNS industry. ICANN hired an independent industry analyst to summarize key historical and forecast trends. The work included interviews with industry representatives and a review of publicly available information. Out of this analysis, several trends driving the market were identified as follows:

Funding Assumptions and Projections, Cont'd.

1. The overall domain name market remains on an uptrend at a global scale, while seeing somewhat lower levels of expansion than experienced prior.

2. Uncertainty abounds about the longer-term effects of the COVID-19 pandemic both in terms of the wider economy and on the demand for domains.

3. Establishing and maintaining online identity remains a key part of contemporary life and the digital economy.

4. Efforts by market actors to expand their sales channels and range of domain offerings have been a key market enabler. Ensuring scale in business operations has also been a key priority.

5. Resellers are deemed to be an important channel for expanding market reach, particularly in smaller developing world markets and highly-fragmented local markets.

6. Significant differences remain in the levels of domain name registrations across regions.

7. A lack of Universal Acceptance challenges the rollout and adoption of new types of domains.

8. Given its potential for causing a drag on demand for domains, strengthening DNS security and addressing related bad actors remains a key task.

9. The effects of regional differences in regulatory regimes on the demand for domain names remain uncertain.

2 Formulation of Assumptions

Based on the trends identified in the marketplace horizon scan, assumptions were made about the growth of the industry. For example, a finding from the marketplace horizon scan was that the continued importance of controlling a domain name to craft and maintain a digital presence on the global Internet remains a key market enabler of the industry. Over the forecast period, it seemed that digital presence will continue to rely on the use of domain names, so an assumption was made that positive growth would be likely to occur. This then became the base-case scenario. Two more future scenarios were then created: a "high" scenario that builds on positive momentum and a more conservative "low" scenario.

Funding Assumptions and Projections, Cont'd.

3 Forecast Generation

With the scenarios in place, ICANN org assigned values to produce a range of projections related to ICANN's future funding. Across the three scenarios generated, FY26 funding is forecasted to range between $119.5 million and $180.7 million from the current FY21 Forecast of $140.0 million.

5-Year Projections	FY22	FY23	FY24	FY25	FY26
ICANN Ops Funding *(in Millions USD)*					
Base	$144.4	$146.9	$149.6	$152.1	$152.7
Low	$128.4	$125.1	$123.3	$122.2	$119.5
High	$149.9	$157.4	$165.4	$173.7	$180.7
Transaction Volume *(in Millions)*					
Base	208.9	215.7	222.1	228.3	234.6
Low	179.6	175.0	172.6	171.6	170.9
High	219.4	236.0	253.2	271.2	290.3
Contracted Parties					
Base	3,497	3,482	3,471	3,461	3,452
Low	2,967	2,931	2,902	2,878	2,860
High	3,536	3,590	3,646	3,703	3,760

Because forecasting relies on assumptions that are hypothetical and potentially infinite, ICANN org will continue to review its funding forecast regularly to adjust as needed.

Funding Assumptions and Projections, Cont'd.

The FY22-FY26 Financial Plan also includes a contribution to support ICANN's efforts to preserve and enhance the security, stability, and resiliency of the DNS including root server system governance, mitigation of DNS security threats, promotion and/or facilitation of DNSSEC deployment, the mitigation of name collisions, and DNS operations research.

In January 2020, ICANN and Verisign, the registry operator of the .COM top-level domain (TLD), announced a proposed framework for working together on initiatives related to the security, stability, and resiliency of the DNS in the form of a binding Letter of Intent (LOI) as approved on 27 March 2020. This LOI also provides that Verisign will contribute a total of $20M over five years starting in calendar year 2021.

The FY22–26 Financial Plan includes the funding of these initiatives over the five-year period in support of the activities described above which will primarily be carried out as part of the following planned operating initiatives:

- Support the Evolution of the Root Server System.

- Facilitate DNS Ecosystem Improvements.

- Root Zone Management Evolution.

These initiatives and related expenses will be the subject of continued monitoring and reporting over the five-year period in a transparent manner, to ensure full accountability of the funds collected and used.

Funding Assumptions and Projections, Cont'd.

FINANCIAL SUSTAINABILITY PRINCIPLES AND APPLICATION

Over the FY22–26 period, ICANN's expenses will be funded from the annual funding available. This reflects the application of two key principles of ICANN's long-term financial sustainability:

- Expenses do not exceed funding.

- Sufficient reserves are reached and maintained at all times.

Updates to the Draft FY22 Budget will be subject to updates from a forecast during FY22 as part of the FY22–26 Operating and Financial Plan and FY22 Operating Plan and Budget process, and no later than in time for the publication of the FY23 annual planning documents, estimated to be in December 2021. ICANN's activities will be carried out under a principle of increased prudence, frugality, and with heightened attention to necessity. It is important to understand that all activities previously planned will be reevaluated with this new perspective and mindset. These considerations apply to all ICANN activities and expenses.

Financial Projections

The table below reflects financial projections for the five-year period FY22–26. The projections define the maximum amount of operational expenses to be incurred on an annual basis, considering the available funding net of an approved allocation to the Reserve Fund and the funding allocated to the Operating Initiatives. The Reserve Fund allocation is designed to enable the Reserve Fund balance to reach the minimum target level of 12 months of operating expenses by the end of the Board-approved Reserve Fund Replenishment Strategy.

5-Year Projections (in Millions USD)	FY22	FY23	FY24	FY25	FY26	5-Year Total
Funding[1]	**$144.4**	**$146.9**	**$149.6**	**$152.1**	**$152.7**	**$745.6**
Expense						
Personnel	$80.1	$81.7	$83.4	$85.0	$86.8	$417.1
Travel and Meetings	$13.8	$14.2	$14.6	$15.0	$15.5	$73.1
Professional Services	$19.6	$19.6	$19.6	$19.6	$19.6	$98.2
Administrative	$17.2	$17.2	$17.2	$17.2	$17.2	$85.9
Capital	$4.0	$4.0	$4.0	$4.0	$4.0	$20.2
Incremental Operating Initiatives[2]	$5.5	$6.0	$6.5	$6.5	–	$24.5
Contingency[3]	$5.2	$5.4	$5.5	$5.7	$5.9	$27.6
Cost Savings Initiatives	($2.2)	($2.7)	($3.3)	($3.5)	–	($11.7)
Total Operating Expenses	**$143.2**	**$145.4**	**$147.6**	**$149.6**	**$148.9**	**$734.8**
Excess/(Deficit) before Contributions	**$1.1**	**$1.5**	**$2.0**	**$2.5**	**$3.7**	**$10.8**
Reserve Fund allocation to Maintain Minimum Level	$1.1	–	–	–	–	$1.1
Additional Reserve Fund Allocation	–	$1.5	$2.0	$2.5	$3.7	$9.7
Allocation to the Reserve Fund	**$1.1**	**$1.5**	**$2.0**	**$2.5**	**$3.7**	**$10.8**
Net Operating Excess/(Deficit)	**–**	**–**	**–**	**–**	**–**	**–**
Average Headcount	405	410	410	410	410	

[1] *Includes contributions for ICANN Security, Stability, and Resiliency (SSR) activities.*
[2] *Figures only reflect Operating Initiatives that require resources in addition to functional activity plans.*
[3] *Contingency expense represents an amount of budgeted expenses unallocated to specific activities or functions.*

Financial Projections, Cont'd.

OPERATING INITIATIVES - FINANCIAL ESTIMATES

The table below highlights the financial estimates for the Operating Initiatives requiring resources in addition to the plans indicated in the functional activities. A high and low scenario was estimated for each initiative. Our projections refer to the midpoint of these estimates since the high and low estimates are deemed to be less likely.

Financials for Operating Initiatives were only estimated for initiatives that required additional resources. The other initiatives are already being worked on and can be funded with existing functional activity budget other than for the initiatives "Promote and sustain a competitive environment in the Domain Name System" and "Implement New gTLD auction proceeds recommendation," which will be funded separately.

	5-Year Operating Initiatives *(in Millions USD)*	**Low**	**Mid-point**	**High**	**Assumptions for Midpoint Scenario**
1	Support the Evolution of the Root Server System	$3.0	$4.5	$6.0	2 headcount for the 5-year period and funds for 3rd party consulting expense for meeting facilitation and research.
2	Facilitate DNS Ecosystem Improvements	$4.0	$6.0	$8.0	1 headcount for the 5-year period along with costs for engagement and research. This excludes outcomes from the policies that will result from EPDP Phase 1 and 2.
3	Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking	$3.0	$4.3	$5.5	1 headcount for a Project Manager to facilitate and advise and funds for implementation relating to the recommendations and outcomes.
4	Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking	$1.0	$1.5	$2.0	1 headcount for the 5-year period.
5	Develop Internal and External Ethics Policies	$0.5	$0.8	$1.0	3rd party consulting costs to help administer the tracking and facilitation of the program.
6	Promote and Sustain a Competitive Environment in the Domain Name System	-	-	-	Separately funded and therefore no incremental resources are included in the projections.
7	Promote the Universal Acceptance of Domain Names and Email Addresses	$1.5	$2.0	$2.5	3rd party consulting expense.

Financial Projections, Cont'd.

OPERATING INITIATIVES - FINANCIAL ESTIMATES

	5-Year Operating Initiatives *(in Millions USD)*	Low	Mid-point	High	Assumptions for Midpoint Scenario
8	Root Zone Management Evolution	$3.0	$4.5	$6.0	1.5 FTEs from Engineering and IT and 1 FTE from the IANA team and funds for 3rd party consulting expense for research.
9	Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem	-	-	-	Resources for this initiative are included within the functional activities of the financial plan.
10	Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN	-	-	-	Resources for this initiative are included within the functional activities of the financial plan.
11	Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission	-	-	-	Resources for this initiative are included within the functional activities of the financial plan.
12	Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers	$0.5	$1.0	$1.5	1 headcount for the 5-year period and funds for 3rd party consulting expense for research.
13	Implement New gTLD Auction Proceeds Recommendations As Approved by Board	-	-	-	Separately funded and therefore no incremental resources are included in the projections.
14	Planning at ICANN	-	-	-	Resources for this initiative are included within the functional activities of the financial plan.
15	ICANN Reserves	-	-	-	Resources for this initiative are included within the functional activities of the financial plan.
	TOTAL	**$16.5**	**$24.5**	**$32.5**	

Financial Projections, Cont'd.

OPERATING INITIATIVES- FINANCIAL ESTIMATES BY FISCAL YEAR

The table below presents the estimated phasing of the Operating Initiatives requiring resources in addition to the plans indicated in the functional activities. The phasing is by fiscal year for the five-year period FY22-26 and reflects the midpoint scenario of the financial estimates shown in the preceding pages.

	Operating Initiatives Phasing by Fiscal Year *(in Millions USD)*	FY22	FY23	FY24	FY25	FY26	FY22-26 Total
1	Support the Evolution of the Root Server System	$1.8	$1.8	$0.5	$0.5	-	$4.5
2	Facilitate DNS Ecosystem Improvements	$1.2	$1.3	$1.4	$2.1	-	$6.0
3	Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking	$1.4	$1.4	$1.4	-	-	$4.3
4	Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking	$0.4	$0.4	$0.4	$0.4	-	$1.5
5	Develop Internal and External Ethics Policies	$0.2	$0.2	$0.2	$0.2	-	$0.8
6	Promote and Sustain a Competitive Environment in the Domain Name System	-	-	-	-	-	-
7	Promote the Universal Acceptance of Domain Names and Email Addresses	$0.5	$0.5	$0.5	$0.5	-	$2.0
8	Root Zone Management Evolution	-	-	$1.8	$2.7	-	$4.5
9	Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem	-	-	-	-	-	-
10	Through Targeted Engagement Improve Governments and Intergovernmental Organizations (IGOs) Engagement and Participation in ICANN	-	-	-	-	-	-
11	Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission	-	-	-	-	-	-
12	Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers	-	$0.4	$0.4	$0.2	-	$1.0
13	Implement New gTLD Auction Proceeds Recommendations As Approved by Board	-	-	-	-	-	-
14	Planning at ICANN	-	-	-	-	-	-
15	ICANN Reserves	-	-	-	-	-	-
	Total	**$5.5**	**$6.0**	**$6.5**	**$6.5**	**-**	**$24.5**

ONE-YEAR OPERATING PLAN

- Approach

- FY22 Operating Initiatives

- FY22 Functional Activities

Approach

ICANN org's FY22 Operating Plan includes descriptions of the major work ICANN org will undertake to achieve its Strategic Plan, operate the organization, and implement its Mission.

Operating initiatives describe how ICANN org will achieve the objectives and goals set out in the FY21–25 Strategic Plan. Functional activities are those necessary to operate the organization, such as Human Resources or Finance, or implement its Mission, such as Contractual Compliance or the IANA functions.

Each of the 15 operating initiatives and 34 functional activities provide what can be considered ICANN org's statement of intention, outlining planned activities while acknowledging the challenges and dependencies that could impact ultimate delivery.

Operating Initiatives

FY22

The 15 operating initiatives listed here represent major areas of work that support the strategic objectives identified in the Strategic Plan. Each operating initiative describes the importance of the initiative as well as what ICANN org aims to achieve. Operating initiatives describe how ICANN org will achieve the objectives and goals set out in the ICANN Strategic Plan. Draft operating initiatives were published for **Public Comment** and presented to the ICANN Board for feedback.

- Support the Evolution of the Root Server System

- Facilitate DNS Ecosystem Improvements

- Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking

- Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking

- Develop Internal and External Ethics Policies

- Promote and Sustain a Competitive Environment in the Domain Name System

- Promote the Universal Acceptance of Domain Names and Email Addresses

- Root Zone Management Evolution

- Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem

- Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGOs) Engagement and Participation in ICANN

- Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration with Others that May Impact the ICANN Mission

- Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers

- Implement New gTLD Auction Proceeds Recommendations as Approved by Board

- Planning at ICANN

- ICANN Reserves

Support the Evolution of the Root Server System

PURPOSE

As the Root Server System evolves with greater demand, new technologies, and governance models, ICANN will continue to support and collaborate with key stakeholders to ensure the stable, secure, and resilient operation of the Domain Name System (DNS) root zone for the global Internet community.

SCOPE

This initiative covers these work areas:

- Support the implementation of the Root Server System Advisory Committee (RSSAC) document RSSAC037 "A Proposed Governance Model for the DNS Root Server System" and RSSAC038 "RSSAC Advisory on a Proposed Governance Model for the DNS Root Server System," both published on 15 June 2018.

- Support eventual outcome of RSSAC 037 and 038 that could propose a plan for the coordination of an appropriate response to any Root Server System incidents.

- Develop mechanisms by which the community can be alerted to issues relating to overly-rapid growth in the root zone.

- Develop a prototype Root Server System Metric Monitoring System to collect data on the operation of the root server system as discussed in RSSAC 047.

- Encourage development of mechanisms to further distribute and scale the root of the DNS, e.g., "hyperlocal" root configuration in recursive resolvers and set up a root zone distribution service, as discussed in **OCTO-016**.

- Leveraging lessons learned from the first root zone Key Signing Key (KSK) rollover, define and publish a long-term root zone KSK Rollover Policy and implement the next rollover in accordance with that policy.

Support the Evolution of the Root Server System, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.

- Working with DNS root server operators and other relevant parties, ICANN continues to enhance the governance and technical evolution of DNS root server operations and services.

- ICANN, in collaboration with DNS root server operators and other relevant parties, develops a coordinated emergency plan to address DNS Root Server System attacks.

- Increased availability of root zone data enables greater decentralization and distribution of DNS root service.

- The Internet community's trust in ICANN to provide resilient, scalable, and accountable Key Signing Key (KSK) management—as an adjunct to existing public key infrastructures—increases, facilitating improved security technologies and greater use of the DNS.

ACTIVITIES

During FY22, ICANN will:

- Begin prototype development of the Root Zone Scaling Early Warning System.

- Develop prototype of RSS Metric Monitoring System.

- Encourage hyperlocal configuration in recursive resolvers.

- Set up root zone distribution service.

- Publish and implement KSK Rollover Policy.

HOW PROGRESS IS TRACKED

During FY22, ICANN will establish formal projects for each of the activities above, including project plans with milestones and dates.

Support the Evolution of the Root Server System, Cont'd.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- The progression of RSSAC 037/038, such as development of a coordinated emergency response, requires collaboration between the Office of the Chief Technology Officer (OCTO) and Policy Development Support.

- Deployment of the root zone availability service will require collaboration with Global Stakeholder Engagement (GSE) and Government and IGO Engagement teams to reach audiences and coordinate messaging.

Learn more about ICANN's overall approach in **Appendix C — ICANN Security, Stability, and Resiliency (SSR) of the Unique Internet Identifiers**.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Political considerations surrounding root server operators.

- Continued unforeseen risks surrounding future Root KSK Rollovers.

- Ensuring the Root Server System continues to meet requirements as defined by the Internet community. ■

Facilitate DNS Ecosystem Improvements

PURPOSE

This initiative encompasses efforts to understand, document, and improve the emergency readiness of ICANN and other actors in the DNS ecosystem.

SCOPE

The scope of this initiative covers three main work areas:

- **Advocate and Promote Improvements to DNS Security Infrastructure**
  - Advocate for developers to enable Domain Name System Security Extensions (DNSSEC), both signing and validation, by default.
  - Promote hyperlocal as an additional root zone distribution model and encourage resolver developers to enable the technology by default.
  - Support the implementation of DNS-based Authentication of Named Entities (DANE).

- **Technical Engagement and Capacity Development**
  - Continue to improve and deliver capacity-building training on key Internet technologies that support a secured DNS ecosystem aligned with ICANN's technical remit, such as DNSSEC and DANE. Work internally to expand ICANN org's technical remit, such as DNSSEC and DANE.
  - Expand ICANN org's training footprint.
  - Expand programs for DNS ecosystem security and technical engagement.
  - Work with the community to develop and promote commonly agreed norms for a secure DNS ecosystem.

- **Research**
  - Continue to collect data, analyze, and publish fact-based, unbiased, objective information on how the DNS is used and abused.
  - Research, report, and raise community awareness on Emerging Identifiers Technologies and how they impact and/or compare to the DNS.
  - Research the use of artificial intelligence to enhance understanding and identification of abusive trends in DNS registration.

Facilitate DNS Ecosystem Improvements, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN, in partnership with relevant stakeholders, establishes and promotes a coordinated approach to effectively identify and mitigate DNS security threats and combat DNS abuse.

- ICANN continues to provide a trusted forum that effectively convenes relevant parties for discussions on the security, stability, evolution, and interoperability of the DNS.

- ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.

- The inherent security of the DNS and unique identifiers system measurably increases, due to higher adoption of global open Internet standards and greater awareness of security threats among stakeholders.

- ICANN, in collaboration with relevant hardware, software, and service vendors, enhances knowledge about DNS safety and security.

- Security threats leveraging the DNS measurably decline as a result of encouraging relevant hardware, software, and service vendors to incorporate key security measures.

- The reliable, resilient, and interoperable DNS remains the leading trusted platform for the Internet's naming system.

- Increased availability of root zone data enables greater decentralization and distribution of DNS root service.

- The Internet community's trust in ICANN to provide resilient, scalable, and accountable KSK management — as an adjunct to existing public key infrastructures—increases, facilitating improved security technologies and greater use of the DNS.

- Enhanced engagement with contracted parties creates more robust industry relationships, dynamic participation, and improved responsiveness to emerging technologies.

- Mechanisms are established for ICANN to assess new technologies and, when appropriate, embrace them.

Facilitate DNS Ecosystem Improvements, Cont'd.

ACTIVITIES

The FY22 activities will cover these work areas:

- **Advocate and Promote Improvements to DNS Security Infrastructure**
  - Advocate for developers to enable DNSSEC Validation by default.
  - Promote hyperlocal as an additional root zone distribution model and encourage resolver developers to enable the technology.
- **Technical Engagement and Capacity Development**
  - Create and continue to deliver capacity-building training on key Internet technologies, such as DNSSEC, that align with ICANN's technical remit.
  - Work internally to expand ICANN org's training presence.
  - Continue programs for DNS ecosystem security and technical outreach.
  - KINDNS launched in FY21 and work will continue in FY22.
- **Research**
  - Continue to collect data, analyze, and publish fact-based, unbiased, objective information on how the DNS is used and abused.
  - Research, report, and raise community awareness on emerging identifiers technologies and how they impact and/or compare to DNS.
  - Research artificial intelligence abuse prediction to better understand and identify abusive trends in DNS registration.
  - Continue collecting and presenting metrics surrounding Identifier Technology Health Indicators (ITHI).
  - Continue collecting and reporting on domain abuse activity.
  - Identify and report on measurements that impact the work of ICANN org and the ICANN community.
  - Define the baseline and collect metrics based on security threats.
- **Facilitate**
  - Continue work with the community on identifying requirements for a DNS Security Facilitation Center Initiative.
  - Coordinate a Special Interest Forum on Technology (SIFT) to allow the community to engage technically with ICANN between Public Meetings.
  - Work with the community to define norms for proper DNS operations.

Facilitate DNS Ecosystem Improvements, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. These measures will be used during FY22 for this initiative:

- Implementation of data collection and gathering for various statistical analyses.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- Training and outreach activities require collaboration with the ICANN community as well as ICANN org functions such as GSE, Communications, and Government and IGO Engagement.

- Emergency preparedness efforts also support the work of teams such as Contractual Compliance.

Learn more about ICANN's overall approach in **Appendix C — ICANN Security, Stability, and Resiliency (SSR) of the Unique Internet Identifiers**.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Care must be taken not to exceed ICANN's remit.

- Privacy considerations may impact activities.

- Lack of access to all the relevant data may impede activities.

- Key stakeholders may not agree with norms developed. ∎

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking

PURPOSE

This initiative aims to ensure that participation in the policy development work of ICANN's three Supporting Organizations (SOs) and advice developed by the four Advisory Committees (ACs) are globally representative. The work of the SOs and ACs is carried out through the facilitation of informed participation in the policy process by diverse groups and interests, with clearly demonstrated levels of stakeholder support and commitment to reaching consensus.

SCOPE

The scope of this initiative covers these work areas:

- The regular cycle of Bylaws-mandated Organizational and Specific Reviews, which play a key role in identifying any new participation gaps and challenges, and developing and assessing possible short- and long-term solutions.

- The Bylaws-mandated reviews of stakeholder group and constituency charters ensure that the governance structures, membership and other rules of these groups are analyzed and improved to maintain recognition with the ICANN Board.

- The forthcoming implementation of the Cross-Community Working Group on Enhancing ICANN Accountability Work Stream 2 recommendations will allow the community to inventory, document, and improve its processes and efforts to ensure diverse and inclusive participation in its work.

- Additional community, Board, and org work may be initiated to develop approaches and solutions as part of ongoing work to improve the effectiveness of ICANN's multistakeholder model, including addressing the issue of representation and inclusivity as described in that work plan.

- Continuation of policy development support for the work of all the ICANN SOs and ACs, including stakeholder groups and constituencies, by providing subject matter and process expertise as well as day-to-day secretariat operations, is essential to ensure progress is made and documented.

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed-upon global public interest.

- The knowledge and skill levels across the stakeholder community and organization increase, demonstrated by community members and ICANN org personnel equipped with basic knowledge of the DNS as well as ICANN policy and advisory processes.

- The ICANN community establishes mechanisms, such as an accurate measure of community participation, to equitably distribute workload among the pool of stakeholder representatives.

- Representation across all stakeholders continues to reflect the evolving functional, geographic, and cultural diversity of the Internet.

- Continued efforts of the ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws

- Decision-making processes ensure that input from all stakeholders is considered.

- Improved multistakeholder model processes, such as Policy Development Process 3.0 (PDP 3.0) or streamlined Organizational and Specific Reviews, and other evolutions of ICANN's governance and cross-community working methods help produce timely and relevant results.

- ICANN stakeholders collaborate to define prioritization mechanisms that ensure the cumulative workload is reasonable at any one time, and that ICANN priorities reflect the community's collective needs.

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking, Cont'd.

ACTIVITIES

During FY22, ICANN org will focus on these work areas within this initiative:

- Continue planning and, where feasible, commence implementation of recommendations from the Cross-Community Working Group on Enhancing ICANN Accountability Work Stream 2 (CCWG-Accountability WS2) final report.

- Continue implementation work on the outcomes of the third At-Large Summit (ATLASIII).

- Enhanced cross-functional work within the org to ensure effective collaboration with the community on next steps for addressing the issues identified in the work on Evolving ICANN's Multistakeholder Model.

- Working with the community to evolve governance structures and prepare for implementation of Board-approved review recommendations.

- Formalize support for collaborative work by community leaders across the SOs and ACs and with ICANN org.

- Facilitate Generic Names Supporting Organization (GNSO) policy projects and activities, such as:

  – Continuation or completion of work on major policy development processes, including remaining work items from the Expedited Policy Development Process on Temporary Specification for gTLD Registration Policy (EPDP) Phase 2 and implementation of Phase 1 and Phase 2 recommendations adopted by the Board, and implementation planning on New gTLD Subsequent Procedures.

  – Support the new work track on IGO protections.

  – Support new policy work on Internationalized Domain Names (IDNs).

  – Continue developing improvements to tools for prioritizing, forecasting and tracking GNSO policy projects and activities.

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking, Cont'd.

ACTIVITIES, Cont'd.

- Support for Country Code Names Supporting Organization (ccNSO) policy projects and activities:

    – Continuation or completion of work on a major ccNSO PDP on retirement of country code top-level domains (ccTLDs) and review mechanism pertaining to decisions on delegation, transfer, revocation, and retirement of ccTLDs.

    – Support new ccNSO PDP on review of IDN ccTLD policy.

- Facilitate and coordinate work on Address Supporting Organization (ASO) global policy projects and activities, including continued implementation of the 2019 Memoranda of Understanding with ICANN org.

- Support At-Large Advisory Committee (ALAC), Governmental Advisory Committee (GAC), Root Server System Advisory Committee (RSSAC), and Security and Stability Advisory Committee (SSAC) advice development, which includes drafting, research and facilitating the work of regional committees and working groups.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. These measures are examples of those that will be used in FY22 for this initiative:

- Membership tracking by SOs, ACs, stakeholder groups, and constituencies and other metrics.

- Implementation of Board-approved recommendations from Organizational Reviews and Community Charter Reviews.

- Metrics related to Public Comment proceedings.

- Community activity indicators that track global participation in projects and activities as well as the translation and interpretation services required for those projects and activities.

- Reports and statistics for ICANN prep week and ICANN Public Meetings.

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking, Cont'd.

RESOURCES

The FY22 level of resources is generally expected to be consistent with the current level of personnel. Resources for increased use of virtual meeting tools and, if feasible in view of the COVID-19 pandemic, face-to-face or intersessional meetings may be needed to advance or complete major policy projects.

CONSIDERATIONS

Risks and considerations exist for this initiative and may impact its advancement:

• Community expectations for facilitation and other support from the Policy Development Support team must be balanced with robust discussions about costs and benefits. There is a connection between personnel levels and the ability to provide support to existing policy development and advisory work as well as the anticipated increase in projects and workload stemming from implementation of the Cross-Community Working Group on Enhancing ICANN Accountability Work Stream 2 (CCWG-Accountability WS2) recommendations and Board-approved recommendations from the recently concluded reviews.

• Generally, extended operations by the Policy Development Support department below the 35 full-time employee (FTE) level runs the risk of:

  – Lower levels of service to the community and regional disparity.

  – Delayed policy and advisory outputs.

  – Community frustration and loss of active participants.

  – Potential team member burnout.

• Adequate funding for the Policy Development Support department budget is important as it may signal to the community:

  – Prioritization of policy activities integral to ICANN's Mission.

  – Emphasis of support for community operations central to ICANN governance processes.

  – Organizational support for efforts to ensure global, diverse volunteer participation that provides legitimacy to ICANN's multistakeholder model.

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking, Cont'd.

CONSIDERATIONS, Cont'd.

- Newer community members need time to get used to ICANN's participation and working methods; veteran community members need to adjust to any new tools and platform changes.

- Ensuring effective participation can be challenging due to the diverse nature of community groups, priorities, interests, and structural issues (e.g., lack of alignment as between Board-community goals and priorities, need to factor in cadence of Bylaws-mandated review and Empowered Community timelines).

- As reliance on accurate and relevant data within the policymaking process increases, there is a need to develop capacity among community participants in data analysis and related skills.

- Continued impact of the COVID-19 pandemic is likely to affect the level of engagement and participation by community volunteers in ICANN policy activities, especially in view of time zone challenges and the greater reliance on virtual meetings. ■

Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking

PURPOSE

This initiative focuses on the facilitation of more efficient, timely, and effective policy development work by ICANN's three SOs and advice by the four ACs. Personnel support is provided for developing, documenting, and implementing changes, as well as improvements to community procedures and processes intended to reflect commitment to reaching consensus and effective policymaking.

SCOPE

The scope of this initiative covers these work areas:

- Periodic review by community groups of their internal procedures and requirements to address new challenges and gaps identified, such as improvements to membership outreach and participation requirements

- Development and improvement of community templates and procedures in relation to the Empowered Community powers and Bylaws-mandated processes.

- Additional community, Board, and org work may be initiated to develop approaches and solutions to improve how consensus is achieved by addressing the issues identified in the ongoing work related to the Evolution of ICANN's Multistakeholder Model.

- Policy Development Support personnel support for community projects and activities that strengthen the consensus-building process by providing guidance and clarifications on existing procedural rules, alternative processes, and possible improvements for community decision-making and planning.

- Management of Public Comment proceedings, community consultations, and other processes for public input that are essential for ICANN's accountability and transparency.

- Organizational support for enhanced data collection and analysis, including legal or other types of expertise, surveys, and policy impact assessments.

Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.

- Decision-making process ensures that input from all stakeholders is considered.

- Improved multistakeholder model processes, such as Policy Development Process 3.0 (PDP 3.0) or streamlined Organizational and Specific Reviews, and other evolutions of ICANN's governance and cross-community working methods help produce timely and relevant results.

ACTIVITIES

In FY22, activities for this initiative include:

- Support the Empowered Community and individual SOs, ACs, stakeholder groups, and constituencies in continuing to evaluate and revise their internal processes to ensure their ability to exercise Empowered Community powers under the Bylaws.

- Continue migration to ICANN org Customer Relationship Management (CRM) platform.

- Support Information Transparency Initiative (ITI), including implementation of improvements to Public Comment proceedings.

- Work with ICANN org Meetings, Language Services, Meetings Technical Services, Communications and Board Operations teams to implement improvements to ICANN meeting planning, in particular for virtual meetings support.

- Manage Public Comment proceedings, community consultations, and tools for communications from ICANN org and Board to the community.

- Collaborate with ICANN org's new Planning function to engage the community in collaborative strategic planning to facilitate prioritization of community work in view of limited resources.

Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. These measures will be used in FY22 for this initiative:

- Progress on revisions to community charters and continued evaluation and refinements to procedures for Decisional Participants in the Empowered Community.

- Tracking implementation of GNSO PDP3.0 Improvements and use of the Consensus Playbook.

- Changes and process improvements related to ICANN Public Meeting planning.

- Establishing cadence for SO/AC community leaders' roundtable sessions with ICANN org Executive Team and inter-sessional meetings between community leaders and groups with ICANN org Executives and Board.

- Progress on migration to CRM platform.

RESOURCES

The FY22 level of resources is generally expected to be consistent with the current level of personnel. Resources may be needed for additional face-to-face or intersessional meetings to advance or complete major policy projects.
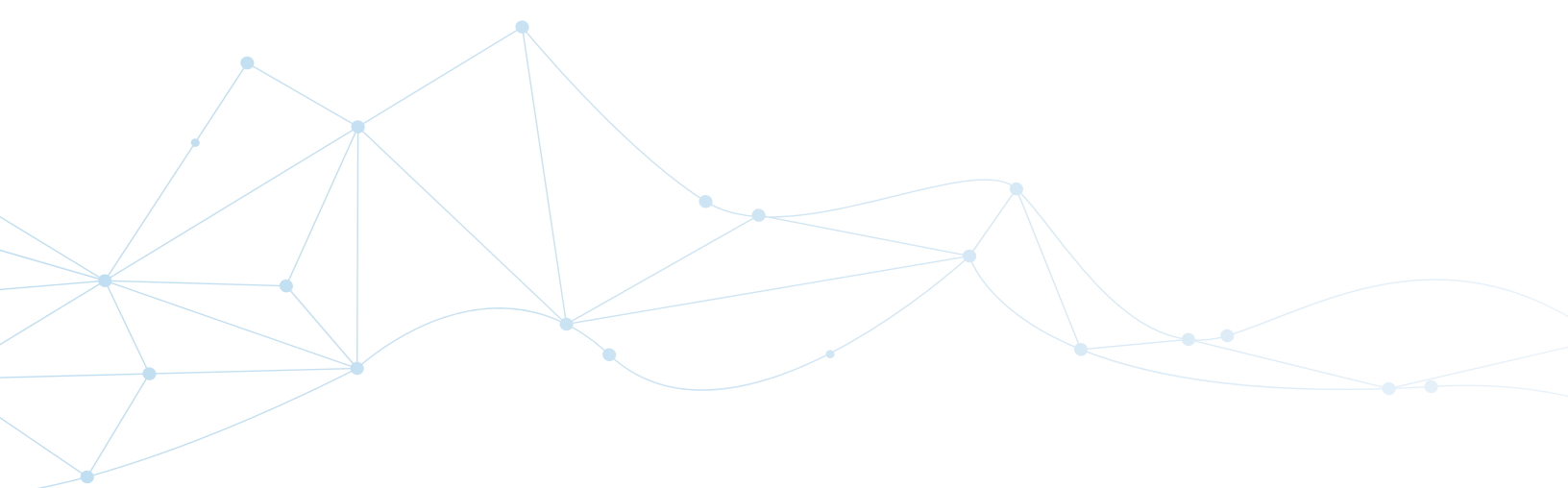
Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Community expectations for facilitation and other support from the Policy Development Support team must be balanced with robust discussions about costs and benefits. There is a connection between personnel levels and the ability to provide support to existing policy development and advisory work, especially given the potential launch of several new PDPs within this timeframe.

- Generally, extended operations by the Policy Development Support team below the 35 FTE level runs the risk of:
  - Lower levels of service to the community and regional disparity.
  - Delayed policy and advisory outputs.
  - Community frustration and loss of active participants.
  - Potential team member burnout.

- Adequate funding for Policy Development Support is important as it may demonstrate to the community:
  - Prioritization of policy activities integral to ICANN's Mission.
  - Emphasis of support for community operations central to ICANN governance processes.
  - Organizational support for efforts to ensure global, diverse volunteer participation that provides legitimacy to ICANN's multistakeholder model.

- Ensure the community is trained and supported on any changes or new technological tools or platforms, particularly in light of the increased reliance on virtual meetings.

- Prioritization is challenging and tools are needed to engage in meaningful and effective prioritization.

- Lack of academic-quality policy research despite having qualified personnel, due to workload issues.

- Limited data collection to date means that data-driven policy work has been difficult and time-consuming, and that decision-making is sometimes required without specific data or other factual evidence.

- Continued impact of the COVID-19 pandemic could negatively affect project timelines and community decision-making time frames. ■

Develop Internal and External Ethics Policies

PURPOSE

This operating initiative focuses on the continued development of internal and external ethics policies to guide behavior within ICANN org and the community. The internal ethics policy will provide additional guidance and direction for ICANN org. This will continue to improve the confidence that the ICANN community places in personnel, by providing further transparency into how ICANN org expects personnel to conduct their work.

The ICANN community ethics policy will provide transparency and guidance regarding how members of the ICANN community should approach their ICANN-related work and interact with one another.

SCOPE

The scope of this initiative covers these work areas:

• Develop an internal ICANN org ethics policy.

• Develop an ICANN community ethics policy.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• ICANN Board and org continue enhancing transparency initiatives and upholding accountability.

• ICANN community enhances their transparency practices to increase cross-community accountability and trust.

ACTIVITIES

Over FY22, ICANN org will:

• Continue development of an ICANN org ethics policy to provide additional guidance and direction for ICANN org personnel.

• Continue development of an ICANN community ethics policy that provides transparency and guidance in how members of the ICANN community approach their ICANN work and interact with each other.

Develop Internal and External Ethics Policies, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. These measures are examples of those that will be used in FY22 for this initiative:

- Development of an internal ICANN org ethics policy.
- Conduct community engagement on areas for community ethics policy and programs.
- Conduct an assessment to understand the baseline ethics level as of FY21.
- Continued research and development of plans or policies to continue evolution of ethics work.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- The Legal team leads this initiative and coordinates with Human Resources.
- Collaboration with ICANN org's Engineering and IT department to help with tracking mechanisms.

CONSIDERATIONS

The primary risks that may impact this initiative's advancement are the lack of internal and external awareness of the work and resulting lack of buy-in to the effort, as well as availability of community resources to meaningfully engage in discussion. ∎

Promote and Sustain a Competitive Environment in the Domain Name System

PURPOSE

This initiative encompasses ICANN org activities in support of a competitive environment in the DNS marketplace. This includes preparation for the launch of additional rounds of new gTLDs, applying knowledge gained through the implementation of the 2012 round and subsequent reviews aimed at evaluating different aspects of the program. ICANN org is in the pre-planning phase of a potential subsequent round of new gTLDs, monitoring community discussions, supporting Board and community work, and estimating anticipated resource requirements.

Policy development concerning additional rounds is underway through processes such the GNSO's New Generic Top-Level Domain Subsequent Procedures Policy Development Process Working Group. Based on the Working Group's progress and work plan, it is anticipated that significant planning and implementation work around completed policy recommendations will occur in FY22.

SCOPE

The scope of this initiative covers these work areas:

- Implementation of community-developed recommendations that the Board adopts and then directs ICANN org to implement prior to opening the next application window.

- Implementation of an operational infrastructure (systems, processes, and people) to support ongoing operations of the New gTLD Program.

- Development and execution of a global communications and awareness campaign.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Support the continued education of the Internet's unique identifier systems with a new round of gTLDs that is responsibly funded, managed, risk-evaluated, and consistent with ICANN processes.

Promote and Sustain a Competitive Environment in the Domain Name System, Cont'd.

ACTIVITIES

Planning assumes that the policy recommendations for the Subsequent Procedures Policy Development Process Working Group will have been completed and approved by the GNSO Council by or in FY22. Based on this assumption, activities for this initiative include.

- Supporting the Board of Directors in developing information and analysis necessary to inform decisions on the policy recommendations.

- If approved by the Board, developing program documentation for the application process in line with new policy guidance.

- Convening the Implementation Review Team (IRT) to review and provide input on the implementation plan.

- Planning and executing operational readiness activities including systems, tools, process definition, procurement, and other activities.

- Planning and executing communications and outreach to support the program.

HOW PROGRESS IS TRACKED

ICANN org will create a dedicated page for publications and announcements relating to the work on new gTLDs. This is in addition to the standard policy implementation tracking mechanisms. Reporting and feedback will also occur via meeting sessions, webinars, public comment periods, and other mechanisms as appropriate.

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Promote and Sustain a Competitive Environment in the Domain Name System, Cont'd.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. This project will require significant cross-functional collaboration and support from across the organization, including Legal, Communications, GSE, Human Resources, Finance, Global Domains and Strategy, Office of the Chief Technology Officer, IANA, and Engineering and Information Technology.

Based on the initial reports issued by the New gTLD Subsequent Procedures (SubPro) Policy Development Process Working Group, the processing of applications received through future application rounds for new gTLDs is expected to remain subject to the principle of cost recovery, meaning that funding the necessary preparatory and development expenses (as well as future processing fees) comes from fees paid by applicants. Two implications should be noted: First, application fees may need to be set at levels that are appropriate for the repayment of the preparatory and development expenses to be incurred to launch the next round. Second, an alternative and temporary source of funds will need to be used to cover these expenses, which will be incurred before application fees are received. This source of funding will need to be identified and approved by the Board.

CONSIDERATIONS

At this pre-planning phase, ICANN org continues to monitor discussions and engage in pre-planning activities, provide Board and community support, support preliminary analysis of implementation feasibility and options, and estimate resources. Preparation for a subsequent round of new gTLDs is expected to be a major effort for ICANN org to support during FY22. ■

Promote the Universal Acceptance of Domain Names and Email Addresses

PURPOSE

This program encompasses ICANN org's Universal Acceptance (UA) efforts to ensure that Internet applications and systems treat all top-level domains (TLDs) in all scripts and email addresses based on those domains in a consistent manner. UA promotes consumer choice and provides broader access to end users.

SCOPE

The current scope of this initiative covers these work areas:

- Outreach to providers of standards, programming language, tools, and platforms to support UA.

- Raise awareness and capacity of technology developers to develop or update applications to be UA-ready.

- Raise awareness and capacity of email tools and service providers to support internationalized email addresses.

- Raise awareness in the public sector for governments to require UA readiness in their tendering processes.

- Update ICANN org's relevant technical systems to be UA Ready.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN engages in greater cooperation with stakeholder groups and different policy and standards development bodies locally, regionally, and globally, to raise awareness about UA, IDN implementation, and Internet Protocol version 6 (IPv6).

- IDNs are increasingly adopted and treated in a standard fashion by software vendors.

- Identify and mitigate security threats to the DNS through greater engagement with relevant hardware, software, and service vendors.

Promote the Universal Acceptance of Domain Names and Email Addresses, Cont'd.

- Foster competition, consumer choice, and innovation in the Internet space by increasing awareness and encouraging readiness for UA, IDN implementation, and IPv6.

ACTIVITIES

During FY22, ICANN org will:

- Conduct gap analyses of social media and networking tools and content management systems for UA readiness.

- Set up a mechanism to reach out to technology developers for UA remediation.

- Continue to raise awareness and capacity of technology developers for UA-readiness based on local initiatives in different geographies.

- Support the community-based UA working groups on technology, email address internationalization, communications, and measurements as well as its local initiatives in different countries to promote UA readiness.

- Conduct outreach to two relevant standards bodies and to providers of programming language, tools, and platforms to support UA. Raise awareness and capacity of technology developers for UA-readiness based on local initiatives in different geographies.

- Engage with the ALAC and GAC and work with ICANN org's GSE and Government and IGO Engagement teams on a communication strategy to raise awareness especially among public sector organizations and implement local initiatives.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following milestones will be used in FY22 for this initiative:

- Document the progress on UA readiness of technology for FY22, with current status documented in FY21 annual report. This will include gap analysis for tools and technologies, development of training materials, training on UA, and outreach to stakeholders to make technology UA ready.

Promote the Universal Acceptance of Domain Names and Email Addresses, Cont'd.

RESOURCES

UA work will support the recently created community-based working groups and local initiatives focusing on specific geographies. The work will require close collaboration with ICANN org's GSE and Government and IGO Engagement teams to prepare to support the local initiatives and engage the public sector. Support from the Communications team also will be needed to help in planning and outreach.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Efforts to increase UA means reaching and activating stakeholders beyond the conventional ICANN community that may have different priorities.

- Raising awareness and encouraging UA as a mainstream design consideration may require considerable effort and time. ■

Root Zone Management Evolution

PURPOSE

This initiative supports the continued advancement of the technology platform used to provide root zone management services. This system manages the workflow of change requests from customers, automates many aspects of the processing, and ensures quality, accuracy, and timeliness of the business process.

Root Zone Management today continues to evolve toward more complex requirements and the need to cater for higher customer expectations. Work to improve the platform and service offering adapts to these requirements in order to retain high levels of customer satisfaction and continue to adhere to advancing policy requirements.

SCOPE

The scope of this initiative covers these work areas:

- Identify features and enhancements of how the root zone is managed that will improve operations while ensuring accuracy, quality, and timeliness of business processes.

- Develop solutions for the evolution of requirements from the New gTLD Subsequent Procedures Policy Development Process and technological developments related to Internationalized Domain Names.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Mechanisms are established with which ICANN assesses new technologies and, when appropriate, embraces them.

- ICANN collaborates with relevant parties and effectively leverages partnerships in the IETF, Regional Internet Registries, and naming communities to develop and integrate new technologies with existing Internet protocol structures, including the DNS.

- ICANN org continues to provide reliable delivery and continuous improvement of the IANA functions, consistent with community service level agreements.

- ICANN promotes and supports awareness of the IANA functions, including among stakeholders, to successfully maintain the broad array of Internet unique identifiers and deliver effective DNS root zone operations.

Root Zone Management Evolution, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES, Cont'd.

- The expansion of the DNS root zone attracts continued investment and innovation, as indicated by market developments and new registry services.

- The reliable, resilient, and interoperable DNS remains the leading trusted platform for the Internet's naming system.

- Increased availability of root zone data enables greater decentralization and distribution of DNS root service.

ACTIVITIES

In FY22, ICANN org will:

- Complete a rewrite of the Root Zone Management System (RZMS).

- 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 Internationalized Domain Names) to ensure RZMS will meet those emerging requirements.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following are FY22 milestones for this initiative:

- Launch of significant new version of RZMS with rearchitected backend.

- Launch of new authorization model to allow additional appropriate parties to be authorized as TLD managers with associated user management improvements.

- Launch of customer application programming interface (API) access.

Root Zone Management Evolution, Cont'd.

RESOURCES

Software development resources (provided by ICANN org) through a contract between ICANN and its affiliate Public Technical Identifiers (PTI). Projected to remain constant for FY22 and likely to taper in subsequent years as maintenance backlog is cured and significant pending functionality is deployed.

Learn more about ICANN's overall approach in **Appendix C — ICANN Security, Stability, and Resiliency (SSR) of the Unique Internet Identifiers**.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Success is heavily dependent on the stability and commitment of engineering resources. In the past year ICANN has seen a more predictable cadence of development which helped bring the enhancements to the community in a timely fashion.

- The greatest risks are the loss of development resources that are prioritized to other objectives.

- The inability for IANA to provide sufficient designs and requirements settings to inform development.

- Policy development work being done in the ICANN community, such as through the New gTLD Subsequent Procedures Policy Development Process and for Internationalized Domain Names, must be monitored to ensure RZMS will meet those emerging requirements. ■

Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem

PURPOSE

Increasingly, governments and intergovernmental organization forums develop policies, legislation, and regulations that impact the Internet. In some cases, this may also impact ICANN's ability to develop policies, run its operations, and fulfill its Mission. To address this and to ensure a single, globally interoperable Internet, ICANN plans to identify where these discussions and initiatives are taking place and determine where ICANN has or should engage to address these initiatives. This work follows the issues identified through the trend assessment work conducted by ICANN as part of the strategic planning process. This process also will identify any activities ICANN org's Government and IGO Engagement team will need to reduce or stop as well as where targeted engagement must increase.

SCOPE

The scope of this initiative covers these work areas:

- Reviewing trends, existing agreements and relationships, conducting an analysis of the relationship between ICANN and these government and intergovernmental organization forums, and developing an approach to align engagement through face-to-face and virtual gatherings.

- Identifying bodies within the Internet ecosystem that are relevant to ICANN's remit and analyzing others to assess whether ICANN org should be more involved with them or in other arenas.

- Considering other opportunities for influencing global Internet issues.

Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• ICANN fosters successful and mutually beneficial relationships with local, regional, and global partners to ensure knowledge building about ICANN and its Mission continues.

• ICANN is engaged, its role acknowledged, and its presence valued in the arenas where topics within its remit are discussed.

• ICANN plays an important role in raising awareness among legislators, regulators, and stakeholders about its Mission and the effect of various regulatory and other proposals on the Internet ecosystem.

ACTIVITIES

In FY22, ICANN org will:

• Monitor and assess impact of implementation of Internet Governance Forum evolution on ICANN and based on United Nations Secretary-General's Roadmap for Digital Cooperation released in June 2020.

• Continue cross-functional assessment work in collaboration with other ICANN functions to inform ongoing engagement work.

• Continue collaboration with other organizations in the Internet governance ecosystem following the completed FY21 mapping and assessment to address challenges that arise in various IGO arenas.

• 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 FY21.

• Continue socializing the concept of technical Internet governance through speaking engagements.

• Publish a document that serves as a definitional publication for the distinction between technical Internet governance and previous description of Internet governance.

Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of measures, milestones and reports to ensure that initiatives advance. These measures are examples of those that will be used in FY22 for this initiative:

- Completion of cross-functional inventory of relationships in the Internet ecosystem.

- Completion of assessment of current mechanisms and identify gaps.

RESOURCES

While the Government and IGO Engagement team will lead global strategy and political and environmental assessments of global intergovernmental organizations and initiatives, collaboration will be needed as follows:

- Political assessment input from ICANN org's regional engagement offices regarding activities in the national capitals, regional trends, and influences.

- Communications team to develop narratives to ensure consistent messaging.

- Legal analysis of reports on the potential impact of legislative or regulatory activity.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Possible increased resources needed to cover new venues with additional technical resources for legislative analysis.

- Possibility of forging an alliance with an organization that takes the contrary position to ICANN on a common issue.

- Potential perception from some in the community that reassignment of work might lead to a change in funding or reducing some participation in events at a level that the community previously had become accustomed. ∎

Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN

PURPOSE

This operating initiative addresses two focal areas: working with governments and IGOs engaged with ICANN and the policy development process through the GAC; and more broadly working with governments and IGOs on issues beyond those being addressed through policy development processes.

Governments and IGOs participate in the ICANN policy development process through the GAC. Its members consider and provide advice on the activities of ICANN as they relate to concerns of governments, particularly matters where there may be an interaction between ICANN's policies and various laws and international agreements or where they may affect public policy issues.

The GAC has steadily grown in membership and participation, yet has more turnover of its representatives than other advisory committees. As a result, some GAC representatives are less familiar with ICANN's processes and issues, making it difficult for them to effectively engage. It is important, where possible, for governments to participate in ICANN rather than addressing potential issues through external legislative or regulatory activity.

Additionally, dialogues that will impact ICANN increasingly involve different aspects or ministries of national governments than those commonly participating in ICANN through the GAC. Therefore, activity has to be broader than government and IGO activity within ICANN's policy development process. This requires targeted engagement through global, regional and national governmental events, including new structures and diversified venues where dialog is conducted on topics such as cybersecurity, data protection, privacy, cultural and geographic identifiers, emerging technologies, and proposed new systems of unique identifiers.

Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN, Cont'd.

SCOPE

The scope of this initiative covers these work areas:

- Assessing the expectations of government participants within the GAC.

- Creating targeted information and capacity development materials to better equip government stakeholders around the world, enabling them to become more active participants in ICANN's policymaking processes.

- Assessing expectations of government participants in capacity-development activities.

- Creating targeted materials as needed for government participants.

- Assessing and mapping the scope of global dialogue venues relevant to ICANN on topics such as cybersecurity and the unique identifiers.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN org continues to develop and evolve systems to detect and monitor legislative and regulatory initiatives and other governmental or IGO actions or initiatives that could impact ICANN's Mission or operations.

- ICANN fosters successful and mutually beneficial relationships with local, regional, and global partners to ensure knowledge-building about ICANN and its Mission continues.

- ICANN plays an important role in raising awareness among legislators, regulators, and stakeholders about its Mission and the effect of various regulatory and other proposals on the Internet ecosystem.

Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN, Cont'd.

ACTIVITIES

In FY22, ICANN org will:

- Prepare for the possibility of three capacity-building trainings in FY22.

- Continue creating targeted materials as needed for government participants. This may include informational papers on various IGO processes, resolutions, and issues so that participants understand the potential impacts of the resolutions or initiatives on the global, interoperable Internet.

- Delivery of the postponed FY21 High-Level Governmental meeting may occur in FY22 as a virtual or in-person event in conjunction with ICANN71, depending on the COVID-19 pandemic safety protocols and discussions with the GAC.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. These measures are examples of those that will be used in FY22 for this initiative:

- Delivery of High-Level Governmental Meetings.

- Reports and statistics on participation in outreach, technical briefings, and capacity development sessions for the GAC as well as through collaboration with other organizations in the ecosystem.

- Completed review of existing Memoranda of Understanding (MoUs) for continuing alignment with goals.

- Metrics related to the number of countries and intergovernmental organizations represented in the GAC and the number of countries and IGOs actively participating in GAC and ICANN policy processes.

Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN, Cont'd.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- Regional Global Stakeholder Engagement teams to identify which countries are not part of the GAC.

- Government and IGO Engagement team and Global Stakeholder Engagement team to conduct gap analysis on IGOs that are not part of the GAC.

- Communications team to develop a consistent narrative for outreach messaging.

- Public Responsibility Support Team to develop online courses.

- Office of the Chief Technology Officer to develop technical capacity development curriculum to assist with training and capacity development through the GAC's Underserved Regions Working Group (USRWG) work plans and other collaboration initiatives in the Internet governance ecosystem.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement in FY22:

- Leadership changes and challenges in partnering agencies.

- Realignment of work plan to reflect the revisions to the engagement strategy, changes in roles for ICANN org's Government and IGO Engagement team and Global Stakeholder Engagement team. ■

Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission

PURPOSE

This initiative builds on the work begun by ICANN org in 2018 to identify and report on legislative and regulatory developments around the world that could have an impact on ICANN's ability to fulfill its Mission. Part of ICANN's work within this initiative is providing educational information to governments on those issues in order to help ensure that lawmakers have the full benefit of ICANN's technical expertise.

SCOPE

The scope of this initiative covers these work areas:

- Examine existing processes and further develop the mechanisms to capture community feedback and input.

- Creation of an internal assessment mechanism. ICANN org will also review its experience in FY20 to inform the process of determining the criteria for escalation from monitoring to activity of a use case, which will act as a resource in outreach and engagement efforts.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN org continues to develop and mature systems to detect and monitor legislative initiatives and other governmental or IGO actions or initiatives that could impact ICANN's Mission or operations.

- ICANN org proactively engages with the community to develop common awareness of ICANN's contribution to the early warning system.

- ICANN has effective processes in place to receive and act on input from the community.

- ICANN effectively convenes and facilitates discussions with relevant parties to help address relevant global challenges and opportunities.

Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission, Cont'd.

ACTIVITIES

In FY22, ICANN org will:

- Utilize the to-be-completed assessment and monitoring process during 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.

- Conduct outreach and education activities such as events and speaking opportunities.

- Develop community dialogue mechanism with support of ICANN org's Policy Development Support department.

- Plan two sessions at the United Nations in New York, two sessions in Brussels, and two to four capacity-building sessions for governments.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following measures will be used in FY22 for this initiative:

- Publication of reports to the community on legislative or regulatory events being tracked.

- Publication of technical assessments and use cases.

- Number of outreach events and speaking opportunities.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- Regional Global Stakeholder Engagement teams to provide analysis of upcoming regional legislation that might impact ICANN.

- Government and IGO Engagement team to provide data collection/analysis, awareness raising, and technical briefings.

- Office of the Chief Technology Officer to assess the impact of proposed legislation on the DNS and to conduct use case analysis as applicable.

Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration With Others That May Impact the ICANN Mission, Cont'd.

RESOURCES, Cont'd.

- Legal to review reports on legislative and regulatory activity.

- Communications to develop a narrative to ensure consistent messaging on key issues.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Resources are needed to monitor and compare information across various venues to detect the "weak signals" early enough to identify trends and evaluate actions to address possible challenges.

- Political judgment is crucial in determining when to move from monitoring to active educational engagement efforts.

- Limited ability to provide briefings and technical trainings and other engagement efforts in some political structures. ■
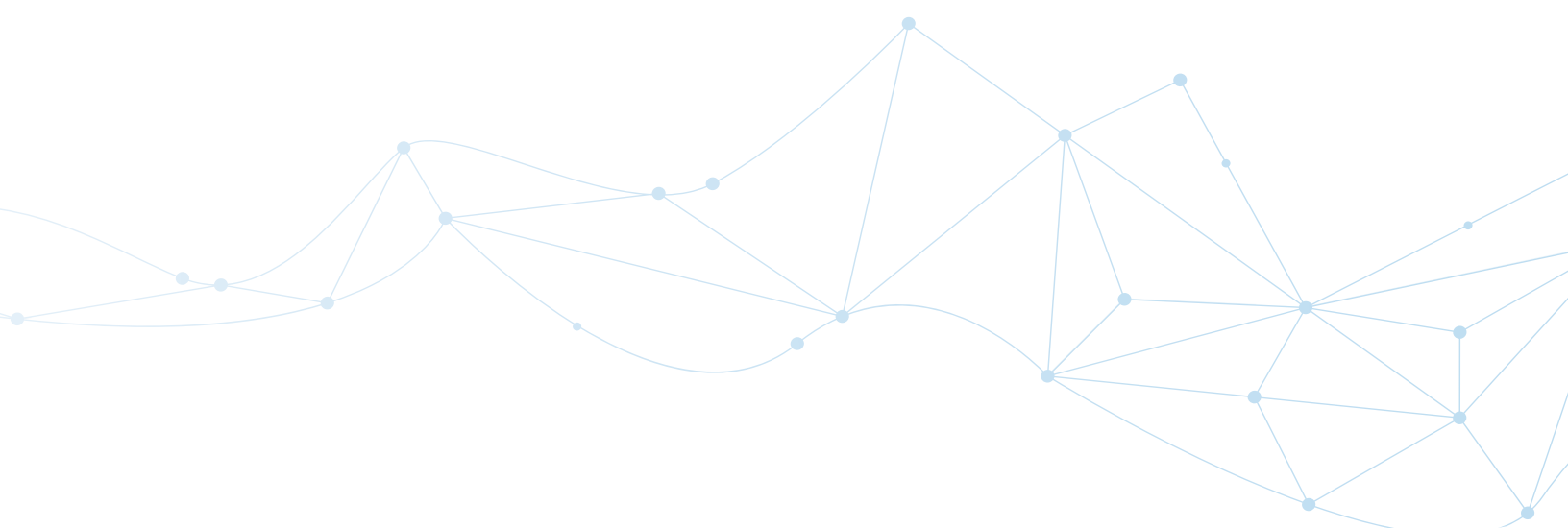
Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers

PURPOSE

The domain name marketplace has matured over the past five years, following the 2012 round of the New gTLD Program. To provide a solid foundation for future funding projections, ICANN org must analyze its funding model within the context of the marketplace, reviewing key market enablers, and challenges to domain name industry growth over the same period. This initiative brings together those activities.

SCOPE

The scope of this initiative covers these work areas:

- Review and analyze trends and driving forces of the domain name industry marketplace.

- Seek to validate and improve forecasting accuracy through review of data including zone files, registry transaction reports, contracted party family affiliation, corporate disclosures, market intelligence, and more.

- As ICANN org formalizes its funding model, it plans to evaluate the migration of the forecast model to a platform that will provide a robust system for preparing and analyzing future funding projections.

Formalize the ICANN org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- The ICANN Strategic Plan is supported by a five-year Operating and Financial Plan. All plans are updated as and when necessary to take into account relevant changes in ICANN's environment.

- Evolution to five-year rolling financial planning allows ICANN to appropriately address changes that impact ICANN's budget, operating and financial plan, or strategic plan.

- ICANN has reliable and predictable five-year funding projections, based on a sound understanding of the evolution in the domain name marketplace and realistic assumptions.

- ICANN utilizes data about the directions and trends in the market to effectively guide the organization.

ACTIVITIES

In FY22, ICANN org will:

- Continue to enhance the funding forecast tool and supporting platform. This may include exploring additional software or hardware resources to support the forecasting process.

- Continue to increase ICANN's overall domain market intelligence in relation to the forecasting process. For instance, ICANN org must expand its understanding and knowledge of the prospective impacts of the COVID-19 pandemic on its future funding.

- Continue to improve in cross-functional knowledge-sharing to contextualize market intelligence in relation to the forecast.

- Annual delivery of funding assumptions and projections for the next five fiscal years.

Formalize the ICANN org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. These measures are examples of those that will be used in FY22 for this initiative:

- Build and establish a process to develop the funding model during FY22.

- Explore options for a new tool or platform.

- Annual delivery of funding assumptions and projections for the following five fiscal years.

- Continued enhancement of funding model tools and increasing the team's domain market intelligence in relation to the forecasting process.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

- The skills of ICANN org's Global Domains and Strategy (GDS), Finance, and Engineering and IT teams to evaluate and migrate the current forecast model to a more robust platform.

- The skills of ICANN org's GDS, Finance, Office of the Chief Technology Officer, and Global Stakeholder Engagement teams to collect and contextualize market intelligence in relation to the forecast.

- Processes and tools are in place to effectively prioritize and periodically reprioritize work.

CONSIDERATIONS

It is not clear how threats to the DNS might impact ICANN's funding. ICANN org must expand its understanding and knowledge of the impact these threats may have. ∎

Implement New gTLD Auction Proceeds Recommendations As Approved by Board

PURPOSE

This initiative relates to preparations for the implementation of the Board decisions following the recommendations arising from the Cross-Community Working Group on New gTLD Auction Proceeds (CCWG-AP).

SCOPE

The scope of this initiative covers these work areas:

- ICANN org will facilitate a review of the specific roles of the Board and ICANN org in this initiative. The specific roles of the Board and ICANN org in the various stages of the operational and review stage are yet to be determined. However, regardless of the eventual processes or structures needed and/or the use of external entities, the Board remains ultimately accountable for the actions related to the proceeds.

- ICANN org will provide operational design and feasibility assessments and costs for the ICANN Board's consideration of the CCWG-AP recommendations.

- ICANN org to implement the Board decisions following the recommendations, including coordination with a community implementation review team.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Funding, expenses, and reserves are addressed in each plan in a manner consistent with policies, Board decisions, strict financial responsibility, and conservatism.

- ICANN prioritizes its activities to deliver its Mission in the global public interest in the most cost-effective way.

- ICANN has processes and tools in place to effectively manage and control costs.

- Financial accountability and responsibility guide how decisions are made prior to committing ICANN's resources, and how expenses are managed once approved, not to exceed those commitments.

- Key cost drivers are clearly defined and understood.

Implement New gTLD Auction Proceeds Recommendations As Approved by Board, Cont'd.

ACTIVITIES

In FY22, ICANN org:

• 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.

HOW PROGRESS IS TRACKED

Work within this initiative will happen in distinct stages, dependent on ICANN Board and community actions. The specific milestones guiding next steps are:

• Implementation feasibility review assessment.

• Board consideration of recommendations.

• Development of implementation plan.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

• The final recommendations approved by the Board and the design of the implementation plan will drive costs, which will be funded out of the auction proceeds.

• The recommendations will need to be reviewed from a resourcing standpoint in order to understand practicalities, including estimated workload, potential new hires, and needed skills.

• As implementation progresses, the internal ICANN resources supporting this work will be reimbursed to ICANN's operations from the auction proceeds.

CONSIDERATIONS

This work is dependent on the pending Board action on the CCWG-AP Final Report recommendations. As the community has an expected role in participation in parts of the implementation effort, community resources and prioritization must be taken into account. ■

Planning at ICANN

PURPOSE

Careful planning of ICANN activities helps safeguard ICANN's long-term financial sustainability and ensure that ICANN org is accountable to the public in its stewardship of ICANN's Mission. This initiative encompasses ICANN org planning activities.

SCOPE

As part of its planning efforts, ICANN org strives to improve the quantification of resources, evaluation of needs, prioritization, flexibility, and transparency of the management of ICANN's resources and activities over FY22–26.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN org prioritizes its activities to deliver its Mission in the global public interest in the most cost-effective way.

- ICANN org has processes and tools in place to effectively manage and control costs.

- Financial accountability and responsibility guide how decisions are made prior to committing ICANN's resources and how expenses are managed once approved in order to stay within those commitments.

- Key cost drivers are clearly defined and understood.

- Risk assessments are periodically reviewed to determine the adequacy of ICANN's Reserve Fund level to address potential mitigation needs.

ACTIVITIES

In FY22, ICANN org will:

- Further refine ICANN's strategic planning and operating planning processes.

- Research, develop and engage with community and Board regarding a draft prioritization approach.

Planning at ICANN, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that this initiative advances during FY22. ICANN org plans to::

• Deliver a draft prioritization approach.

RESOURCES

Effective cross-functional collaboration is an essential element for success in most of ICANN org's work. Specific examples of collaboration needed for this initiative are:

• Planning involves all stakeholders of the ICANN ecosystem, including the ICANN Board, community, org, and the public.

• The number of ICANN org resources involved over the plan period is expected to increase as compared to the previous plan period. This is planned to accommodate the need for operational alignment, prioritization, increased number and quality of plans, and increased communication.

• Limited external resources will be needed to help with education, skills, and facilitation at the beginning of the period as internal capabilities ramp up.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

• A lack of organizational support for cross-collaboration efforts may delay an effective planning process.

• Newer community members need time to get used to ICANN's planning process and may not fully engage in Public Comment proceedings.

• Planning team will need to provide information and engagement opportunities to ensure that the Bylaws-mandated review and Empowered Community timelines are achievable. ∎

ICANN Reserves

PURPOSE

To safeguard ICANN's long-term financial sustainability and ensure that ICANN org is accountable to the public in its stewardship of ICANN's Mission, the level of ICANN reserves must be continuously set, reached, and maintained consistent with the complexity and risks of ICANN's environment.

SCOPE

The scope of this initiative covers these work areas:

• Ensure implementation of Board resolution from October 2018 to replenish the Reserve Fund to an amount equal to one year of operating expenses as the minimum target level of the Reserve Fund.

• Maintain minimum target level of the Reserve Fund as operating expenses change.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• Financial accountability and responsibility guide how decisions are made prior to committing ICANN's resources, and how expenses are managed once approved, to stay within those commitments.

• Replenishment strategy for ICANN's Reserve Fund is adhered to and implemented successfully.

• Risk assessments are periodically reviewed to determine the adequacy of ICANN's Reserve Fund level to address potential mitigation needs.

ACTIVITIES

For information on FY22 finances, please see the FY22 Budget for the Reserve Fund balance and planned replenishment. ■

Functional Activities

FY22

Functional activities are those necessary to operate the organization, such as Human Resources or Finance, or implement ICANN's Mission, such as Contractual Compliance or the IANA department.

The 34 functional activities have been placed into five service groups. These service groups were selected because they represent the broad categories of work that ICANN org conducts in fulfillment of its Mission, and express the functional activities at a high level.

FIVE SERVICE GROUPS:

TECHNICAL & DNS SECURITY

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

COMMUNITY ENGAGEMENT & SERVICES

ICANN ORG GOVERNANCE

ICANN SHARED SERVICES

Functional Activities

FY22

Technical & DNS Security

- Office of the Chief Technology Officer

- ICANN Managed Root Server

- Internationalized Domain Names and Universal Acceptance

- IANA Functions

- Contractual Compliance

Office of the Chief Technology Officer

PURPOSE

ICANN org's Office of Chief Technology Officer (OCTO) aims to constantly improve knowledge about the identifiers ICANN helps to coordinate, to disseminate this information to the Internet community, to improve the technical operation of the Internet's system of unique identifiers, and to improve ICANN's technological stature.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Support the evolution of the Root Server System.
- Lead: Facilitate DNS ecosystem improvements.
- Support: Evaluate, align, and facilitate improved engagement in the Internet ecosystem.
- Support: Through targeted engagement improve governmental and intergovernmental organization (IGO) engagement and participation in ICANN.
- Support: Monitor legislation, regulation, norms, principles, and initiatives in collaboration with others that may impact the ICANN Mission.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN, in partnership with relevant stakeholders, establishes and promotes a coordinated approach to effectively identify and mitigate DNS security threats and combat DNS abuse.
- ICANN continues to provide a trusted forum that effectively convenes relevant parties for discussions on the security, stability, evolution, and interoperability of the DNS.
- ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.
- Working with DNS root server operators and other relevant parties, ICANN continues to enhance the governance and technical evolution of DNS root server operations and services.
- ICANN, in collaboration with DNS root server operators and other relevant parties, develops a coordinated emergency plan to address DNS Root Server System attacks.

TECHNICAL & DNS SECURITY

Office of the Chief Technology Officer, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES, Cont'd.

- The inherent security of the DNS and unique identifiers system measurably increases, due to higher adoption of global open Internet standards and greater awareness of security threats among stakeholders.

- ICANN, in collaboration with relevant hardware, software, and service vendors, enhances knowledge about DNS safety and security.

- Security threats leveraging the DNS measurably decline as a result of encouraging relevant hardware, software, and service vendors to incorporate key security measures.

- The reliable, resilient, and interoperable DNS remains the leading trusted platform for the Internet's naming system.

- Increased availability of root zone data enables greater decentralization and distribution of DNS root service.

- The Internet community's trust in ICANN to provide resilient, scalable, and accountable Key Signing Key (KSK) management — as an adjunct to existing public key infrastructures — increases, facilitating improved security technologies and greater use of the DNS.

- Enhanced engagement with contracted parties creates more robust industry relationships, dynamic participation, and improved responsiveness to emerging technologies.

- Mechanisms are established with which ICANN assesses new technologies and, when appropriate, embraces them.

ACTIVITIES

- **External Operations:** Activities that have an external impact, such as creating the DNS Security Facilitation Center and prototyping the Emergency Warning System. A new activity in the feasibility phase in FY22 is the Domain Name Security Threat Identification, Collection and Reporting (DNSTICR) activity which aims to develop an ongoing solution for identifying, documenting, and reporting domain names that are being actively abused.

- **Technical Engagement and Outreach:**

  – Support and provide training, engagement, and outreach to the technical community on current and upcoming technologies.

TECHNICAL & DNS SECURITY

Office of the Chief Technology Officer, Cont'd.

ACTIVITIES, Cont'd.

– Support other ICANN org teams such as Global Stakeholder Engagement and Government Engagement.

• **Research:** Activities centered around the analysis of the impact of new and existing technologies to the Internet's unique identifier systems as well as the investigation of new technologies and how they may impact the unique identifier ecosystem. ICANN org anticipates a number of OCTO-led implementations will be forthcoming from the final recommendations from the Security, Stability, and Resiliency (SSR2) review. ICANN org will continue work related to the Name Collision Analysis Project (NCAP) Study 1 and monitor and support decisions related to next steps for NCAP studies 2 and 3.

• **Reporting:**

– Providing tools and platforms in which to report on various aspects of the unique identifier ecosystem, such as Domain Abuse Activity Reporting (DAAR) and Identifier Technologies Health Indicators (ITHI).

– Leading or supporting other work such as the Registrar Audit Study or verifying ICANN's contracted parties are meeting their contractual obligations related to IPv6 deployment.

– Track and implement Board-approved recommendations from SSR2.

• **Internal Operations:**

– Activities that have an internal impact or recurring activities, such as support of the Action Request Register (ARR) and implementation of recommendations from Specific Reviews and policy development processes.

– Collaboratively working with ICANN's Public Responsibility Support team on online learning development.

– Project management.

– Team meetings and planning.

TECHNICAL & DNS SECURITY

Office of the Chief Technology Officer, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the fiscal period for this functional activity:

- **External Operations:** Many of the progressions and milestones will be tracked via the operating initiatives, such as:
  - Formalization of the Special Interest Forum on Technology (SIFT) program.
  - Establishing community agreement on the DNS Security Facilitation Center.
  - Items related to root zone availability service being deployed.
  - Development and evaluation of DNSTICR.
- **Technical Engagement and Outreach:**
  - More DNS resolver developers enabling hyperlocal technology.
  - Increase in community technical engagement and training to relevant community stakeholders.
- **Research:**
  - Track and support recommendations for NCAP studies 2 and 3.
- **Reporting:**
  - Data or reports published such as DAAR and ITHI reporting, publication of technical papers, etc.
  - Implement data collection and gathering for various statistical analyses.
  - Track and report on implementation of Board-approved recommendations for SSR2.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Office of the Chief Technology Officer	20	$5.4	$2.7	$8.1

$ in Millions

TECHNICAL & DNS SECURITY

Office of the Chief Technology Officer, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Bandwidth constraints or competing demands on the available personnel resources due to the resource acting as a subject matter expert for internal and community efforts.

- Assumptions regarding community interest in security and stability could be reduced, which may cause a reprioritization of personnel time and effort.

- Community appetite for technical outreach, training, and engagement is strong but this could change, which may lead to a reprioritization.

- In FY22, ICANN org anticipates a number of OCTO-led implementations will be forthcoming from the final recommendations from the Security, Stability, and Resiliency (SSR2) Review. ■

TECHNICAL & DNS SECURITY

ICANN Managed Root Server

PURPOSE

Through the ICANN Managed Root Server (IMRS) program, ICANN org provides trusted technical expertise and solutions to support the global Internet by building and maintaining a sustainable, stable, and resilient root server that is able to respond to identified and vetted technical needs.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• Working with DNS root server operators and other relevant parties, ICANN continues to enhance the governance and technical evolution of DNS root server operations and services.

• ICANN, in collaboration with DNS root server operators and other relevant parties, develops a coordinated emergency plan to address DNS Root Server System attacks.

ACTIVITIES

• Deliver and maintain a highly secure, stable, and resilient root server.

• Respond to defined strategic initiatives and vetted community expectations of the Root Server System.

• Maintain a low total cost of operations while building capacity, good engineering practices, and RSS community engagement.

TECHNICAL & DNS SECURITY

ICANN Managed Root Server, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used for this functional activity:

- Tracking the number of ICANN Managed Root Server (IMRS) instances deployed every 12 months.

- Tracking the number of IMRS service outages every 12 months.

- Financial: measuring actual expenses against planned budget.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
ICANN Managed Root Server	9	$1.8	$1.3	$3.0

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Hiring and retaining expert-level personnel continues to be challenging in the current economic climate.

- Personnel may leave if job ladders or clear paths to promotion are not implemented. ■

TECHNICAL & DNS SECURITY

Internationalized Domain Names and Universal Acceptance

PURPOSE

This functional activity supports community-based work and leads internal work for Internationalized Domain Names (IDNs) and Universal Acceptance (UA) efforts.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Promote the Universal Acceptance of Domain Names and Email Addresses.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN engages in greater cooperation locally, regionally, and globally with stakeholder groups and different policy and standards development bodies to raise awareness about UA and IDN implementation, and IPv6.

- UA readiness measurably increases.

- IDNs are increasingly adopted and treated in a standard fashion by software vendors.

ACTIVITIES

- Support policy development work on IDNs, including IDN variant top-level domains, by ccNSO and GSNO.

- Support the development of Root Zone Label Generation Rules (RZ-LGR) for Chinese, Greek, Japanese, Korean, Latin and Myanmar scripts.

- Support the community-based UA working groups on technology, Email Address Internationalization, communications, and measurements, as well as its local initiatives in different countries to promote UA readiness.

- Support UA working groups in ALAC and GAC, as needed.

- Develop and undertake training and UA-related communications in collaborations with the community.

TECHNICAL & DNS SECURITY

Internationalized Domain Names and Universal Acceptance, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following milestones will occur in FY22:

- Progress on UA readiness is published using UA annual report for FY21 as a baseline.
- Local initiatives are undertaking training on how to make technology and email services UA-ready in different countries with the support of ICANN org.
- RZ-LGR is published with Chinese, Greek, Japanese, Korean, Latin, and Myanmar scripts.
- IDN Table review process is updated to make it more consistent and transparent using Reference Label Generation Rules.
- IDN Guidelines reviewed by community for implementation in FY22; to be implemented by FY24
- Universal Acceptance Gap Analyses:
  - Programming languages Phase 2.
  - Content Management Systems Phase 1.
  - Social media and networking tools.
  - Email tools Phase 3.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Internationalized Domain Names and Universal Acceptance	3	$0.5	$0.4	$0.9

$ in Millions

CONSIDERATIONS

Work on UA is based on influencing the technology developers and policymakers, who may also be motivated by additional considerations. This may impact advancement in this functional activity. ◼

IANA Functions

PURPOSE

The purpose of the IANA functions is to assign unique identifiers for the Internet in accordance with relevant policies, and to be the registry of record for those allocations. This work is essential to promoting Internet interoperability by ensuring devices on the Internet communicate in a standardized manner. This work is administered through contracts that provide accountability to the respective communities that use these services.

ICANN's affiliate Public Technical Identifiers (PTI) performs these functions on behalf of ICANN org according to service level agreements and other obligations defined in the contracts. PTI has a separate operating plan and budget process that is reviewed by the PTI Board of Directors. The PTI Operating Plan and Budget constitutes a large component of the IANA Operating Plan and Budget and is included in ICANN's Operating Plan and Budget. Read the **Adopted FY22 PTI and IANA Operating Plans and Budgets**.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Root Zone Management Evolution.
- Support: Support the evolution of the Root Server System.
- Support: Facilitate DNS ecosystem improvements.
- Support: Promote and sustain a competitive environment in the Domain Name System.
- Support: Promote the Universal Acceptance of Domain Names and Email Addresses.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Mechanisms are established with which ICANN assesses new technologies and, when appropriate, embraces them.
- ICANN collaborates with relevant parties and effectively leverages partnerships in the IETF, Regional Internet Registries, and naming communities to develop and integrate new technologies with existing Internet protocol structures, including the DNS.
- ICANN org continues to provide reliable delivery and continuous improvement of the IANA functions, consistent with community service level agreements.

TECHNICAL & DNS SECURITY

IANA Functions, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES, Cont'd.

- ICANN promotes and supports awareness of the IANA functions, including among stakeholders, to successfully maintain the broad array of Internet unique identifiers and deliver effective DNS root zone operations.

- The expansion of the DNS root attracts continued investment and innovation, as indicated by market developments and new registry services.

- ICANN engages in greater cooperation locally, regionally, and globally, with stakeholder groups and different policy and standards development bodies to raise awareness about UA, IDN implementation, and IPv6.

- New stakeholder services are defined, delivered, and effectively supported.

- UA readiness measurably increases.

- IDNs are increasingly adopted and treated in a standard fashion by software vendors.

- IPv6 usage measurably increases.

- The Internet community's trust in ICANN to provide resilient, scalable, and accountable KSK management — as an adjunct to existing public key infrastructures — increases, facilitating improved security technologies and greater use of the DNS.

- The reliable, resilient, and interoperable DNS remains the leading trusted platform for the Internet's naming system.

- Increased availability of root zone data enables greater decentralization and distribution of DNS root service.

ACTIVITIES

- **Operations:**
  - Process requests from customers per service level agreements in contracts.
  - Meet contractual obligations with the Internet Engineering Task Force (IETF), Regional Internet Registries, and naming communities.
  - Engage with IANA stakeholders through community event attendance, IETF helpdesk, webinars, and ICANN Public Meeting sessions.
  - Continue to support the PTI Board.

TECHNICAL & DNS SECURITY

IANA Functions, Cont'd.

ACTIVITIES, Cont'd.

- **Operational Improvement:**
  - Service Organizational Control 2 (SOC2) and SOC3 Information Security Audits.
  - Operational Excellence: Qualitative assessments, process review cycles, customer feedback surveys.
  - Project management.

⊿ Implement new business processes to support system changes (enhancements to RZMS and evolved Registry Workflow Systems).

⊿ Continue to evaluate customer feedback to drive improvements.

⊿ Evaluate ongoing personnel skill requirements following implementation of significant system changes.

- **System Enhancements:**
  - Release of the next major version of RZMS and plan future versions of the system.
  - Continue to enhance the Registry Workflow System.

- **Cryptographic Business Operations:**
  - Evaluating, planning, and implementing enhancements to the root zone key management facility (KMF) and the related security system setup for DNSSEC in the root zone.
  - Performing four key signing ceremonies per year. This work includes:
    - Reviewing and revising the policy and procedures documents.
    - Selecting Trusted Community Representatives for each of the ceremonies.
    - Updating ceremony scripts and other administrative tasks related to signing of the root zone.
  - Root Zone DNSSEC Management Enhancements.
    - Asset inventory control system for Key Signing Key (KSK) management.
    - Next generation cryptographic key exchange platform.

TECHNICAL & DNS SECURITY

IANA Functions, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. In FY22, the following milestones will be met:

- Launch of the next major version of RZMS.
- Launch of Registry Workflow Systems.
- Meet all contractual deliverables.
- SOC2 Audit Report issued and delivered to stakeholders.
- Exception-free SOC3 Audit Report published.
- KSK Ceremonies performed in compliance with the DNSSEC Practice Statement (DPS).
- Root Zone Key Management Facilities Upgrades completed in U.S. East and West regions.

Metrics

- Performance service level agreements.
- Customer satisfaction through surveys.
- Audit Control Matrix.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
IANA Functions	16	$2.9	$1.3	$4.2

$ in Millions

TECHNICAL & DNS SECURITY

IANA Functions, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Ongoing customer satisfaction relies on the evolution of IANA systems. Meeting growing customer volume while adhering to SLAs is dependent on increasing advancement of the systems, and customer expectations on the level of sophistication in those systems grows over time.

- Losing personnel can significantly impact the function. Most roles in a team lack redundancy and filling positions quickly when personnel depart has often proved challenging. ■

TECHNICAL & DNS SECURITY

Contractual Compliance

PURPOSE

The Contractual Compliance functional activity ensures that ICANN's contracted parties (registries and registrars) demonstrate and are held in compliance with the applicable agreements and consensus policies.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• ICANN, in partnership with relevant stakeholders, establishes and promotes a coordinated approach to effectively identify and mitigate DNS security threats and combat DNS abuse.

• ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.

ACTIVITIES

• Conduct monitoring, outreach, and audits to proactively ensure contracted parties are in compliance with agreements.

• Receive, analyze, respond, and resolve complaints regarding potential compliance issues with contracted parties.

• Support policy development processes (PDPs), Organizational and Specific Reviews, the Registrar Accreditation Agreement (RAA) and Registry Agreement (RA) contracting process by providing input from the contractual compliance perspective. Implement recommendations arising from Specific Reviews and PDPs as necessary and appropriate.

• To enhance operational excellence, the Contractual Compliance team plans to improve business operations, methods, and processes, including looking to increase automation in FY22.

• Reduce professional services by completing migration to Naming Services Portal in FY22.

TECHNICAL & DNS SECURITY

Contractual Compliance, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used in FY22 for this functional activity:

- Number of low-complexity complaints processed.
- Number of high-complexity complaints processed.
- Turn-around time for processing low-complexity complaints.
- Closure rate of high-complexity complaints processed.
- The number of elevated-risk registrars or top-level domains audited.
- High-risk issues mitigated through audit.
- Contracted parties and reporter satisfaction level measured via perception survey.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Contractual Compliance and Consumer Safeguards	**23**	$**3.5**	$**0.7**	$**4.2**

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for Contractual Compliance and may impact its advancement:

- Successful execution of recurring activities depends on hiring and training for five backfill positions.
- Opportunities to reduce spending depends on timely and successful migration to Naming Services Portal (NSp) Contractual Compliance ticketing platform.
- Cross-functional work related to supporting reviews and policy development reduces Contractual Compliance resources available to execute core functions.
- Unknown impact on volume, type, and complexity of complaints submitted to compliance as a result of unknown RDS obligations. ◼

Functional Activities

FY22

Policy Development & Implementation Support

- Policy Development and Advice

- Policy Research and Stakeholder Programs

- Contracted Parties Services Operations

- Technical Services

- Strategic Initiatives

- Constituent and Stakeholder Travel

Policy Development and Advice

PURPOSE

The Policy Development Support functional activity facilitates the policy development and advisory work of the ICANN community. It provides process management, subject matter expertise, and administrative and professional secretariat support to ICANN's Supporting Organizations (SOs), Advisory Committees (ACs), and other community structures recognized under the Bylaws.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.

- Lead: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes, and committed to cooperating in global public interest.

- The knowledge and skill levels across the stakeholder community and organization increase, demonstrated by community members and personnel equipped with basic knowledge of the DNS as well as ICANN policy and advisory processes.

- The ICANN community establishes mechanisms, such as an accurate measure of community participation, to equitably distribute workload among the pool of stakeholder representatives.

- Representation across all stakeholders continues to reflect the evolving functional, geographic, and cultural diversity of the Internet.

- Continued efforts of ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Development and Advice, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES, Cont'd.

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.

- Decision-making processes ensure that input from all stakeholders is considered.

- Improved multistakeholder model processes, such as Policy Development Process 3.0 (PDP 3.0) or streamlined Organizational and Specific Reviews, and other evolutions of ICANN's governance and cross-community working methods help produce timely and relevant results.

- ICANN stakeholders collaborate to define prioritization mechanisms, which ensure that cumulative workload is reasonable at any one time and that ICANN priorities reflect the community's collective needs.

ACTIVITIES

In FY22, activities for this functional activity will include:

- Implementation of Board-approved recommendations from recently concluded SO and AC reviews as well as Board-approved recommendations from the Cross-Community Working Group on Enhancing ICANN Accountability Work Stream 2.

- Collaborate with other functions on planning for any community work that may be agreed on and needed for next steps on the Evolving the Multistakeholder Model.

- Support community leaders in collaborative work across the SOs and ACs and with ICANN org.

- Support GNSO policy projects and activities, such as major policy development processes and implementation of GNSO PDP 3.0 improvements.

- Support ccNSO policy projects and activities, such as the PDP on retirement of ccTLDs and review mechanism pertaining to decisions on delegation, transfer, revocation and retirement of ccTLDs.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Development and Advice, Cont'd.

ACTIVITIES, Cont'd.

- Support the ACs' policy advice development.

- Work on Root Server Security Advisory Committee (RSSAC) Advice about restructuring governance of the Root Server System.

- Work on Security and Stability Advisory Committee (SSAC) Name Collision Analysis Project.

- Organize and manage intersessional meetings for community structures, working groups and management/leadership teams to accelerate progress of work.

- Continue work on changes to Decisional Participants' processes to exercise new Empowered Community powers.

- Support Address Supporting Organization (ASO) integration work on its role under the ICANN Bylaws.

- Continue migration to ICANN org CRM platform, including completion of new working group enrollment portal.

- Work with ICANN org Meetings and Board Operations teams on improvements to ICANN Public Meeting planning

- Launch improvements to Multistakeholder Ethos Award process and Community Recognition Program.

- Manage community consultations and tools for communications between ICANN org, Board, and community.

- Provide drafting and facilitation support for changes to community group governance processes and community-wide guidelines.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Development and Advice, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics and reports to track functional activities. The following measures will be used in FY22 for this functional activity:

- Number of active projects and recurring activities across the SOs and ACs.

- Milestone reporting by working groups (and similar) and documenting of timelines.

- Issuance of reports, resolutions and other documented decisions.

- ICANN prep week reports and statistics (including, where available, geographic distribution and SO/AC affiliation).

- ICANN Public Meeting reports and statistics (including session hours and, where available, attendance figures).

- ICANN Public Comment proceedings annual report.

- ICANN Pre- and Post-Meeting briefings (published for every ICANN Public Meeting).

- Progress of work on reviews, GNSO PDP 3.0, and ATLASIII implementation, community charters, and improvements to procedural rules for Decisional Participants in the Empowered Community.

- Implement improvements to Community Recognition Program, Multistakeholder Ethos Award, and ICANN Public Meeting planning.

- Organize SO/AC community leaders' roundtable sessions at ICANN Public Meetings and, if needed, intersessionally.

- Progress on migration to CRM platform.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Policy Advice and Development	34	$5.4	$1.7	$7.1

$ in Millions

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Development and Advice, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this initiative and may impact its advancement:

- Community expectations for facilitation and other support from the Policy Development Support department must be balanced with robust discussions of costs and benefits. There is a connection between personnel levels and the ability to provide support to existing policy development work, especially given the potential launch of several new PDPs within FY22.

- Generally, extended operations by the Policy Development Support team below the 35 FTE level runs the risk of:
  - Lower levels of service to the community and regional disparities.
  - Delayed policy and advisory outputs.
  - Community frustration and loss of active participants.
  - Potential team member burnout.

- Adequate funding for the Policy Development Support budget is important because it may signal to the community:
  - Prioritization of policy activities integral to ICANN's Mission.
  - Emphasis of support for community operations central to ICANN governance processes.
  - Organizational support for efforts to ensure global, diverse volunteer participation which provides legitimacy to ICANN's multistakeholder model.

- Need to ensure that the introduction of new technological tools as well as platform changes is orderly and well-planned, and that community training and transition needs are accounted for.

- Prioritization is challenging and tools are needed to engage in meaningful and effective prioritization.

- Lack of academic-quality policy research despite having qualified personnel, due to workload issues.

- Limited data collection to date means that data-driven policy work has been difficult and time consuming and that decision-making is sometimes required without specific data or other factual evidence. ▪

Policy Research and Stakeholder Programs

PURPOSE

The Policy Research and Stakeholder Programs functional activity leads and supports implementation of key policies and cross-functional projects; provides research and thought leadership capabilities to support relevant organizational work; and leads and supports community-based work to develop and promote a multilingual Internet and secure user experience.

This function also includes ensuring cross-functional coordination and subject matter support for the Board's and org's activities around relevant recommendations and advice from the stakeholder community.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Promote and sustain a competitive environment in the Domain Name System.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Foster competition, consumer choice, and innovation in the Internet space by increasing awareness and encouraging readiness for UA, IDN implementation, and IPv6.
- Support the continued evolution of the Internet's unique identifier systems with a new round of gTLDs that is responsibly funded, managed, risk-evaluated, and consistent with ICANN processes.
- Strengthen ICANN's bottom-up multistakeholder decision-making process and ensure that work gets done and policies are developed in an effective and timely manner.
- Support and grow active, informed, and effective stakeholder participation.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Research and Stakeholder Programs, Cont'd.

ACTIVITIES

- Supporting Board consideration of GNSO consensus policy recommendations.
- Managing organizational activities around implementation of GNSO consensus policy recommendations.
- Managing and performing policy reviews.
- Executing and supporting data, research and study requests from the stakeholder community.
- Providing subject matter support to internal and external stakeholders, including support during development of recommendations by Supporting Organizations and Advisory Committees.
- Managing implementation of relevant review team recommendations.
- Supporting the development of Root Zone Label Generation Rules (RZ-LGR) for multiple scripts.
- Supporting policy development and implementation work on IDNs, including IDN variant top-level domains.
- Managing and supporting communications with technical and other stakeholders to promote UA readiness in applications.
- Developing and providing tools and training for technology developers to promote UA readiness.
- Promoting UA readiness awareness and demand.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities, such as:

- Progress on implementation of policy recommendations is reported on a dedicated consensus policy implementation page.
- Progress on implementation of relevant advice items is reported on a dedicated webpage which provides status of advice to the Board from Advisory Committees.
- Progress on development of RZ-LGR is reported with public comment periods and integration of additional scripts into updated versions of the LGR.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Policy Research and Stakeholder Programs, Cont'd.

HOW PROGRESS IS TRACKED, Cont'd.

For many of this function's activities, the timing and milestone depend on factors such as community decisions and engagement, and Board consideration and direction. The team communicates progress by direct engagement with the relevant SOs, ACs and other stakeholder groups, by sharing work plans and draft documents for community comment and consultation, by publication of blogs and announcements, and by webinars and public meeting sessions.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Policy Research and Stakeholder Programs	8	$1.3	$0.4	$1.8

$ in Millions

CONSIDERATIONS

- Several recommendations from the Competition, Consumer Trust, and Consumer Choice Review Team (CCT-RT) and other review teams have been approved or are pending Board further decisions. The team anticipates taking on responsibility for a set of these recommendations, subject to the forthcoming planning and prioritization process. However, the outcomes and priorities for resource allocation are unknown. ∎

Contracted Parties Services Operations

PURPOSE

Contracted Parties Services Operations delivers and evolves defined, high quality, repeatable services and processes to applicants and contracted parties in a timely, consistent, and predictable manner. ICANN org's Global Implementation team leads the transformation of a program or service from concept to reality, taking point on service delivery development and preparation activities.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• New stakeholder services are defined, delivered, and effectively supported.

ACTIVITIES

• Process contracted party service requests.

• Manage contracted party contracts.

• Facilitate execution of contracted party agreements.

• Generate and execute contract amendments as a result of service requests.

• Process agreement terminations.

• Manage registrar application and evaluation process.

• Monitor conditions required by contracted party agreements and execute outbound communications to facilitate contracted party compliance with agreements.

• Manage procurement, negotiation, contracting, onboarding, and oversee accountability of vendors that provide contracted party capabilities and evaluation functions needed to process service requests.

• Develop business systems requirements and provide management functions for operations platforms.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Contracted Parties Services Operations, Cont'd.

ACTIVITIES, Cont'd.

- Manage Action Request Register (ARR) functions for Correspondence and Advice to the Board.

- Deliver WHOIS ARS functions when and if unpaused.

- Support all New gTLD Program services and functions for remaining applicants of the 2012 round:

  – Application processing (evaluation, contention resolution, application change requests, etc.).

  – Contracting (Registry Agreement execution, Specification 13, and Code of Conduct Exemption Amendments).

  – Pre-delegation activities (pre-delegation testing, onboarding, and transition to delegation).

  – Vendor management of new gTLD services including service development and contract renewals.

  – Support GDD initiatives and projects related to the New gTLD Program.

  – Support for ICANN org's Legal team on New gTLD Program-related Accountability Mechanisms and litigation.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following milestones will be used over the fiscal year for this functional activity:

- Service Level Targets will continue to be monitored and modified as per operational needs.

- Reporting of service delivery against Service Level Targets will continue.

- Transactional reporting of Service Level Targets.

- Monitor contracted party transactional survey responses.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Contracted Parties Services Operations, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Contracted Parties Services Operations	13	$2.0	$1.6	$3.6

$ in Millions

CONSIDERATIONS

• Operations resources are in high demand both internally and outside the organization. Providing development opportunities and career growth to retain personnel is critical to successful ongoing operations.

• New gTLD Program 2012 Round support activities are currently projected to run through FY24. Changes to that timeline would impact resources and activities.

• Changes to service strategy and objectives could impact the service delivery approach in several key areas such as Registry Services Testing (RST) and Data Escrow.

• Accountability Mechanisms and litigation pertaining to the New gTLD Program typically require significant and unplanned support from the team and may require significant expenditure of resources to manage. ■

Technical Services

PURPOSE

The Technical Services functional activity provides technical knowledge and data regarding domain name space inside ICANN org, working to maintain the security and stability of the Domain Name System.

OPERATING INITIATIVE CONTRIBUTIONS

Support: Promote and sustain a competitive environment in the Domain Name System.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.

• Consumer confidence in the evolving domain name marketplace remains strong, as measured by increasing domain name registrations and other indicators.

ACTIVITIES

• Coordinate projects and activities related to the implementation of RDAP.

• Enhance RDAP web client.

• Deploy an RDAP response validation tool for gTLDs.

• Deploy Technical Compliance Monitoring system for gTLDs.

• Enhance Service Level Agreement monitoring for gTLDs.

• Enhance Monitoring System API for gTLDs.

• Enhance Centralized Zone Data Service (CZDS).

Δ Enhance Centralized Zone Data Service (CZDS).

Δ Support the implementation of EPDP phases 1 and 2, and the next round of new gTLDs, if they move forward in FY22.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Technical Services, Cont'd.

HOW PROGRESS IS TRACKED

- Deployment of various systems and system enhancements.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Technical Services	5	$1.3	$0.5	$1.8

$ in Millions

CONSIDERATIONS

- Additional personnel will be required to support implementation of the Expedited Policy Development Process for Temporary Specification for gTLD Registration Data (EPDP) Phase 2 and/or the next round of new gTLDs if these move forward in FY22. ◼

Strategic Initiatives

PURPOSE

The Strategic Initiatives functional activity within Global Domains and Strategy focuses on strategic initiatives and evolving issues that impact ICANN org's remit and its stakeholders. It includes work undertaken by the community, such as the evolution of the multistakeholder model, and coordination of ICANN org's strategy as it relates to compliance with the European Union's General Data Protection Regulation (GDPR). It more broadly coordinates cross-functional strategic efforts related to mitigating DNS abuse, New gTLD Subsequent Procedures, the operationalization of RDAP, UA and IDN-related topics, and ICANN's Registrant Program.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Promote and sustain a competitive environment in the Domain Name System.
- Support: Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking.
- Support: Promote the Universal Acceptance of Domain Names and Email Addresses.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Strengthen ICANN's bottom-up multistakeholder decision-making process and ensure that work gets done and policies are developed in an effective and timely manner.
- Foster competition, consumer choice, and innovation in the Internet space by increasing awareness and encouraging readiness for UA, IDN implementation, and IPv6.
- ICANN engages in greater cooperation locally, regionally, and globally, with stakeholder groups and different policy and standards development bodies to raise awareness about UA, IDN implementation, and IPv6.
- UA readiness measurably increases.
- IDNs are increasingly adopted and treated in a standard fashion by software vendors.
- New gTLD awareness increases, as measured in surveys of Internet users.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Strategic Initiatives, Cont'd.

ACTIVITIES

- Subsequent Procedures for New gTLDs.
  - Support for the implementation of the Board-adopted recommendations developed through the New gTLD Subsequent Procedures Policy Development Process.

- Registrant program.
  - Development of materials to educate registrants about their rights and responsibilities as well as their roles within the DNS.
  - Raise awareness about issues and challenges impacting registrants.
  - Ensure that registrants' perspectives are represented in ICANN org's work when implementing policies and services.

- Registration Directory Services (RDS) and WHOIS.
  - Cross-functional coordination as it relates to data protection/privacy issues, including RDS compliance with the GDPR.
  - Continued engagement and follow-on activities in relation to the Expedited Policy Development Process (EPDP) on Temporary Specification for gTLD Registration Data Policy Phase 2 recommendations.
  - Cross-functional coordination of various work streams related to the launch of RDAP services in the gTLD name space.

- Cross-functional coordination and strategic planning as it relates to other initiatives and program areas of strategic importance to ICANN, including mitigating DNS abuse, UA and IDNs, RDS, and data protection/privacy issues.

- Planning is underway for possible close of the 2012 round of the New gTLD Program.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Strategic Initiatives, Cont'd.

HOW PROGRESS IS TRACKED

Standard project management tracking will ensure timely completion of deliverables and coordination among functions.

For New gTLD Subsequent Procedures:
- Provide support for Operational Design Phase prior to Board consideration of policy recommendations resulting from the New gTLD Subsequent Procedures Policy Development Procedure.

For Registrant Program:
- Continue to produce content, including blogs, reports and other communications to inform registrants of their rights as domain name holders, and how they fit within the domain name ecosystem.

For Registration Directory Services:
- Provide support for Operational Design Phase prior to Board consideration of policy recommendations resulting from EPDP Phase 2 on a System for Standardized Access/Disclosure.

- Provide support for EPDP Phase 2A, which will consider recommendations related to the distinction between legal and natural persons in registration data and the feasibility of using anonymized unique contacts in gTLD registration data, as well as any additional policy development process related to data accuracy in gTLD registration data.

- Coordinate ICANN org's strategy and related activities across functions to ensure alignment with org's goals related to ensuring RDS and access to non-public gTLD registration data meet with the requirements of data protection/privacy laws, including the GDPR.

RESOURCES

| FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Strategic Initiatives	9	$2.3	$0.4	$2.7

$ in Millions

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Strategic Initiatives, Cont'd.

CONSIDERATIONS

Activities related to recommendations from the New gTLD Subsequent Procedures Policy Development Process and the Expedited Policy Development Process (EPDP) on Temporary Specification for gTLD Registration Policy Phase 2 are expected to be a major effort during this period. Ongoing project planning will inform when additional resources are necessary to support required activities in this time period. ∎
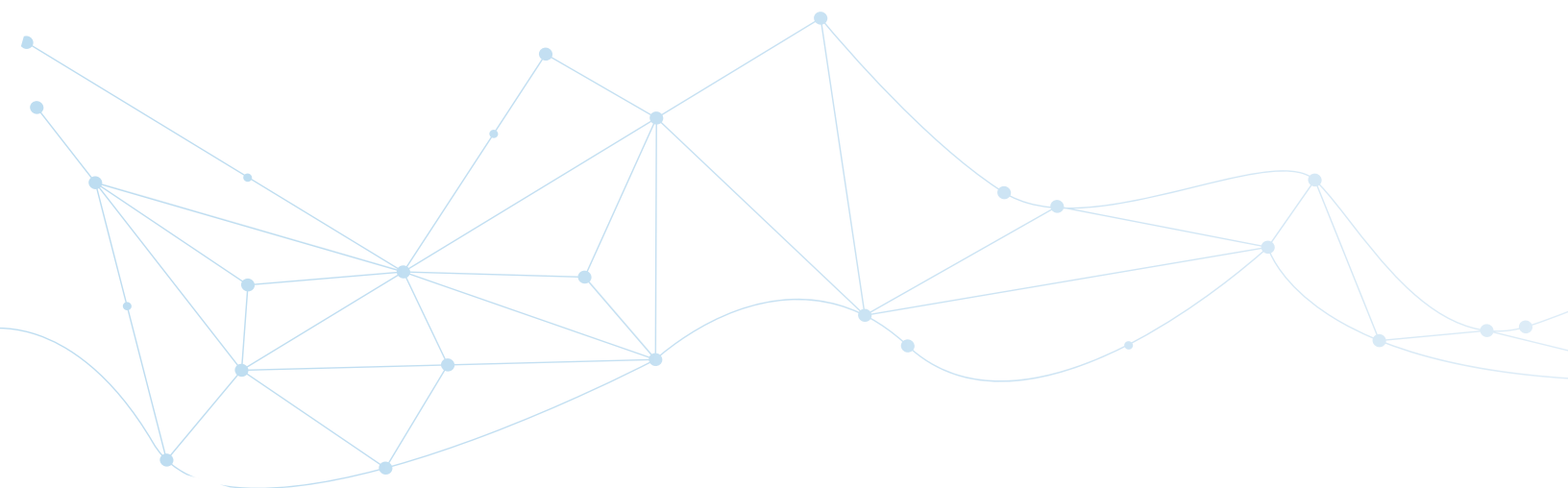
POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Constituent and Stakeholder Travel

PURPOSE

The purpose of Constituent and Stakeholder Travel is to provide travel support for community members selected through appropriate processes and broaden participation in ICANN's processes.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.

- Support: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.

- Support: Evaluate, align, and facilitate improved engagement in the Internet ecosystem.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed-upon global public interest.

- Representation across all stakeholders continues to reflect the evolving functional, geographic, and cultural diversity of the Internet.

- Continued efforts of ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

ACTIVITIES

- Provide logistical travel assistance to funded travelers who are selected by SOs, ACs, review teams, the Nominating Committee, other supported groups and ICANN support personnel for events requiring travel. These may include ICANN Public Meetings and other approved ICANN events. Approved ICANN events are those that advance ICANN's Mission, such as intersessional meetings, review team meetings, workshops, or conferences.

POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Constituent and Stakeholder Travel, Cont'd.

HOW PROGRESS IS TRACKED

The following measures will be used in FY22 for this functional activity:

- Publication of reports following each ICANN Public Meeting with details of travel support provided.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Constituent and Stakeholder Travel	0	$0.0	$2.1	$2.1

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Allocating limited travel funding among ICANN community members requires prioritization.

- Advance planning is needed to ensure cost-effective pricing. ■

Functional Activities

FY22

Community Engagement & Services

- Global Stakeholder Engagement

  – Regional Offices

- Public Responsibility Support

- Government and Intergovernmental Organization Engagement

- GDD Accounts and Services

- Consumer Safeguards

- Global Communications and Language Services

- Global Meetings Operations

- Ombudsman

Global Stakeholder Engagement

PURPOSE

ICANN org's Global Stakeholder Engagement (GSE) team leads engagement and outreach around the world with stakeholders about ICANN and its Mission. Through local coverage in eight regions, the team is a point of contact for ICANN org and the ICANN community. Its purpose is:

- Raising awareness and understanding of ICANN's role and remit.
- Encouraging participation in ICANN policy development and technical activities.
- Enhancing ICANN org's operating model across all regional offices and ensuring alignment of regional engagement efforts with ICANN org strategic and operational priorities.

OPERATING INITIATIVE CONTRIBUTIONS

As GSE's role is to lead engagement and outreach for ICANN org, it provides direct and indirect support to many of the operating initiatives which have outreach components that contribute to success.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of GSE function, all strategic goals and targeted outcomes are supported directly or indirectly.

COMMUNITY ENGAGEMENT & SERVICES

Global Stakeholder Engagement, Cont'd.

ACTIVITIES

• In light of the suspension of in-person engagements due to the COVID-19 pandemic, GSE is reviewing the impact of virtual engagement on ICANN org and the wider ICANN community. While a plan for the return to in-person meetings has been developed and is being discussed with the ICANN community, GSE will further consider the future of engagement in ICANN both virtual and in-person.

• Capacity development to increase understanding of ICANN's Mission and to diversify participation in ICANN's core activities.

• Build partnerships and relationships related to capacity development with regional and local stakeholders.

• In FY22, GSE will continue to extend its engagement measurement and planning function and its use of a Customer Relationship Management (CRM) platform for managing its engagement activity, community contacts, trip reports, cases, and Memoranda of Understanding with outside organizations.

• Ongoing cross-functional regional engagement related to technical and policy work, participation in relevant national and regional discussions, and delivery of regional engagement strategies.

• Engagement measurement, planning, and administration.

• Support cross-organizational prioritization to deliver on needs for international office strategy.

• Ongoing implementation of engagement activities adopted by the Board related to Specific and Organizational Reviews' implementation, community work on New gTLD Subsequent Procedures Policy Development Process recommendations, and support of initiatives in OCTO, Government Engagement, and Global Domains and Strategy.

⊿ In FY22, GSE will continue its careful consideration of resource allocation to ICANN participation in national and regional Internet Governance Forum (IGF) events. In FY21, GSE assumed responsibility for this from the Government and IGO Engagement team and conducted a review of these events to ensure national and regional IGFs fit within ICANN's policy and technical work.

⊿ In FY22, the vice president for North American engagement will continue work begun in the prior fiscal year to integrate all of ICANN's engagement and outreach activities in the region and coordinate with other ICANN org functions including GDD Accounts and Services, OCTO, and Government Engagement.

COMMUNITY ENGAGEMENT & SERVICES

Global Stakeholder Engagement, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. In FY22, the following metrics will be tracked and milestones will be met:

- Enhance the GSE presence on the ICANN org website with regional pages, incorporating updates made to the Africa, Asia Pacific, Latin America and Caribbean, and Middle East & Adjoining Countries regional engagement plans.

- Data on ICANN's geographical presence and services to regional stakeholders.

- Number of capacity development and training events and analysis of community feedback.

- Incorporation of stakeholder journeys data into ICANN org's Open Data Program.

- Metrics related to cross-functional work on DNS ecosystem security, DNSSEC deployment, UA, and IMRS instances.

- Engagement reporting for Competition, Consumer Trust, and Consumer Choice (CCT) Review and Registration Directory Service (RDS/WHOIS2), as well as ATRT3 and SSR2 Review Team recommendations adopted by the Board for implementation.

- Support of community prioritization effort at regional level to participate in Public Comment periods.

- DNSSEC statistics from regional trainings and local adoption levels by top-level domains, Internet service providers, and others.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Global Stakeholder Engagement	28	$5.5	$1.5	$7.0

$ in Millions

COMMUNITY ENGAGEMENT & SERVICES

Global Stakeholder Engagement, Cont'd.

CONSIDERATIONS

The following considerations exist for GSE team, some of which may pose risks in FY22:

- Demand for GSE team support continues to increase across ICANN org functions.

- The GSE team has been largely stable over time but succession planning, ongoing professional development, and cross-functional training opportunities must be implemented for personnel retention.

- The engagement work needed to support a potential next round of gTLDs and to implement reviews' recommendations will be significant and budget and personnel resources will be required.

- GSE team members have improved their ability to speak more effectively for ICANN org on DNS and DNSSEC, DNS abuse and misuse, IPv6 and other technical topics. OCTO also plans to add technical engagement personnel.

- GSE assumes there will be a return to face-to-face meetings and engagement events in FY22, but the pace of this return is uncertain due to continued travel restrictions and impacts from the COVID-19 pandemic.

- GSE continues to make improvements to cross-functional collaboration with OCTO, Government Engagement and GDS. GSE is reviewing its regional engagement events to ensure these incorporate a track for contracted party engagement with GDS and that these events are considered with any requirements for the safe resumption of in-person engagement.

- Reputational risk may arise from failure to retain active regional stakeholders in ICANN work during the extended period without face-to-face meetings. The inability to attract newcomers and maintain volunteers in a post-COVID era may also pose a risk. ■

COMMUNITY ENGAGEMENT & SERVICES

Regional Offices

ICANN has regional offices in Brussels, Belgium; Istanbul, Turkey; Montevideo, Uruguay, and Singapore. ICANN has engagement centers in Nairobi, Washington DC and Beijing.

PURPOSE

The primary purpose of the regional offices is stakeholder engagement. Besides bringing ICANN's functions closer to stakeholders, the offices facilitate the functions housed in the region to achieve the goals set out in the Strategic Plan.

OPERATING INITIATIVE CONTRIBUTIONS

As each regional office leads stakeholder engagement in its region and collaborates with other ICANN functions at a regional level, each regional office directly or indirectly supports all operating initiatives.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Effective regional stakeholder engagement underpins the success of many of targeted outcomes in the strategic plan and reflects the regional offices' ongoing collaboration with other ICANN functions.

ACTIVITIES

The FY22 activities of the regional offices encompass recurring work related to the functions located in each office and are not listed here. Major activities undertaken by GSE personnel in the regional offices in FY22 include:

- Facilitate collaboration on cross-functional goals with other ICANN org functions.

- Facilitate engagement with stakeholders at a regional level in line with recommendations on the future of meetings post-COVID.

- Update regional engagement strategies to reflect major developments in the Strategic Plan, particularly in relation to technical and government engagement.

COMMUNITY ENGAGEMENT & SERVICES

Regional Offices, Cont'd.

ACTIVITIES, Cont'd.

- Continue to identify and address internal and external issues, needs and demand across the region, and facilitate collaboration, or request for resource support from the Executive Team to address them.

- Develop a system for the collection and analysis of metrics to measure progress and success in regional and functional participation in the ICANN community, as well as accountability indicators concerning trust in ICANN.

- Identify engagement gaps in the region and facilitate collaboration, or request resource support to address gaps.

△ If the community process recommends a new round of new gTLDs, develop region-specific plans for promoting the program.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics and reports to track functional activities. In FY22, key measures for the regional offices are:

- Development of documents to track goals and targeted outcomes of cross-functional work by region.

- Incorporation of regional issues, engagement gaps and needs into org-wide Customer Relationship Management (CRM) platform.

- Development of tailored plans for European legislation tracking and technical engagement.

- Development of a People Development Plan for the European Region that includes tailored personal growth and training goals for personnel.

RESOURCES

The administrative costs of running each regional office can be found in the ICANN Offices functional activity section in this document.

COMMUNITY ENGAGEMENT & SERVICES

Regional Offices, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for the success of the regional offices in FY22 and may impact their progression:

- Work depends on other functions and personnel, who may have other priorities.

- Functional teams should have region-specific plans and goals in place.

- Full deployment of an org-wide CRM platform in FY22.

- Allocation of adequate budget for GSE personnel and regional support.

- Willingness of the community to use the regional offices for ICANN-supported face-to-face meetings. ■

Public Responsibility Support

PURPOSE

The Public Responsibility Support (PRS) team provides the community with the necessary support and tools to carry out public responsibility activities that support ICANN's Mission. Increasing diversity and lowering barriers to participation at ICANN is central to these efforts.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Implement New gTLD auction proceeds recommendations as approved by Board.

- Support: Facilitate DNS ecosystem improvements.

- Support: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.

- Support: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.

- Support: Through targeted engagement improve governmental and intergovernmental organization (IGO) engagement and participation in ICANN.

COMMUNITY ENGAGEMENT & SERVICES

Public Responsibility Support, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN, in collaboration with relevant hardware, software, and service vendors, enhances knowledge about DNS safety and security.

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed-upon global public interest.

- The knowledge and skill levels across the stakeholder community and organization increase, demonstrated by community members and personnel equipped with basic knowledge of the DNS as well as ICANN policy and advisory processes.

- Representation across all stakeholders continues to reflect the evolving functional, geographic, and cultural diversity of the Internet.

- ICANN Board and org continue enhancing transparency initiatives and upholding accountability.

- Continued efforts of ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

- ICANN prioritizes its activities to deliver its Mission in the global public interest in the most cost-effective way.

COMMUNITY ENGAGEMENT & SERVICES

Public Responsibility Support, Cont'd.

ACTIVITIES

- Lead research and expertise: Support for public responsibility initiatives within ICANN's remit in the areas of diversity, human rights, anti-harassment, public interest, and continue to support pre-implementation coordination efforts of New gTLD Auction Proceeds recommendations. Work on human rights initiatives includes those internal to ICANN org and those with community-driven objectives assigned as a result of the planning process.

- Lead diversity programs: Fellowship Program, NextGen@ICANN, Newcomer Day at ICANN Public Meetings, and Newcomer portal on icann.org, ICANN Community Childcare Grants Pilot.

- Lead and support capacity development initiatives: ICANN Learn, Leadership Program, Chairing Skills Program, and the ICANN History Project.

- △ Expand ICANN Learn curriculum to meet increased demand for online learning and capacity development.

- △ Support implementation of Board-approved recommendations from WS2 on human rights and diversity.

- △ Depending on the outcome of the Subsequent Procedures Working Group recommendations, PRS may implement new deliverables related to applicant freedom of expression rights.

- △ Improve existing and explore possible new mentoring structures for the NextGen and Fellowship programs based on community feedback.

- △ Identify and deliver effective anti-harassment training opportunities across the ICANN community.

- △ Community to decide whether the proposed public interest framework can be used to demonstrate how specific recommendations, advice, and public comments are in the global public interest.

- △ Implement changes to the NextGen@ICANN Program based on input from FY20 community consultation.

- △ Start to phase out ICANN History Project activities.

- △ Evaluate the ICANN Community Childcare Grants Pilot and determine whether the program will continue as a recurring activity.

COMMUNITY ENGAGEMENT & SERVICES

Public Responsibility Support, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. In FY22, the following milestones will be met:

- Research and expertise:
  - New gTLD Auction Proceeds: Continue to support coordination efforts leading up to Board consideration of recommendations from CCWG-AP.
  - Identify and deliver anti-harassment training opportunities across the ICANN community.

- Diversity programs:
  - ICANN Community Childcare Grants Pilot will be evaluated to determine whether the program will continue as a recurring activity.
  - Implement a new NextGen application system.
  - Fellowship and NextGen:
    - Number of participants by region and sector.
    - Number of pen holders on policy reports and documents.
    - Number of mailing list contributors.
    - Number of Public Comment contributors.
    - Number of alumni in leadership positions.

- Capacity development initiatives:
  - Start to phase out ICANN History Project work.
  - Continue to leverage ICANN Learn for capacity development.
  - Online Learn:
    - Number of active users.
    - Number of new courses.
    - Number of multilingual courses.

COMMUNITY ENGAGEMENT & SERVICES

Public Responsibility Support, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Public Responsibility Support	7	$1.0	$0.6	$1.6

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Work depends on clear community and organizational public responsibility priorities and cross-functional collaboration.

- Reputational risk may arise from failure to provide sufficient transparency and ability to demonstrate impact and return on investment of programs. This includes failure to support educated and informed stakeholders and a perceived lack of diversity in PRS programs.

- Continued improvement to PRS operations is needed, increasing transparency and responsiveness to the community.

- ICANN Learn should be leveraged to improve scalability of capacity development efforts.

- Reduce barriers to participation in ICANN by improving the newcomer experience.

- Successful implementation of New gTLD Auction Proceeds Board-adopted recommendations, the costs of which will be funded out of the auction proceeds and not ICANN's operational budget. ■

Government and Intergovernmental Organization Engagement

PURPOSE

ICANN org's Government and Intergovernmental Organization Engagement team is responsible for outreach and engagement with national and regional governments and intergovernmental organizations to protect the remit and mandate of ICANN.

The Government and IGO Engagement team acts as a central point of contact to help government entities understand technology and its role in the problems they are seeking to solve. The team's goal in engagement is to provide information to make governments aware of or mitigate the sometimes unintended consequences of government action on areas within ICANN's remit or impacting policies developed through ICANN's multistakeholder processes. The team specifically provides information about the technical underpinnings of the global Internet particularly the unique identifiers and the role and operation of the DNS.

The Government and IGO Engagement team works with the Governmental Advisory Committee as the constituency that is the home of governments and intergovernmental organizations (IGOs) within ICANN. The team also represents the Mission of ICANN org with government ministries and IGOs outside of ICANN's processes.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Evaluate, align and facilitate improved engagement in the Internet ecosystem.
- Lead: Through targeted engagement improve governmental and intergovernmental organization (IGO) engagement and participation in ICANN.
- Lead: Monitor legislation, regulation, norms, principles, and initiatives that may impact the ICANN Mission in collaboration with others.

COMMUNITY ENGAGEMENT & SERVICES

Government and Intergovernmental Organization Engagement, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN is engaged, its role acknowledged, and its presence valued in the arenas where topics within its remit are discussed.

- ICANN plays an important role in raising awareness among legislators, regulators, decision makers and stakeholders about its Mission and the effect of various regulatory and other proposals on the Internet ecosystem.

- ICANN effectively convenes and facilitates discussions with relevant parties to help address relevant global challenges and opportunities.

- ICANN org continues to develop and mature systems to detect and monitor legislative initiatives and other governmental or intergovernmental actions or initiatives that could impact ICANN's Mission or operations.

- ICANN org proactively engages with the community to develop common awareness of ICANN's contribution to early warning systems.

- The inherent security of the DNS and unique identifiers system measurably increases, due to higher adoption of global open Internet standards and greater awareness of security threats among stakeholders. The reliable, resilient, and interoperable DNS remains the leading trusted platform for the Internet's naming system.

- Decision-making processes ensure that input from all stakeholders is considered. Widespread understanding of the ICANN multistakeholder model is established through increased communication with relevant governmental organizations and institutions.

- ICANN fosters successful and mutually beneficial relationships with local, regional, and global partners to ensure knowledge building about ICANN and its Mission continues.

ACTIVITIES

- Assessment of risks to ICANN org due to legislative or regulatory activity or through global action by IGOs.

- Facilitation of global, regional, and national government engagement strategies reflecting geopolitical changes and reflecting the changes in the Strategic Plan.

- Ongoing cross-functional regional engagement related to technical and policy work, as well as participation in relevant national and regional discussions.

COMMUNITY ENGAGEMENT & SERVICES

Government and Intergovernmental Organization Engagement, Cont'd.

ACTIVITIES, Cont'd.

- Capacity development.

- Support cross-organizational collaboration for legislative tracking, government engagement, operational and strategic planning, and other functions.

- Review and revision of the global government and IGO engagement strategies to align with the Strategic Plan, which expands the number of strategic objectives with engagement elements.

△ The team will update demand-driven government capacity-building activities against the new ICANN Strategic Plan, and ensure these activities align with the new strategic objectives for ICANN org.

△ The team will evaluate the government engagement events ICANN org currently supports, determine effectiveness, and modify engagement as needed.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used in FY22 for this functional activity:

- Delivery of the postponed FY21 High-Level Governmental meeting may occur in FY22 as a virtual or in-person event in conjunction with an ICANN Public Meeting, depending on pandemic safety protocols and discussions with the GAC and the host government.

- Reports and statistics on participation in outreach, technical briefings, and capacity development sessions for the GAC and through collaboration with other organizations in the ecosystem.

- Reports and statistics on participation for briefings and capacity building events for diplomats from the Permanent Missions to the UN, UN staff, as well as other UN agencies and IGOs, where appropriate, and on contributions to open consultations on legislative or policy initiatives.

- Comparison of pre- and post- capacity building event surveys to measure delivery of information against expectations and information learned.

COMMUNITY ENGAGEMENT & SERVICES

Government and Intergovernmental Organization Engagement, Cont'd.

HOW PROGRESS IS TRACKED, Cont'd.

- Completed review of existing Memoranda of Understanding (MoUs) for continuing alignment with goals.

- Metrics related to the number of countries and intergovernmental organizations represented in the GAC and the number of countries and IGOs actively participating in GAC and ICANN policy processes.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Government and IGOs Engagement	**6**	$**1.8**	$**1.3**	$**3.1**

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Changes in the assessment of the risk environment.

- Change in functional resources and team allocation. ■

COMMUNITY ENGAGEMENT & SERVICES

GDD Accounts and Services

PURPOSE

The GDD Accounts and Services functional activity is responsible for the effective implementation of GNSO's Consensus Policy and contract-related services. Its team builds and maintains relationships with the ICANN-accredited registrars, gTLD registries, and their respective stakeholder groups.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Formalize the ICANN org funding model and improve understanding of the long-term drivers of the domain name marketplace.
- Support: Promote and sustain a competitive environment in the Domain Name System.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Enhanced engagement with contracted parties creates more robust industry relationships, dynamic participation, and improved responsiveness to emerging technologies.
- ICANN, in partnership with relevant stakeholders, establishes and promotes a coordinated approach to effectively identify and mitigate DNS security threats and combat DNS abuse.
- ICANN continues to provide a trusted forum that effectively convenes relevant parties for discussions on the security, stability, evolution, and interoperability of the DNS.
- ICANN maintains a reputation as the source of unbiased, reliable, and factual information on DNS health.
- Evolution to five-year rolling financial planning allows ICANN to appropriately address changes that impact ICANN's budget, operating and financial plan, or Strategic Plan.
- ICANN has reliable and predictable five-year funding projections, based on a sound understanding of the evolution in the domain name marketplace and realistic assumptions.
- ICANN utilizes data about the directions and trends in the domain name market to effectively guide the organization.

COMMUNITY ENGAGEMENT & SERVICES

GDD Accounts and Services, Cont'd.

ACTIVITIES

- Develop the annual and five-year funding forecast and funding assumptions.

- Continue to build and maintain relationships with ICANN's contracted parties.

- Publish updated data for the community in the Domain Name Marketplace Indicators.

- Implement GNSO policy recommendations after adoption by the ICANN Board.

- Implement and enhance services for the contracted parties.

- Support the contracted parties transition to the Registration Data Access Protocol (RDAP)-based technology platform for registration data directory services as called for in amendments to the Base gTLD Registry Agreement and Registrar Accreditation Agreement

- Lead implementation of the registration data policy (per EPDP Phase 1) in FY22.

- Coordinates ICANN's efforts, to conduct research, provide tools, factual information and education for the ICANN community regarding DNS Security Threats and DNS Abuse.

- Collaborate and coordinate with industry actors toward reducing DNS security threats (botnets, malware, pharming, phishing, and spam when used as vectors).

- Work with the community to identify gaps in addressing DNS security threats within ICANN's remit and means to reduce DNS security threats.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over this fiscal year for this functional activity:

- Implementation of adopted consensus policies.

- Survey of contracted parties.

- Delivery of the annual and five-year funding forecast to Finance for incorporation into the budget and financial plans.

COMMUNITY ENGAGEMENT & SERVICES
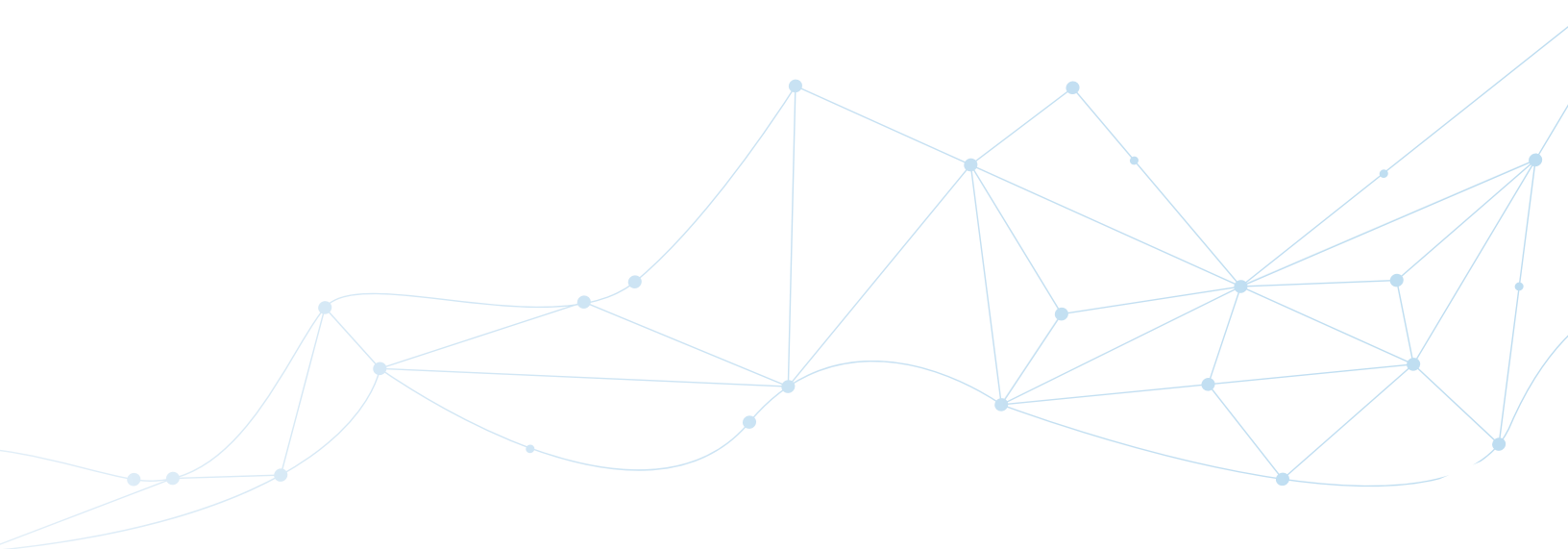
gTLD Accounts and Services, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
GDD Accounts and Services	**16**	$**2.9**	$**0.7**	$**3.6**

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

• The transition from WHOIS to RDAP depends on completion of amendments to gTLD Base Registry Agreement, and 2013 Registrar Accreditation Agreement, expected in early FY22.

• Implementation of approved GNSO policy recommendations partially depends on volunteer-based Implementation Review Team (IRTs). ■

Consumer Safeguards

PURPOSE

ICANN org's Consumer Safeguards team facilitates community-wide discussions to identify:

- Existing safeguards within ICANN's remit.

- Potential means to address safeguard gaps.

The functional activity also contributes to org assessments of local and regional regulations that may impact the DNS, as well as community and broader public engagement.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN effectively convenes and facilitates discussions with relevant parties to help address relevant global challenges and opportunities.

ACTIVITIES

- Facilitate community-wide sessions at ICANN Public Meetings and in regional venues to discuss safeguard topics.

- Engage with the public and community members on legal and regulatory efforts that may impact the DNS.

COMMUNITY ENGAGEMENT & SERVICES

Consumer Safeguards, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used over the fiscal year for this functional activity:

- Number of facilitated community discussions.
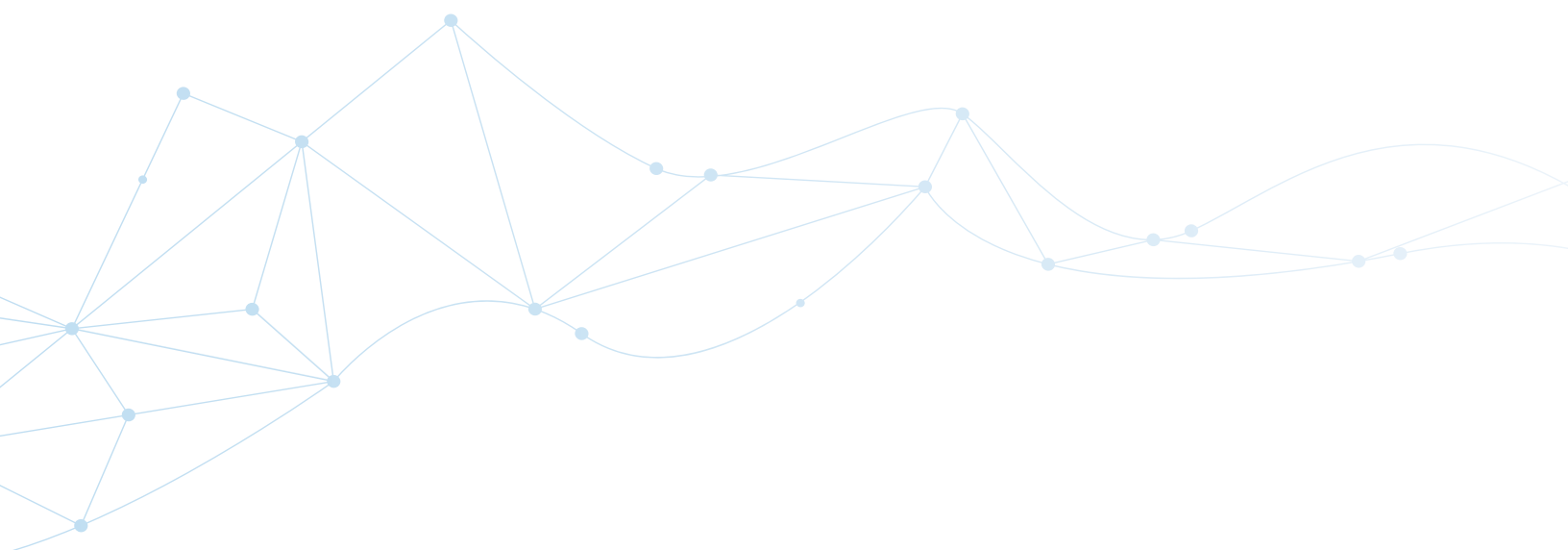
- Issue papers.

RESOURCES

Resources for the Consumer Safeguard functional activity are found in the Contractual Compliance functional activity.

CONSIDERATIONS

The following consideration exists for this functional activity and may impact its advancement:

- Level of community interest and engagement may not be constant. There may be pressure on the Consumer Safeguards director to go beyond a facilitator role to advocate in favor of a particular position or positions. ■

COMMUNITY ENGAGEMENT & SERVICES

Global Communications and Language Services

PURPOSE

The primary purpose of ICANN org's Global Communications and Language Services function is to ensure that ICANN is represented accurately and consistently in all forms of communication. This is accomplished in several ways:

- Demonstrate successes, knowledge, and thought leadership through compelling, clear, and consistent positioning.

- Continue to grow, globalize, and diversify communications efforts and channels for geographic and target-audience reach.

- Expand to and engage with new audiences by reaching outside of traditional forums.

- Leverage media and industry contacts to amplify key messages.

- Increase external understanding of and increase participation in ICANN's policy development process and multistakeholder model.

- Explain the role of the IANA functions and ICANN's technical remit.

- Educate internal audiences and support personnel activities.

- Facilitates access to ICANN by providing translations, interpretation, and transcription services in the six UN languages for ICANN Public Meetings and other events.

The secondary purpose is to provide communication tools to personnel and community to advance their work.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Facilitate DNS ecosystem improvements.

- Support: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.

- Support: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.

COMMUNITY ENGAGEMENT & SERVICES

Global Communications and Language Services, Cont'd.

OPERATING INITIATIVE CONTRIBUTIONS, Cont'd.

- Support: Promote and sustain a competitive environment in the Domain Name System.

- Support: Evaluate, align, and facilitate improved engagement in the Internet ecosystem.

- Support: Through targeted engagement improve governmental and intergovernmental organization (IGO) engagement and participation in ICANN.

- Support: Monitor legislation, regulation, norms, principles and initiatives in collaboration with others that may impact the iCANN Mission.

- Support: Implement New gTLD auction proceeds recommendations as approved by Board.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- ICANN maintains a reputation as a source of unbiased, reliable, and factual information on DNS health.

- Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed upon global public interest.

- Widespread understanding of the ICANN multistakeholder model is established through increased communication with relevant organizations and institutions.

- ICANN engages in greater cooperation locally, regionally, and globally, with stakeholder groups and different policy and standards development bodies to raise awareness about UA, IDN implementation, and IPv6.

- UA readiness measurably increases.

- IDNs are increasingly adopted and treated in a standard fashion by software vendors.

- New gTLD awareness increases, as measured in surveys of Internet users.

- ICANN promotes and supports awareness, including among stakeholders, of the IANA functions to successfully maintain the broad array of Internet unique identifiers and deliver effective DNS root zone operations.

COMMUNITY ENGAGEMENT & SERVICES

Global Communications and Language Services, Cont'd.

ACTIVITIES

- Support Global Domains and Strategy through dedicated communications personnel.

- Provide strategic communications support and content development for initiatives such as DNS security threats, Expedited Policy Development Process Phase 2, Auction Proceeds, and Subsequent Procedures for New gTLDs.

- Collaborate with engagement teams to strengthen alignment and consistency of messaging through narratives, briefs, presentations, media relations, and increased internal communications. Develop messaging to create awareness and strengthen ICANN's position related to Internet Governance and Technical Internet Governance.

HOW PROGRESS IS TRACKED

The Global Communications team will utilize tools, such as social listening tools, media monitoring, Google analytics to track content likes, retweets, shares, etc.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Global Communications and Language Services	26	$4.5	$4.3	$8.7

$ in Millions

COMMUNITY ENGAGEMENT & SERVICES

Global Communications and Language Services, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Overall, unclear or inconsistent communications and messaging to stakeholders can negatively impact ICANN's reputation.

- Advance notice of special projects or initiatives that will require communications support is key to ensuring that resources are available to provide assistance. Other functions are strongly encouraged to involve the team as early as possible.

- Promoting a shared understanding of key and current issues requires that personnel throughout ICANN org work with the Global Communications team to access accurate and consistent information on topics of interest.

- Translated materials, which are costly to produce, are not well used in some of the languages. ◼

COMMUNITY ENGAGEMENT & SERVICES

Global Meetings Operations

PURPOSE

Global Meetings Operations supports face-to-face and virtual meetings hosted by ICANN globally. For face-to-face meetings, the team ensures that the selected cities, venues, meeting facilities, and services provide an environment conducive to the effective conduct of the meeting. The team works in close collaboration with the community to establish the meeting schedule and provide travel support for funded travelers and personnel.

For virtual meetings, the team works with the community and the org to establish the schedule and ensure effective participation strategy in the online environment.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• Meaningful stakeholder participation increases, demonstrated by community members effectively engaged in multistakeholder model processes and committed to cooperating toward an agreed-upon global public interest.

• Continued efforts of ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

ACTIVITIES

• Three ICANN Public Meetings scheduled for FY22:
  – ICANN72 Seattle | Annual General Meeting
  – ICANN73 San Juan | Community Forum
  – ICANN74 The Hague | Policy Forum

• Three Board Retreats.

• Community face-to-face and virtual meetings (as a comparison, there were 75 meetings in FY19 and 35 meetings pre-pandemic in FY20).

COMMUNITY ENGAGEMENT & SERVICES

Global Meetings Operations, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. In FY22, the following milestone will be met:

- Continue to implement the approved cost-savings plan for three ICANN Public Meetings per year.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Global Meetings Operations	10	$1.8	$3.6	$5.4

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Potential increase in the demand for smaller face-to-face and virtual meetings, which will cause more work for the Meetings and Travel Support teams.

- The COVID-19 pandemic-related disruption is likely to affect the format and cost of meetings conducted face-to-face or virtually in FY22. ■

COMMUNITY ENGAGEMENT & SERVICES

Ombudsman

PURPOSE

The Office of the Ombudsman is a neutral dispute resolution practitioner for the ICANN community. The principal function of the Ombudsman shall be to provide an independent internal evaluation of complaints by members of the ICANN community who believe that the ICANN org, Board, or an ICANN constituent body has treated them unfairly. The Ombudsman serves as an objective advocate for fairness, and seeks to evaluate and resolve complaints about unfair or inappropriate treatment by ICANN org personnel, the Board, or ICANN constituent bodies, clarifying the issues and using conflict resolution tools such as negotiation, facilitation, and "shuttle diplomacy" to achieve these results.

The Ombudsman also has a formal role in conducting a substantive review of Reconsideration Requests for the Board Accountability Mechanisms Committee. However, the Ombudsman recuses the office from such a review if the office has been previously involved in the subject matter of the Reconsideration Request.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Continued efforts of ICANN Board, community, and org to facilitate the inclusion and participation of all stakeholders.
- ICANN community enhances their transparency practices to increase cross-community accountability and trust.

ACTIVITIES

The primary role of the Ombudsman includes:

- Complaint management.
- Raise awareness of Expected Standards of Behavior and Community Anti-Harassment policy within the community, Board and org. There is currently some awareness but actions in FY22 would increase visibility and activity.

COMMUNITY ENGAGEMENT & SERVICES

Ombudsman, Cont'd.

ACTIVITIES, Cont'd.

- Roll-out of anti-harassment training via ICANN Learn.

- Increase online presence in virtual meetings to demonstrate availability of the Office of Ombudsman and its service to the community and serve as a preventative measure to reduce conflict.

- Ongoing education to empower leadership in community via ICANN Learn and providing training for community leaders to empower and educate on conflict resolution.

- Implementation of recommendations related to the Ombudsman from the Cross Community Working Group on Enhancing ICANN Accountability Work Stream 2.

HOW PROGRESS IS TRACKED

ICANN Bylaws require the Office of the Ombudsman to produce an annual report detailing consolidated analysis of the year's complaints and resolutions, documentation of adherence to confidentiality obligations and concerns, as well as recommendations for steps to minimize future complaints.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Ombudsman	0	$0.0	$0.4	$0.4

$ in Millions

CONSIDERATIONS

Work Stream 2 of the Cross-Community Working Group on Enhancing ICANN Accountability issued recommendations that have been accepted by the Board, relating to the Office of the Ombudsman. This portion of the plan will be updated as the planning work continues. ■

Functional Activities

FY22

ICANN Org Governance

- Board Activities

- Office of the President and CEO

- Governance Support

- Nominating Committee Support

- Complaints Office

- Planning

- Review Support and Implementation

ICANN ORG GOVERNANCE

Board Activities

PURPOSE

The Board Activities functional activity represents the work and responsibilities of the ICANN Board of Directors. Among its duties, the ICANN Board:

- Ensures that ICANN remains at all times true to its Mission, Vision, commitments, and core values.

- Oversees ICANN org's performance to ensure it operates with efficiency, effectiveness, in a fiscally responsible and accountable manner, and, where practicable and not inconsistent with ICANN's other obligations under the Bylaws, in a manner that is responsive to the needs of the global Internet community.

- Oversees development and periodic revisions of ICANN's Strategic Plan and operating plan.

- Ensures that ICANN operates pursuant to the highest ethical standards, complies with applicable laws, and considers adherence to best practices in all areas of operation.

- Ensures all policy development and decision-making processes are transparent, open, reflective of the public interest and accountable to all stakeholders.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. The Board supports ICANN's ongoing, business-as-usual activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- The ICANN Board aligns its core FY22 activities with the FY21–25 Strategic Plan. At a high level the ICANN Board focuses on the following aims:

  – Strengthening the security of the DNS and the DNS Root Server System.

  – Improving the effectiveness of ICANN's multistakeholder model of governance.

  – Evolving the unique identifier systems in coordination and collaboration with relevant parties to continue to serve the needs of the global Internet user base.

  – Addressing geopolitical issues impacting ICANN's Mission to ensure a single and globally interoperable Internet.

  – Ensuring ICANN's long-term financial sustainability.

ICANN ORG GOVERNANCE

Board Activities, Cont'd.

ACTIVITIES

The ICANN Board organizes its FY22 work into five key areas of responsibilities, with a focus on community-driven activities:

- **Policy Development and Cross-Community Initiatives:**
  - Prepares for Board review and action by staying well informed of the content, priority, and timing of all policies being developed by the community.
  - Responds to SO policy recommendations and AC advice on a timely basis.
  - Participates and provides timely comments to cross-community working groups and initiatives.

- **ICANN org Oversight:**
  - Ensures that Board-approved policies are implemented in a manner consistent with the adopted policies.
  - Oversees implementation of significant engineering projects undertaken by the ICANN org such as the Information Transparency Initiative.
  - Oversees ICANN org's efficient and effective delivery of operational services to the community.

- **Strategic and Forward Thinking:**
  - Periodic review and revision of the Strategic Plan.
  - Review and revision of the FY22–26 Operating and Financial Plan.
  - Works with the community on the work plan to improve the effectiveness of ICANN's multistakeholder model.
  - Leads brainstorming discussions on key strategic topics affecting ICANN.

- **Governance and Fiduciary Responsibilities:**
  - Develops FY22 Board Operational Priorities aligned with ICANN President and CEO's priorities to ensure greater operational efficiency and effectiveness.
  - Oversee work related to the GDPR.
  - Oversees ICANN's governance and accountability issues.
  - Discharges its fiduciary (legal and financial) responsibilities.

ICANN ORG GOVERNANCE

Board Activities, Cont'd.

ACTIVITIES, Cont'd.

- – Monitors organizational risks and mitigation actions.
- – Progresses the implementation and understanding of the Bylaws.
- – Improves Board transparency.
- **Community Engagement and External Relationships:**
  - – Outreach and engagement with the community during and in between the ICANN Public Meetings.
  - – Participation in Board-community working groups.
  - – Development of effective relationships with key actors in the global Internet ecosystem.

In addition, some Board activities are handled by Board Committees, which form a fundamental part of Board activities. Committees allow a smaller group of Board members to work together when a more focused approach is needed. The list of Committees as well as their charters defining the scope of their duties and activities can be found here: **https://www.icann.org/resources/pages/board-committees-2018-04-13-en**.

When necessary, the Board may also establish working groups or caucus groups that are focused on a specific topic or issue. These activities are not included here.

HOW PROGRESS IS TRACKED

The ICANN Board fulfills its objectives and outcomes by directing the ICANN org to implement work. The following measures will be used over FY22:

- **Outcomes:**
  - – Successful implementation of the Strategic Plan.
  - – Implementation of the work plan to improve the effectiveness of ICANN's multistakeholder model.
  - – Strengthen DNS and DNS Root Server System security.
  - – Evolution of unique identifier systems.
  - – ICANN's long-term financial sustainability.

ICANN ORG GOVERNANCE

Board Activities, Cont'd.

HOW PROGRESS IS TRACKED, Cont'd.

- **Performance metrics:**
  - Timely revision of the Strategic Plan and FY22–26 Operating and Finance Plan.
  - Amount of funds transferred into the Reserve Fund, per **Board resolution** for replenishment.
  - Number of geopolitical issues impacting ICANN's Mission identified on time and successfully addressed.
  - Number of additional stakeholders join ICANN globally.
  - Number of effective relationships with key actors in the global Internet ecosystem established.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Board Activities	0	$0.0	$2.4	$2.4

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for the ICANN Board in its activities:

- Workload and competing priorities may slow down progress in key areas of work.
- Maintaining institutional knowledge is helped if there is stability in the Board's composition over the long-term.
- The ability to select and retain qualified and diverse Board members is dependent on factors such as available candidate pool, time commitments required, and compensation.
- Failure to identify trends impacting ICANN and subsequent adaptation of the strategic objectives could have important repercussions. ■

ICANN ORG GOVERNANCE

Office of the President and CEO

PURPOSE

The Office of the President and CEO provides support to the President and CEO, who has fiduciary responsibility for the organization. The goals of the President and CEO are achieved through work conducted by ICANN org.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

The Office of the President and CEO provides support to the President and CEO, thus contributing to many of ICANN's strategic goals and targeted outcomes.

ACTIVITIES

The nature of the Office of the President and CEO is to provide ongoing support to the President and CEO to enable effective management of ICANN org. No significant considerations were identified.

Activities include:

• Supporting the President and CEO as he provides direction to the Executive Team to achieve organizational goals.

• Day-to-day support for the President and CEO, including travel and meetings arrangement, and other administrative tasks, so that the President and CEO can run the organization effectively.

ICANN ORG GOVERNANCE

Office of the President and CEO, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Office of the President and CEO	3	$1.6	$0.4	$2.1

$ in Millions

HOW PROGRESS IS TRACKED

Progress of the Office of the President and CEO is related to the progress made on the established **goals** of the President and CEO, which are approved by the ICANN Board and updated at the beginning of each fiscal year. Additionally, the President and CEO and Executive Team provide **regular reports** to the Board and the community ahead of ICANN Public Meetings. ■
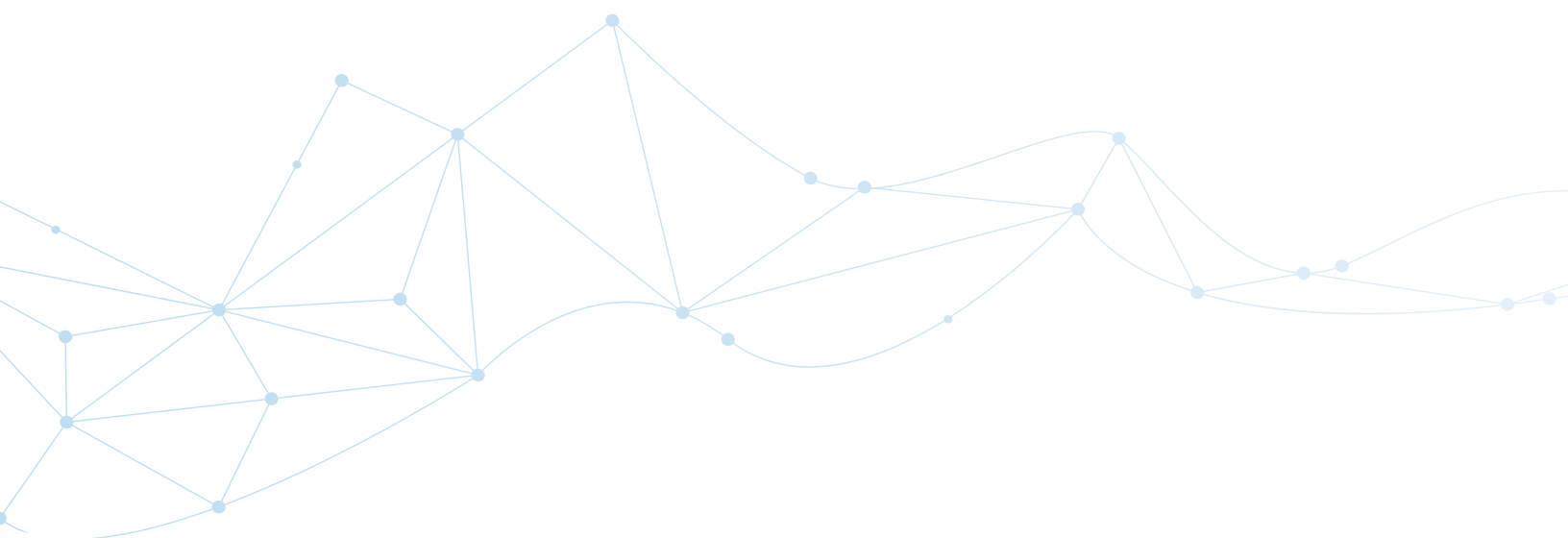
ICANN ORG GOVERNANCE

Governance Support

PURPOSE

The Governance Support functional activity legally safeguards ICANN org and mitigates adverse litigation and regulatory impacts to ICANN org.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: Develop internal and external ethics policies.
- Support: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.
- Support: Promote and sustain a competitive environment in the Domain Name System.
- Support: Facilitate DNS ecosystem improvements.
- Support: Root zone management evolution.
- Support: Evaluate, align and facilitate improved engagement in the Internet ecosystem.
- Support: Monitor legislation, regulation, norms, principles and initiatives in collaboration with others that may impact the ICANN Mission.
- Support: Implement New gTLD Auction Proceeds CCWG recommendations.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.
- Decision-making processes ensure that input from all stakeholders is considered.
- Improved multistakeholder model processes, such as Policy Development Process (PDP) 3.0 or streamlined Organizational and Specific Reviews, and other evolutions of ICANN's governance and cross-community working methods help produce timely and relevant results.

ICANN ORG GOVERNANCE

Governance Support, Cont'd.

ACTIVITIES

- Litigation and Accountability Mechanisms support, such as maintaining litigation readiness, monitoring, and managing ICANN litigation matters and issues, and Accountability Mechanism Process proceedings.

- General legal internal support.

- Advice to senior management.

- Contractual support, such as contract review, analysis, recommendations, risk assessments, and amendments.

- Secretarial support to ICANN Board and PTI Board, such as performing duties related to notices, meetings, corporate records and implementation of Board and committee decisions.

- Service as Chief Data Protection Officer, with a focus on ICANN organization-level data to ensure ICANN's internal data protection and privacy program is compliant and up-to-date.

  – Anticipated implementation of a standardized system for accessing registration data.

⊿ Establishment of the contract management database. Currently, contracts are managed within each business unit, which can cause potential legal and financial risk to the organization.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. In FY22, the following milestones will be met milestones will be met:

- Achieving functional purpose within funding allowance.

- Sufficient contingency funds to cover unforeseen legal events (e.g., skilled in looking at past trends, present environment, and future projections to deriving contingency fund amounts year-over-year).

ICANN ORG GOVERNANCE

Governance Support, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Governance Support, Complaints Office and NomCom Support	20	$6.8	$3.8	$10.6

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Changing landscape of privacy regulations.

- Outcomes related to litigation or general internal legal support are dependent on when Legal team is engaged on matters or issues.

- Advance notice of special projects or initiatives that will require legal services is key to ensuring that budget and resources are available. Other functions are strongly encouraged to involve the Legal function as early in the planning stages as possible. ■

Nominating Committee Support

PURPOSE

The Nominating Committee Support function provides support and coordination for the ICANN Nominating Committee (NomCom), an independent committee responsible for appointing leadership positions to the ICANN Board, PTI Board, ALAC, ccNSO, and GNSO. The NomCom acts on behalf of the interests of the global Internet community and within the scope of ICANN's Mission and responsibilities in the Bylaws.

OPERATING INITIATIVE CONTRIBUTIONS

Support: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policymaking.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Representation across all stakeholders continues to reflect the evolving functional, geographic, and cultural diversity of the Internet.

- Widespread understanding of the ICANN multistakeholder model is established through increased communication with relevant organizations and institutions.

- ICANN community enhances their transparency practices to increase cross-community accountability and trust.

ACTIVITIES

This team supports the NomCom by providing:

- Systems Administration: Configuring systems and tools for NomCom use including the NomCom application system, web pages, and Wiki.

- Meeting Planning: Plans and coordinates telephone and face-to-face NomCom meetings.

- Meeting Support: Facilitates the work of the NomCom, including maintaining process and procedures documents and agendas.

- Training: Produce content used in NomCom meetings.

ICANN ORG GOVERNANCE

Nominating Committee Support, Cont'd.

ACTIVITIES, Cont'd.

• Vendor Management: Procure, negotiate, contract, and manage vendors in support of NomCom functions, including training and recruitment firms.

• Support the implementation of the NomCom org review recommendation.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. In FY22, the following metrics will be met:

• Number of face-to-face meetings supported.

• Number of telephonic meetings supported.

• Number of leadership positions filled.

RESOURCES

Resources for the NomCom Support functional activity are found in the Governance Support functional activity.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

• Implementation work to be undertaken by NomCom personnel to implement the recommendations of the NomCom Organizational Review Team may exceed the capacity of existing resources.

• Ongoing NomCom operational costs may increase as a result of the NomCom Organizational Review Team recommendations.

• Due to the short-term status of NomCom leadership, ICANN org must be prepared to revise operating procedures and approach.

• The COVID-19 pandemic has impacted the ability of the NomCom to meet in-person, which may impact the related performance metric. ■

ICANN ORG GOVERNANCE

Complaints Office

PURPOSE

The Complaints Office enables ICANN org to transparently identify and resolve issues in one centralized location. The Complaints Office handles complaints regarding ICANN org that do not fall into an existing complaints mechanism, such as Contractual Compliance, Request for Reconsideration, or the Ombudsman.

The Complaints Office reviews verifiable information to ensure recommendations and resolutions are based in fact. It strives to be open and transparent, responsive and accountable to all parties, and to make recommendations that are constructive and actionable. Above all else, the Complaints Office acts with the utmost integrity in service of ICANN's Mission.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• Continued efforts of ICANN Board, community, and org to facilitate the inclusion and participation of all stakeholders.

• ICANN community enhances their transparency practices to increase cross-community accountability and trust.

ACTIVITIES

The Complaints Office reviews verifiable information to ensure recommendations and resolutions are based in fact. The office strives to be open and transparent, responsive and accountable to all parties, and to make recommendations that are constructive and actionable. Its responsibilities include:

• Receiving, researching, analyzing, and responding to submitted complaints.

• Reporting on activities of the office.

• Business and communications planning and implementation.

• Internal and external engagement.

ICANN ORG GOVERNANCE

Complaints Office, Cont'd.

ACTIVITIES, Cont'd.

• Board-approved recommendations from the Cross Community Working Group on Enhancing ICANN Accountability Work Stream 2 (WS2), including:

   – Support Ombudsman in relaunch and help differentiate services provided by Complaints Office.

   – Assist ICANN org with development of mechanisms for assessing personnel performance.

   – Explore a new role for Complaints Officer in the review of Document Information Disclosure Process (DIDP) requests that have been denied.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used in FY22 for this functional activity:

• Number of complaints received.
• Number of complaints received in scope.
• Number of complaints resolved.

RESOURCES

Resources for the Complaints Office are found in the Governance Support functional activity.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

• Shifting to a centralized system for complaints depends on ICANN org's prioritization and resource availability.

• The function has limited personnel, which creates risk that could lead to slow or stalled delivery on commitments.

• As awareness and visibility regarding the Complaints Office increases over time, the number of, the number of in-scope complaints could escalate rapidly. ■

ICANN ORG GOVERNANCE

Planning

PURPOSE

The purpose of this functional activity is to support the development, implementation, monitoring, and evolution of ICANN's strategy and to carefully plan ICANN's activities to efficiently and effectively address essential requirements of ICANN's Mission. Planning also ensures that ICANN org is accountable to the public in its stewardship of ICANN's Mission. In July 2020, a new Planning Department was formed to lead and coordinate all planning activities across ICANN and to prioritize and organize ICANN's activities with all participants in the ICANN ecosystem (org, Board, and community). The long-term objective of the Planning department is to continuously develop the effectiveness of the organization through adequate planning and measurement of the delivery against the plans.

OPERATING INITIATIVE CONTRIBUTIONS

• Lead: Planning at ICANN.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

• ICANN Strategic Plan is supported by a five-year Operating and Financial Plan. All plans are updated as and when necessary to take into account relevant changes in ICANN's environment.

• Evolution to five-year rolling financial planning allows ICANN to appropriately address changes that impact ICANN's budget, operating and financial plan, or Strategic Plan.

• ICANN has processes and tools in place to effectively prioritize and periodically reprioritize its work.

• Community's engagement in prioritization and decisions about affordability measurably increases.

• Funding, expenses, and reserves are addressed in each plan in a manner consistent with policies, Board decisions, strict financial responsibility, and conservatism.

• ICANN has reliable and predictable five-year funding projections, based on a sound understanding of the evolution in the domain name marketplace and realistic assumptions.

ICANN ORG GOVERNANCE

Planning, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES, Cont'd.

- ICANN utilizes data about the directions and trends in the domain name market to effectively guide the organization.

- ICANN prioritizes its activities to deliver its Mission in the global public interest in the most cost-effective way.

ACTIVITIES

- Communicate and engage the FY23 planning processes and timelines, milestones with ICANN org, Board and Community.

- Carry out ICANN's Strategic Outlook Trend exercise to inform the annual Strategic Plan update.

- Manage and develop ICANN FY23-27 Operating and Financial Plan and FY23 Operating Plan and Budget.

- Complete research and propose a draft prioritization approach, facilitate discussion among ICANN org, Board and Community.

HOW PROGRESS IS TRACKED

The following milestones will be used to track progress of this functional activity in FY22:

- Timely delivery of PTI FY23 Operating Plan and Budget, and IANA FY23 Operating Plan and Budget per Bylaws requirements.

- Timely delivery of ICANN's Strategic Plan FY23 update, FY23-27 Operating and Financial Plan, and FY23 Operating Plan and Budget per Bylaws requirement.

- Further refine ICANN's strategic planning and operating planning processes.

- Delivery of draft prioritization approach.

- Report progress towards the achievement of ICANN's plans.

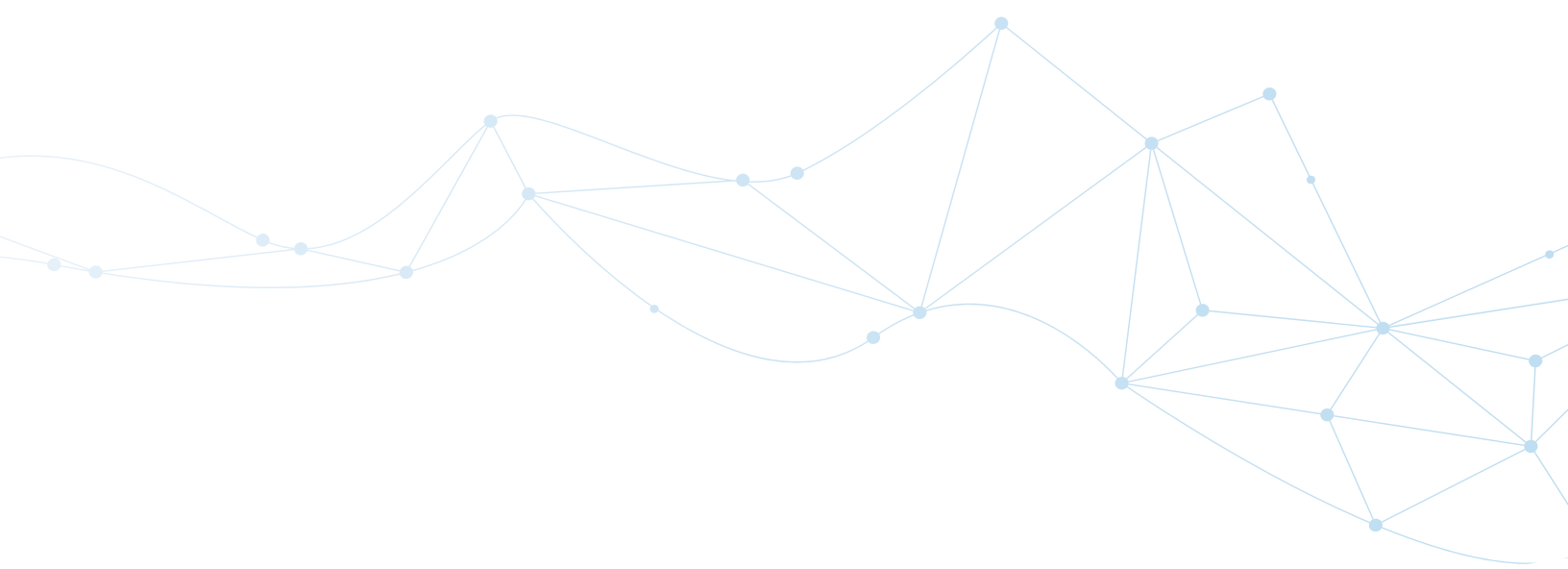# ICANN ORG GOVERNANCE

Planning, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Planning	3	$0.9	$0.3	$1.2

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- Lack of planning tools, including data collection and analysis, to facilitate org-wide prioritization.

- Progress reporting can impact the efficiency and effectiveness of planning activity. ■

Review Support and Implementation

PURPOSE

The ICANN Bylaws-mandated reviews represent a fundamental mechanism to continuously improve ICANN's multistakeholder model. The improvements result from the implementation of Board-adopted recommendations made by community-led review teams (for Specific Reviews) or by external independent reviewers (for Organizational Reviews). The org's functional support of the reviews process is provided by two complementary teams actively involved in the entire process from inception of the review to the conclusion of the implementation.

- The Review Support team facilitates and supports both the Specific and Organizational Reviews. This work includes the evolution of review processes and ICANN org support from inception of the review through Board action on the recommendations made by the review team.

- The Implementation Operations team is responsible for the implementation of the Board-adopted recommendations and coordinates the efforts with all parties, including org, Board and community, to ensure effective implementation. These recommendations could result from reviews or other community-led working groups, such as the Cross-Community Working Group on Enhancing ICANN Accountability Work Stream 2 (CCWG-Accountability WS2), the program to Evolve the Effectiveness of the Multistakeholder Model, and the Cross-Community Working Group on Auction Proceeds.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.

- Support: Implement New gTLD Auction Proceeds recommendations as approved by Board.

- Support: Planning at ICANN.

ICANN ORG GOVERNANCE

Review Support and Implementation, Cont'd.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

- Processes and tools are in place and consistently utilized to reach consensus, resolve impasses, and make timely, informed, and effective decisions that are in the global public interest, take policy advice into account, and ensure consistency with ICANN's Mission and Bylaws.

- Decision-making processes ensure that input from all stakeholders is considered.

- Improved multistakeholder model processes, such as Policy Development Process 3.0 (PDP 3.0) or streamlined Organizational and Specific Reviews, and other evolutions of ICANN's governance and cross-community working methods help produce timely and relevant results.

- ICANN stakeholders collaborate to define prioritization mechanisms, which ensure that cumulative workload is reasonable at any one time, and that ICANN priorities reflect the community's collective needs.

- ICANN Board and org continue enhancing transparency initiatives and upholding accountability.

- ICANN community enhances their transparency practices to increase cross-community accountability and trust.

- Continued efforts of ICANN Board, community, and org facilitate the inclusion and participation of all stakeholders.

ACTIVITIES

As the Board-approved recommendations from ATRT3 may impact the timing of future Specific and Organizational Reviews, ICANN org, for planning purposes, assumes that the Review Support team will support the review requirements currently in effect. These are found in **Appendix A – ICANN Rolling Five-Year Roadmap**. ICANN org will update the roadmap and the plan as implementation work on Board-approved ATRT3 recommendations progresses. For planning purposes, FY22 activities are as follows:

- The third review of the GNSO will begin in June 2021 unless the GNSO asks for a deferral and this is supported by the community. Reviews conducted by the independent examiner typically last 12-18 months. The Review Support and Accountability team will provide support and project management. The work will also involve a GNSO-appointed review working party, to provide clarification and input to the independent examiner.

ICANN ORG GOVERNANCE

Review Support and Implementation, Cont'd.

ACTIVITIES, Cont'd.

- The third Security, Stability, and Resiliency Review (SSR) would start in March 2022, according to the current Bylaws-mandated schedule. This may not be feasible or practical, as the SSR2 is still conducting its review. Because the SSR2 review would be ongoing, there would not be sufficient time to implement SSR2 recommendations before the start of the next review. However, the Board does not currently have scheduling flexibility on Specific Reviews. The November 2020 Board action on the ATRT3 recommendations impacts the timing of initiation of the SSR3.

- The Review Support team continues to support the work of the NomCom Review Implementation Working Group, which could extend into FY22.

- Define and plan for the implementation of the CCT, ATRT3 recommendations as adopted by the Board in October and November 2020, respectively, so that such implementation work can be considered for prioritization and scheduled for implementation accordingly.

- Continue the implementation of the recommendations from the CCWG-Accountability WS2. This work involves coordination across ICANN org, as well as with the Board and the community structures carrying out their work to implement WS2 recommendations incumbent on the community.

- Define and plan for the implementation of the program Evolve the Effectiveness of the Multistakeholder Model, by coordinating the activities already in progress which contribute to this program, and plan for the implementation of the new activities or projects that complement those already in progress to fully address the issues prioritized.

HOW PROGRESS IS TRACKED

The Review Support functional activity's progress depends on progress made in FY21 in the following areas:

- Streamlining of reviews.

- Prioritization and resourcing of the Board-approved ATRT3 recommendations pertaining to reviews.

- Prioritization and resourcing of the implementation of community recommendations.

- Completed Improvements included in the program to Evolve the Effectiveness of the Multistakeholder Model.

ICANN ORG GOVERNANCE

Review Support and Implementation, Cont'd.

HOW PROGRESS IS TRACKED, Cont'd.

ICANN org uses a combination of milestones, metrics and reports to track functional activities. In FY22, the following ICANN org measures will be used:

- Produce a high-level implementation plan to inform Board consideration of final report and recommendations from the SSR2 (potentially completed in FY21 dependent on timing of submission of final report to the Board); facilitate Board consideration within the Bylaws-mandated six-month period.

- Produce Annual Review Implementation Report on time, in compliance with the Bylaws.

- Produce periodic progress reports on the status of implementation planning and implementation of recommendations resulting from reviews and cross community working groups.

- Maintain up-to-date Operating Standards for Specific Reviews, in compliance with the Bylaws and to reflect improvements supported by community, and at Board direction.

- Initiate Bylaws revisions and modify the timing and cadence of the next cycle of reviews (as appropriate) based on community support and Board direction, and based on prioritization.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Review Support and Implementation Operations	8	$1.4	$0.8	$2.2

$ in Millions

ICANN ORG GOVERNANCE

Review Support and Implementation, Cont'd.

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- FY22 operations will be impacted by the events that are currently unfolding, but the outcome is not yet known. Specifically, the review-related ATRT3 recommendations will require significant implementation work involving community, Board and org.

- Progress also depends on ICANN org's ability to support and facilitate the new process of conducting reviews, from planning phase through assessment of implementation.

Given the large number of recommendations resulting from the current cycle of Specific Reviews and other community work, and their complexity and dependencies on other work, there needs to be an agreed upon set of principles for effective recommendations and their effective implementation. Discussions are currently underway, as reflected in **"Resourcing and Prioritization of Community Recommendations: Draft Proposal for Community Discussions"**; the effective consideration and implementation of the large number of community recommendations depends on ICANN community, ICANN Board and ICANN org reaching agreement on applicable principles and related process steps. ■

Functional Activities

FY22

ICANN Org Shared Services

- Finance and Procurement

- Risk Management

- Engineering and Information Technology

- Global Human Resources and Administrative Services

- Global Support Center

- Board Operations

- Security Operations

- ICANN Offices

ICANN SHARED SERVICES

Finance and Procurement

PURPOSE

The Finance and Procurement function is the steward of ICANN's public funds, and the champion of financial accountability and transparency. It provides timely, accurate, and reliable financial and procurement services that support responsible decision-making.

OPERATING INITIATIVE CONTRIBUTIONS

- Lead: ICANN Reserves.
- Support: Formalize the ICANN org funding model and improve understanding of the long-term drivers of the domain name marketplace.
- Support: Planning at ICANN.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

The Finance and Procurement function handles all accounting, audit, planning, financial analysis, financial reporting, statutory reporting, tax, payroll, billing and collections, insurance, treasury (including payments), procurement, and sourcing for ICANN operations, IANA functions, or PTI, as applicable.

ICANN SHARED SERVICES

Finance and Procurement, Cont'd.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used in FY22 for this functional activity:

- Continuous improvement of processes to gain efficiency and improve quality.
- Continuous improvement of financial analysis.
- Measuring and reporting service-level metrics.
- Tracking of ICANN's Reserve Fund replenishment.
- Contribute to the operating initiative planning at ICANN.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Finance and Procurement, and Risk Management	18	$3.8	$2.2	$6.0

$ in Millions

CONSIDERATIONS

No new risks or considerations noted for FY22. ◼

Risk Management

PURPOSE

The primary purpose of Risk Management is to facilitate the identification and articulation of risks faced by ICANN org so that it may make informed decisions about planning for and managing those risks. Through the established Risk Framework, the function focuses on developing a risk-aware culture which incorporates the Risk Framework into activities.

OPERATING INITIATIVE CONTRIBUTIONS

Support: Risk Management supports all operating initiatives.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

- Maintain and enhance the risk identification and communication within the org and to the Board, including strategic risks and existential threat monitoring.
- Expand education of a risk-aware culture within the org.
- Integrate Risk Management planning with Operational and Strategic Planning under the Office of the CFO.
- Continuity Planning: Plan that the organization can continue operating at minimum capacity if resources become suddenly unavailable.
- New Activity Risk Assurance Process: Embed now that it is in place.

△ Broader Risk Awareness Training: Functional risk awareness presentations, review of Function Risk Register, ICANN Risk Register top risks, provide context to personnel.

△ Risk Management in Planning: Support achievement of the Strategic Plan, Operating and Financial Plan by leveraging the Risk Identification Management process.

△ Board Priorities Deliverable 3.3.1: Support the Board Risk Committee's deliverable of monitoring existential threats by leveraging the Risk Identification Management process.

ICANN SHARED SERVICES

Risk Management, Cont'd.

HOW PROGRESS IS TRACKED

The following risks and considerations exist for this functional activity and may impact its advancement:

- Completion of continuity plan and implementation.

- New activity process used as appropriate.

- Trainings provided within the org.

- Successful implementation of the existential threats monitoring for the Board Risk Committee.

- Appropriate Risk Management planning input into the Operating and Strategic Planning Process.

RESOURCES

FY22 resources for Risk Management are found in the Finance and Procurement functional activity.

CONSIDERATIONS

The largest consideration for this functional activity is the team's dependency on other functions and personnel, who may have other priorities. The team must rely on Risk Liaisons to respond and also personnel alerting Risk Management when issues arise. ■

Engineering and Information Technology

PURPOSE

Engineering and Information Technology (E&IT) provides trusted technical expertise to support the global multistakeholder model and ICANN org by:

- Building a sustainable and resilient team that is able to respond to organizational needs.

- Fostering trusted, transparent relationships with stakeholders through collaborative planning and data-driven decisions.

- Delivering secure, effective, and accessible services through innovation and persistence.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policymaking.

- Support: Root zone management evolution.

- Support: Promote and sustain a competitive environment in the Domain Name System.

- Support: Formalize ICANN org funding model and improve understanding of the long-term drivers of the domain name marketplace.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ICANN SHARED SERVICES

Engineering and Information Technology, Cont'd.

ACTIVITIES

- Better position and prepare the E&IT function to deal with Subsequent Procedures for new gTLD work.
- Better position and prepare the E&IT function to work on implementation of Board-approved recommendations from ATRT3, the CCT review team, and the CCWG-Accountability WS2.
- Proactively securing ICANN's digital services and systems.
- Helping ICANN deliver results by aligning E&IT delivery capacity along the organization's long-term strategy.
- Enabling organizational effectiveness through efficient use of ICANN's digital services.
- Providing effective support to ICANN's international office strategy.
- Maintaining financial soundness and business continuity.
- Supporting all functions within ICANN org, Board, and community via end-user support, business analysis, custom application development, off-the-shelf software selection and support, infrastructure support, security monitoring, and network services.
- Continuing to emphasize portfolio management and platform reduction mindset.
- Continuing work on capacity planning tools for organizational capacity planning.
- Investigating career development and promotional opportunities to improve retention, provide greater clarity to personnel, and help identify resource gaps.
- Continue to work on moving from Capability Maturity Model Level 3 to Level 4.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics and reports to track functional activities. The following measures will be used in FY22 for this functional activity:

- Number of projects and services requested and completed every six months.
- Number of projects delayed or cancelled in every six months.
- Evaluation of financial management through review of planned and actual budgets.
- Digital services availability.
- Universal Acceptance readiness.
- Overall Center for Internet Security (CIS) Score for cybersecurity.

ICANN SHARED SERVICES

Engineering and Information Technology, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Engineering and Information Technology	**59**	$**11.9**	$**13.4**	$**25.2**

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this funcional activity and may impact its advancement:

• Completion of strategic projects depends on Board and community efforts.

• Finding a suitable offshore location for outsourced work is challenging.

• Geopolitical impacts on international office locations.

• Hiring and retaining personnel continues to be challenging in the current economic climate. Personnel may leave, but improvements in process documentation will lessen new employee onboarding time and costs.

• Personnel may leave if initiatives offering career progression are not implemented.

• Business decisions may mean ICANN org is not able to reduce the number of platforms it uses. This may lead to retaining talent to deal with potential issues. A possible mitigation is to make platform reduction part of the functional business strategies.

• Lack of understanding of capacity and capability, leading to unrealistic scope and delivery expectations from Board and community.

• Global data regulations are fluid and could adversely affect roadmaps.

• Onboarding remote personnel is challenging and may have difficulty absorbing them into ICANN org culture absent any in-person meetings. ◼

ICANN SHARED SERVICES

Global Human Resources and Administrative Services

PURPOSE

The primary purpose of Global Human Resources is to attract and retain top talent for ICANN org throughout the entire human capital life cycle. This includes talent acquisition, onboarding and offboarding personnel, administration of global compensation and benefit plans, performance management, employee relations, investigations, training and development, employment policies and workplace compliance, global mobility and immigration, team member morale and engagement activities, Enterprise Resource Planning (ERP) data integrity and reporting, and organizational planning and development.

The primary purpose of Administrative Services is to provide office administrative support and facilities management for ICANN org across all locations. This includes real estate/lease management, construction management, ergonomics program management, office security access controls management, and special events planning for employee morale activities/events.

OPERATING INITIATIVE CONTRIBUTIONS

- Support: Promote and sustain a competitive environment in the Domain Name System.

- Support: Implement New gTLD Auction Proceeds CCWG recommendations.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ICANN SHARED SERVICES

Global Human Resources and Administrative Services, Cont'd.

ACTIVITIES

Global Human Resources activities include:

- Focus on maintaining personnel engagement by sustaining organizational culture seamlessly between offices, regions, and remote and virtual working environments while continuing to build diversity to best represent the community ICANN org serves.

- Ensuring appropriate personnel levels as needed for initiatives including support of technical platforms, implementation of Board-approved recommendations from the New gTLD Subsequent Procedures Policy Development Process, the Information Transparency Initiative, and more.

- Providing the internal programs necessary for leadership training and professional development of personnel in order to retain talent and will focus on our Diversity and Inclusion initiative to continue to foster a diverse, inclusive, and respectful culture within ICANN org.

- Updating the internal grades and ladders to provide more guidance and clear structure for conversations around career path and development.

Administrative Services activities include:

- In FY22, Administrative Services will oversee one major lease renewal for its location in Singapore (office lease renewal or relocation September 2021).

- Provide support for a healthy work environment in ICANN offices and for those working remotely. Support the safety readiness of ICANN offices as personnel return from working remotely as a result of the COVID-19 pandemic.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. The following measures will be used for this functional activity:

- Global Human Resources will prioritize maintaining productivity and efficiency for personnel challenges of balancing work with personal isolation, concerns for family health, safety and schooling, political turmoil and prevailing economic challenges.

- Administrative Services will ensure that lease negotiations result in favorable outcomes to maintain budgetary commitments.

ICANN SHARED SERVICES

Global Human Resources and Administrative Services, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Global Human Resources and Administrative Services	**21**	$**3.8**	$**0.8**	$**4.6**

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for the Global Human Resources component:

• Maintaining productivity and efficiency when personnel have to balance work with personal isolation, concerns for family health, safety and schooling, political turmoil and prevailing economic challenges.

• Geographic spread over 32 countries and 20 U.S. states makes it hard to efficiently handle personnel relations issues within existing policies and local differences.

• Personnel are eager for development opportunities, but will need more understanding of what resources are currently offered and be able to take advantage of career progression opportunities.

The following risks and considerations exist for the Administrative Services component:

• Uncertainty currently exists in the global real estate market as a result of the COVID-19 pandemic which may create instability in cost for office space in the next five years.

• Maintain a flexible workspace environment remotely and in offices during the COVID-19 pandemic and as personnel return to ICANN facilities. ■

ICANN SHARED SERVICES

Global Support Center

PURPOSE

ICANN's Global Customer Service and Support supports ICANN's Mission, Vision, and strategy, through the continued pursuit of excellence in the execution of world-class service delivery practices and principles.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

- Contracted party support.
- New gTLD applicant support.
- Account and contact management.
- Registrant and community support.
- Stakeholder communication.
- Portal access management.
- Inbound org request triage and routing.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones, metrics, and reports to track functional activities. During FY22, the following milestones will be met:

- Service level targets will continue to be monitored and modified as per operational needs.

- Customer satisfaction will continue to be measured through transactional surveys and reported regularly.

ICANN SHARED SERVICES

Global Support Center, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Global Support Center	13	$1.3	$0.2	$1.5

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity in FY22:

- The role of Global Support to provide Tier 1 support for contractual compliance inquiries is currently under discussion. Should Global Support take on this function, resources, and tools would need to be reviewed.

- The effectiveness and efficiency of the Global Support function is highly dependent on the operating systems and tools upon which it relies. Specifically, the team is highly reliant on the usability of the Naming Services Portal (NSp).

- Global Support resources are in high demand both internally and outside the organization. Retaining personnel is critical to successful ongoing operations. ■

Board Operations

PURPOSE

The purpose of this function is to support the ICANN and PTI Boards, and to serve as liaison between the ICANN Board and org. This includes coordinating with ICANN org to provide substantive content and logistical support to the ICANN Board, as well as its committees and subgroups. This function also facilitates the interaction between the Board and the community.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

- Content management: Supports the agenda development of Board meetings and workshops; facilitates preparation and submission of org-wide materials for Board Meetings, workshops, committees and other subgroup meetings; manages Board materials publication; supports drafting of Board operational priorities, Board correspondence, and Board Public Comments submissions; and facilitates preparation for Board and Stakeholders meetings.

- Logistics management: Manages Board members' travel and expenses, vendor management and relations, manages and reports Board budget, facilitates and organizes calls and meetings.

- Training and capacity development: Supports the Board training programs and tools, including Board members onboarding, development, and mentorship programs.

- Board communications and engagement: Supports and facilitates the Board's communications and engagement efforts with the community as well as participation in other meetings, events, and speaking engagements.

ICANN SHARED SERVICES

Board Operations, Cont'd.

ACTIVITIES, Cont'd.

- Org cross-functional improvements efforts: Participates in cross-functional ICANN org teams and projects aiming at improving effectiveness and cost-management.

△ The team does not anticipate any significant changes, but will pursue its operational excellence and team development efforts that focus on process improvements and tools enhancement.

HOW PROGRESS IS TRACKED

- Outcome Measurement:
  - Smooth operations of the Board activities (content, logistics, skills development, etc.) and continuous advancement of Board best practices.
  - Continuous advancement of org-wide support for Board.
- Performance Measurement:
  - Content Management: Bylaws compliance, accountability and transparency metrics achievements
    - Percent of Board Materials ready per ICANN Bylaws prior to Board Meeting.
    - Percent of Board Meeting agenda published per ICANN Bylaws prior to meeting.
  - Logistic Management:
    - Number of trips booked for Board.
    - Number of expense reports managed for Board.
  - Training and Capacity Development:
    - Number of Board members completing the onboarding process.
    - Number of trainings attended by individual Board members.
    - Number of trainings attended by full Board.
    - Improvements in Board skill sets.
  - Board Priorities:
    - Timely delivery on Board Ops-related priorities.

ICANN SHARED SERVICES

Board Operations, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Board Operations	6	$1.1	$0.1	$1.3

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- A key performance measurement relies on a survey that often receives a low response rate due to Board workload. The team will work on addressing this challenge as part of its process improvement.

- The team works closely with ICANN org, including the Legal team, to deliver content to the Board and publish Board materials, but that support depends on the workload and priorities of other functions.

- The loss of institutional knowledge on the Board poses a significant risk and could have a negative impact on the Board's operational effectiveness and subsequent negative impact to ICANN org. The team plans to continue teaming up with the President and CEO and the General Counsel and Secretary to advance Board and committee manuals, process documentation, training and development, and more. ■

ICANN SHARED SERVICES

Security Operations

PURPOSE

The purpose of Security Operations is to provide a safe and secure environment in which the community, Board, and ICANN org operate.

OPERATING INITIATIVE CONTRIBUTIONS

No linked initiatives at this time. This supports ICANN's ongoing, business-as-usual activities.

STRATEGIC GOALS AND TARGETED OUTCOMES SUPPORTED

Due to the nature of the shared services functions, all strategic goals and targeted outcomes are supported directly or indirectly.

ACTIVITIES

- Provide on-site event health, safety, and security support to ICANN Public Meetings and other ICANN-hosted events.

- Travel Security: Review, assess, and support org and Board travel. Conduct Travel Risk Assessments and activate the Travel Safety Committee for travel to Medium, High, and Extreme risk locations and support accordingly, weighing due diligence and cost-effectiveness when considering on-site support. Ensure COVID-19 risks are assessed, understood, and minimized.

- Security Intelligence: Regional Security Managers will continue to deepen their understanding of the security risk landscape of their respective regions and key local and regional factors which impact it.

- Response Planning: Conduct annual emergency preparedness training for personnel and emergency response and crisis management teams. Develop pandemic and business continuity plans in response to COVID-19.

ICANN SHARED SERVICES

Security Operations, Cont'd.

ACTIVITIES, Cont'd.

- Physical Security: Maintain and optimize physical security procedures, processes, and protocols across ICANN's facilities. Implement physical security upgrades or enhancements where necessary and feasible.

- Threat Management: Detect, assess, mitigate and respond to ICANN's internal and external security threats. Threat Management: Continue development of an Insider Threat Program in collaboration with HR and InfoSec teams.

- Knowledge Management: Provide tailored, region-specific training to personnel as well as org-wide core learning.

- Continue to optimize the Regional Security Coordinator (RSC) capability across all regions.

HOW PROGRESS IS TRACKED

ICANN org uses a combination of milestones and reports to ensure that initiatives advance. The following measures will be used over the period for this initiative.

- Work closely with the Meetings team to ensure Security Operations is incorporated into the formal long-term assessment and selection of meeting locations.

- Each RSC to complete designated training course or courses as agreed upon by their regular manager and their RSM.

- Culture of Security Awareness
  Promote a culture of security awareness to inform the org's decision-makers and furnish personnel with the tools and know-how to operate and travel safely and securely in a COVID-19 world and increasingly insecure threat landscape. Personnel are "street-smart" and "travel-savvy."

- Bolster Incident Response Capabilities
  Complete annual training for the Global Crisis Management Team (G-CMT), office Emergency Response Teams (ERTs), and Workplace Violence Prevention (WVP) Teams.

ICANN SHARED SERVICES

Security Operations, Cont'd.

RESOURCES

FUNCTIONAL ACTIVITY	FTE	Personnel	Non Personnel	TOTAL
Security Operations	**4**	$**1.0**	$**0.8**	$**1.8**

$ in Millions

CONSIDERATIONS

The following risks and considerations exist for this functional activity and may impact its advancement:

- ICANN's global Mission and engagement requires ICANN org to send travelers to and host events within locations of highly variable risk profiles. Over time, ICANN may conduct more frequent and robust engagement in higher-risk locations, requiring increased and more costly Security Operations support in the form of risk assessment and mitigation and security planning. While Security Operations does not control where ICANN hosts events or travels, the team is still responsible to sufficiently support events and travel as cost-effectively as possible.

- Security Operations should be more deeply integrated into the early consideration and planning stages of travel or events in higher-risk locations. This would afford all key stakeholders the opportunity to assess and understand the total cost of such engagement.

- Security Operations will continue its efforts to develop and bolster an organizational culture of security awareness. This will both inform the decision-making of the organization's key stakeholders and empower individual personnel to proactively mitigate security risks and reduce the likelihood of safety incidents.

- Security Operations will continue to ensure that the org is sufficiently prepared to respond to, and manage, the COVID-19 pandemic. This includes robust office, meeting, and travel procedures and protocols to promote the health and safety of personnel and the community, as well as maintaining agile crisis management teams and mechanisms to respond efficiently and effectively to incidents and spikes in cases. ■

ICANN SHARED SERVICES

ICANN Offices

PURPOSE

ICANN offices are located around the world and work together to serve the global community. Brussels, Istanbul, Montevideo, and Singapore have detailed plans described in the Global Stakeholder Engagement section of the FY22 Operating Plan. Below is an overview of the Non-Personnel administrative costs of running each office.

RESOURCES

FUNCTIONAL ACTIVITY	Non-Personnel
ICANN Offices	$6.1
Istanbul Regional Office	$0.3
Brussels Regional Office	$0.3
Singapore Regional Office	$0.6
Montevideo Regional Office	$0.0
Los Angeles Headquarters	$3.8
Washington D.C. Regional Office	$0.8
Geneva Regional Office	$0.2

$ in Millions

FY22 BUDGET

Click here for the Proposed for Adoption FY22 Budget.

APPENDIX

Appendix A:

ICANN Rolling Five-Year Roadmap: Policy, Reviews and Cross-Community Working Groups

The rolling five-year roadmap includes activities related to policy, reviews, and cross-community working groups with estimated timeline. Work related to these activities will be prioritized and resourced on an ongoing basis. The timelines on this roadmap are indicative, tentative and subject to update as work progresses.

The roadmap includes the implementation of Board-approved recommendations of the Cross-Community Working Group on ICANN Accountability Work Stream 2 and Organizational Review implementations. The Board-approved recommendations from the third Accountability and Transparency Review (ATRT3) may impact the timing of future Specific and Organizational Reviews. The future Reviews timing displayed is based on review requirements currently in effect. ICANN org will update the roadmap as implementation work on Board-approved ATRT3 recommendations progresses.

Click here for the **ICANN Rolling Five-Year Roadmap**.

Appendix B:

Recommendations Relating to Cross Community Working Group on Enhancing ICANN Accountability Work Stream 2 and Reviews

December 2020

Description	Status	# of Total Recommendations	# of Board-Adopted Recommendations	Reference	Notes
CROSS COMMUNITY WORKING GROUP					
WS2	Implementation is in progress on a number of recommendations while others are going through implementation planning.	116	116	Final Report; Board Resolution.	
SPECIFIC REVIEWS					
CCT	*See note below	35	17	March 2019 Board Resolution & Scorecard. October 2020 Board Resolution & Scorecard.	Implementation planning efforts are underway on the 11 recommendations the Board approved in October 2020. Work is underway on the remaining 6 pending recommendations.
	*In March 2019, the Board took action on the Final Report: ● 6 recommendations were accepted subject to costing and implementation considerations, ● 17 were placed in pending (in whole or in part), and ● 14 were passed through to community groups (in whole or in part), as identified by the CCT. ● In January 2020, the Board approved a Plan for Implementation of the 6 accepted recommendations. ● Subsequently, the Board approved 11 of the 17 pending recommendations in October 2020.				
RDS-WHOIS2	*See note below.	22	15 (in whole or in part)	February 2020 Board Resolution & Scorecard.	Implementation planning efforts are underway on the 15 recommendations the Board approved in whole or in part.
	*The Board took action on the RDS-WHOIS2 Final Report in February 2020, resolving to: ● Approve 15 recommendations (in whole or in part), ● Put 4 recommendations in pending, ● Pass through 2 recommendations (in whole or in part), ● Reject 2 recommendations.				
ATRT3	Implementation planning.	5 (comprised of 15 components)	5 (comprised of 15 components)	November 2020 Board Resolution.	

Appendix B: Recommendations Relating to Cross Community Working Group on Enhancing ICANN Accountability Work Stream 2 and Reviews, Cont'd.

ORGANIZATIONAL REVIEWS					
At-Large2	Implementation completed.	24	8	Board Resolution.	*See note below.
	*Board accepted the final implementation report in September 2020 and requested the ALAC to provide the OEC with progress updates on the two remaining issues "Member Engagement and Criteria" and "Absence of consistent performance metrics" by 31 December 2020.				
NomCom2	Implementation in progress.	27	27	Board Resolution.	Board approved detailed implementation plan. First progress and Implementation Status Submitted in June 2020.
RSSAC2	Implementation in progress.	15	6	Board Resolution.	Board approved detailed implementation plan. First progress and Implementation Status Submitted in June 2020.
SSAC2	Implementation in progress.	30	24	Board Resolution.	Board approved detailed implementation plan. First progress and Implementation Status Submitted in June 2020.
ASO	Implementation in progress.	18	18	Final Report; Implementation Status.	
ccNSO	Feasibility Assessment and Initial Implementation Plan issued.	14	n/a	Final Report.	Board expected to take action on the Feasibility Assessment and Initial Implementation Plan.

Appendix C:

ICANN Security, Stability, and Resiliency (SSR) of the Unique Internet Identifiers

The very idea of the secure, stable, and resilient operation of the Internet's unique identifier systems is built into ICANN's MIssion. Commonly referred to as SSR, the essential elements of security, stability, and resiliency are paramount to the continued predictable manner in which the Internet currently operates. ICANN org contributes to the overall SSR of the Internet via its management and stewardship of Internet unique identifier systems that fall within ICANN's remit. These identifiers include: the top-most level of the domain name system (DNS), IP address and autonomous system number allocation to the Regional Internet Registries, and other unique Internet identifiers as identified by the Internet Engineering Task Force. When used in accordance with globally recognized standards, these identifiers create an environment in which a secure, stable, and resilient Internet infrastructure can exist.

ICANN's deep commitment to SSR underscores an approach to the concept that is holistic and interwoven into daily operations. In other words, every function of ICANN org contributes to the overall SSR through its support of org's work to advance ICANN's Mission. However, this Appendix aims to articulate some of the specific areas that particularly focus on supporting the SSR of these unique Internet identifiers.

SSR Definitions

ICANN's **Acronyms and Terms** webpage and its FY15-16 Identifier Systems Security, Stability and Resiliency Framework define the SSR elements as:

- **Security** – the capacity to protect Internet identifier systems and prevent misuse.
- **Stability** – the capacity to ensure that Internet identifier systems operate as expected, and that users of these systems have confidence that the systems operate as expected or intended.
- **Resiliency** – the capacity of Internet identifier systems to effectively withstand, tolerate, or survive malicious attacks and other disruptive events without interruption or cessation of service.

Appendix C: ICANN Security, Stability, and Resiliency (SSR) of the Unique Internet Identifiers, Cont'd.

OPERATING INITIATIVE	SCOPE OF WORK
Support the Evolution of the Root Server System	▪ Support the implementation of the Root Server System Advisory Committee (RSSAC) document RSSAC037 "A Proposed Governance Model for the DNS Root Server System" and RSSAC038 "RSSAC Advisory on a Proposed Governance Model for the DNS Root Server System," both published on 15 June 2018.
	▪ Support eventual outcome of RSSAC 037/038 that could propose a plan for the coordination of an appropriate response to any Root Server System incidents.
	▪ Develop mechanisms by which the community can be alerted to issues relating to overly-rapid growth in the root zone.
	▪ Develop a prototype Root Server System Metric Monitoring System to collect data on the operation of the root server system as discussed in RSSAC 047.
	▪ Encourage development of mechanisms to further distribute and scale the root of the DNS, e.g., "hyperlocal" root configuration in recursive resolvers and set up a root zone distribution service, as discussed in OCTO-016.
	▪ Leveraging lessons learned from the first root zone Key Signing Key (KSK) rollover, define and publish a long-term root zone KSK Rollover Policy and implement the next rollover in accordance with that policy.
Facilitate DNS Ecosystem Improvements	▪ **Advocate and Promote Improvements to DNS Security Infrastructure:** ▪ Advocate for developers to enable Domain Name System Security Extensions (DNSSEC), both signing and validation, by default. ▪ Promote hyperlocal as an additional root zone distribution model and encourage resolver developers to enable the technology by default. ▪ Support the implementation of DNS-based Authentication of Named Entities (DANE).
	▪ **Technical Engagement and Capacity Development Work:** ▪ Continue to improve and deliver capacity-building training on key Internet technologies that support a secured DNS ecosystem aligned with ICANN's technical remit, such as DNSSEC and DANE. ▪ Expand ICANN org's training footprint. ▪ Expand programs for DNS ecosystem security and technical engagement. ▪ Work with the community to develop and promote commonly agreed norms for a secure DNS ecosystem.
	▪ **Research Work:** ▪ Continue to collect data, analyze, and publish fact-based, unbiased, objective information on how the DNS is used and abused. ▪ Research, report, and raise community awareness on Emerging Identifiers Technologies and how they impact and/or compare to the DNS. ▪ Research the use of artificial intelligence to enhance understanding and identification of abusive trends in DNS registration.
Root Zone Management Evolution	▪ Identify features and enhancements of how the root zone is managed that will improve operations while ensuring accuracy, quality, and timeliness of business processes.
	▪ Develop solutions for the evolution of requirements from the SubPro Policy Development Process and technological developments related to IDNs.

Appendix C: ICANN Security, Stability, and Resiliency (SSR) of the Unique Internet Identifiers, Cont'd.

Special SSR Funding

The FY22–26 financials include a special contribution to support ICANN's efforts to preserve and enhance the SSR of the unique Internet identifiers that ICANN manages, including the DNS, Root Server System governance, mitigation of DNS security threats, promotion and/or facilitation of DNSSEC deployment, the mitigation of name collisions, and DNS operations research.

This contribution stems from a proposed framework announced in January 2020 between ICANN and Verisign, in relation to its operation of the .COM top-level domain. A binding Letter of Intent between the two organizations, executed in March 2020, provides that Verisign will contribute a total of $20M over five years, starting in calendar year 2021. The FY22–26 Operating and Financial Plan begins 1 July 2021.

These initiatives and all SSR-related expenses will be the subject of continued monitoring and reporting over the plan period, conducted in a transparent manner to ensure full accountability of the funds collected and used.

ONE WORLD, **ONE INTERNET**

ICANN

Internet Corporation for Assigned Names and Numbers (ICANN) Proposed for Adoption FY22 Budget

April 2021

ICANN

TABLE OF CONTENTS

1 Introduction

This document contains the Internet Corporation for Assigned Names and Numbers' (ICANN) fiscal year 2022 (FY22) Proposed for Adoption Budget. ICANN's FY22 comprises the following dates:

> 1 July 2021 – 30 June 2022

The ICANN FY22 Proposed for Adoption Budget includes a detailed overview of ICANN's financial plan for FY22. For operating plans and five-year financial projections, please see the FY22–26 Operating & Financial Plan and FY22 Operating Plan.

Community Input into ICANN's Planning Processes
Enabling stakeholder engagement in ICANN's planning process, through accessible information and effective interaction, is a fundamental part of ICANN's multistakeholder model. Publishing the ICANN FY22 Proposed for Adoption Budget for Public Comment is a key element of transparency and community engagement in ICANN's planning process.

ICANN welcomes and recognizes the past, present, and future engagement of all stakeholders into ICANN's planning process, whether it is relative to the strategic plan, operating plan, budget, or ongoing operational and financial updates.

The ICANN FY22 Proposed for Adoption Budget includes:
- Highlights of ICANN Operations, excluding the New gTLD Program, which is covered separately.
- Activities that have already been submitted for Public Comment and as a part of the IANA FY22 Operating Plan and Budget.
- Highlights from the New gTLD Program.
- Overview of the Total ICANN FY22 Proposed for Adoption Budget, combining ICANN Operations and the New gTLD Program.

Where relevant, comparative information for FY21 is provided. Any arithmetic inconsistencies are due to rounding.

IANA Operations
The IANA FY22 Operating Plan and Budget was posted for Public Comment in October 2020 and was adopted by the ICANN Board in January 2021.

IANA operations are part of ICANN's total operations and are documented in the ICANN FY22 Operating Plan.

Background Information

Since ICANN's publication of the FY21 Adopted Budget, the world has been in the midst of a global pandemic. ICANN org has conducted almost all of its work remotely since March 2020. The organization braced itself for an economic crisis by being more cost conscious, working remotely, and holding all meetings virtually, including three ICANN Public Meetings. Fortunately, ICANN org's funding has remained relatively stable thus far.

While many factors of the pandemic and its economic impact remain to be seen, ICANN org has developed a set of projections and assumptions to help guide the FY22 Proposed for Adoption Budget in light of the pandemic:

- Funding is $144 million, which reflects recent trends and a contribution for ICANN Security, Stability, and Resiliency (SSR) initiatives.
    - $140 million is ICANN org's base funding, taking into consideration historical data and growth from the past few years as well as possible negative impacts resulting from the economic crisis due to the pandemic.
    - $4 million is a contribution Verisign will make to fund SSR initiatives, which are a part of ICANN org's functional activities detailed in the Operating Plan.
- Expenses are $144 million, balanced to funding and assume working conditions return to normal.
    - Personnel reflects an average headcount of 405, very similar to current staffing levels.
    - Travel and Meetings assumes three face-to-face ICANN Public Meetings and otherwise unrestricted travel.
    - Professional Services assumes an increased workload to support the Information Transparency Initiative (ITI), Open Data program, SSR initiatives, additional reviews support, and incremental research and data collection efforts.
    - Incremental operating initiatives reflect resources required in addition to the financial plans outlined in the Functional Activities section of the Operating Plan.
    - Other cost categories mostly align with trends.

ICANN org understands that its role remains crucial to maintain the effective operation of the Internet. The organization's technical coordination of the Internet's unique identifier systems plays a critical role in the security, stability, and resiliency of the Internet, and ICANN org will continue to oversee this endeavor. Throughout the pandemic, the org, community, and Board have performed their work successfully without face-to-face interaction. Although ICANN org plans for FY22 to have stable funding and expenses based on historical levels, the org is prepared to continue conducting its work remotely and reevaluate costs if necessary. Organizational activities will continue to be carried out under principles of increased prudence, frugality, and with heightened attention to necessity.

2 Planning and Budget Overview

The following illustration depicts the five-year planning cycle for FY22-26. The planning process consists of the ICANN Strategic Plan for FY21-25 and the Five-Year Operating and Financial Plan, which provide input and a basis for the annual planning process. The process includes consultation and development of the IANA Operating Plan and Budget, which feeds into the total ICANN Operating Plan and Budget.

3 ICANN Operations

This section provides an overview of the ICANN operations funding and cash expenses.

3.1 Financial Overview

3.1.1   FY22 Proposed for Adoption Budget vs FY21 Forecast

This table compares ICANN org funding and expenses in the FY22 Proposed for Adoption Budget to the FY21 Forecast. The FY21 Forecast is based on four months of actual data and eight months of estimates. The FY22 Proposed for Adoption Budget assumes unrestricted travel for the entire fiscal year, whereas the FY21 Forecast assumes pandemic-related travel restrictions for the first nine months of the fiscal year.

The FY22 Proposed for Adoption Budget includes funding of $4.4 million higher than the FY21 Forecast, driven by growth in domain name transactions per historical trends and a full year of contributions for SSR initiatives versus half a year of contributions for the SSR initiatives in the FY21 Forecast. Expenses in the FY22 Proposed for Adoption Budget are $19.4 million higher than the FY21 Forecast, driven by two incremental face-to-face ICANN Public Meetings, more headcount and inflationary personnel expenses, and incremental operating initiatives. Due to the uncertain economic environment from the global pandemic, the Reserve Fund contribution in FY21 Forecast will be reviewed and assessed at the end of the FY21. FY22 Proposed for Adoption plans for a $1 million contribution to the Reserve Fund.

In Millions, USD	FY22 Proposed for Adoption Budget ICANN Operations	FY21 Forecast ICANN Operations	Under/(Over) vs. FY21 Forecast $	Under/(Over) vs. FY21 Forecast %
Funding [1]	$144.4	$140.0	$4.4	3%
Personnel	80.1	76.6	(3.5)	-5%
Travel & Meetings	13.8	4.7	(9.1)	-195%
Professional Services	19.6	17.9	(1.7)	-10%
Administration	17.2	16.6	(0.6)	-4%
Capital	4.0	6.3	2.2	36%
Incremental Operating Initiatives [2]	5.5	2.0	(3.5)	-173%
Contingency [3]	5.2	1.2	(4.0)	-333%
Cost Savings Initiatives	(2.2)	(1.4)	0.8	-55%
Total Operating Expenses	$143.2	$123.9	($19.4)	-16%
Excess/(Deficit) before Contributions	$1.1	$16.1	($15.0)	n/a
Reserve Fund Contribution	1.1	0.0	(1.1)	n/a
Net Operating Excess/(Deficit)	$0.0	$16.1	($16.1)	n/a
Average Headcount	405	395	(10)	-2%

(1) Includes contribution for SSR initiatives, which are part of ICANN's Operating Initiatives
(2) Figures only reflect Operating Initiatives that require resources in addition to functional activity plans
(3) Contingency represents an amount of budgeted expenses unallocated to specific activities or functions

(See Appendix for FY21 Adopted Budget versus FY21 Forecast financials)

3.1.2   ICANN Operations Cash Expenses

The chart below shows the variances between the cash expenses of the FY21 Forecast and the FY22 Proposed for Adoption Budget. While the FY21 Forecast expenses were impacted by the COVID-19 pandemic, ICANN org assumes that the majority of activities would occur in FY22 without impact from the pandemic. Excluding the impact of incremental expenses due to a return to in-person meeting operations post COVID-19, the FY22 Proposed for Adoption Budget expenses are growing at about seven percent over the FY21 Forecast. Please note the bars in the chart are not to scale.
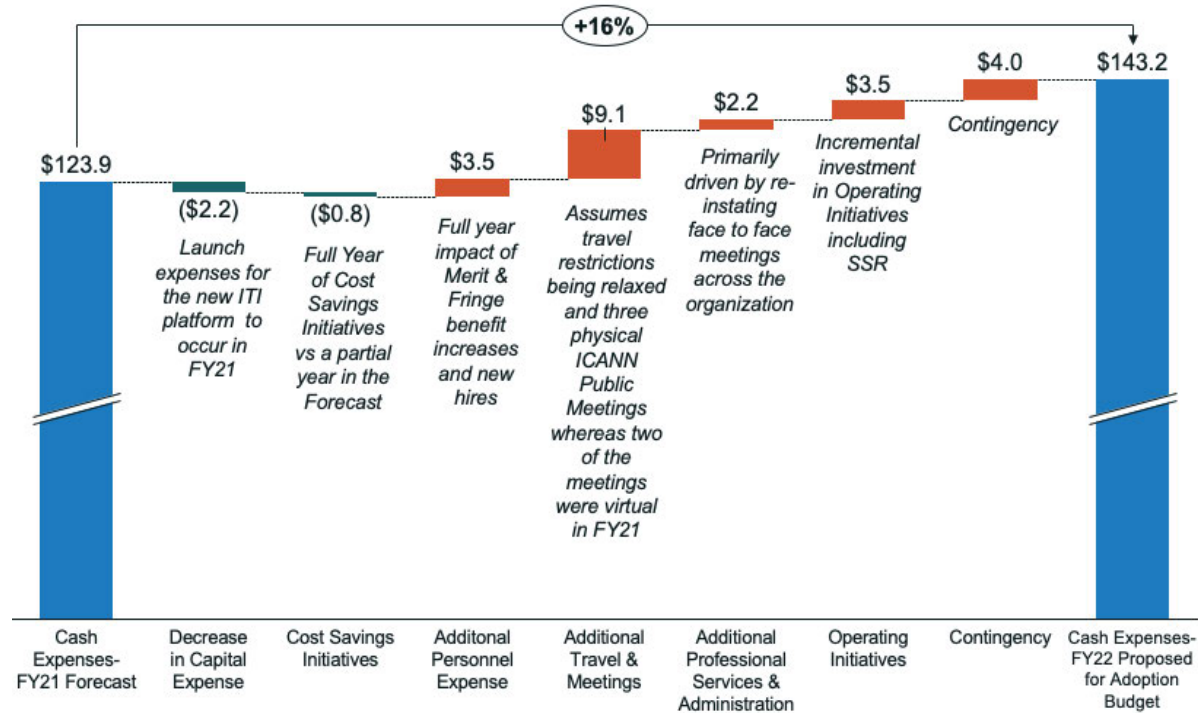
3.1.3 Expenses by Functional Activity

To view ICANN Operations' planned cash expenses by functional activity for FY22 Proposed for Adoption Budget, please click here.

3.1.4 ICANN Financial Trends

This section is an overview of the FY22 Proposed for Adoption Budget compared to prior fiscal years. ICANN org recognizes the need to establish long-term financial planning during the strategic plan development process. The Board requested that ICANN org develop an approach for long-term financial planning, including how to engage and inform the community. Due to the uncertain economic environment from the COVID-19 pandemic, FY20 and FY21 Reserve Fund contributions will be reviewed and assessed at the end of FY21.

In Millions, USD	FY19 Actuals ICANN Operations	FY20 Actuals ICANN Operations	FY21 Forecast ICANN Operations	FY22 Proposed for Adoption Budget ICANN Operations
Funding [1]	$136.4	$140.7	$140.0	$144.4
Personnel	71.0	74.8	76.6	80.1
Travel & Meetings	15.5	9.4	4.7	13.8
Professional Services	23.4	18.1	17.9	19.6
Administration	16.5	15.9	16.6	17.2
Capital	3.7	8.0	6.3	4.0
Incremental Operating Initiatives [2]	0.0	0.0	2.0	5.5
Contingency [3]	0.0	0.0	1.2	5.2
Cost Savings Initiatives	0.0	0.0	(1.4)	(2.2)
Total Operating Expenses	$130.0	$126.3	$123.9	$143.2
Excess/(Deficit) before Contributions	$6.4	$14.4	$16.1	$1.1
Average Headcount	390	388	395	405

(1) FY22 Funding includes a full year contribution for SSR initiatives versus half year in FY21 Forecast, which are part of ICANN's Operating Initiatives

(2) Figures only reflect Operating Initiatives that require resources in addition to functional activity plans

(3) Contingency expense represents an amount of budgeted expenses unallocated to specific activities or functions

3.1.5   Average Headcount Trends

The following headcount chart shows the average number of ICANN org personnel working in each period. New gTLD Program personnel who previously reported under the program are now included in ICANN Operations expenses. These personnel will continue to support the program as required.
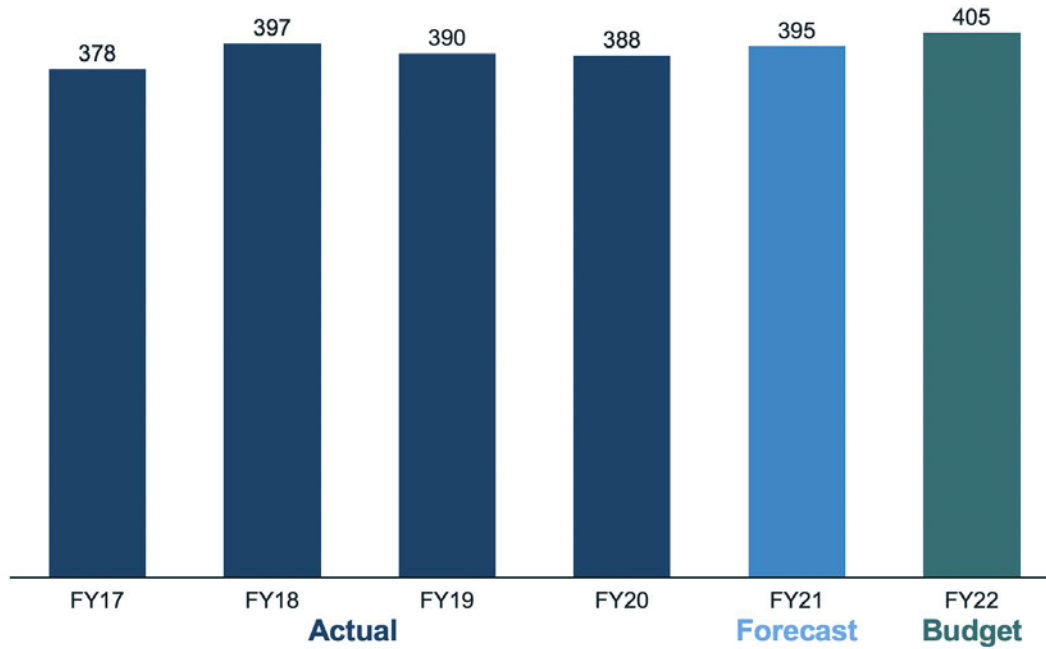
3.2 ICANN Operations Funding

As done in prior years, ICANN org has developed three scenarios to estimate funding. The "Medium" scenario is reflected in the FY22 Proposed for Adoption Budget figures. In addition, ICANN org developed "High" and "Low" scenario estimates to consider alternate values for assumptions that have a financial impact on the organization's funding, thereby providing upper and lower bound values in its projections. While ICANN org does not rely on these two scenarios to plan its operations, such "High" and "Low" scenarios are helpful in developing alternate plans that address the possibility that such scenarios are realized.

The table below is an overview of ICANN's funding, using assumptions that support the latest FY22 projections. The information in the "Medium Estimate" column matches the FY22 funding included in the FY22 Proposed for Adoption Budget. References to growth and declines are in comparison with the FY21 Forecast.

	Funding Type	Medium Estimate	High Estimate	Low Estimate
Legacy TLDs	Transaction-based Fees	3.0% growth	6.4% growth	(9.9%) decline
New TLDs	Fixed Fees	Decrease of 15 TLDs, starting FY22 with 1,156 and ending with 1,141	Decrease of 8 TLDs, starting FY22 with 1,156 and ending with 1,148	Decrease of 73 TLDs, starting FY22 with 1,156 and ending with 1,083
	Transaction-based Fees	5.3% growth	29.3% growth	(20.2%) decline
Registrar Accreditation	Application Fees	Reflects 28 new registrar accreditation applications	Reflects 60 new registrar accreditation applications	Reflects no new registrar accreditation applications
	Accreditation Fees	Registrar base grows by 28 accreditations	Registrar base grows by 60 accreditations	Registrar base declines by 444 accreditations
	Per-registrar Variable Fees	$3.4 million, consistent with prior years	$3.4 million, consistent with prior years	$3.4 million, consistent with prior years

The chart below shows ICANN Operations funding by source and type. The FY22 Proposed for Adoption Budget figures reflect the medium estimate information in the previous chart compared to the FY21 Forecast. The high and low scenarios from the previous chart are also shown.

In Millions, US Dollars	FY22 Proposed for Adoption Budget	FY21 Forecast	Over / (Under) $	%		High	Low
Transactions							
Registry transaction fees - Legacy	$ 52.8	$ 51.4	$ 1.4	3%		$ 54.7	$ 46.2
Registry transaction fees - New gTLD	5.1	4.9	0.3	6%		6.3	3.9
Registrar transaction fees - Legacy	33.4	32.2	1.1	4%		34.3	29.1
Registrar transaction fees- New gTLD	4.2	4.0	0.2	5%		5.2	3.2
Sub-total	**95.5**	**92.6**	**3.0**	**3%**		**100.5**	**82.4**
Volume: legacy transactions (millions)	*185.4*	*179.1*	*6.3*	*4%*		*190.6*	*161.7*
Volume: New gTLD transactions (millions)	*23.5*	*22.4*	*1.1*	*5%*		*28.8*	*17.9*
Sub-total	*208.9*	*201.5*	*7.4*	*4%*		*219.4*	*179.6*
Volume: New gTLD billable transactions (millions)	*20.5*	*19.4*	*1.1*	*6%*		*25.2*	*15.6*
New gTLD Billable rate - average	*87.4%*	*86.9%*	*1%*			*87.4%*	*86.9%*
Registry Fixed Fees	**28.5**	**29.1**	**(0.6)**	**(2%)**		**28.8**	**27.3**
Count of total Registries/TLDs - at end of year	*1,141*	*1,156*	*(15)*	*(1%)*		*1,148*	*1,083*
Incr./(Decr.) new Registries/TLDs - at end of year	*(15)*	*(28)*	*13*			*(8)*	*(73)*
Registrars Accreditation							
Application fees	0.1	0.2	(0.1)	(54%)		0.2	-
Accreditation fees - annual	9.4	9.5	(0.2)	(2%)		9.6	7.8
Per-registrar variable fees	3.4	3.4	-	-		3.4	3.4
Sub-total	**12.9**	**13.2**	**(0.3)**	**(2%)**		**13.2**	**11.2**
Count of total Registrars - at end of year	*2,356*	*2,328*	*28*	*1%*		*2,388*	*1,884*
Incr./(Decr.) new Registrars - at end of year	*28*	*(121)*				*60*	*(444)*
Contributions							
RIR	0.8	0.8	-	-		0.8	0.8
ccTLD	2.3	2.3	-	-		2.3	2.3
Meeting Sponsorships/Other	0.3	0.1	0.2	306%		0.3	0.3
SSR Contribution	4.0	2.0	2.0	100%		4.0	4.0
Sub-total	**7.4**	**5.2**	**2.2**	**43%**		**7.4**	**7.4**
ICANN Ops Funding	**$ 144.4**	**$ 140.0**	**$ 4.4**	**3%**		**$ 149.9**	**$ 128.4**

3.3 Travel and Community Engagement

3.3.1   Constituent Travel

ICANN provides travel support for selected community members to: (i) advance the work of ICANN; (ii) provide support for those who might otherwise not be able to afford to attend ICANN Public Meetings; and (iii) broaden participation in ICANN's processes. ICANN.org publishes travel guidelines and regular reports that form the basis for making travel allocations.

The number, cost, and support of funded seats for Supporting Organization (SO) and Advisory Committee (AC) constituent travel remain at FY21 budget levels. Likewise, the number of travel seats funded for Fellows and NextGen at each of the three ICANN Public Meetings remains the same as FY21 budget levels.

Constituent / Community Group	Abbreviation
At-Large Advisory Committee	ALAC
Country Code Names Supporting Organization	ccNSO
Governmental Advisory Committee	GAC
Generic Names Supporting Organization Council	GNSO
Next Generation	NextGen
Root Server System Advisory Committee	RSSAC
Security and Stability Advisory Committee	SSAC
Nominating Committee Selectees	NomCom Selectees

ICANN Meeting Constituent Travel by SO/AC	ICANN72 - Seattle		ICANN73 - San Juan		ICANN74 - The Hague	
	TRIPS	**AMOUNT**	**TRIPS**	**AMOUNT**	**TRIPS**	**AMOUNT**
ALAC	29	$69,821	29	$69,790	29	$74,951
Fellows	45	$106,731	45	$107,100	45	$111,588
ccNSO	17	$41,359	17	$41,230	17	$45,194
GAC	40	$94,872	40	$95,200	40	$99,189
GNSO	49	$117,257	49	$117,390	49	$124,545
NextGen	15	$35,577	15	$35,700	15	$37,196
RSSAC	6	$16,308	6	$15,820	6	$20,955
SSAC	16	$38,987	16	$38,850	16	$42,714
Technical Liaison Group	8	$27,282	8	$25,200	8	$44,146
Incoming Travelers	5	$11,859	0	$0	0	$0
NomCom Selectees	5	$11,859	0	$0	0	$0
Total	**235**	**$571,911**	**225**	**$546,280**	**225**	**$600,479**
ICANN Meetings Subtotal	**$1,718,670**					

OTHER SO/AC Events	
Placeholder for SO/AC Additional Budget Requests	$300,000
NARALO General Assembly in Seattle	$40,200
LACRALO General Assembly in San Juan	$142,800
GNSO – GDD Summit/Working Sessions	$113,440
GAC High Level Government Meeting (HLGM)	$56,800
GAC Capacity Development Workshop	$43,760
CROP Program	$50,400
Total	**$747,400**

FY22 Budget - Constituent Travel	**$2,466,070**

3.3.2   Additional Budget Requests (ABRs)

For the FY22 budget process, ICANN org received 30 individual ABRs as compared to FY21 with 34 individual ABRs. Each proposal was assessed and evaluated by ICANN org senior staff in line with the assessment principles established for the ABR process. The requests included a number of proposals for community participation in Internet governance-related events outside of the ICANN meeting structure, as well as outreach opportunities. In line with the assumptions underlying the FY22 Budget, and consistent with the assessment principles, the ABR assessment process focused on facilitating effective and sustainable community work through:

- Granting the available resources to those requests that are directly and demonstrably related to current ICANN policy development, advisory, and technical work.

- Prioritizing travel-related requests linked to events that are intended to take place at an ICANN Public Meeting or other ICANN-organized meeting such as the GDD Summit.
- Addressing capacity building objectives through encouraging collaboration with ICANN's Public Responsibility Support and Global Stakeholder Engagement teams, including development of online (rather than face-to-face) training material.
- Considering the availability of resources, both financial and personnel, to support the individual and collective requests.

After a review of the approved FY21 Adopted Budget ABRs, ICANN org determined that six ABRs should be included in the core ICANN FY22 budget and, as such, were not eligible for ABR submissions in the FY22 budget cycle. With effect from FY22, the following activities have been moved to the core ICANN budget, to be planned and budgeted for on an annual basis. It is important to note that moving an activity to the core budget does not guarantee that it will be funded each year.

Request No.	Organization	Document Title	Approved Amount
FY21-11	ALAC	RALO Discretionary Funding - policy-related engagement activities such as At-Large Structure read out sessions, registration fees, displays, graphics and travel	20,000
FY21-12	ALAC	Real Time Captioning RTT services in English and Spanish	18,000
FY21-18	BC	Production of BC Outreach materials, primarily Newsletters and Factsheets specific to events	15,000
FY21-24	GAC	FY20 Continuation of GAC Capacity Development Workshops	40,000
FY21-25	GAC	Additional Travel Support for Senior Government Travelers to the FY21 High-Level Government Meeting (HLGM) at ICANN69 – Hamburg.	60,000
FY21-22	GNSO	GNSO Council Strategic Planning Session	65,000
FY21-23	GNSO	GNSO Additional Community Travel Support Funding	19,500
FY21-10	NCUC	This is a continuation of the Additional Budget Request for Communication support presented on FY18, FY19 and FY20.	15,000
Total			**252,500**

After review of the FY22 Additional Budget Request Submissions, 12 submissions out of the 30 requests were approved for the FY22 Budget. The report of FY22 Additional Budget Request Decisions can be located on the ICANN wiki here.

Commented [1]: Will need to add link as soon as report is ready to be published

Request No.	Organization	Document Title	Approved Amount
FY22-05	ALAC	Professional Individual End User Poll	50,000
FY22-06	ALAC	Real-time Captioning RTT of Zoom Meetings in Spanish and French	18,000
FY22-09	ISPCP	Constituency Outreach Material	7,500
FY22-12	NCUC	Enhancements to web presence and promotional materials	7,500
FY22-17	RALO	Diversity in ICANN Leadership bodies	15,000
FY22-18	RALO	Protecting the Internet's Unique Identifier System in an Age of Disinformation	15,000
FY22-19	RALO	LAC Digital Forum (Civil Society and Government)	20,000
FY22-20	RALO	Support participation of individual users in EURALO	7,500
FY22-24	RSSAC	Measuring the Local Perspectives of the Root Server System	26,000
FY22-25	RYSG	Registries Stakeholder Group attendance of 2022 GDD Industry Summit	25,000
FY22-28	BC	Outreach Materials	7,500
FY22-30	BC	Development of BC Specific Training Knowledgebase and Onboarding Materials	10,000
Total			209,000

3.3.3 ICANN Meetings

ICANN Meetings are central to ICANN's multistakeholder model and provide a venue for learning about ICANN, advancing policy work, conducting outreach, exchanging best practices, conducting business deals, and interacting with members of the ICANN community, Board, and org. ICANN Public Meetings are held three times each year in different regions of the globe to enable attendees from around the world to participate in person. Each ICANN Public Meeting held throughout the year has a different focus and duration. Per the calendar year and in order by date, the following meetings will occur, the Public Meetings are known as the Community Forum, the Policy Forum, and the Annual General Meeting (AGM).

Due to the COVID-19 pandemic, ICANN Public Meetings since March 2020 have been conducted in a virtual format, and therefore, reflect cost savings. For the FY22 Proposed for Adoption Budget, the assumption has been made that all ICANN Public Meetings will return to a face-to-face format.

ICANN Public Meetings	Format	Actuals	Budget
ICANN 74-The Hague	Policy	n/a	3.4
ICANN 73-San Juan	Community	n/a	3.8
ICANN 72-Seattle	AGM	n/a	3.6
Total FY22 ICANN Meetings		**n/a**	**10.8**
ICANN 71-The Hague	Policy	n/a	3.7
ICANN 70-Cancun	Community	n/a	3.7
ICANN 69-Hamburg (Virtual)	AGM	0.5	4.2
Total FY21 ICANN Meetings		**0.5**	**11.6**
ICANN 68-Kuala Lumpur (Virtual)	Policy	0.4	3.4
ICANN 67-Cancun (Virtual)[1]	Community	1.4	4.2
ICANN 66-Montreal	AGM	3.6	4.0
Total FY20 ICANN Meetings		**5.4**	**11.6**
ICANN 65-Marakesh	Policy	2.8	3.1
ICANN 64-Kobe	Community	4.1	4.2
ICANN 63-Barcelona	AGM	3.8	4.4
Total FY19 ICANN Meetings		**10.7**	**11.7**

1. ICANN 67-Cancun (Virtual) expenses are higher than other virtual meetings due to one-time technical investments, good faith payments, and cancellation fees incurred due to timing of face to face meeting cancellation

3.4 Risks and Opportunities

This section identifies risks and opportunities in the FY22 Proposed for Adoption Budget. Each scenario is classified as related to funding or an expense, includes an estimated U.S. dollar impact, and assigned a probability of "Low," "Medium," or "High."

A risk is defined as "lower funding" or a "higher expense." An opportunity is defined as "higher funding" or a "lower expense."

Risks	Potential Amount	Probability
Funding: Lower than budget due to losses of domain registrations and contracted parties	-$3.0 million	Low
Expense: Costs resulting from Board-approved implementation (EPDP, RSSAC 37-38, etc.)	-$1.5 million	Medium
Expense: GDPR compliance	TBD	Medium
Expense: Litigation and Accountability Mechanisms risk	TBD	Unknown

Opportunities	Potential Amount	Probability
Funding: Higher new gTLD transaction growth	+$0.5 million	Low
Expense: Lower travel and meetings due to travel restrictions	+$4.0 million	Low
Expense: Lower vendor costs due to project delays	+$2.0 million	Medium

3.5 Contingency

The contingency is an amount included in the Budget, but not allocated to any specific activities. This allows for the flexibility to cover the difference between projected and actual costs, expenses impossible to forecast such as litigation costs, or activities that have been confirmed for implementation by the Board after the budget was finalized.

ICANN org supports the community-led activities that result in review recommendations, cross-community working group recommendations, policy development processes, and advisory recommendations. Policies and recommendations progress through various stages such as initiation, development, finalization, Board consideration, implementation planning, and implementation. ICANN begins designing the expected implementation work only as recommendations and policies move forward and reach the stage of Board consideration. After the Board adopts these recommendations and policies, the implementation work of design, planning, scheduling and delivery starts.

In an effort to present a comprehensive view of projected ICANN operations over the five-year period, the FY22–26 Operating and Financial Plan includes areas of work still under discussion within the community or under Board consideration (please see Appendix A – ICANN Rolling Five-Year Roadmap for more details).

The contingency in the FY22 Proposed for Adoption Budget is $5.2 million (approximately 4% of total expenses).

4 IANA Budget

The planning process for the IANA Budget is part of the ICANN planning process. The IANA multiyear plans are part of ICANN's Five-Year Operating Plan. The IANA FY22 Operating Plan and Budget is a component of ICANN's FY22 Operating Plan and Budget. Public Technical Identifiers (PTI) is required to submit a Budget to ICANN at least nine months in advance of the fiscal year.

Consultations were conducted on the IANA FY22 Operating Plan and Budget. After developing a final proposed draft, the Draft IANA FY22 Operating Plan and Budget was published for Public Comment from 8 October 2020 through 30 November 2020. A report of submissions for Public Comment was published mid-December 2020. The final FY22 IANA Operating Plan and Budget was adopted by the ICANN Board in January 2021.

4.1 IANA Budget Overview

ICANN org receives input from PTI on its budget and then develops an IANA Budget each year. The FY22 IANA Proposed for Adoption Operating Plan and Budget is $10.3M, of which $9.7M is for PTI services and $0.6M is for IANA services (not performed by PTI). PTI services in FY22 is $0.3M less than in the FY21 IANA Budget primarily due to one less headcount and decreases in direct shared and shared services allocations; partially offset by incremental direct costs for capital. The IANA Services component is relatively flat compared to the FY21 Budget.

FY22 IANA Budget in Millions, USD	FY22 IANA Proposed for Adoption Budget	FY21 IANA Adopted Budget	Under/(Over) Total	%	FY20 IANA Actuals
FUNDING	$10.3	$10.6	$0.3	2.4%	$8.0
Personnel	$6.4	$6.6	$0.2	3.3%	$5.1
Travel & Meetings	$0.6	$0.5	($0.1)	-16.8%	$0.2
Professional Services	$1.6	$1.7	$0.1	4.1%	$1.2
Administration	$0.9	$0.9	$0.1	8.8%	$1.2
Contingency	$0.5	$0.5	$0.0	0.0%	$0.0
Capital	$0.3	$0.1	($0.2)	-173.9%	$0.3
Depreciation [(1)]	$0.1	$0.3	$0.2	63.0%	$0.0
TOTAL CASH EXPENSES	$10.3	$10.6	$0.3	2.4%	$8.0
EXCESS/(DEFICIT)	$0.0	$0.0	$0.0	0.0%	$0.0
Average Headcount	23.5	24.7	1.2	4.8%	21.2

(1) Depreciation is treated as a cash expense for PTI since it will be reimbursed to ICANN

FY22 IANA Budget in Millions, USD	FY22 IANA Proposed for Adoption Budget	FY21 IANA Adopted Budget	Under/(Over) Total	%	FY20 IANA Actuals
PTI Services	$9.7	$10.0	$0.3	2.8%	$7.5
IANA Services [(1)]	$0.6	$0.6	($0.0)	-5.2%	$0.5
TOTAL	$10.3	$10.6	$0.3	2.4%	$8.0

(1) IANA Services include the Root Zone Maintainer function, Customer Standing Committee, Root Zone Evolution Committee, and IANA Naming Function reviews. These costs are funded by ICANN Operations.

5 New gTLD Program 2012 Round

The New gTLD Program is a $360 million multiyear program launched in 2012 to create new top-level domains. Important goals of the program are to enhance competition, innovation, and consumer choice.
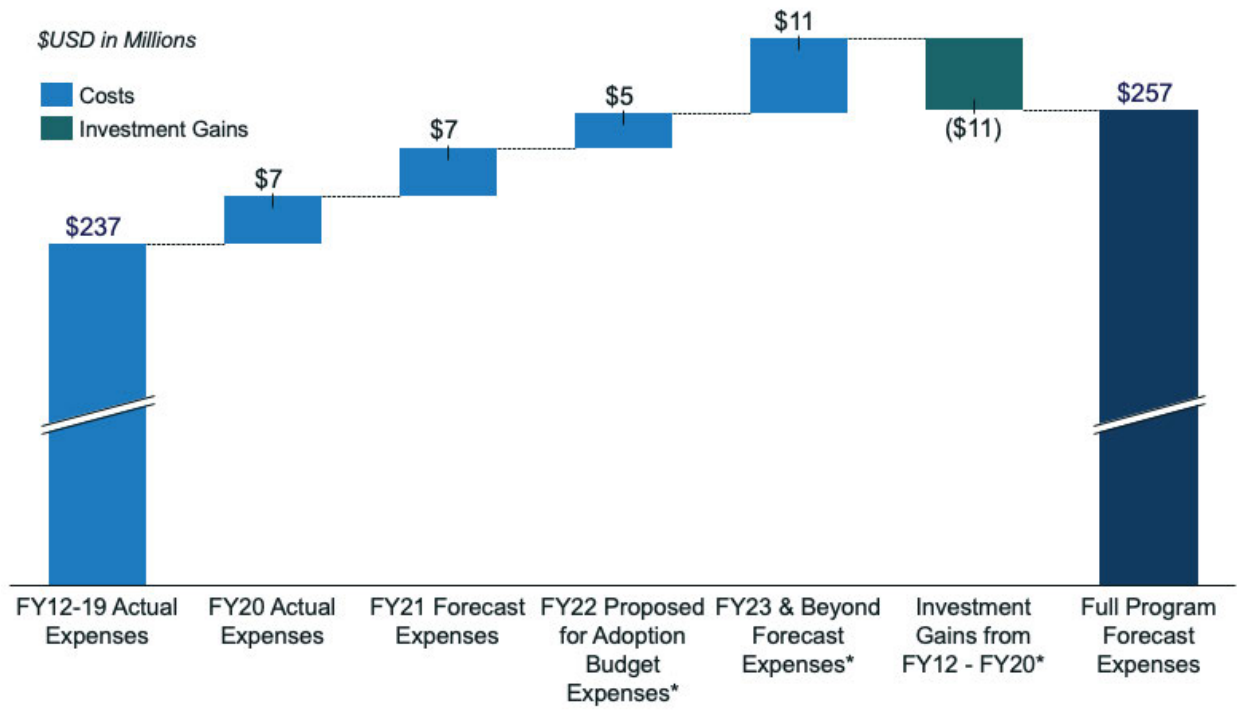
5.1 Multiyear View

ICANN org periodically reviews the total estimated costs of the New gTLD Program 2012 Round. ICANN org currently estimates that this program will end sometime after fiscal year 2023. The chart below shows the multiyear projections.

New gTLD Program 2012 Round	Statement of Activities by Fiscal Year					Statement of Activities for Full Program (Dec 2020) Current Estimate
	FY12 - FY19 Actual	FY20 Actual	FY21 Forecast	FY22 Proposed for Adoption Budget	FY23 & Beyond Forecast	
New gTLD Applicant Fees	335	(8)	9	8	17	361
Refunds	(50)	(0)	(1)	(0)	(1)	(52)
Applicant Fees (Net of Refunds)	$ 285	$ (9)	$ 8	$ 8	$ 16	$ 308
Initial and Extended Evaluation	(68)	-	-	-	-	(68)
Quality Control and Objection Proces	(11)	-	-	-	-	(11)
Pre-delegation	(12)	-	-	-	-	(12)
Program Costs	(35)	(2)	(4)	(4)	(9)	(55)
Staff Costs	(55)	(1)	(1)	(1)	(2)	(61)
Operating Expenses	$ (181)	$ (4)	$ (5)	$ (5)	$ (11)	$ (206)
Historical Development Costs	(32)	-	-	-	-	(32)
Risk Costs	(22)	(4)	(2)	-	-	(28)
Non Operating Expenses	$ (54)	$ (4)	$ (2)	$ -	$ -	$ (60)
Other Income/(Expense)	$ (2)	$ 0	$ -	$ -	$ -	$ (2)
Investment Income/(Expense)	$ 9	$ 2	$ 0	$ -	$ -	$ 11
Total Expenses	$ (229)	$ (5)	$ (7)	$ (5)	$ (11)	$ (257)
Net Remaining New gTLD Funds	$ 56	$ (14)	$ 1	$ 3	$ 5	$ 51

5.2 New gTLD Cash Expense Analysis

The chart below represents the multiyear expense forecast of the New gTLD Program 2012 Round. Application Fees collected totaled $361 million with projected refunds of $53 million, resulting in net funding of $308 million. The projected program costs are $268 million, which are partially offset by investment gains from FY12–FY20 of $11 million. This results in total costs of $257 million, equating to projected remaining funds of $51 million, which will be reserved for unexpected expenses including Risk Costs.

$USD in Millions

- Costs
- Investment Gains

$237	$7	$7	$5	$11	($11)	$257

FY12-19 Actual Expenses | FY20 Actual Expenses | FY21 Forecast Expenses | FY22 Proposed for Adoption Budget Expenses* | FY23 & Beyond Forecast Expenses* | Investment Gains from FY12 - FY20* | Full Program Forecast Expenses

*Risk Costs and Investment Gains are not estimated for future years

5.3 New gTLD Risks and Opportunities

This section outlines the risks and opportunities in the ICANN FY22 Proposed for Adoption Budget of the New gTLD Program. Each scenario is classified as related to funding or expenses, it includes an estimated U.S. dollar impact, and is assigned a probability of "Low," "Medium," or "High."

A risk is defined as "lower funding" or "higher expense." An opportunity is defined as "higher funding" or "lower expense."
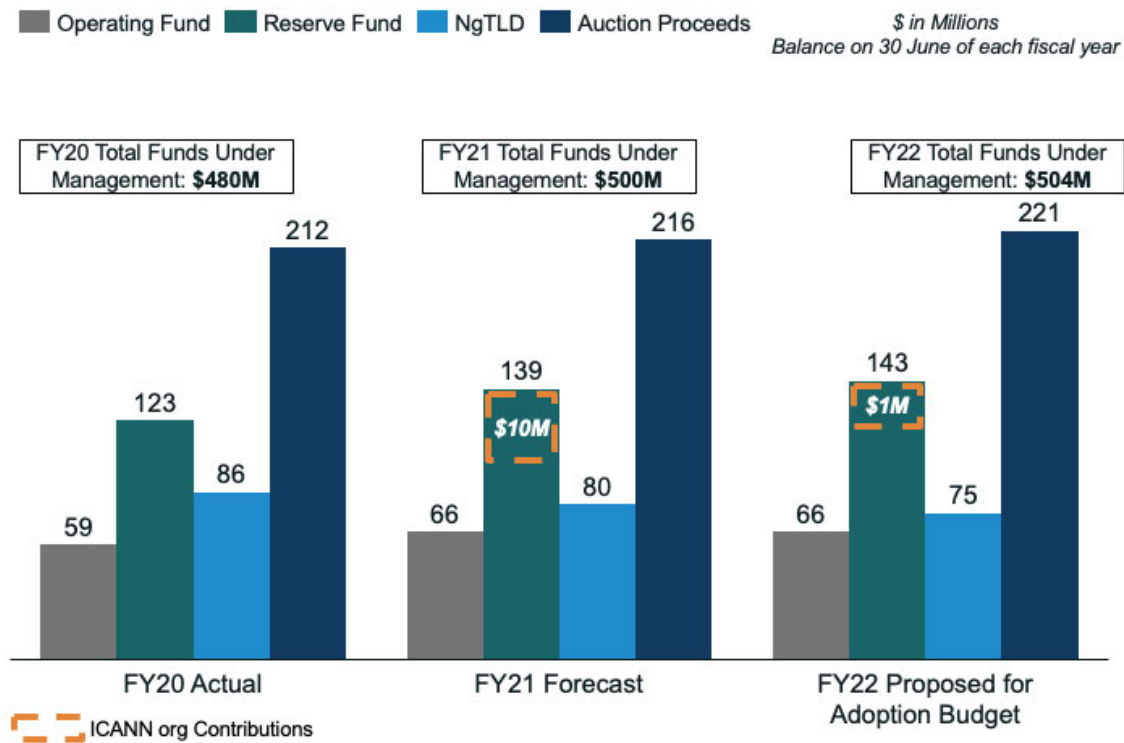
Risks	Potential Amount	Probability
Expense: Unable to complete application processing and withdrawals by the projected end date of the program	-$2.0 million	High
Expense: Litigation and Accountability Mechanisms risk	TBD	Medium

Opportunities	Potential Amount	Probability
Expense: The Board acts to bring the 2012 round application processing to completion	+$2.0 million	Low

6 Funds Under Management

ICANN org manages four funds. The Operating Fund covers day-to-day operations and the Reserve Fund is ICANN's funding of last resort to cover large expenses from unavoidable, unpredictable, or unplanned events. Both are governed in accordance with the ICANN Investment Policy.   The chart below shows the balance of each fund on 30 June of each fiscal year listed.

■ Operating Fund   ■ Reserve Fund   ■ NgTLD   ■ Auction Proceeds

$ in Millions
Balance on 30 June of each fiscal year

FY20 Total Funds Under Management: **$480M**
FY21 Total Funds Under Management: **$500M**
FY22 Total Funds Under Management: **$504M**

FY20 Actual: 59, 123, 86, 212
FY21 Forecast: 66, 139 ($10M), 80, 216
FY22 Proposed for Adoption Budget: 66, 143 ($1M), 75, 221

ICANN org Contributions

The amount of New gTLD Program Fund correspond to the unspent portion of the New gTLD Program application fees, collected from applicants during the application window in 2012. The funds are used to evaluate the applications and to cover hard-to-predict costs, including risks. Auction proceeds come from ICANN auctions held to resolve string contention in the New gTLD Program. These are reserved and earmarked until the Board determines a plan for the appropriate use of the funds after consultation with the community. Both are governed in accordance with the New gTLD and Auction Proceeds Investment Policy.

ICANN org projects to have sufficient cash on hand in the Operating Fund through FY22 despite the uncertainty from the impact of COVID-19. In FY20, $20 million of New gTLD Program funds were transferred to the Operating Fund as a reimbursement for expenses paid by ICANN in FY18-20. The Funds Under Management listed in the FY22 Proposed for Adoption Budget assume the following:

- Subject to Board approval, $10 million planned contribution to the reserve fund in FY21 from net excess generated from FY20.
- Due to the uncertain economic environment from the COVID-19 pandemic, the FY21 Forecast Reserve Fund contribution will be reviewed and assessed at the end of the FY21.
- $1 million planned contribution to the Reserve Fund in FY22, and a two percent interest increase from the FY21 balance to the FY22 balance.
- No significant market gains or losses in any other fund; only operating expenses, decrementing the New gTLD and Operating Fund.
- Keeping a FY21 surplus in the Operating Fund to mitigate potentially late or uncollectable funding.

6.1 Reserve Fund Replenishment Strategy

The Reserve Fund is a pillar of ICANN's financial sustainability and critical to ICANN's ability to fulfill its Mission in the public interest. To address and remediate the depletion of the Reserve Fund that occurred during the IANA stewardship transition, the ICANN Board adopted a Reserve Fund replenishment strategy in November 2018. Significant progress has been made, and the ICANN Reserve Fund is now very close to its minimum target level of 12 months of operating expenses. The faster than planned replenishment of the ICANN Reserve Fund is due to an additional contribution made during FY20. Continuous focus is necessary to ensure that this strategy is fully achieved and the Reserve Fund continuously meets or exceeds its minimum level in the future.

The below graph shows the Reserve Fund trends and anticipated level for FY22. ICANN org is currently evaluating the amount of FY20 excess to contribute to the reserve fund. Initial estimates are for a $10 million contribution to the Reserve Fund in FY21 and a $1 million contribution in FY22. The Reserve Fund is invested as per the ICANN Investment Policy. A conservative two   percent rate of return generated through the investment of the funds are estimated to be reinvested within the Reserve Fund for FY21 and FY22.

$USD Millions

■ Reserve Fund Replenishment Strategy ■ Actual
  (Board Approved)

FY14: $85
FY15: $86
FY16: $71
FY17: $62
FY18: $70 — $5M
FY19: $109 / $116 — $3M, $36M
FY20: $112 / $123 — $3M
FY21: $115 / $139 — $10M
FY22: $118 / $143 — $1M

FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22

⬚ ICANN Org Contributions   ⬚ Transfer from Auction Proceeds
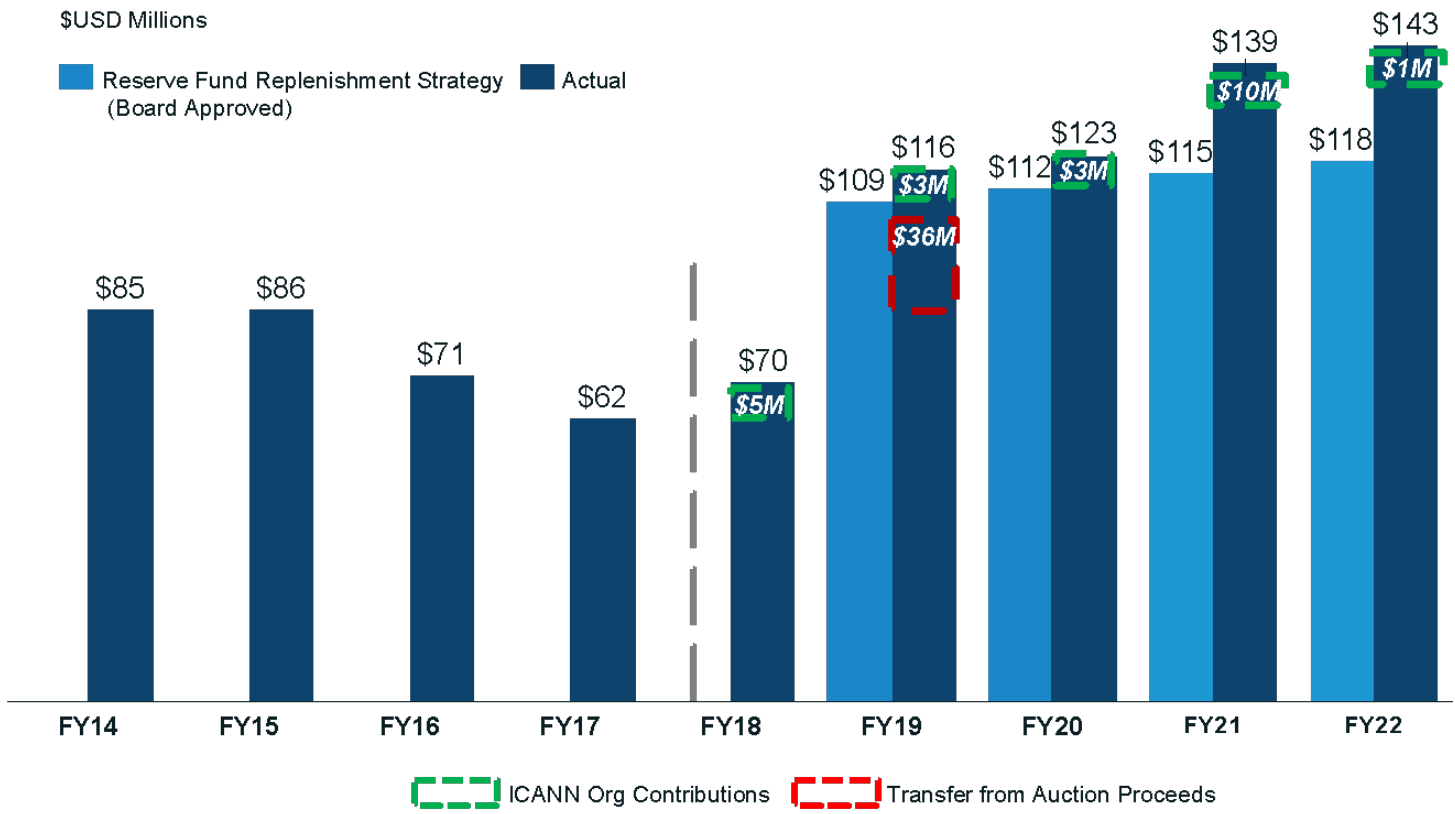
7 Appendix

7.1 Registrar Fees

Registrar fees are to be approved by the Board before submitting them to voting by the registrars.

Approximately 2,450 registrars are accredited by ICANN as of 31 March 2021. This relationship is governed by the Registrar Accreditation Agreement (RAA), and the most recent version was approved in June 2013. The RAA is a five-year agreement that provides for the following types of fees:

Fee Type	Description
Application Fees	Application fees are paid one time by prospective registrars at the time of application. For FY22, application fees are estimated to be $98,000 based on a volume of 28 applications and a fee of $3,500 per application.
Annual Accreditation Fees	Annual accreditation fees are fees that all registrars are required to pay annually to maintain accreditation. The fee is $4,000 per year. Registrars have the option of paying the annual $4,000 accreditation fee in quarterly installments of $1,000. For FY22, the annual accreditation fees are estimated at $9.4 million, based on 2,356 registrars renewing and being newly accredited.

Fee Type	Description
3 Variable Accreditation Fees	Variable Accreditation Fees are based on the transaction type and volume of each registrar. There are two types of fees associated with the variable accreditation fees: • Per-registrar variable fee • Transaction-based fee
3.1 Per-Registrar Variable Fees	Per-Registrar Variable Fees are based on a validated concept that ICANN expends the same effort in providing services to a registrar regardless of size. However, if the registrar is considerably small in size and activity, some registrars will continue to be eligible for "forgiveness" of two-thirds of the standard per-registrar variable fee. To be eligible for forgiveness, a registrar must meet both of the following criteria: 1. Less than 350,000 gTLD names under its management 2. No more than 200 attempted adds per successful net add in any TLD Forgiveness will be granted each quarter to all registrars that qualify. The amount per registrar is calculated each quarter by dividing $950,000 (one-fourth of $3.8 million) equally among all registrars that have at least been accredited for one full quarter or have made at least one transaction, taking into consideration the forgiveness factor. In addition, a discount of 10 percent is granted to all registrars operating under the 2013 RAA.
3.2 Transaction-Based Fees	Transaction-Based Fees are assessed on each annual increment of an add, renewal, or transfer transaction that has survived a related add or auto-renew grace period. This fee will be billed at $0.18 per transaction for registrars operating under the 2013 RAA (resulting from a $0.20 base fee, discounted by 10 percent to $0.18).

Since 2013, the budget has assumed an Add Grace Period (AGP) excess deletion fee to eliminate domain tasting:

- The amount for AGP deletion fees was assumed to be zero in past budgets and is assumed to be zero for the FY22 Proposed for Adoption Budget.
- AGP excess deletion fees are assessed on each domain name deleted, in excess of the threshold, during an add-grace period. The threshold is the larger of 50 or 10 percent of total add, per month, and per TLD. The rate per excess deletion is $0.20.

Below is a summary of the estimated registrar fees by fee type.

| In Millions, US Dollars | FY22 Proposed for Adoption Budget | FY21 Forecast | Other FY22 Scenarios | |
			High	Low
Accreditation Fees - annual	$ 9.4	$ 9.5	$ 9.6	$ 7.8
Per-registrar Variable Fees	3.4	3.4	3.4	3.4
Registrar Transaction Fees	37.6	36.3	39.5	32.3
Total Registrar Funding	**$ 50.4**	**$ 49.2**	**$ 52.5**	**$ 43.5**

7.2 Governance

Name of Fund	Description of Fund
1 Operating and Reserve Funds	These are governed in accordance with the ICANN Investment Policy. Extracts are shown below.
1.1 Operating Fund	Sometimes called the Working Capital Fund, it funds the day-to-day operations of ICANN, including all items in the Board-approved ICANN Budget. The Operating Fund contains enough funds to cover ICANN's expected expenditures for three months. Periodically, any excess funds are transferred to the ICANN Reserve Fund. To illustrate, the ICANN Board approved an allocation of $3 million from the Operating Fund to the Reserve Fund in November 2019.
1.2 Reserve Fund	The Reserve Fund is ICANN's funding of last resort to cover large expenses resulting from unavoidable, unpredictable, or unplanned events, which cannot be funded from ICANN's operations. The use of any Reserve Fund is restricted by actions of the Board of Directors, with a partial delegation of authority to the Board Finance Committee (BFC).
	The Reserve Fund is the subject of an October 2018 Board-approved replenishment strategy to a minimum of 12 months of operating expenses. The replenishment is expected to occur through annual allocations from the Operating Fund to the Reserve Fund, which are the subject of separate Board decisions at the time they occur.

Name of Fund	Description of Fund
2 New gTLD Program Funds and the Auction Proceeds	These are governed in accordance with the New gTLD and Auction Proceeds Investment Policy. Please see extracts from this document below.
2.1 New gTLD Program Funds	This corresponds to the unspent portion of the New gTLD Program application fees, collected from applicants during the application window in 2012. The funds are used to evaluate the applications and to cover hard-to-predict costs, including risks.
2.2 Auction Proceeds	The ICANN Auction is a mechanism of last resort to resolve string contention within the New gTLD Program. ICANN expects most string contentions to be resolved by other means before reaching an auction conducted by ICANN's authorized auction service provider. Auction Proceeds will be reserved and earmarked until the Board determines a plan for the appropriate use of the funds after consultation with the community. Auction Proceeds are a net of any auction costs. Auction costs may include initial set-up costs, auction management fees, and escrow fees.

7.3 Additional Financials

7.3.1   FY21 Adopted Budget versus FY21 Forecast

This table compares ICANN org funding and expenses in the FY21 Adopted Budget to the FY21 Forecast. The FY21 Forecast is based on eight months of actual data and four months of estimates. The FY21 Adopted Budget assumed pandemic-related travel restrictions for the first three months of the fiscal year, whereas the FY21 Forecast assumes pandemic-related travel restrictions for the entire fiscal year.

Compared to the FY21 Adopted Budget, the FY21 Forecast funding is $10.7 million higher, driven by a less than planned impact from the pandemic, and a $2 million contribution for SSR initiatives. Expenses in the FY21 Forecast are $9.4 million lower, driven by less-than-planned Travel and Meetings expenses due to the COVID-19 pandemic. Given the uncertain economic environment from the COVID-19 pandemic, the FY21 Forecast Reserve Fund contribution will be reviewed and assessed at the end of FY21.

In Millions, USD	FY21 Adopted Budget ICANN Operations	FY21 Forecast ICANN Operations	Under/(Over) vs. FY21 Forecast $	%
Funding [1]	$129.3	$140.0	$10.7	8%
Personnel	76.0	76.6	0.6	1%
Travel & Meetings	12.4	4.7	(7.7)	-62%
Professional Services	20.0	17.9	(2.0)	-10%
Administration	17.1	16.6	(0.5)	-3%
Capital	1.7	6.3	4.6	277%
Incremental Operating Initiatives [2]	0.0	2.0	2.0	n/a
Contingency [3]	5.2	1.2	(4.0)	-77%
Cost Savings Initiatives	(3.0)	(1.4)	1.6	-53%
Total Operating Expenses	**$129.3**	**$123.9**	**($5.4)**	**-4%**
Excess/(Deficit) before Contributions	**$0.0**	**$16.1**	**($16.1)**	**n/a**
Reserve Fund Contribution	0.0	0.0	0.0	n/a
Net Operating Excess/(Deficit)	**$0.0**	**$16.1**	**($16.1)**	**n/a**
Average Headcount	395	395	0	0%

(1) FY21 Forecast Funding includes contribution for SSR initiatives, which are part of ICANN's Operating Initiatives
(2) Figures only reflect Operating Initiatives that require resources in addition to functional activity plans
(3) Contingency represents an amount of budgeted expenses unallocated to specific activities or functions

7.3.2   FY22 Proposed for Adoption Budget versus FY21 Adopted Budget

This table compares ICANN org funding and expenses in the FY22 Proposed for Adoption Budget to the FY21 Adopted Budget, which was adopted in May 2020 and adjusted for an estimated impact of the COVID-19 pandemic for the first three months of the fiscal year.

Compared to the FY21 Adopted Budget, the FY22 Proposed for Adoption Budget funding is $15.1 million higher, driven by growth in domain name transactions per historical trends and a full year contribution to SSR initiatives versus none in the FY21 Adopted Budget. Expenses in the FY22 Proposed for Adoption Budget are $14.0 million higher, driven by incremental operating initiatives, more headcount and inflationary Personnel expenses, and Capital projects. Given the uncertain economic environment from the COVID-19 pandemic, the planned FY21 Adopted Budget Reserve Fund contribution will be reviewed and assessed at the end of FY21. The FY22 Proposed for Adoption Budget plans for a $1 million contribution to the ICANN Reserve Fund.

In Millions, USD	FY22 Proposed for Adoption Budget ICANN Operations	FY21 Adopted Budget ICANN Operations	Under/(Over) vs. FY21 Adopted Budget $	%
Funding [(1)]	**$144.4**	**$129.3**	**$15.1**	**12%**
Personnel	80.1	76.0	(4.1)	-5%
Travel & Meetings	13.8	12.4	(1.4)	-11%
Professional Services	19.6	20.0	0.3	2%
Administration	17.2	17.1	(0.1)	-1%
Capital	4.0	1.7	(2.4)	-143%
Incremental Operating Initiatives [(2)]	5.5	0.0	(5.5)	n/a
Contingency [(3)]	5.2	5.2	0.0	0%
Cost Savings Initiatives	(2.2)	(3.0)	(0.8)	28%
Total Operating Expenses	**$143.2**	**$129.3**	**($14.0)**	**-11%**
Excess/(Deficit) before Contributions	**$1.1**	**$0.0**	**$1.1**	**n/a**
Reserve Fund Contribution	1.1	0.0	(1.1)	n/a
Net Operating Excess/(Deficit)	**$0.0**	**$0.0**	**$0.0**	**0%**
Average Headcount	**405**	**395**	**(10)**	**-2%**

(1) FY22 Funding includes contribution for SSR initiatives, which are part of ICANN's Operating Initiatives
(2) Figures only reflect Operating Initiatives that require resources in addition to functional activity plans
(3) Contingency expense represents an amount of budgeted expenses unallocated to specific activities or functions

7.3.3 Total ICANN Financial Overview FY21 Adopted Budget versus FY21 Forecast

This table compares the total ICANN funding and expenses, including New gTLD Program funding and expenses in the FY21 Adopted Budget, to the FY21 Forecast. The FY21 Forecast is based on eight months of actual data and four months of estimates. The FY21 Adopted Budget assumed pandemic-related travel restrictions for the first three months of the fiscal year, whereas the FY21 Forecast assumes pandemic-related travel restrictions for the entire fiscal year.

Compared to the FY21 Adopted Budget, funding for the FY21 Forecast, is $13.8 million higher, and is driven by lower than planned costs due to the impact of the pandemic and a $2 million contribution for SSR initiatives. Expenses in the FY21 Forecast are $9.7 million lower and driven by less-than-planned Travel and Meetings expenses due to the COVID-19 pandemic. Due to the uncertain economic environment from the COVID-19 pandemic, the FY21 Forecast Reserve Fund contribution will be reviewed and assessed at the end of FY21.

In Millions, USD	FY21 Adopted Budget			FY21 Forecast			Under/(Over) vs. FY21 Forecast			
	ICANN Operations	New gTLD	Total ICANN	ICANN Operations	New gTLD	Total ICANN	ICANN Operations	New gTLD	Total ICANN	%
Funding (1)	$129.3	$5.1	$134.4	$140.0	$8.1	$148.1	($10.7)	($3.0)	($13.8)	-9%
Personnel	76.0	1.0	77.0	76.6	1.0	77.6	0.6	(0.1)	0.6	1%
Travel & Meetings	12.4	0.1	12.5	4.7	0.1	4.8	(7.7)	(0.0)	(7.7)	-162%
Professional Services	20.0	4.1	24.1	17.9	3.9	21.8	(2.0)	(0.2)	(2.3)	-10%
Administration	17.1	0.1	17.1	16.6	0.1	16.7	(0.5)	(0.0)	(0.5)	-3%
Capital	1.7	0.0	1.7	6.3	0.0	6.3	4.6	0.0	4.6	73%
Incremental Operating Initiatives (2)	0.0	0.0	0.0	2.0	0.0	2.0	2.0	0.0	2.0	100%
Contingency (3)	5.2	0.0	5.2	1.2	0.0	1.2	(4.0)	0.0	(4.0)	n/a
Cost Savings Initiatives	(3.0)	0.0	(3.0)	(1.4)	0.0	(1.4)	1.6	0.0	1.6	-114%
Total Operating Expenses	$129.3	$5.4	$134.6	$123.9	$5.1	$128.9	($5.4)	($0.3)	($5.7)	-4%
Excess/(Deficit) before Contributions	$0.0	($0.3)	($0.2)	$16.1	$3.0	$19.2	($16.1)	($3.3)	($19.4)	n/a
Reserve Fund Contribution	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Net Operating Excess/(Deficit)	$0.0	($0.3)	($0.2)	$16.1	$3.0	$19.2	($16.1)	($3.3)	($19.4)	n/a
End of Period Headcount										
Average Headcount	395	0	395	395	0	395	0	0	0	0%

(1) FY22 Funding includes contribution for SSR initiatives, which are part of ICANN's Operating Initiatives
(2) Figures only reflect Operating Initiatives that require resources in addition to functional activity plans
(3) Contingency expense represents an amount of budgeted expenses unallocated to specific activities or functions

7.3.4 Total ICANN Financial Overview FY22 Proposed for Adoption Budget versus FY21 Forecast

This table compares the total ICANN funding and expenses, including New gTLD Program funding and expenses in the FY22 Proposed for Adoption Budget, to the FY21 Forecast. The FY21 Forecast is based on eight months of actual data and four months of estimates. The FY22 Proposed for Adoption Budget assumes unrestricted travel for the entire fiscal year, whereas the FY21 Forecast assumes pandemic-related travel restrictions for the entire fiscal year.

Compared to the FY21 Forecast, the FY22 Proposed for Adoption Budget is $4.4 million higher, driven by growth in domain name transactions per historical trends and a full year of contributions to SSR initiatives versus half a year in FY21 Forecast. Expenses in the FY22 Proposed for Adoption Budget are $19.8 million higher, driven by three incremental face-to-face ICANN Public Meetings, a higher headcount and inflationary Personnel expenses, and incremental operating initiatives. Due to the uncertain economic environment from the COVID-19 pandemic, the FY21 Forecast Reserve Fund contribution will be reviewed and assessed at the end of FY21. The FY22 Proposed for Adoption Budget plans for a $1.1 million contribution to the ICANN Reserve Fund.

In Millions, USD	FY22 Proposed for Adoption Budget			FY21 Forecast			Under/(Over) vs. FY21 Forecast			
	ICANN Operations	New gTLD	Total ICANN	ICANN Operations	New gTLD	Total ICANN	ICANN Operations	New gTLD	Total ICANN	%
Funding (1)	$144.4	$8.1	$152.5	$140.0	$8.1	$148.1	$4.4	$0.0	$4.4	3%
Personnel	80.1	1.0	81.2	76.6	1.0	77.6	(3.5)	(0.1)	(3.6)	-5%
Travel & Meetings	13.8	0.1	13.9	4.7	0.1	4.8	(9.1)	(0.0)	(9.1)	-190%
Professional Services	19.6	4.2	23.8	17.9	3.9	21.8	(1.7)	(0.3)	(2.0)	-9%
Administration	17.2	0.1	17.3	16.6	0.1	16.7	(0.6)	(0.0)	(0.6)	-4%
Capital	4.0	0.0	4.0	6.3	0.0	6.3	2.2	0.0	2.2	36%
Incremental Operating Initiatives (2)	5.5	0.0	5.5	2.0	0.0	2.0	(3.5)	0.0	(3.5)	n/a
Contingency (3)	5.2	0.0	5.2	1.2	0.0	1.2	(4.0)	0.0	(4.0)	n/a
Cost Savings Initiatives	(2.2)	0.0	(2.2)	(1.4)	0.0	(1.4)	0.8	0.0	0.8	n/a
Total Operating Expenses	$143.2	$5.4	$148.7	$123.9	$5.1	$128.9	($19.4)	($0.4)	($19.8)	-15%
Excess/(Deficit) before Contributions	$1.1	$2.7	$3.8	$16.1	$3.0	$19.2	($15.0)	($0.4)	($15.4)	n/a
Reserve Fund Contribution	1.1	0.0	1.1	0.0	0.0	0.0	(1.1)	0.0	(1.1)	n/a
Net Operating Excess/(Deficit)	$0.0	$2.7	$2.7	$16.1	$3.0	$19.2	($16.1)	($0.4)	($16.5)	n/a
Average Headcount	381	23	405	395	0	395	14	-23	-10	-2%

(1) FY22 Funding includes contribution for SSR initiatives, which are part of ICANN's Operating Initiatives
(2) Figures only reflect Operating Initiatives that require resources in addition to functional activity plans
(3) Contingency expense represents an amount of budgeted expenses unallocated to specific activities or functions

7.3.5 Total ICANN Financial Overview FY22 Proposed for Adoption Budget versus FY21 Adopted Budget

This table compares total ICANN funding and expenses, including New gTLD Program funding and expenses in the FY22 Proposed for Adoption Budget, to the FY21 Adopted Budget. The FY21 Budget was adopted in May 2020 and adjusted for the estimated impact due to the COVID-19 pandemic for the first three months of the fiscal year.

Compared to the FY21 Adopted Budget, the FY22 Proposed for Adoption Budget funding is $18.1 million higher, driven by growth in domain name transactions, per historical trends, and a full-year of contributions to SSR initiatives versus none in the FY21 Adopted Budget. Expenses in the FY22 Proposed for Adoption Budget are $14.1 million higher, driven by more headcount and inflationary Personnel expenses, and incremental operating initiatives. Due to the uncertain economic environment from the COVID-19 pandemic, the planned FY21 Adopted Budget Reserve Fund contribution will be reviewed and assessed at the end of FY21. The FY22 Proposed for Adoption Budget plans for a $1.1 million contribution to the ICANN Reserve Fund.

In Millions, USD	FY22 Proposed for Adoption Budget			FY21 Adopted Budget			Under/(Over) vs. FY21 Adopted Budget			
	ICANN Operations	New gTLD	Total ICANN	ICANN Operations	New gTLD	Total ICANN	ICANN Operations	New gTLD	Total ICANN	%
Funding (1)	$144.4	$8.1	$152.5	$129.3	$5.1	$134.4	$15.1	$3.0	$18.1	14%
Personnel	80.1	1.0	81.2	76.0	1.0	77.0	(4.1)	(0.0)	(4.2)	-5%
Travel & Meetings	13.8	0.1	13.9	12.4	0.1	12.5	(1.4)	(0.0)	(1.4)	-11%
Professional Services	19.6	4.2	23.8	20.0	4.1	24.1	0.3	(0.1)	0.3	1%
Administration	17.2	0.1	17.3	17.1	0.1	17.1	(0.1)	(0.0)	(0.1)	-1%
Capital	4.0	0.0	4.0	1.7	0.0	1.7	(2.4)	0.0	(2.4)	-143%
Incremental Operating Initiatives (2)	5.5	0.0	5.5	0.0	0.0	0.0	(5.5)	0.0	(5.5)	n/a
Contingency (3)	5.2	0.0	5.2	5.2	0.0	5.2	0.0	0.0	0.0	0%
Cost Savings Initiatives	(2.2)	0.0	(2.2)	(3.0)	0.0	(3.0)	(0.8)	0.0	(0.8)	28%
Total Operating Expenses	$143.2	$5.4	$148.7	$129.3	$5.4	$134.6	($14.0)	($0.1)	($14.1)	-10%
Excess/(Deficit) before Contributions	$1.1	$2.7	$3.8	$0.0	($0.3)	($0.2)	$1.1	$3.0	$4.0	n/a
Reserve Fund Contribution	1.1	0.0	1.1	0.0	0.0	0.0	(1.1)	0.0	(1.1)	n/a
Net Operating Excess/(Deficit)	$0.0	$2.7	$2.7	$0.0	($0.3)	($0.2)	$0.0	$3.0	$2.9	n/a
Average Headcount	405	0	405	395	0	395	-10	0	-10	-2%

(1) FY22 Funding includes contribution for SSR initiatives, which are part of ICANN's Operating Initiatives
(2) Figures only reflect Operating Initiatives that require resources in addition to functional activity plans
(3) Contingency expense represents an amount of budgeted expenses unallocated to specific activities or functions

7.4 Caretaker Budget

Article 6, Section 6.2 of the ICANN Bylaws, Powers and Acknowledgements, defines the powers and rights attributed to the Empowered Community. One of those powers follows: "(iii) Reject ICANN Budgets, IANA Budgets, Operating Plans as defined in Section 22.5(a)(i), and Strategic Plans as defined in Section 22.5(b)(i)."

After approval by the Board, the IANA and ICANN budgets each come into effect after giving time for the Empowered Community to consider whether it will raise a petition to reject either budget. This is typically a 28-day period that includes 21 days to raise a petition and seven days to achieve support. Therefore, even when no petition is raised against the budget, there is a 28-day waiting period for the budget to go into effect.

If the Board approves either the IANA budget or the ICANN budget for the next fiscal year with less than 28 days remaining before that fiscal year begins, then a Caretaker Budget must be in place. Under the ICANN Bylaws, there is both a ICANN Caretaker Budget and a IANA Caretaker Budget described at Annexes E and F, respectively. The respective budgets:

- Must go into effect if the ICANN budget or IANA budget at issue cannot come into full force at the beginning of a fiscal year.
- Remain in effect during any Empowered Community Petition Process, if initiated.
- Continue to be in effect until the budget at issue is approved by the Board and not rejected by the Empowered Community.

The following steps are a pragmatic approach to define the ICANN or IANA Caretaker Budget:

- Use the Operating Plan and Budget that the ICANN Board would adopt as a basis while respecting the principles of the Caretaker Budget:
  - Suspend the publication of any new positions for hire effective from the date of the rejection by the Empowered Community (the veto date) until a new budget Proposed for Adoption is approved by the Board.
  - Reduce by 10 percent the total allowed expenses for the following categories for the period starting on the date of rejection by the Empowered Community until a new budget is adopted by the Board and not rejected by the Empowered Community, using the monthly breakdown of the Proposed for Adoption Budget:
    - Travel and Meetings.
    - Professional Services of the Proposed for Adoption Budget.
  - Exclude any expense directly associated with the reason for which the Empowered Community rejected the Proposed for Adoption Budget, if such expense can reasonably be isolated and avoided.

8 Glossary of Terms

The following section explains the terms used to describe the fundamental elements of this document. For additional references, please visit the Acronyms and Terms feature on ICANN.org.

8.1 General Budget Terms

Budget
The Budget is a financial estimate for ICANN activities throughout the fiscal year, which begins 1 July and ends 30 June of the following calendar year. The Budget includes estimates for funding and expenses that enable ICANN to carry out its mission. Budget documents are published three times per planning cycle: as a "Draft" in December, as "Proposed for Adoption" after the Board approves, and as "Adopted" after the Empowered Community period in May of the following year.

Forecast
Like the Budget, a Forecast is a financial estimate at a point in time. A Forecast is usually meant to be a future iteration of the Budget in light of actual events that have occurred and new information or assumptions regarding future events.

Total ICANN
Total ICANN describes both budgetary components of ICANN (ICANN Operations and New gTLD Program) combined with the IANA Budget.

ICANN Operations
ICANN Operations consist of the ongoing activities performed to coordinate the Internet's technical functions such as the technical coordination, including the allocation and assignment of names in the root zone, of the domain name system (DNS), facilitation of the coordination of the operation and evolution of the DNS root name server system, and the coordination of the unique identifiers and codes that keep the DNS running smoothly. In addition, ICANN Operations include the coordination of the development and implementation of policies concerning the registration of second-level domain names in generic top-level domains and contractual compliance, along with all of the services needed to keep these activities operational. These activities include the development of policies designed to maintain the security, stability, and resiliency of the DNS.

New Generic Top-Level Domain Program
The New Generic Top-Level Domain Program (New gTLD Program) is implemented by ICANN org to enable the expansion of the DNS. The New gTLD Program has made it possible for communities, governments, businesses, and brands to apply to operate a gTLD registry, the database of all domain names registered in a top-level domain. The New gTLD Program aims to enhance innovation, competition, and consumer choice.

Public Technical Identifiers

Public Technical Identifiers (PTI) is a nonprofit organization and affiliate of ICANN that was created in 2016. ICANN org has delegated the performance of most of the Internet Assigned Numbers Authority (IANA) functions to PTI. The IANA functions include maintenance of Internet number resources, management of the DNS root zone, and other operational aspects of coordinating the Internet's unique identifiers.

SSR Initiatives

Security, Stability, and Resiliency Initiatives focus on the commitment to enhance the operational stability, reliability, resiliency, security, and global interoperability of the systems and processes, both internal and external, that directly affect or are affected by the Internet's system of unique identifiers that ICANN coordinates.

8.2 Financial Terms

Funding

Funding for ICANN org is similar to revenue at a for-profit company. ICANN org receives most of its funding from its contracted parties in the form of transaction fees for registrations and renewals of domain names, as well as fixed fees. In addition, contributions and sponsorships at ICANN organized meetings make up a small share of the organization's funding. This funding is used to carry out ICANN's Mission to ensure the stable and secure operation of the Internet's unique identifier systems. In the Budget document, expenses incurred to support the Mission are often represented with the cost categories below.

Funding Categories:

Transactions

ICANN org receives transaction fees for registrations, renewals, and transfers of domain names. Transactions are generally categorized as pertaining to registries or registrars, and Legacy TLDs or New gTLDs (see New Generic Top-Level Domain Program above). Transactions have to meet a minimum criterion to be considered billable. Transactions are billed quarterly.

Registry Fixed Fees

Registry Operators pay a fixed fee to ICANN org, which is billed quarterly.

Registrar Application Fees

New registrars can apply to be an accredited registrar with ICANN. Funding is received as applicants apply and is used to cover processing fees.

Registrar Accreditation Fees
Registrars pay a fixed fee to ICANN org and have the choice to be billed annually or four times per year. Billing dates depend on when the registrar became accredited.

RIR Contribution
Regional Internet Registries (RIR) provide an annual contribution to ICANN org.

ccTLD Contributions
Country code top-level domain (ccTLD) registries make voluntary contributions to ICANN org.

Meeting Sponsorship/Other
This category includes sponsorships for events such as ICANN Public Meetings, and other miscellaneous funding or income.

Expense Categories:

Personnel
Personnel expenses represent the expenses for all personnel inclusive of standard of living increases, promotions, and health and benefits costs. Careful management of resources has kept the headcount at ICANN org stable and consistent with the budget. Requests to create new positions or fill existing vacant positions must be approved by the ICANN President and CEO, CFO, and the Senior Vice President,   Global Human Resources. This rigorous process allows the organization to strategically evaluate each new hire, controlling headcount growth and ensuring proper allocation of resources. In regard to new hires, ICANN org budgets as a whole organization for headcount growth. The new hire figure is represented as a whole and not allocated out to the functional activities since it cannot be predicted at a department level.

Travel and Meetings
Approximately 50 percent of ICANN org's Travel and Meetings costs support hosting three Public ICANN Meetings a year. Other Travel and Meetings costs are for travel of personnel to various engagement and non-ICANN meeting events and to support community outreach and engagement.

Professional Services
Generally, about 50 to 60 percent of ICANN org's professional services expenses are related to consulting and temporary staffing services. The largest vendors in this category are engineering and information technology resources that are outsourced due to the changing technical needs of the organization and the lower cost of off-shore resources. About 15 percent is legal services for such items as contracted party agreements, accreditation matters, general advice and litigation and dispute resolution. About 10 percent covers ICANN's language service needs, such as

translation and transcription services related to ICANN Public meetings. The remaining 5 to 15 percent of professional services is fragmented across various categories.

Administration
This cost category includes general and administrative expenses associated with ICANN activities, including rent, software licenses, business insurance, and IT support services. Administration expense excludes depreciation and bad debt.

Capital
Capital expenses cover purchases for net assets, usually for hardware expenses such as servers and computer equipment. In addition, if internal or external work is performed on a project that is considered an asset, such as a website, these "Personnel and Professional Services" costs are moved to "Capital" per the Generally Accepted Accounting Principles (GAAP).

Contingency
Contingency is a placeholder in a Budget or Forecast for unforeseen costs that may occur throughout the fiscal year.

Other categories:

Net Excess/(Deficit)
Net Excess/(Deficit) represents the difference between funding and operating expenses. Net Excess, a positive number, indicates that funding was greater than operating expenses. Net Deficit, a negative number usually shown with parentheses, indicates that expenses were greater than funding.

Budgeted New Hires
Open positions planned to be hired between the time of publication and the end of FY22. These positions are budgeted at the organizational level instead of being allocated to specific functional activities.

Incremental Operating Initiatives
Operating Initiatives that require resources in addition to functional activity plans.

Cost Savings Initiatives
ICANN org will perform cost savings initiatives to achieve a balanced budget. Because the budget is done so far in advance, these initiatives are not allocated to specific expense categories but may include reprioritizing activities or negotiating lower costs versus budget.

Organizational Adjustments and Allocations
This category includes allocations to the New gTLD Program and the organization's cost savings initiatives. A fraction of ICANN org's expenses, consisting of staff costs and overhead expenses, are allocated to the New gTLD Program.

ICANN Fiscal Year 2022 Additional Budget Request Process

Assessment Report and Proposed Recommendations for ICANN Board Consideration

Table of Contents

1. Introduction

The Fiscal Year 2022 (FY22) Additional Budget Request (ABR) process began in November 2020. ICANN org received [30 requests from 14 ICANN community groups](#) by the January 2021 deadline.

Based on the anticipated timeline for ICANN Board consideration of the draft FY22 Operating Plan and Budget, ICANN organization (ICANN org) conducted an initial assessment of all requests between February and March 2021. An evaluation panel comprising the executives of the Finance, Global Stakeholder Engagement, and Policy Development Support functions reviewed the initial assessment in April 2021.

ICANN org has prepared this document for the consideration of the ICANN Board via the ICANN Board Finance Committee (BFC). This document presents the results of the assessment process, including proposed recommendations for the consideration of the BFC and ICANN Board.

2. Summary of Assessment Process

Within the assumptions of the draft FY22 Operating Plan and Budget, and consistent with the ABR principles, the assessment process focused on recommending support for requests that will facilitate effective and sustainable community work. This entails:
- Allocating available resources to requests that are directly and demonstrably related to current ICANN community policy development, advisory, and technical work.
- Addressing capacity development objectives by encouraging collaboration with the Global Stakeholder Engagement and Public Responsibility Support functions, including creation of evergreen materials that can be used for online training.
- Considering both financial and resource commitments of ICANN org to support individual and collective requests in an equitable and transparent manner.

To ensure accountability and transparency, several requests have a reporting requirement. ICANN org will provide a report template in FY22. This requirement follows the announcement in FY20 that the timely submission of required reports will be an explicit consideration in determining whether future requests will be recommended for support. For example, one FY22 proposed recommendation is conditioned on the submission of an FY21 report. In addition, specific conditions and other requirements have been included in certain proposed recommendations.

Further clarity about the proposed use of an ABR and required reports are helpful tools for both ICANN org and community to assess the value of certain activities. Where applicable, requests must adhere to ICANN org procurement policies. Transparency and accountability requirements are also useful in determining whether a pilot effort should continue for more refinement or become part of the core budget to the extent that resources are available from year to year.

The ABR process represents only part of the support available annually for ICANN community policy development, advisory, and technical work. The ABR process should be viewed in the broader context of ongoing support for the ICANN community, including professional staff support, specific intersessional meetings, and engagement activities that are included elsewhere in the core budget.

A. Statistics

ICANN org observes the following statistics of the FY22 ABR process.

Number of ICANN community groups submitting requests	14
Number of requests	30
Number of requests recommended for support	12
Estimated costs of requests recommended for support	USD 209,000
Number of requests not recommended for support	18

3. Proposed Recommendations

The Proposed Recommendations section of this document has two subsections: Requests Recommended for Support and Requests Not Recommended for Support. For Requests Recommended for Support, there is an estimated support amount (in US Dollars) and the names of the ICANN org members who will lead the coordination of implementation work. There is a fully resolved response for each request within the parameters of the request as outlined in the ABR principles.

A. Requests Recommended for Support

ICANN org recommends the following requests receive ABR support in the FY22 Operating Plan and Budget.

1. Professional Individual End User Poll

Request number	FY22-05
Requesting ICANN community group	At-Large Advisory Committee (ALAC)
Estimated support	$50,000
ICANN org leads	Heidi Ullrich and Ergys Ramaj

This is a recommendation for support. ICANN org agrees with the ALAC that "more knowledge would be helpful to the ICANN community" about priority issues in ICANN policy development, advisory, or technical work. ICANN org encourages the ALAC to work with the Policy Development Support function and Public Responsibility Support team to collect the perspectives of targeted end users about one topic in one language in selected countries, within the limitations of the estimated support allocation. Working with ICANN org, the ALAC may engage a professional polling organization. The estimated support envisions professional design and distribution of questions. The ALAC will be responsible for analyzing the data and publishing the findings. The ALAC is required to submit an initial report by 31 December 2021 and a final report by 30 June 2022 to abr-reports@icann.org.

2. RTT of Zoom Meetings in Spanish and French

Request number	FY22-06
Requesting ICANN community group	At-Large Advisory Committee (ALAC)
Estimated support	$18,000
ICANN org leads	Heidi Ullrich and Christina Rodriguez

This is a recommendation for support on the condition that the ALAC submits the report for FY21-12 by 30 June 2021. ICANN org agrees with the ALAC that real-time transcription (RTT) of Zoom meetings "enhances understanding...not only for those who may have a hearing disability but also for those whose primary language may not be English…or [have] limited facility in English". For FY22, ICANN org encourages the ALAC to work with the Policy Development Support function and Language Services team to identify appropriate Zoom meetings for eight hours of RTT in French per month and eight hours of RTT in Spanish per month. The ALAC is required to submit an initial report by 31 December 2021 and a final report by 30 June 2022 to abr-reports@icann.org. These reports are a condition of any future support.

3. ISPCP Outreach Materials

Request number	FY22-09
Requesting ICANN community group	Internet Service Providers and Connectivity Providers Constituency (ISPCP)

This is a recommendation for support. Please refer to Section 3.A.13 for more information.

4. Enhancements to Web Presence and Promotional Materials

Request number	FY22-12
Requesting ICANN community group	Noncommercial Users Constituency (NCUC)

This is a recommendation for partial support. ICANN org does not manage the NCUC website, and as such, is not in a position to assess the need for enhancements to the NCUC website. The ICANN org Policy Development Support and Engineering and Information Technology functions have developed a strategy to consistently manage technical projects for ICANN community needs, including website improvements. ICANN org will engage with the NCUC and consider its and all interested ICANN community groups' needs as part of this effort. Please refer to Section 3.A.13 for more information about support for promotional materials.

5. Diversity in ICANN Leadership Bodies

Request number	FY22-17
Requesting ICANN community group	European Regional At-Large Organization (EURALO)
Estimated support	$15,000
ICANN org leads	Heidi Ullrich and Ergys Ramaj

This is a recommendation for partial support. No travel support is approved for this request. ICANN org agrees with EURALO that enhancing diversity in ICANN community leadership bodies would benefit from additional data. ICANN org encourages EURALO to work with the Policy Development Support function and Public Responsibility Support team to design a study about diversity in the context of the Work Stream 2 recommendations of the Cross-Community Working Group on Enhancing ICANN Accountability. Working with ICANN org and within the limitations of the estimated support allocation, EURALO may engage either a diversity expert or a data analyst for this study as appropriate. The study should incorporate a virtual workshop series open to the broader ICANN community. Findings from the study should be published. EURALO is required to submit an initial report by 31 December 2021 and a final report by 30 June 2022 to abr-reports@icann.org.

6. Protecting the Internet's Unique Identifier System in an Age of Disinformation

Request number	FY22-18
Requesting ICANN community group	European Regional At-Large Organization (EURALO)
Estimated support	$15,000
ICANN org leads	Heidi Ullrich and Christina Rodriguez

This is a recommendation for partial support. No travel support is approved for this request. ICANN org agrees with EURALO that it is important to identify "end user interests" in the investigation of the "impact of disinformation actors on the Internet's unique identifier system and the response by public authorities and private actors" as it relates to geopolitical challenges to the mission of ICANN. ICANN org encourages EURALO to work with the Policy Development Support function to develop two webinars to identify issues and explore solutions; the webinars should be open to the broader ICANN community. Working with the Language Services team, the webinars may include remote simultaneous interpretation in English, French, and Spanish. EURALO is required to submit a report to abr-reports@icann.org by 30 June 2022.

7. LAC Digital Forum: Civil Society and Government

Request number	FY22-19
Requesting ICANN community group	Latin American and Caribbean Islands Regional At-Large Organization (LACRALO)
Estimated support	$20,000
ICANN org leads	Heidi Ullrich and Christina Rodriguez

This is a recommendation for partial support. No travel support is approved for this request. ICANN org agrees with LACRALO that it is important to provide the Latin American and Caribbean regional community a space for dialogue to explore "recent challenges facing the Internet ecosystem". ICANN org encourages LACRALO to work with the Policy Development Support function to develop a three-day virtual workshop; the workshop may be designed primarily for LACRALO At-Large Structures but should be open to the broader At-Large and ICANN communities. Working with the Language Services team, the workshop may include remote simultaneous interpretation in English, French, Portuguese, and Spanish. LACRALO is required to submit a report to abr-reports@icann.org by 30 June 2022.

8. Support Participation of Individual Users in EURALO

Request number	FY22-20
Requesting ICANN community group	European Regional At-Large Organization (EURALO)

This is a recommendation for partial support. ICANN org does not manage the EURALO website, and as such, is not in a position to assess the need for enhancements to the EURALO website, including translation of content. ICANN org supports the engagement of EURALO individual members. ICANN org already provides teleconference and virtual meeting support via Zoom to the ICANN community. Please refer to Section 3.A.13 for more information about support for the "welcome package".

9. Measuring the Local Perspectives of the Root Server System

Request number	FY22-24
Requesting ICANN community group	Root Server System Advisory Committee (RSSAC)
Estimated support	$26,000
ICANN org leads	Steve Sheng and Gary Petzer

This is a recommendation for support. ICANN org agrees with the RSSAC that "a tool or set of tools that can easily measure the local perspective of the root server system at various points of the Internet" and produces public data for research and analysis strengthens the security of the DNS. ICANN org encourages the RSSAC to work with the Engineering and Information Technology function to develop these tools to production quality in coordination with the Policy Development Support function. The RSSAC is required to submit an initial report by 31 December 2021 and a final report by 30 June 2022 to abr-reports@icann.org. These reports are conditions of any future support for ongoing hosting of the tools.

10. RySG Travel Support to the 2022 Global Domains Summit

Request number	FY22-25
Requesting ICANN community group	Registries Stakeholder Group (RySG)
Estimated support	$25,000
ICANN org leads	Russ Weinstein and Joseph de Jesus

This is a recommendation for travel support to the Global Domains Summit for seven RySG travelers. Travel support must adhere to the ICANN Community Travel Support Guidelines. ICANN org encourages the RySG to work with the ICANN Travel Support team and to consider maximizing travel support as allowed. This recommendation is conditioned on the RySG providing its criteria for selecting supported travelers to ICANN org. In addition and in line with the RySG intention to conduct a review of the impact of travel support, the RySG must submit a report to abr-reports@icann.org within 30 days of the conclusion of the Global Domains Summit that addresses each itemized metric in its request and outlines how the travel support facilitated the desired outcomes stated in its request. This report is a condition of any future support.

It is important to note that as of April 2021, global travel conditions remain uncertain due to the ongoing COVID-19 pandemic. ICANN currently maintains its suspension of travel and in-person meetings. ICANN org will continue to monitor these developments and provide updates to the ICANN community as appropropriate.

11.   BC Outreach Materials

Request number	FY22-28
Requesting ICANN community group	Business Constituency

This is a recommendation for support. Please refer to Section 3.A.13 for more information.

12.   Development of BC Specific Training Knowledgebase and Onboarding Materials

Request number	FY22-30
Requesting ICANN community group	Business Constituency
Estimated support	$10,000
ICANN org leads	Carlos Reyes and Elizabeth Andrews

This is a recommendation for support. However, the support will not include engaging a consultant. ICANN org agrees with the BC that there is a "benefit from an increased and organized knowledge base" about the mission, operations, and work of the BC. Moreover, ICANN org believes that the creation of evergreen materials used for online training via ICANN Learn addresses capacity development objectives, including outreach and onboarding. ICANN org encourages the BC to work with the Policy Development Support function and Public Responsibility Support team to develop an ICANN Learn course about the BC. The BC is required to submit an initial report by 31 December 2021 and a final report by 30 June 2022 to abr-reports@icann.org.

13. ICANN Community Communications Support

Estimated support	$30,000
ICANN org leads	Jana Juginovic and Carlos Reyes

For the last three fiscal years, ICANN org has consolidated all requests for communications, design, and publication support into a single recommendation. This approach applies to requests FY22-09, FY22-12, FY22-20, and FY22-28. Combining requests allows ICANN org to facilitate flexible use within the estimated support for all interested Supporting Organizations, Advisory Committees, Stakeholder Groups, Constituencies, and Regional At-Large Organizations. The Policy Development Support and Global Communications functions manage this allocation. Requests are limited to $1,500 per ICANN community group per ICANN Public Meeting. Requests must adhere to the ICANN Communications and Style Guidelines.

B. Requests Not Recommended for Support

ICANN org recommends the following requests do not receive ABR support in the FY22 Operating Plan and Budget.

1. At-Large Delegation to the 2021 Internet Governance Forum

Request number	FY22-01
Requesting ICANN community group	European Regional At-Large Organization (EURALO)

This is a recommendation for no support. The request does not explain how it directly and demonstrably relates to current ICANN community policy development, advisory, and technical work. ICANN org encourages EURALO to work with the Policy Development Support and Global Stakeholder Engagement functions to determine its participation in the 2021 Internet Governance Forum.

2. Involving Youth in At-Large

Request number	FY22-02
Requesting ICANN community group	European Regional At-Large Organization (EURALO)

This is a recommendation for no support. This is a request for additional travel support to ICANN Public Meetings, which is against the ABR principles. In addition, the ICANN Fellowship and NextGen@ICANN Programs provide opportunities for engaging youth in

the policy development, advisory, and technical work of ICANN. ICANN org encourages EURALO to work with the Policy Development Support function and Public Responsibility Support team to determine how to engage youth in its work.

3. Threaded Discussion and Decision Support Toolset

Request number	FY22-03
Requesting ICANN community group	At-Large Advisory Committee (ALAC)

This is a recommendation for no support. The ICANN org Policy Development Support and Engineering and Information Technology functions have developed a strategy to consistently manage technical projects for ICANN community needs, including the research, acquisition, testing, deployment, and evaluation of collaboration tools. ICANN org will engage with the ALAC and consider its and all interested ICANN community groups' needs as part of this effort.

4. Translation and Publication of Materials for Individual User Education on DNS Abuse

Request number	FY22-04
Requesting ICANN community group	At-Large Advisory Committee (ALAC)

This is a recommendation for no support. Though this request does relate to ongoing ICANN community discussions, the request does not clearly describe how it directly and demonstrably relates to current ICANN community policy development, advisory, and technical work. ICANN org encourages the ALAC to continue engaging on this topic in coordination with other ICANN community groups. ICANN org would consider supporting future educational efforts agreed upon by the ICANN community related to policy development, advisory, or technical work on this topic.

5. ccNSO Tech Day

Request number	FY22-07
Requesting ICANN community group	Country Code Names Supporting Organization (ccNSO) Technical Working Group

This is a recommendation for no support. This is a request for additional travel support to ICANN Public Meetings, which is against the ABR principles. ICANN org reiterates its support of Tech Day and encourages the ccNSO Technical Working Group to engage in

the core budget process, specifically the Public Comment proceeding on the draft operating plan and budget for each fiscal year.

6. National Forum on the Use of Social Networks

Request number	FY22-08
Requesting ICANN community group	African Regional At-Large Organization (AFRALO)

This is a recommendation for no support. The request does not explain how it directly and demonstrably relates to current ICANN community policy development, advisory, and technical work. Moreover, the request does not indicate any coordination with the Global Stakeholder Engagement (GSE) function Africa team or alignment with the ICANN Africa Strategy. ICANN org encourages AFRALO to work with the Policy Development Support and relevant regional GSE teams to determine how ICANN org can best support its work.

7. Constituency Outreach Support

Request number	FY22-10
Requesting ICANN community group	Internet Service Providers and Connectivity Providers Constituency (ISPCP)

This is a recommendation for no support. ICANN org notes that the existing Community Regional Outreach Program (CROP) provides travel support for ICANN community outreach objectives. ICANN org encourages the ISPCP to work with the Policy Development Support and Global Stakeholder Engagement functions to determine how to support its outreach work.

8. Travel Funding of ISPs in Developing Countries to ICANN Public Meetings

Request number	FY22-11
Requesting ICANN community group	Internet Service Providers and Connectivity Providers Constituency (ISPCP)

This is a recommendation for no support. Although ICANN org recommended support for a similar request from the ISPCP in FY20, the increased involvement of the Supporting Organizations and Advisory Committees in defining qualifying criteria, selection, and mentoring objectives of the revised ICANN Fellowship Program (in effect since ICANN65) and the continued availability of the Community Regional Outreach Program

(CROP), provide adequate opportunities for ICANN community groups to promote leadership development and outreach. For these reasons, ICANN org did not recommend support for similar requests from other ICANN community groups in FY21. ICANN org encourages the ISPCP to work with the Policy Development Support and Global Stakeholder Engagement functions and Public Responsibility Support team to determine how to support its cultivation of members and leaders from developing countries.

9. Internet of Things and the Increasing Governance Challenges Ahead

Request number	FY22-13
Requesting ICANN community group	European Regional At-Large Organization (EURALO)

This is a recommendation for no support. The request does not explain how it directly and demonstrably relates to current ICANN community policy development, advisory, and technical work. ICANN org encourages EURALO to work with the Policy Development Support and Global Stakeholder Engagement functions to determine its participation in the 2021 Internet Governance Forum.

10.   Second Edition of the Malian School of Internet Governance

Request number	FY22-14
Requesting ICANN community group	African Regional At-Large Organization (AFRALO)

This is a recommendation for no support. The request does not explain how it directly and demonstrably relates to current ICANN community policy development, advisory, and technical work. Moreover, the request does not indicate any coordination with the Global Stakeholder Engagement (GSE) function Africa team or alignment with the ICANN Africa Strategy. ICANN org encourages AFRALO to work with the Policy Development Support and relevant regional GSE teams to determine how ICANN org can best support its work.

11.   Chadian School of Internet Governance 2021

Request number	FY22-15
Requesting ICANN community group	African Regional At-Large Organization (AFRALO)

This is a recommendation for no support. The request does not explain how it directly and demonstrably relates to current ICANN community policy development, advisory, and technical work. Moreover, the request does not indicate any coordination with the Global Stakeholder Engagement (GSE) function Africa team or alignment with the ICANN Africa Strategy. ICANN org encourages AFRALO to work with the Policy Development Support and relevant regional GSE teams to determine how ICANN org can best support its work.

12. Training and Awareness on DNS and Personal Data Protection in Togo

Request number	FY22-16
Requesting ICANN community group	African Regional At-Large Organization (AFRALO)

This is a recommendation for no support. The request does not explain how it directly and demonstrably relates to current ICANN community policy development, advisory, and technical work. Moreover, the request does not indicate any coordination with the Global Stakeholder Engagement (GSE) function Africa team or alignment with the ICANN Africa Strategy. ICANN org encourages AFRALO to work with the Policy Development Support and relevant regional GSE teams to determine how ICANN org can best support its work.

13. Translation Tool for French

Request number	FY22-21
Requesting ICANN community group	African Regional At-Large Organization (AFRALO)

This is a recommendation for no support. The ICANN org Policy Development Support and Engineering and Information Technology functions have developed a strategy to consistently manage technical projects for ICANN community needs, including the research, acquisition, testing, deployment, and evaluation of collaboration tools. ICANN org will engage with AFRALO and consider its and all interested ICANN community groups' needs as part of this effort.

14. APRALO Leadership at the Pacific Internet Governance Forum

Request number	FY22-22
Requesting ICANN community group	Asian, Australasian, and Pacific Islands Regional At-Large Organization (APRALO)

This is a recommendation for no support. The request does not explain how it directly and demonstrably relates to current ICANN community policy development, advisory, and technical work. ICANN org encourages APRALO to work with the Policy Development Support function and Global Stakeholder Engagement function Oceania team to determine its participation in the Pacific Internet Governance Forum.

15. Virtual School of Internet Governance

Request number	FY22-23
Requesting ICANN community group	North American Regional At-Large Organization (NARALO)

This is a recommendation for no support. The request does not explain how it directly and demonstrably relates to current ICANN community policy development, advisory, and technical work. Moreover, the request does not indicate any coordination with the Global Stakeholder Engagement (GSE) function North America team and does not align with the ICANN North America Strategy nor the ICANN approach to schools of Internet governance. ICANN org encourages NARALO to work with the Policy Development Support and relevant regional GSE teams to determine how ICANN org can best support its work.

16. Travel Support for One RySG Member Appointed to the CSC to Attend the First and Third ICANN Public Meetings of the Year

Request number	FY22-26
Requesting ICANN community group	Registries Stakeholder Group (RySG)

This is a recommendation for no support. This is a request for additional travel support to ICANN Public Meetings, which is against the ABR principles. ICANN org did not recommend support for similar requests in FY20 and FY21. The ABR process is not the appropriate mechanism to allocate resources for the implementation of the 2018 Customer Standing Committee (CSC) Review recommendation that CSC members should seek travel support in order to provide updates to and meet with direct customers of the IANA naming function during ICANN Public Meetings. ICANN org encourages the RySG to continue to engage in the core budget process, specifically the Public Comment proceeding on the draft operating plan and budget for each fiscal year.

17. SSAC Outreach and Recruitment

Request number	FY22-27
Requesting ICANN community group	Security and Stability Advisory Committee (SSAC)

This is a recommendation for no support. ICANN org did not recommend support for a similar request in FY20 due to a missing report from the FY18 pilot program. Like the FY20 request, the FY22 request also lacks metrics. ICANN org encourages the SSAC to work with the Policy Development Support and Global Stakeholder Engagement functions to determine how to support its outreach and recruitment work.

18. BC Leadership Development Support and Onboarding Program

Request number	FY22-29
Requesting ICANN community group	Business Constituency (BC)

This is a recommendation for no support. Although ICANN org has recommended support for similar requests in the past, the increased involvement of the Supporting Organizations and Advisory Committees in defining qualifying criteria, selection, and mentoring objectives of the revised ICANN Fellowship Program (in effect since ICANN65) and the continued availability of the Community Regional Outreach Program (CROP), provide adequate opportunities for ICANN community groups to foster leadership development and onboarding. ICANN org encourages the BC to work with the Policy Development Support and Global Stakeholder Engagement functions and Public Responsibility Support team to determine how to support its cultivation of members and leaders from developing countries, including through virtual programming such as webinars.

ICANN BOARD SUBMISSION No. 2021.05.12.2b

TITLE: **Transfer to Reserve Fund and Creation of Supplemental Fund for Implementation of Community Recommendations**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

The Board is being asked to approve a transfer from the Operating Fund to the Reserve Fund and to approve the creation of a Supplemental Fund for Implementation of Community Recommendations (SFICR).

Per the ICANN Investment Policy ([ICANN Investment Policy](#)), the Operating Fund should be at a level of funds to cover a minimum of three months of ICANN organization's operating expenses, and that any amount determined to be in excess can be transferred to the Reserve Fund to ensure its balance is at or above the minimum Board-approved target level. An SFICR would establish segregated resources in support of increasing the capacity of the organization to address activities and projects not currently included in the organization's historical expenses or current budget. In anticipation of the establishment of the SCIFR, the ICANN Investment Policy has been revised to establish the governance of the SFICR. See Attachment A to the Reference Materials for this Board paper.

The balance of the Operating Fund at the end of FY20 showed an excess of US$29,000,000 over the minimum of three months of operating expenses. ICANN organization has recommended that US$10,000,000 be transferred into the Reserve Fund and that the SFICR be created. The remaining US$19,000,000 of net excess will be left in the Operating Fund at this time and, if the Board does establish the SCIFR, the org will later propose that the Board approve (following a recommendation from the Board Finance Committee) the transfer of a portion of that remaining excess into the SFICR, keeping any further remaining excess in the Operating Fund as a short term financial buffer during the pandemic.

ICANN ORGANZATION AND BOARD FINANCE COMMITTEE (BFC) RECOMMENDATIONS:

Both ICANN organization and the BFC recommend that the Board approves:
- The transfer of US$10,000,000 from the Operating Fund to the Reserve Fund

- The creation of a Supplemental Fund for Implementation of Community Recommendations (SFICR)
- The revised ICANN Investment Policy that establishes the governance of the SFICR

PROPOSED RESOLUTION:

Whereas, the Operating Fund includes the funds used for ICANN's day-to-day operations and must contain enough funds to cover at a minimum ICANN's expected expenditures for three months.

Whereas, periodically, any funds in the Operating Fund considered to be in excess of is normal level may be transferred to the Reserve Fund to maintain a minimum target level, as determined and approved by the Board.

Whereas, a Supplemental Fund for Implementation of Community Recommendations (SFICR) will allow ICANN to segregate resources in support of increasing the capacity of the organization to address activities and projects not currently included in the organization's historical expenses or current budget.

Whereas, the ICANN Investment Policy has been revised to reflect the governance of the SFICR.

Whereas, periodically, if excess funds exist in the Operating Fund after an allocation to the Reserve Fund has been considered or decided, an allocation to the SFICR will be considered during the annual planning process based on the project needs identified.

Whereas, ICANN organization has determined that the balance of the Operating Fund as of 30 June 2020, based on the audited Financial Statements, contained excess funds.

Resolved (2021.05.12.xx), the Board approves the transfer of US$10,000,000 from the Operating Fund to the Reserve Fund.

Resolved (2021.05.12.xx), the Board authorizes the creation the SFICR.

Resolved (2021.05.12.xx), the Board approves the revised ICANN Investment Policy that, as revised, establishes the governance of the SFICR and provides clarity on a few other provisions.

PROPOSED RATIONALE:

As part of ICANN's Investment Policy, the Operating Fund should be at a level of funds to cover a minimum of three months of ICANN organization's operating expenses, and that any amount determined to be in excess may be transferred to the Reserve Fund to ensure its balance is at or above the minimum target level, as determined and approved by the Board.

A Supplemental Fund for Implementation of Community Recommendations (SFICR) would establish segregated resources in support of increasing the capacity of the organization to address activities and projects not currently included in the organization's historical expenses or current budget. If the Operating Fund contains net excess after an allocation to the Reserve Fund has been made, an allocation to the SFICR will be determined based on the project needs identified.

ICANN organization has evaluated the Operating Fund at the end of FY20 on the basis of its audited Financial Statements, and has determined that excess funds of US$10,000,000 should be transferred to the Reserve Fund and an SFICR should be created. The governance of the SCFIR is set forth in the ICANN Investment Policy.

This action is consistent with ICANN's mission and is in the public interest as it is important to ensure stability of ICANN organization in the way of a robust Reserve Fund in case use of a Reserve Fund becomes necessary. Furthermore, this action is consistent with ICANN's mission and is in the public interest as the SFICR will fund projects, as approved by the Board, when the size, complexity, and length of the projects create a challenge to be solely funded by recurring funding. The SFICR will fund projects based on the public interest of the community that would otherwise go unbudgeted.

This action will not have a negative financial impact on ICANN, and will not have any negative impact on the security, stability or resiliency of the domain name system.

This is an Organizational Administrative function that does not require public comment.

Submitted by:	Xavier Calvez
Position:	SVP Planning and CFO
Date Noted:	26 April 2021
Email:	xaver.calvez@icann.org

ICANN REFERENCE MATERIALS No. 2021.05.12.2b
ATTACHMENT A

TITLE: Transfer to Reserve Fund and Creation of Supplemental Fund for
             Implementation of Community Recommendations

Investment Policy, Updated April 2021

INTRODUCTION

This statement of investment policy has been adopted by the Board of Directors of the Internet Corporation for Assigned Names and Numbers (ICANN) to provide guidelines for the investment of cash on hand (funds).

As ICANN's activities have become more complex and more visible with the expansion of the domain name system (DNS), it continuously improves its capabilities to plan for the future, to manage and mitigate its exposure to risks, with a high sense of financial responsibility and discipline. This has led ICANN to adopt and live by the simple principle of never spending more than it can afford. ICANN therefore ensures that its expenses never exceed its funding.

TYPES OF FUNDS

For the purposes of managing investment risk and to optimize potential returns within acceptable risk parameters, the investment of funds is divided into three pools of assets.

1) Operating Fund

This is used to fund the operations of ICANN including all items in the ICANN Board approved annual budget. The Operating Fund is set at a level necessary to fund a minimum of three months expected operating expenses. Amounts in the Operating Fund that exceed this minimum shall be considered for transfer into either of the Reserve Fund or the Supplemental Fund for implementation of Community Recommendations.

2) Supplemental Fund for Implementation of Community Recommendations (SFICR)

This is used to fund projects and initiatives that were specifically approved to be funded in the annual planning and budget process. The funding of these projects by the SFICR occurs, as approved by the Board, when the size, complexity, and length of the project create a challenge to be solely funded by annual funding. The SFICR is funded through Board-approved allocations from the Operating Fund. The use of the SFICR to fund incremental projects is approved by the Board, typically through and in parallel with the adoption of the annual operating plan and budget. The SFICR shall only be utilized to fund projects approved by the ICANN Board.

3) Reserve Fund

This is ICANN's funding of last resort to cover large expenses resulting from unavoidable, unpredictable or unplanned events, which cannot be funded from ICANN's Operations. Illustrative examples of such events include:

- the urgent and unbudgeted replacement of large assets, or payment of large liabilities
- the undertaking of major downsizing or significant restructuring of ICANN's operations
- the occurrence of major security and stability threats and attacks
- the occurrence of unplanned large litigation and/or penalty expenses
- undertaking new and major programs resulting from a new strategic plan or exceptional unforeseen external events
- the recovery and continuation of operations after a disaster

ICANN recognizes that it is impossible to foresee all possible events that can trigger large, unavoidable, unpredictable or unplanned expenses, which cannot be funded from ICANN's Operations. As a result, the list above is considered illustrative and non-limitative.

ICANN, like many organizations, is exposed to natural disasters, economic fluctuations and regulatory changes. However, unlike any other organization, ICANN's mission has led the Organization and its multistakeholder model of governance to be subject to the constant changes that affect the Internet, driven by demographic, governmental, economic and technical factors.

No matter how well ICANN plans, manages risks and applies financial discipline, it is highly exposed to unpredictable events that may have an overwhelming impact on its on-going activities, which are supported by its Operating Fund.

In this environment, the only financial resource available to ICANN to face the negative impacts of any events outside of its daily activities, is its Reserve Fund.

The use of any Reserve Fund is restricted by actions of the Board of Directors. The Board of Directors has delegated to the Board Finance Committee (BFC) the authority to act on behalf of the Board of Directors to release funds from the Reserve Fund to pay for items of an emergency nature.

4. Hierarchy of the Funds

The funds, based on their nature and purpose, reflect the following hierarchy for priority, considering their contribution to ICANN's financial sustainability:

First, the Operating Fund needs to always be at or above its minimum level to enable daily operations. Then, the Reserve Fund must be at above its target level to ensure financial sustainability and resilience to unforeseen events. Finally, the SFiCR can be allocated funds as is deemed useful to support ICANN's project activity.

Any shortfall or excess in any of the funds should be addressed respecting the above hierarchy. If each and all minimum target levels are reached or exceeded, any excess fund can be allocated in the manner considered most appropriate.

PURPOSE OF THE ICANN INVESTMENT POLICY

The purpose of the ICANN Investment Policy is to:

1. Describe the philosophy of the Investment Policy that will guide investment management decisions.
2. Define and assign the responsibilities of all involved parties including the ICANN Board of Directors, the ICANN Chief Financial Officer (CFO) and personnel, and the Investment Management Company (as defined below).
3. Describe the general investment principles for investment of the funds including the size of the funds, the suggested levels of risk, the expected return on investment, the suggested liquidity level, the expected asset allocation strategy, the expected global focus, and suggested allowable and restricted asset classes.
4. Establish a basis for evaluating and reporting investment results and compliance with the Investment Policy.
5. Clarify the methods by which the Reserve Fund will be funded as well as the process by which the Reserve Fund can be accessed for emergency requirements.

PHILOSOPHY OF THE ICANN INVESTMENT POLICY

The philosophy of the ICANN Investment Policy is to:

- Ensure that funds held by ICANN are invested wisely with due fiduciary care.
- Ensure that funds are safe and held securely to minimize risk of loss to the fullest extent possible.
- Ensure that funds earn appropriate returns commensurate with the level of risk and real rates of return that can offset the effects of inflation over a market cycle.
- Ensure that funds remain liquid enough to be accessible to handle the needs of ICANN's operations (Operating Fund, Supplemental Fund for Implementation of Community Recommendations) and the needs of ICANN, if any (Reserve Fund).
- Ensure clarity on the amounts to be held in the funds.
- Ensure clarity on the method(s) to access the funds for expenditure.

AREAS OF RESPONSIBILITY

Board of Directors

The Board of Directors of ICANN shall oversee the ICANN Investment Policy, including the:

- Creation and approval of the ICANN Investment Policy.
- Periodic maintainanance and updating of the Investment Policy.
- Approval of allocation to the Reserve Fund and SCIFR, based on recommendations by the BFC.
- Delegation to the BFC specific duties and responsibilities related to the monitoring of the Investment Policy, including:
  - Approval of the Investment Management Company.
  - Directing the CFO to monitor the Investment Management Company, monitor the performance of the funds, and the compliance with the Investment Policy.
  - Monitor the performance of the Reserve Fund and Operating Fund.
  - Monitoring ICANN's compliance with the Investment Policy.
  - Periodically evaluating ICANN's current risk tolerances and investment objectives.

- o Periodically reporting to the full Board on ICANN org's compliance with the Investment Policy.
- o Approve disbursements from the Reserve Fund.

ICANN Org

ICANN's CFO, with the assistance of certain ICANN personnel, shall take certain steps to oversee the administration of the Investment Policy, including:

- Monitor and direct all activities related to the Operating Fund, including funding daily operations.
- Recommend the Investment Management Company.
- Monitor the activities of the Investment Management Company.
- CFO to ensure that BFC is made aware that any amounts not required for the Operating Fund are presented to the BFC with proposed recommendations. BFC to evaluate the proposed recommendations from the CFO and to make recommendations to Board of Directors.
- Respond to monthly status reports on the performance of the Reserve Fund.
- Periodically report to the Board of Directors on the performance of the Reserve Fund.
- Periodically report to the Board of Directors on compliance with the Investment Policy.

The Investment Management Company

The Investment Management Company shall take certain steps to oversee the Reserve Fund including:

- Hold fiduciary responsibility for all assets in the Reserve Fund.
- Comply with all guidelines and limitations set forth in the Investment Policy.
- Manage, analyze and oversee the execution of investment decisions including buying, selling, and holding of individual securities for all asset types in all asset classes.
- Report monthly to the ICANN CFO on the performance of the Reserve Fund and compliance with the Investment Policy.
- Communicate any major changes to economic outlook, investment strategy, or any other factors which affect implementation of investment process.
- Be available to report periodically to the Board of Directors on the performance results of the Reserve Fund including comparisons with approved industry benchmarks.
- Be available to report periodically to the Board of Directors on the compliance with the Investment Policy.
- Inform the Board of Directors regarding any significant changes including changes to the investment management company, its financial strength, significant decline in assets under management, SEC investigations, material litigation, changes in portfolio management personnel, ownership structure, investment philosophy, and investment processes.

GENERAL INVESTMENT PRINCIPLES

Pools of Funds

ICANN's investment funds will consist of three pools of funds: the Operating Fund, Supplemental Fund for Implementation of Community Recommendations (SFICR) and the Reserve Fund.

The Operating Fund, sometimes called the Working Capital Fund, is the pool of funds that is used for ICANN's day-to-day operations. The Operating Fund will not be Board restricted and will be used to fund operating expenses of ICANN, including payroll and accounts payable. All disbursements at ICANN shall comply with Board-approved disbursement guidelines and financial controls. The Operating Fund will be replenished by ICANN's revenues, and can also be replenished by the Reserve Fund if the Board determines that it is necessary.

This Supplemental Fund for Implementation of Community Recommendations (SFICR) is used to fund projects and initiatives that were specifically approved to be funded in the annual planning and budget process. The funding of these projects by the SFICR occurs, as approved by the Board, when the size, complexity, and length of the project create a challenge to be solely funded by annual funding.

Disbursements out of the Reserve Fund are restricted by the Board.

Size of Funds

The size of the funds should be addressed in consideration of the Hierarchy of Funds described in the paragraph 4 of the Section "TYPES OF FUNDS".

The size of the Operating Fund, Supplemental Fund for Implementation of Community Recommendations (SFICR) and the Reserve Fund shall be reviewed on an annual basis as part of the budget preparation process.

The Operating Fund shall contain enough funds to cover ICANN's expected expenditures for three months. Periodically, any funds in excess of this will be transferred to the Reserve Fund.

The Supplemental Fund for Implementation of Community Recommendations (SFICR) shall align to the Board approved balance that is approved during the annual budget process.

The Reserve Fund is expected to reach and maintain a level of funds to maintain a minimum of 12 months of expected expenditures.

Investment Horizon and Objectives

The Operating Fund and Supplemental Fund for Implementation of Community Recommendations (SFICR) have a short-term horizon and a principal preservation objective to meet working capital needs. The Reserve Fund has a medium investment horizon and a conservative-moderate investment objective to enhance return on assets while maintaining the preservation of capital.

ESG (Environmental, Social, and Governance)

In addition to financial considerations and investment criteria included in this investment policy for the Reserve Fund, investment decisions should integrate Environmental, Social, and Governance factors, as appropriate. The manager's proprietary ESG rating will be used to

evaluate securities that are rated at the mid-point or higher of its ESG rating scale so that at least 80% of the investments are rated at or above the mid point of each firms' proprietary rating scale.

Guidelines: Risk Level of Funds

Although there are many ways to measure risk, this investment policy primarily measures risk as the possibility of losing nominal asset value in a fund over a given period of time. Historical performance and volatility measures are indicators of its risk profile. A fund with very little risk would never incur losses as measured over any historical period. A fund with moderately low risk would not incur losses over most historical periods. A fund with greater risk might have incurred losses in certain historical periods.

The Operating Fund and Supplemental Fund for Implementation of Community Recommendations (SFICR) will have a conservative risk profile focusing on capital preservation with minimal principal fluctuation.

The Reserve Fund will have a conservative-moderate risk profile that is moderately low risk. The historical performance of the fund should have a very low probability of losses over any given five-year period.

Expected Investment Return (%) of Funds

Funds shall be invested in assets that are expected to yield the greatest investment return given the risk profile and other parameters of the fund. Historical performance and volatility measures are indicators of its risk profile and how the fund may perform under different market conditions.

The Operating Fund and Supplemental Fund for Implementation of Community Recommendations (SFICR) is expected to earn rates of return commensurate with a principal preservation fund. The three-month US Treasury Bill is therefore considered an appropriate benchmark for a nominal rate of return.

The Reserve Fund is expected to earn rates of return commensurate with a moderately low risk portfolio. The performance objective of the investments is to provide a total investment return in excess of the performance of the agreed upon composite benchmark. A comparison shall be made with relevant market benchmarks as well as the composite returns for other peer groups with similar philosophies. The appropriate benchmark is a function of the asset classification currently in place and may consist of a balanced or weighted average index underlying such asset classes. The total return is expected to rank above the median versus a manager universe with a similar asset mix.

The Reserve Fund should preserve the real (inflation-adjusted) purchasing power of the Reserve Fund's assets while maximizing real income. Real income is defined as the sum of dividends, interest, and realized gains/losses less the inflation rate as measured by CPI (Consumer Price Index) over a market cycle or rolling 10- year period.

Guidelines: Liquidity Level of Funds

Liquidity is a measure of whether the assets of the fund can be sold for cash without a significant realized principal loss. A highly liquid fund would not suffer losses even if there were

an immediate sale of the assets of the fund. A moderately liquid fund would not suffer significant losses even if the assets were sold over a period of time of less than one year.

The Operating Fund and Supplemental Fund for Implementation of Community Recommendations (SFICR) will be highly liquid and only invest in cash, cash equivalents, or money market instruments (including certificates of deposits, commercial paper or SEC 2a-7 money market funds.) All funds are daily valued and can be accessed within 5 business days without any significant loss in value.

The Reserve Fund is suggested to be moderately liquid. Reserve Fund assets do not need to be sold for cash except in an emergency. The Reserve Fund may invest in money market instruments and SEC 2a-7 money market funds. It is suggested that the Reserve Fund be liquid enough to realize one-third of its value without significant loss within 30 days, two-thirds of its value without significant loss within two months, and all of its value without significant loss within six months. A significant loss is defined as more than 15% realized loss. Losses in excess require BFC and Board approval.

Permissible Investment Vehicles

The Investment Management Company may recommend investments in actively managed and/or passive strategies that invest in marketable securities. These strategies may be institutional mutual funds, collective trusts or commingled funds. The underlying security holdings must be transparent. The strategies must be non-lending portfolios.

Expected Asset Classification/Portfolio Mix and Allocation Constraints of Funds

The asset classification/portfolio mix guides the Investment Management Company to create a portfolio that best reflects the risk posture, expected return, and other investment parameters described in the Investment Policy. The categories of classification described, and the measurements expected to be complied with, in this Investment Policy are a percentage of cash equivalents, a percentage of bonds, and a percentage of equities. In addition, the allocation constraints allow the Investment Manager to rebalance the portfolio within a risk-controlled framework and should avoid market-timing changes. Rebalancing should not incur losses or administrative burdens. Portfolio rebalancing is required at least semi-annually and may be as frequent as quarterly or monthly.

The Operating Fund and Supplemental Fund for Implementation of Community Recommendations (SFICR) asset classification is 100% cash, cash equivalents, money market instruments or SEC 2a-7 money market fund. The constraint is zero.

The Reserve Fund's Normal Asset Allocation is 65% Global Bonds and 35% Global Equities and Real Estate. The Asset Allocation is a long term asset allocation target. The Investment Management Company will manage a Tactical Asset Allocation Non-Lending Portfolio consistent with the allocations within the Allowable Investment Range. The portfolio will be rebalanced generally to maintain the allocations. The Investment Management Company may also rebalance in response to changes in economic and market conditions, liquidity requirements or provide defensive positioning to improve downside protection. Market timing is not permissible. The table below indicates the asset allocation ranges:

Asset Class	Normal Asset Allocation	Allowable Investment Range
Global Fixed Income	65%	45%-85%
Global Equities & Real Estate	35%	15%-55%

Guidelines: Global Focus of Funds

ICANN's funds are to be invested in well diversified assets that perform well in terms of return on investment and also are invested safely to reduce the risk of loss on the portfolio. Safety and performance are the most important priorities. The ICANN Investment Policy assumes that a well diversified portfolio designed for investment performance and safety should contain a significant amount of investments in non-US assets and are also based in non-US dollar denominated currencies.

The Investment Policy recognizes that ICANN is a U.S.-based organization, but it also must recognize that ICANN has a distinctly global focus. The funds that ICANN invests in should reflect the global nature of ICANN. The actual assets allocated to non-U.S.-based assets and non-U.S. dollar denominated investments shall be suggested by the Investment Management Company and approved by the ICANN CFO.

The Operating Fund and Supplemental Fund for Implementation of Community Recommendations (SFICR) may be denominated in their functional currencies to meet operating needs but does not require a significant global focus.

The Reserve Fund is suggested to have a significant global focus. The Investment Policy enables the Reserve Fund to invest in global assets. Actual allocations are to be monitored by the Board and may be subject to further limitations between developing and emerging foreign markets consistent with ICANN's risk profile.

Guidelines: Asset Classes of Funds

The Investment Policy requires the Investment Management Company to recommend particular active and/or index fund managers, institutional mutual funds, collective trusts or commingled funds, categories of investments, etc., that comply with the Investment Policy principles and guidelines.

Operating Fund Allowable Assets

Cash, Cash Equivalents, and Money Market Instruments

- Checking accounts in acceptable investment grade financial institutions
- Certificates of Deposit – issued by acceptable investment grade financial institutions
- U.S. Government Treasury securities
- U.S. Agency securities – obligations issued or guaranteed by an agency of the U.S. government
- Commercial Paper – issued by corporations possessing the highest rating issued by Moody's or Standard & Poor's (A1/P1)
- Money market funds – SEC 2a-7 money funds

Reserve Fund Allowable Assets

Investment Grade Fixed Income Securities

- U.S. Government and Agency Securities (e.g., GNMA and FNMA)
- Corporate Notes and Bonds
- Mortgage Backed Bonds
- Asset Backed Securities (e.g., Auto and Credit Card)
- Sovereign Governments, Agencies and Supranationals
- Local Authorities
- Institutional mutual funds or commingled funds which invest in fixed income securitiesMoney market instruments, and SEC 2a-7 money market funds
- Floating rate securities have a stated final maturity of up to 5 years. Floating rate securities have interest rates linked to a well-recognized money market index such as the Treasury Bill, SOFR, LIBOR or Federal Funds with coupon resets daily, weekly, monthly, quarterly, semi-annually or annually are eligible investments.

Floating rate securities have a stated final maturity of up to 5 years. Floating rate securities have interest rates linked to a well-recognized money market index such as the Treasury Bill, SOFR, LIBOR or Federal Funds with coupon resets daily, weekly, monthly, quarterly, semi-annually or annually are eligible investments.

Non-Investment Grade Fixed Income Securities

No more than 10% of the total portfolio may consist of U.S. marketable securities rated below investment grade (limited to BB and B rated), and may include high yield, notes, bonds, 144A, fixed rate and floating rate securities. In the event that registered mutual funds, collective trusts or commingled funds hold fixed income securities below investment grade, the Investment Management Company and ICANN CFO will monitor the percentage holdings and take the appropriate action to reduce exposures consistent with ICANN's moderately low risk profile.

Average Portfolio Credit Quality

The minimum weighted average credit quality of the portfolio shall be A2/A.

Equity Securities

- Common Stocks
- Preferred Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- Stocks of Non-US Companies (Ordinary Shares)
- Stocks of REITs
- Non-Lending Institutional Mutual Funds, Collective Trusts or Commingled Funds which invest in securities as allowed in this statement

There shall be no direct investments in non-marketable securities.

Prohibited Assets and Transactions

- Exchange traded or OTC Commodities and Futures Contracts Private Placements
- Private Placements

- Credit default, interest rate and commodity swaps
- Exchange traded or OTC Options
- Limited Partnerships
- Venture-Capital Investments
- Real Estate Properties
- Derivative Investments
- Hedge funds
- Short Selling
- Margin Transactions
- Commodities

In certain circumstances, institutional mutual fund, collective trusts or commingled fund investments may engage in transactions that include prohibited transactions for the purpose of hedging operations to minimize transaction costs, rebalancing and replicating the benchmark.

In the event that institutional mutual funds or commingled funds hold prohibited assets defined above, the Investment Management Company and CFO will monitor the holdings and take the appropriate action to reduce exposures consistent with ICANN's moderately low risk profile.

Securities Lending

This policy prohibits ICANN from undertaking a Securities Lending Program. The institutional mutual funds, collective trusts or commingled funds must be non-lending portfolios.

Fair Value of Investments

The Investment Management Company must make all investments in securities and funds that have readily determinable fair values. All fair value measurements must be consistent with ASC 820 (FAS 157) which defines fair value and establishes a framework for measuring fair value (market value).

Ethics and Conflicts of Interest

All Board Members, the CFO, and the Investment Management Company personnel shall comply with all applicable conflicts of interest policies and otherwise refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Any known or suspected violations must be disclosed to ICANN's General Counsel.

APPROVAL OF DISBURSEMENTS FROM THE RESERVE FUND

The Reserve Fund is the pool of investments held by ICANN for the purpose described in the Introduction section of this document. The Reserve Fund is funded by any assets not required for use by ICANN's Operating Fund. Use of any funds from the Reserve Fund is restricted by action of the Board of Directors of ICANN. The Board at its sole discretion and judgment shall determine whether an emergency exists for purposes of releasing funds from the Reserve Fund.

Due to the nature of a requirement to release funds from the Reserve Fund, it may be necessary to make a rapid decision. For this reason, the Board of Directors has delegated to the Board Finance Committee (BFC) the authority to act on behalf of the Board of Directors of

ICANN to disburse funds of up to $5 million from the Reserve Fund. Any such action by the BFC will be communicated to the full Board of Directors within seven days of such action.

PERIODIC REVIEW/APPROVAL OF POLICY AND EXCEPTIONS

This policy will be subject to periodic review by the CFO and BFC. Specific elements to be reviewed include:

1. Appropriate operating fund limits (currently three months' operating expenses)
2. ICANN's investment objectives and risk tolerances
3. Allowable and permitted investments
4. Portfolio asset allocation and mix
5. Portfolio benchmarks
6. Portfolio rebalancing

Exceptions to this policy require BFC and Board approval as necessary. All exceptions should be communicated by the ICANN CFO to the BFC within a 48-hour period, or as soon thereafter as is practicable, including details of appropriate action to be taken.

ICANN BOARD PAPER NO. 2021.05.12.xx

TITLE: **Completion of SAC063, SAC073 and SAC102**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

On 7 November 2013, the Security and Stability Advisory Committee (SSAC) published SAC063: SSAC Advisory on DNSSEC Key Rollover in the Root Zone which made five recommendations relating to the first root zone key signing key (KSK) rollover, for actions to be taken by the ICANN organization.

On 5 October 2015 the SSAC published SAC073: SSAC Comments on Root Zone Key Signing Key Rollover Plan. which contained SSAC's comments on the draft report of the Root KSK Rollover Design Team that had reiterated recommendations from SAC063 and called for ICANN org's final plan to directly address each recommendation.

On 20 August 2018, SSAC published SAC102: SSAC Comment on the Updated Plan for Continuing the Root KSK Rollover in response to the ICANN Board's request that SSAC provide advice to the Board on the Plan for Continuing the Root KSK Rollover when the initial launch had been delayed. SSAC advised continuing with the rollover.

ICANN org carried out the first rollover of the root zone KSK on 11 October 2018. The project is documented in Review of the 2018 DNSSEC KSK Rollover, written by ICANN org's Office of the Chief Technical Officer (OCTO). By all accounts the rollover was a success.

BOARD TECHNICAL COMMITTEE (BTC) RECOMMENDATION:

The BTC recommends that the ICANN Board acknowledge that ICANN org's successful first rollover of the root zone KSK on 11 October 2018, fulfilled the related SSAC Advisories: SAC063, SAC073 and SAC102, and thus direct that the remaining items from these Advisories that are being tracked in the ICANN org Action Request Registry may be closed.

PROPOSED RESOLUTION:

Whereas, on 7 November 2013, the Security and Stability Advisory Committee (SSAC) published SAC063: SSAC Advisory on DNSSEC Key Rollover in the Root Zone, regarding performing the first root zone key signing key (KSK) rollover.

Whereas, on 5 October 2015 the SSAC published SAC073: SSAC Comments on Root Zone Key Signing Key Rollover Plan - Design Teams Draft Report.

Whereas on 24 June 2017, the ICANN Board accepted the advice of SAC063 and SAC073 based on ICANN org's analysis and directed the org to implement per the org's recommendation.

Whereas on 13 May 2018, after the initial KSK Rollover was delayed, in Resolution 2018.05.13.09, the ICANN Board asked SSAC for advice on how to continue forward.

Whereas on 20 August 2018, SSAC published SAC102: SSAC Comment on the Updated Plan for Continuing the Root KSK Rollover, advising ICANN org to continue with the rollover.

Whereas, on 16 September 2018, the ICANN Board accepted this advice and directed ICANN org to proceed with the KSK rollover as described in the "Updated Plan for Continuing the Root KSK Rollover".

Whereas on 11 October 2018, ICANN org successfully completed the first rollover of the root zone KSK.

Resolved (2021.05.12.xx), the Board finds that ICANN org acted upon all Recommendations from SAC063, SAC073, and SAC102, as is evidenced by the successful first KSK Rollover. The Board considers SAC063, SAC073, and SAC102 to be completed.

PROPOSED RATIONALE:

1.   **Why is the Board addressing the issue?**

On 8 March 2013, ICANN org opened a Public Comment period seeking feedback with respect to the execution of a root zone Key Signing Key (KSK) rollover. On 7 November 2013, SSAC published SAC063, which contains five recommendations for the ICANN org related to rolling the root zone KSK.

The draft report from the Design Team convened by ICANN org to make recommendations on the first root zone KSK rollover went into Public Comment on 6 August 2015. SSAC commented on this report by publishing SAC073 on 5 October 2015. This document reiterated the recommendations in SAC063 and called for each to be addressed in the final version of the Design Team's report, which was eventually published on 7 March 2016 as the Root Zone KSK Rollover Plan.

On 27 September 2017, the ICANN org announced it was postponing the root zone KSK rollover and on 17 October 2017 published a paper entitled "Postponing the Root KSK Roll."

On 13 May 2018, in Resolution 2018.05.13.09, the ICANN Board requested that SSAC provide advice to the Board on the Updated Plan for Continuing the Root KSK Rollover due to the rollover's postponement. SSAC delivered the advice on 21 August 2018 in SAC102 which concluded that "the SSAC has not identified any reason within the SSAC's scope why the rollover should not proceed as currently planned."

ICANN org carried out the first rollover of the root zone KSK on 11 October 2018. The project is documented in a report written by the Office of the Chief Technology Officer (OCTO) entitled "Review of the 2018 DNSSEC KSK Rollover." By all accounts the first root zone KSK rollover was a success.

This Board Paper demonstrates ICANN org's completion of work on SAC063, SAC073 and SAC102's recommendations. As a result, the Board is now directing that the remaining items related to these three advisories being tracked in the ICANN org Action Request Registry may be closed, at the recommendation of the Board Technical Committee (BTC).

2.   What is the proposal being considered?

The Board is considering a recommendation from the BTC that the ICANN Board direct that the remaining items related to SAC063, SAC073, and SAC102 being tracked in the ICANN org Action Request Registry may be closed.

3. Which stakeholders or others were consulted?

The SSAC agreed that ICANN org has fulfilled its role in implementing the Recommendations of this Advisory.

4. What concerns or issues were raised by the community?

None.

5. What significant materials did the Board review?

In determining that the remaining items related to SAC063, SAC073, and SAC102 being tracked in the ICANN org Action Request Registry may be closed, the Board considered the recommendation of the BTC and the rationale from ICANN org demonstrating that work on these remaining items is now complete as evidenced by the successful completion of the KSK Rollover.

6. Are there positive or negative community impacts?

 This Board resolution confirms that the Advisory's recommendations were completed by ICANN org and does not assess the impacts of the implementation of the recommendations.

7. Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

No fiscal impacts or ramifications on ICANN, the community, or the public are expected as a result of closing these remaining SAC063, SAC073, and SAC102 items.

8. Are there any security, stability or resiliency issues relating to the DNS?

No security, stability, or resiliency issues relating to the Domain Name System (DNS) are expected as a result of closing these remaining SAC063, SAC070, and SAC102 items.

9. **Is this decision in the public interest and within ICANN's mission?**

Yes. Confirming the completion of the implementation of an Advisory provides an accountability mechanism for ICANN's work, which is in the public interest and within ICANN's mission.

10. Is this either a defined policy process within ICANN's Supporting Organizations or ICANN's Organizational Administrative Function decision requiring public comment or not requiring public comment?

This action does not require public comment.

ICANN BOARD PAPER NO. 2021.05.12.xx

TITLE:	**GAC Advice: ICANN70 Virtual Community Forum Communiqué (March 2021)**
PROPOSED ACTION:	**For Board Consideration and Approval**

EXECUTIVE SUMMARY:

The Governmental Advisory Committee (GAC) delivered advice to the ICANN Board in its ICANN70 Virtual Community Forum Communiqué issued 25 March 2021. The advice concerns the Expedited Policy Development Process (EPDP) Phase 2 Final Report. The GAC also provided a follow-up to previous advice regarding the Competition, Consumer Trust and Consumer Choice (CCT) Review Team Recommendations and Subsequent Rounds of New gTLDs as well as International Governmental Organization (IGO) Identifiers.

The ICANN70 Virtual Community Forum Communiqué was the subject of an exchange between the Board and the GAC on 21 April 2021. The purpose of the exchange was to ensure common understanding of the GAC advice provided in the communiqué.

The Board is being asked to approve the GAC-Board Scorecard to address the GAC's advice in the ICANN70 Virtual Community Forum Communiqué. The draft Scorecard is attached to this briefing paper. The draft Scorecard includes: the text of the GAC advice; the Board's understanding of the GAC advice following the 21 April 2021 dialogue with the GAC; the GNSO Council's review of the advice in the ICANN70 Virtual Community Forum Communiqué as presented in a 7 May 2021 letter to the Board (included for Board review only and will not be part of the final scorecard); and the Board's proposed response to the GAC advice.

ICANN ORG RECOMMENDATION:

The ICANN org recommends that the Board adopt the attached scorecard to address the GAC's advice in the March 2021 ICANN70 Virtual Community Forum Communiqué.

PROPOSED RESOLUTION:

Whereas, the Governmental Advisory Committee (GAC) met during the ICANN70 Virtual Community Forum and issued advice to the ICANN Board in a communiqué on 25 March 2021 ("ICANN70 Virtual Community Forum Communiqué").

Whereas, the ICANN Board acknowledged the ICANN70 Virtual Community Forum Communiqué in a letter dated 7 April 2021.

Whereas, the ICANN70 Virtual Community Forum Communiqué was the subject of an exchange between the Board and the GAC on 21 April 2021.

Whereas, in a 7 May 2021 letter, the GNSO Council provided its feedback to the Board concerning advice in the ICANN70 Virtual Community Forum Communiqué relevant to EPDP Phase 2 Final Report, CCT Review and Subsequent Rounds of New gTLDs, and IGO Identifiers.

Whereas, the Board developed a scorecard to respond to the GAC's advice in the ICANN70 Virtual Community Forum Communiqué, taking into account the dialogue between the Board and the GAC and the information provided by the GNSO Council.

Resolved (2021.05.12.xx), the Board adopts the scorecard titled "GAC Advice – ICANN70 Virtual Community Forum Communiqué: Actions and Updates (12 May 2021)" **[INSERT LINK TO FINAL GAC ADVICE SCORECARD ADOPTED BY BOARD]** in response to items of GAC advice in the ICANN70 Virtual Community Forum Communiqué.

PROPOSED RATIONALE:

Article 12, Section 12.2(a)(ix) of the ICANN Bylaws permits the GAC to "put issues to the Board directly, either by way of comment or prior advice, or by way of specifically recommending action or new policy development or revision to existing policies." In its ICANN70 Virtual Community Forum Communiqué (25 March 2021), the GAC issued advice to the Board on the EPDP Phase 2 Final Report. The GAC also provided follow-up to previous advice regarding the CCT Review and Subsequent Rounds of New gTLDs

as well as IGO Identifiers. The ICANN Bylaws require the Board to take into account the GAC's advice on public policy matters in the formulation and adoption of the polices. If the Board decides to take an action that is not consistent with the GAC advice, it must inform the GAC and state the reasons why it decided not to follow the advice. Any GAC advice approved by a full consensus of the GAC (as defined in the Bylaws) may only be rejected by a vote of no less than 60% of the Board, and the GAC and the Board will then try, in good faith and in a timely and efficient manner, to find a mutually acceptable solution.

The Board is taking action today on all items in the ICANN70 Virtual Community Forum Communiqué, including the items related to the EPDP Phase 2 Final Report.

The Board's actions are described in the scorecard dated 12 May 2021 **[INSERT LINK TO FINAL GAC ADVICE SCORECARD ADOPTED BY THE BOARD]**.

In adopting its response to the GAC advice in the ICANN70 Virtual Community Forum Communiqué, the Board reviewed various materials, including, but not limited to, the following materials and documents:

- ICANN70 Virtual Community Forum Communiqué (25 March 2021): https://www.icann.org/en/system/files/correspondence/gac-to-icann-25mar21-en.pdf

- The GNSO Council's review of the advice in the ICANN70 Virtual Community Forum Communiqué as presented in the 7 May 2021 letter to the Board: https://gnso.icann.org/sites/default/files/file/field-file-attach/fouquart-to-botterman-07may21-en.pdf

- GAC Minority Statement to the EPDP Phase 2 Final Report: https://mm.icann.org/pipermail/gnso-epdp-team/attachments/20200824/aeeab8dd/gac-minority-statement-epdp-phase2-24aug20-0001.pdf

The adoption of the GAC advice as provided in the scorecard will have a positive impact on the community because it will assist with resolving the advice from the GAC concerning gTLDs and other matters. There are no foreseen fiscal impacts associated with the adoption of this resolution. Approval of the resolution will not impact security, stability or resiliency issues relating to the DNS. This is an Organizational Administrative function that does not require public comment.

Signature Block:

Submitted by: David Olive
Position: Senior Vice President, Policy Development Support
Date Noted: 7 May 2021
Email: david.olive@icann.org

GAC Consensus Advice Item	Consensus Advice Text	Board Understanding following Board-GAC Call	Board Response
§1.a.i **EPDP Phase 2 Final Report**	**Phase 2 EPDP is a step forward but the GAC has serious concerns relating to certain Recommendations and gaps in the Final Report of Phase 2 of the EPDP on gTLD Registration Data, as set forth in the GAC Minority Statement of 24 August 2020 (in Annex).** a. **The GAC advises the Board to:** i. to consider the GAC Minority Statement and available options to address the public policy concerns expressed therein, and take necessary action, as appropriate. RATIONALE: In its GAC Minority Statement, the GAC provides input on its public policy concerns regarding the ways that the Recommendations contained in the Final Report of Phase 2 of the EPDP on gTLD Registration Data: 1. currently conclude with a fragmented rather than centralized disclosure system; 2. do not currently contain enforceable standards to review disclosure decisions; 3. do not sufficiently address consumer protection and consumer trust concerns; 4. do not currently contain reliable mechanisms for the System for Standardized Access/Disclosure (SSAD) to evolve in response to increased legal clarity; and 5. may impose financial conditions that risk an SSAD that calls for disproportionate costs for its users including those that detect and act on cyber security threats. The GAC is of the view that certain key recommendations and unaddressed topics in the Final Report of Phase 2 of the EPDP on gTLD Registration Data require further work and that the Board should assess how best to address them. The GAC is also of the opinion that the Operational Design Phase (ODP) can focus the Board on some of the practical implementation challenges especially those involving cost apportionment. The GAC looks forward to continued engagement with the Board and the community on these important issues.	The Board understands the GAC advises the Board to consider the GAC's minority statement on the EPDP Phase 2 final report. The Board also understands that the GAC's minority statement does not constitute the GAC's advice on the EPDP Phase 2 policy recommendations. The Board understands the GAC's minority statement to highlight the GAC's concerns with the EPDP Phase 2 team's policy recommendations.	The Board accepts the GAC's advice to consider the GAC's Minority Statement to the EPDP Phase 2 Final Report and available options to address the public policy concerns expressed therein, and to take necessary action, as appropriate. Two points are important in this regard: First, we recognize that, standing on its own, the GAC's Minority Statement does not constitute consensus advice that triggers various obligations under the Bylaws. Second, in fulfilling its duties under the Bylaws, the Board must consider all community input bearing on whether or not a particular policy recommendation is in the public interest. The Board is concerned that the issuance of consensus advice to consider the Minority Statement and take necessary action could be interpreted as the GAC's adoption of the Minority Statement as consensus advice, triggering the Bylaws mandated process in an effort to identify a mutually acceptable solution. Such advice would be problematic in several respects discussed below. The GAC clarified during the Board-GAC meeting on 21 April 2021, this advice was simply intended to draw the Board's attention to the GAC's Minority Statement, and for the Statement to be factored into the Board's review of the EPDP Phase 2 recommendations along with other factors the Board must consider, including compliance with applicable laws. The Board's acceptance of the advice based on this understanding. That said, because of the possibility of misunderstandings about the import of this GAC advice and as highlighted in ICANN CEO & President Göran Marby's 10 September 2020 letter to the GAC, the Board thinks that it must better understand the GAC's rationale for the positions taken in the Minority Statement, particularly in light of GAC members' unique position as governments and the need to ensure that a Standardized System for Access and Disclosure that may be developed also complies with data protection laws. The Board would like to thank the GAC for the constructive discussions that have ensued to date. The Board notes that its role under the Bylaws in relation to GNSO policy recommendations is to consider whether they are in the best interests of ICANN and the ICANN community. In this regard, the Board will consider all relevant public policy concerns, including those raised by the GAC, along with available legal guidance. The Board, however, cannot substitute, alter or add to the specific recommendations as submitted by the GNSO Council. Having considered the public policy concerns expressed in the GAC's Minority Statement, the Board would like to highlight certain issues raised in that Statement for consideration: *Please see attached Annex to the ICANN Board Response to the GAC advice concerning the EPDP Phase 2 Final Report.*

GAC Follow-up on Previous Advice Item	Follow-up on Previous Advice Text	Board Understanding Following Board-GAC Call	Board Response
1. **CCT Review and Subsequent Rounds of New gTLDs**	The GAC is seeking a coordinated approach on the implementation of the specified Recommendations from the CCT Review ahead of the potential launch of a new round of gTLDs. Pursuant to GAC advice issued in Montréal (ICANN66), related correspondence with the ICANN Board and subsequent discussions, the latest on 23rd March during ICANN70, the GAC looks forward to be periodically updated on the ongoing consideration of the above mentioned advice, and, in particular, the Recommendations marked as "prerequisite" or "high priority", namely: 1, 5, 7, 9, 11, 12, 14, 15, 16, 17, 21, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35; for example through a tracking tool that identifies the status of each Recommendation in terms of who is taking it forward, how it will be implemented and when it is expected to be completed, particularly in regard to Recommendations attributed to the Organisation and the ICANN Community (in addition to the Board). The GAC also recalls its advice to the Board in the Helsinki Communiqué that "*An objective and independent analysis of costs and benefits should be conducted beforehand, drawing on experience with and outcomes from the recent round.*" Such analysis has yet to take place. In this regard, the GAC notes that the Operational Design Phase may provide the opportunity for this analysis to assist the Board as it considers whether a second round of New gTLDs is in the interest of the community as a whole.	The Board understands that the GAC is seeking a coordinated approach, ahead of the potential launch of a new round of gTLDs, on the implementation of the CCT Recommendations that were marked as "prerequisite" or "high priority" (namely, 1, 5, 7, 9, 11, 12, 14, 15, 16, 17, 21, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35) as well as periodic updates (potentially through a tracking tool to be prepared by ICANN org) on the Board's ongoing consideration of the GAC Consensus Advice from the Montreal Communique. The Board further understands that the GAC notes the opportunity that an Operational Design Phase for the SubPro PDP recommendations may provide for a cost-benefit analysis to assist the Board in its consideration of whether the PDP recommendations are in the best interests of the community.	The Board thanks the GAC for its follow up on previous GAC advice concerning the CCT Review and subsequent rounds of New gTLDS. The Board agrees with the utility of adopting a coordinated approach on implementing the CCT recommendations highlighted by the GAC as well as periodic updates to the GAC. In this regard, the Board notes that its consideration of these follow-up items from previous GAC advice is being done in conjunction with its review of other relevant community work. In particular, the Board refers the GAC to the correspondence exchanged following the ICANN66 Montreal Communique, including: (1) the GAC's January 2020 acknowledgment that certain recommendations can only be implemented when a new round of gTLDs is launched; and (2) the Board's February 2020 letter that noted its inability to act on the GAC advice until it has completed its consideration of all the CCT recommendations as well as those from the GNSO's New gTLD Subsequent Procedures ("SubPro") and Review of All Rights Protection Mechanisms ("RPM") PDPs. Since that letter, the GNSO Council has approved both the RPM and SubPro PDP Final Reports, and these are currently pending before the Board. Regarding a status update, the Board updated the GAC at ICANN70 on the status of the CCT Recommendations highlighted by the GAC as follows: March 2019: The Board accepted six of the CCT Review Team's recommendations, including #1 (promote ongoing data collection), #17 (collect data about the chain of parties responsible for domain registrations), #21 (enhance Compliance reporting), #22 (engage stakeholders on best practices regarding security of health and financial information), #30 (expand outreach into the global south) & #31 (pro bono assistance program for new gTLDs). ● The Board understands that ICANN org has since completed implementation of #17 and that implementation is in progress for the other accepted recommendations as feasible with existing resources and budget. ● For those which require additional resourcing to implement, these will be subject to the prioritization and planning process under development for the community to consider the numerous recommendations from review teams and other efforts such as Work Stream 2, and how to organize and resource the work. October 2020: The Board further accepted an additional 11 recommendations, including #7 (collect information on parking practices), #11 (conduct periodic end-user surveys), #23 (collect data on highly-regulated sectors) and #26 (study cost of trademark protections in expanded gTLD space). ● The Board understands that ICANN org has begun implementation planning for these accepted recommendations, including considerations of the resources that will be required to implement them.

GAC Follow-up on Previous Advice Item	Follow-up on Previous Advice Text	Board Understanding Following Board-GAC Call	Board Response
			#9, #12, #16, #25, #27, #28, #29, and #32-35 were passed through to the GNSO as they concern gTLD policy development within the GNSO's remit. ● The Board has just received the GNSO Council's Recommendations Report on RPMs and SubPro. As part of its consideration of the final recommendations from these PDPs, the Board will review the extent to which they address the relevant CCT recommendations. The final three recommendations highlighted by the GAC remain in pending status: #5 (collecting secondary market data), #14 & #15 (recommendations relating to negotiating and amending ICANN's contracts with registries and registrars relating to anti-abuse measures and to prevent systemic use of Contracted Parties for DNS security abuse). ● The Board understands that ICANN org is continuing with preparatory implementation planning for #5 along with other data collection recommendations. ● For #14 & #15, the Board had directed ICANN org to facilitate community efforts to develop a definition of "abuse" to inform further action on this recommendation. The Board has continued to follow the community's discussions on this and other aspects of DNS abuse mitigation, including the recommendations from the SSR2 Review Team and the recently issued advice from the SSAC. Regarding a cost-benefit analysis, the Board expects that, in delivering recommendations to the Board, the community will have reached consensus utilizing the multistakeholder policy development process. The Board carefully follows the community's policy-making processes and, where appropriate, engages with PDPs via liaisons. With the new Operational Design Phase (ODP), the community will have additional visibility into the Board's assessment of policy recommendations before it takes action on those recommendations. The Bylaws obligate the Board to consider the best interests of ICANN and the ICANN community when taking action on PDP recommendations. The Board accepted the GAC's advice from the Helsinki Communique, noting that the Board is not in a position to manage the content and timeline of ongoing community reviews. The Board recognized at the time that the CCT Review Team was concluding its work and understood that the Review Team was looking at the issues noted in the GAC's advice, and anticipated that such recommendations from the Review Team could be incorporated into the policy development work on subsequent rounds of the New gTLD Program. Many of these recommendations from the CCT review were passed through to community groups and have now been considered by the Subsequent Procedures PDP Working Group, as detailed in the Final Report.
2. IGO Identifiers	While the GAC welcomes the new GNSO Work Track on Curative Rights, the GAC recalls prior GAC Advice (e.g., from Johannesburg and Panama) and ICANN agreement on a moratorium for new registrations of IGO acronyms ahead of a final resolution of this issue.	The Board understands that the GAC welcomes the work being done by the ongoing GNSO Work Track on IGO Curative Rights and that the GAC wishes to recall its previous advice, including (from the Johannesburg Communique) for	The Board thanks the GAC for its follow up on previous GAC advice concerning IGO curative rights protections. The Board also thanks the GAC and IGO representatives for their participation in the ongoing IGO Work Track and looks forward to receiving and considering any policy outcomes that may be developed through Work Track consensus and approved by the GNSO Council. As noted in the Board's 23 February 2021 letter to the GAC that followed the Board-GAC Consultation Process call held on 1 February, the Board will

GAC Follow-up on Previous Advice Item	Follow-up on Previous Advice Text	Board Understanding Following Board-GAC Call	Board Response
		a dispute resolution procedure to (i) be modeled on, but separate from, the existing Uniform Dispute Resolution Policy (UDRP); (ii) provide standing based on IGOs' status as public intergovernmental institutions and (iii) respect IGOs' jurisdictional status by facilitating appeals exclusively through arbitration; and (from the Panama Communique) for the Board to work with the GAC and the GNSO to ensure that GAC advice, including the IGO "small group" proposal, is adequately taken into account by the Board when considering the outcomes of the Curative Rights PDP that preceded the current IGO Work Track.	maintain the interim reservations currently in place for IGO acronyms until the permanent post-registration notification system that the Board intends to direct ICANN org to develop for IGOs is in place. This proposed mechanism will form part of the totality of IGO protections when combined with the existing Consensus Policy that protects IGO full names and the final outcomes of the GNSO's IGO Work Track. The Board notes, additionally, that ICANN org is currently doing further analysis on the potential implications for trademark law should specific protections be developed and approved that are based on a defined list of IGO names and acronyms.

The following text acts as an Annex to the ICANN Board's response to the GAC advice regarding the EPDP Phase 2 Final Report, noted above on page 1 of this scorecard.

Fragmented Disclosure System

The GAC noted in its Minority Statement that granting contracted parties full discretion in reviewing disclosure requests "may undermine the obligation to ensure the continued viability of domain name registration data as a tool to vindicate the rights and interests of the public, agencies tasked with protecting the public, and commercial and intellectual property constituencies." At the same time the GAC acknowledges "that under applicable data protection rules, including the GDPR, contracted parties would likely remain responsible for the decision whether to disclose domain name registration data, and they may face certain liability risks related to that decision."

The Board understands that the EPDP Phase 2 team proposed a non-centralised disclosure model system, the SSAD, given that for practical purposes the law effectively prevents a centralized model. This is because contracted parties would be responsible and liable for disclosure decisions and contracted parties should be the ones making that decision. As a result, the system proposed by the EDPD Phase 2 team foresees that ICANN Contractual Compliance would not be in a position to evaluate the substance of a contracted party's decision nor would it have the regulatory or governmental authority to compel a different disclosure decision than the one taken by a contracted party.

Accuracy

The GAC noted in the Minority Statement that the accuracy of registration data is an essential requirement of GDPR, and that "[d]isclosure of inaccurate data would defeat the purpose of the SSAD and risk violating data protection rules." The Board would like to highlight that this statement by the GAC indicates that, in the GAC's view, inaccuracy of data disclosed via the SSAD could result in liability vis a vis data subjects and even toward third parties relying on the accuracy of the data disclosed.

The Board has a different understanding of this principle, and offers the following for additional consideration. As noted in legal guidance provided as part of the EPDP Phase 2[1], the accuracy principle under the GDPR should be considered in the light of the GDPR's risk-based approach, taking into account, among other things, the purpose and impact of processing. Relevant to this is analysis is the fact that registrants (data subjects) directly provide the registration data that is published in the RDDS, and ICANN, through its contracts with registrars, has in place binding and enforceable obligations for registrars to help confirm the accuracy of registration data. Failure to comply with these affirmative obligations could lead to a registrant having its domain name suspended. It could also lead to a breach of the Registrar Accreditation Agreement if a registrar is not complying with its obligations to verify and validate registration data at certain points in the lifecycle of a domain name registration. In light of the facts and circumstances, the Board is of the mind that the existing measures and mechanisms in place are sufficient to satisfy the legal requirement of the accuracy principle under the GDPR and would not violate data protection rules as noted in the GAC's Minority Statement.

The Board would, however, like to highlight that it has concerns that the mechanisms ICANN has in place to confirm and enforce accuracy of registration data have been hampered because of the GDPR. Specifically, the redaction of registration data containing personal data from the RDDS has diminished ICANN Contractual Compliance's ability to check compliance and obtain access to non-public registration data. Additionally, there has been a decrease in the number of valid WHOIS accuracy complaints handed by ICANN Contractual Compliance, which is attributed to the unavailability of public contact information in RDDS.[2] As well, the unavailability of some public contact information in RDDS has hampered ICANN org's ability to continue with the original framework for the WHOIS Accuracy Reporting System (ARS) program, which was another tool to help confirm the accuracy of RDDS data. Overall, it is possible that the GDPR has diminished the accuracy of RDDS data given that ICANN and other reporters who previously contributed to improving the accuracy of the data published in the RDDS can no longer view the data. This context is important to factor in when discussing ICANN policies concerning accuracy as in practice it might be difficult to implement such policies due to the restrictions on access to registration data as a result of the GDPR.

Anonymized Email Address

The Board notes the GAC's Minority Statement suggestion that further feasibility analysis should be conducted concerning the use of anonymized email. As discussed in ICANN CEO & President Göran Marby's 10 September 2020 letter to the GAC, it is also the Board's understanding that requiring the use of an email address uniquely relating to an individual registrant would not meet the definition of "anonymized" as contemplated under applicable data protection law, and in fact, might be considered personal data that should not be published in the RDDS.

Next Steps/ Possible Actions

In its advice, the GAC advised the Board to "take necessary action, as appropriate." The Board has identified the following next steps to address the GAC's advice:

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[1] See 9 April 2020 Memo from Bird & Bird regarding Advice on Accuracy Principle under the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"): follow up queries on "Legal vs. Natural" and "Accuracy" memos https://community.icann.org/display/EOTSFGRD/EPDP+-P2+Legal+subteam?preview=/111388744/132941800/ICANN%20memo%209%20April%202020.pdf
[2] See https://www.icann.org/en/system/files/correspondence/swinehart-to-fouquart-26feb21-en.pdf

Operational Design Phase

Some of the GAC's concerns as outlined in the rationale, including cost considerations and enforcement standards, will be further explored during the Operational Design Phase (ODP) for the System for Standardized Access/Disclosure (SSAD). As noted in the Board's resolution on the SSAD ODP, "Due to the resource investment and complexity that would likely be required to implement the SSAD-related policy recommendations in a timely and predictable manner, initiating an ODP is essential to inform the Board's deliberations, including whether the recommendations are in the best interests of the ICANN community or ICANN."

In particular, the scope for the ODP includes the following:
- Operational readiness as it relates to the operation of the SSAD itself; what and how ICANN org needs to implement and operate the SSAD.
- Contractual compliance and the process workflow for SSAD-related complaints.
- Staffing and resourcing, including whether additional staff and/or vendors are required to operationalize the SSAD.
- Financial analysis, including revisiting org's May 2020 cost estimate of the SSAD, that was produced at the request of the EPDP Phase 2 team.
- Risks assessment, including legal and reputational risks.

Additional Engagement with Data Protection Authorities

With respect to the concerns expressed in the Minority Statement about a fragmented disclosure system, the Board notes that ICANN org elevated the question whether shifting decision-making would impact liability of the contracted parties to the level of the Data Protection Authorities with the submission of the proposed Unified Access Model or Strawberry model for its consideration. The Belgian authority did not provide any actionable guidance. Neither did the European Commission, which did not take action to elevate the issue at the level of the EDPB. The Board understands that the GAC would like ICANN org to continue to pursue this question and a concrete answer on the viability of a centralized model that would ensure that the contracted parties are not liable for decisions they do not make.

Consensus Policy Development

The Board notes that the GAC urged the GNSO Council to ask the EPDP to further address the issue of controllership. However, the GDPR determines which party is a controller and which a processor. The issue of controllership of the processing of personal data cannot be determined as a matter of policy. Instead, it is determined by the application of the law to the facts of a given processing operation.

Also, the GAC proposed that "distinguishing legal from natural persons during the registration process could include assigning legal persons into the category of persons whose data should be automatically processed" given that "[i]nformation concerning legal persons is not considered personal data under personal data protection regulations, including the GDPR[.]" The issue of distinguishing between registrations of legal and natural persons is the subject of ongoing policy discussions as part of the EPDP Phase 2A.