Consolidated comments SOPC

1. Introduction

The ccNSO Strategic and Operational Planning Committee (SOPC) welcomes the opportunity to comment on ICANN's Draft FY24–28 Operating & Financial Plan and Draft FY24 Operating Plan & Budget. The SOP working group was created at the Cairo ICANN meeting in November 2008. The working group became a Committee in November 2017 and the terms of Reference were reviewed and updated in 2022.

The goal of the Committee is to coordinate, facilitate, and encourage the involvement of ccTLD managers in ICANN's strategic and operational, planning and budgetary processes. Membership of the Committee is open to representatives from all ccTLD managers (members and non-members of the ccNSO).

According to the SOPC Charter, the Committee may as part of its activities on its own behalf take a position and/or provide input on the public comments forum, and subsequently relate back to ICANN or other Supporting Organizations and advisory WGs. Therefore the views expressed in this submission are of the SOPC only. They are not necessarily those of the ccNSO (Council and/or its membership) nor from the ccTLD community at large nor individual ccTLD Managers.

As part of the 2022 review of its Terms of Reference, the SOPC reviewed its working methods. As a result the SOPC focuses, but not restricts itself, to those areas in the planning documents considered relevant for ccTLDs.

To assist the reader, the SOPC included its general observations and comment in section 1 of this submission (page 2-3). Specific comments on the FY24-28 Operational Plan and Financial Plan Operational Initiatives and Functional Activities are included in section 2 (page 3 - 5) and section 3 (page 5- 7). Finally, section 4 (page 7-8) includes observations and comments with respect to Budget.

The full list of members and observers is included in Annex A.

If you have any questions with respect to this SOPC submission, please do not hesitate to reach out to us.

On behalf of the Committee,

Andreas Musielak, chair of the SOP Committee
Irina Danelia, vice-chair of the SOP Committee

Section 1. General observations and suggestions

The SOPC is pleased to note that the document format is consistent with last year's format. This greatly helped us compare the previous plans with the proposed planning documents, and where there was a difference, the difference was generally well explained. However, an additional explanation may be needed to fully understand some area's initiative or functional activity.

Key Performance Indicators

In last year's submission the SOPC suggested that ICANN org, the Board and community jointly review the current non-transactional metrics and KPIs to assess whether they measure what they are supposed to measure, for example progress of the project or activity against the stated goal, relevance from a community perspective etc. In the response ICANN org indicated it would review and engage with the community in FY23 to identify potential improvements in progress measurement. In addition, the "How Progress is Tracked" sections of the plan will continue to be refined and more metrics-driven in future documents.

Although the SOPC has yet to observe engagement with the community to identify potential improvements in progress measurement, the SOPC is pleased to note that in many cases, the definition of KPIs has improved. However, in some cases it is still vague and not well-defined.

In the documents the term "milestones" is used. What is described is not a milestone. For example: under the Functional Activity **TECHNICAL & DNS SECURITY**, ICANN org uses a combination of milestones, metrics, and reports to track this Functional Activity, including, but not limited to, *Root Zone Key Management Facilities upgrades completed in U.S. East and West regions* and *Deliver the IANA functions by meeting all associated contractual deliverables*. It is the view of the SOPC that *Root Zone Key Management Facilities upgrades completed in U.S. East and West regions* is a real milestone, whilst "*Deliver the IANA functions by meeting all associated contractual deliverables* is an ongoing activity.

Where deemed relevant, the SOPC will comment on the proposed KPIs.

Operational Sustainability: Call to action

Last year the SOPC reiterated the need for the Community, the Board and ICANN org to balance workload and resourcing by setting priorities. In its response, ICANN org stated that during the FY24 annual planning process, ICANN org would implement the prioritization framework with the full scope of activities to be prioritized in discussion with the community. The SOPC commends ICANN org for further developing a Prioritization Framework. As part of the planning process, it is now also becoming more evident that planning efforts at ICANN are increasing, including the implementation of community proposals.

As people associated with ccTLD Managers and hence the operation of (cc)TLDs, we appreciate the need for planning to operationalize the proposed work. Based on our operational experience we also know that the fewer specific details are included in proposals, the more detailing as part of the planning of implementation is needed, which is a resource-intensive activity which circles back to the need for prioritization.

To ensure the operational sustainability, which is in everybody's interest, we believe the required planning efforts should be reduced by improving the quality of work, starting with the work and demands of the community. The SOPC suggests that the community, ICANN org and the Board jointly review the current quality of work and identify areas for improvement. In the view of the SOPC, the value of the multistakeholder model is in its mandate to develop policy by involving the various stakeholders and then deliver on the policy in a reasonable timeframe.

Community questions - Pilot Holistic Review

In preparation of this submission the SOPC has asked three (3) questions to seek additional clarification, including on the Pilot Holistic Review. The SOPC welcomes the timely responses (https://itp.cdn.icann.org/en/files/operating-plan-and-budget/draft-fy24-plans-clarifying-questions-report-30-01-2023-en.pdf).

Regarding the response on the question pertaining to the pilot Holistic Review, the SOPC wishes to express its concern that such an anticipated major operational effort - both from a community and ICANN org perspective - is not further detailed in the Planning Documents. The SOPC would appreciate to hear from ICANN how this effort will be reflected in the FY 24-28 and FY 24 planning documents, assuming it is still the intention this effort or an alternative effort will start in FY 24.

Updates FY24 vs FY23 Plan

We have noticed that description of Global Meetings Operations Functional Activities says (page 197):

Three ICANN Public Meetings scheduled for FY24:

- ICANN75 Kuala Lumpur, Malaysia | Annual General Meeting
- ICANN76 Cancun, Mexico | Community Forum
- ICANN77 Washington, D.C., United States | Policy Forum

The meetings just mentioned took place in FY23. Though it might be just one isolated case, we still wonder if there are any other sections of the Plan not updated since FY23 ?

Section 2. Specific comments on Operating Initiatives

Support the Evolution and Strengthening of the Root Server System and Root Zone Management
The FY24 plan combines two Initiatives of the FY 23 plan, namely Root Zone Management Evolution and Support the Evolution of Root Server System.

This initiative is equally important for gTLDs and ccTLDs, as it is a core service for TLDs. The SOPC therefore supports the planned efforts.

Facilitate Domain Name System Ecosystem improvements
It is not clear to the SOPC what concrete actions ICANN itself will take to enable DNSSEC and implement DANE.

While ccTLD Managers with an interest will be able to coordinate with ICANN OCTO, there are no specifics outlined to ccTLDs.

It is noted that promoting DNSSEC is not purely a technical matter. Coordination is needed not only with ccTLD managers but also gTLD registries and registrars. ICANN is suggested to create business incentives to sign and validate DNSSEC, especially for gTLDS.

Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking
The SOPC notes that Initiative is very light on ccTLD specifics, and hence no specific comments are provided.

Evolve and Strengthen the ICANN Community's Decision Making Processes To ensure Efficient and Effective Policy Making

The SOPC notes that Initiative is very light on ccTLD specifics, and hence no specific comments are provided.

Evolve and Improve Internal and External Ethics Policies
The SOPC expresses its concern that the Ethics Policy appears to be subject to variation rather than being an absolute statement of values.
The risk is a focus on process rather than addressing the more substantive risk of "Failure by ICANN Org to demonstrate the highest ethics standards at all times thereby playing a model role for the community."

Promote and Evolve the DNS Through Open and Transparent Processes That Enable Competition and Open Entry in Internet-Related Markets While Ensuring the Stability, Security and Resiliency of the DNS
It is unclear and/or not easy from the community perspective to follow the progress on this initiative.

SOPC noticed that the Operating Initiative 'Promote the Universal Acceptance of Domain Names and Email Addresses' that was a part of FY23 Plan is not included in FY 24 Plan. It is now part of 'Promote and Evolve the DNS Through Open and Transparent Processes That Enable Competition and Open Entry in Internet-Related Markets While Ensuring the Stability, Security, and Resiliency of the DNS' Operating Initiative. The plan does not explain this change. We wonder whether ICANN believes that this initiative should be considered only along with gTLD-related activities that mostly form the scope of Operating initiative?

We believe that UA-related activities should not be gTLD-oriented and ccTLD community should be mentioned directly because UA and IDN are highly relevant to ccTLDs and ccTLD are deeply involved in the development of UA and IDNs.

Geopolitical Monitoring, Engagement and Mitigation
The SOPC noted that ICANN is not a research institute. ICANN Org and ICANN Community need to keep pursuing an adequate level of resourcing for geo-political monitoring work.

Success calls for engagement by ICANN beyond the GAC as both the ccTLDs and Regional Organisations (the ccNSO IGLC, APTLD, CENTR) are involved and active in this area and would be able to provide and share information and experiences and would also benefit from ICANN's information and experience in this area.

Improve the Depth of Understanding of the Domain Name Marketplace Drivers That Impact ICANN's Funding
The SOPC notes that Initiative is very light on ccTLD specifics, and hence no specific comments are provided.

Implement New gTLD Auction Proceeds Recommendations as Approved by the Board

The SOPC notes that Initiative is very light on ccTLD specifics. Additional comments are in Section 4.

ICANN Reserves

The current amount of ICANN reserve funds has reached a level of 14 months of operations. The SOPC believes that this level should be maintained to ensure continuous financial sustainability.

Section 3. Specific comments on Functional Activities

Service Group Technical & DNS Security

Concerning the activity Internationalized Domain Names and Universal Acceptance, it is stated that support is provided to the policy development work on IDNs, including IDN variant top-level domains (TLDs), by the Country Code Names Supporting Organization (ccNSO). However, we would like to emphasize the need for more active outreach to technology and tool providers to promote UA readiness, specifically IDN UA readiness.

Service Group Policy Development and Implementation Support

In the draft FY 24 – 28 Operating Plan and FY 24 Operating Plan under Policy Research and Stakeholder Programs, support for Board consideration of GNSO consensus policy recommendations is specifically mentioned. The SOPC notes that similar support for ccNSO policy recommendations is not included. Although the ccNSO does not regularly develop policies, two efforts are underway and nearing completion, including the ccNSO PDP on the selection of IDN ccTLD strings. The SOPC wonders whether not including support for the Board consideration of ccNSO policy recommendations implies the support is not provided, not needed, an omission, or is there another reason not to include it?

With respect to the Technical Services Functional area under Policy Development and Implementation Support, the SOPC notes that in both the FY 24 – 28 Operating Plan and FY 24 Operating Plan they seem to be at an appropriate level – which is obviously important to ccNSO. Even though many of the activities are oriented toward GNSO (e.g. RDAP provisions), the SOPC is pleased to see that additional staff may be called for (according to the FY 24 Operating Plan) as the FTE is set at just 4.

Regarding tracking progress for this functional area, the SOPC believes that the proposed manner in which progress is tracked of the Registrant Program in Strategic Initiatives Functional Area of the FY 24 Operating Plan should be improved. For example, it needs to be clarified whether the tracking addresses both ccTLD registrants and GTLD registrants (there may be contractual differences but certain general principles should be the same).

The SOPC is of the view that the risks and dependencies under Policy Development and Advice are appropriate, especially about the importance of prioritization and staff bandwidth in both the Five year plan and the FY 24 Operating Plan.

The SOPC notes that Contracted Parties Services Operations under both the FY 24 – 28 Operating Plan and FY 24 Operating Plan appear to be normal, stable, unexceptional and not detract from other services including services relating to ccNSO.

In the view of the SOPC the level of activities under the Strategic Initiatives functional area as included in the FY 24 Operating Plan seems appropriate and important to ccTLD community – especially regarding IDNs and UA, monitoring legislation, and ensuring security and stability of DNS.

The Constituent and Stakeholder Travel Functional Activity appears to be stable and sound in both plans and in the view of the SOPC Travel funding makes perfect sense.

Service group Community Engagement and Services

Most, if not all, activities under the Service Group Community Engagement and Services in the FY24 Operating Plan are clearly described and include a chapter Resources, including staffing and costs. However, the SOPC notes that with respect to Regional Offices, not all of this data is provided: the non-staff costs for the offices is provided, but not the data on FTE in the Regional Offices. The SOPC would like to understand the reason this data is not provided.

With respect to the Regional Offices, the SOPC would like to understand how progress can be tracked through "Development of tailored plans for European legislation tracking and technical engagement". The SOPC would welcome an explanation of this metric.

To be clear, the SOPC welcomes ICANN's initiatives in this area. However the SOPC also believes that to be most effective in this area of legislation monitoring and technical engagement, closer cooperation between ICANN and the ccNSO Internet Governance Liaison Committee, relevant working groups of the Regional ccTLD organizations, and when needed - for example to track legislative development and engage at national level - individual ccTLD Managers is beneficial and strengthen this functional area and will avoid misunderstandings.

The SOPC notes that most initiatives and activities are very focused towards gTLD and hardly refer to ccTLDs with the exception of general activities like travel funding, language support etc.

Service Group ICANN org Governance
The SOPC notes that this functional area is fairly stable compared to last year. The SOPC notes that new Governance Support activities with respect to implementation of New gTLD subsequent procedures and WHOIS Disclosure System are included.

The SOPC also notes that with respect to Review Support and Implementation the role of Functional Activity in implementing new gTLD auction proceeds is upgraded from "support" status to "Lead". The SOPC would like to understand if such a change of role is appropriate in light of governance of that program?

With respect to tracking progress in this area the SOPC would appreciate additional metrics, milestones with respect to the Nominating Committee.

Service Group ICANN org Shared Services

The SOPC notes that a new Functional Activity, namely Planning is introduced and Global Shared Services Functional Activity is excluded (if compared to FY 2023 Plan). The SOPC notes that the activities under Planning are fully explained, however it is unclear to the SOPC how activities previously mentioned under "Global Shared Services" were captured in the planning documents.

The SOPC notes that with respect to Engineering and Information Technology Activity it was mentioned in FY23 Plan that "To improve staff 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." This activity isn't mentioned in the FY 24-28 Plan. The SOPC wonders if this goal is abandoned, and if so, how the goals of retention and execution control will be achieved.

Section 4. Comments on Draft FY24 Budget

Planning Assumptions

The SOPC welcomes and appreciates the Planning Assumptions. They provide the narrative to follow the documents and make it easier to understand. It is an indication of good management practice and allows one to focus on key areas of the financial documents in an easy and digestible way.

General Budget

The SOPC welcomes the budget as proposed. It expresses the stability of the organization, especially in the current geopolitical and economic climate.

Caretaker Budget

The SOPC appreciates and supports the Caretaker Budget as proposed, including the delineation of the roles of the ICANN Board and the Empowered Community / Decisional Participants, including the ccNSO.

The new gTLD program

The SOPC notes this program is relevant for ccTLD Managers:
- Although the program is by definition gTLD focused, some ccTLD Managers may choose to apply for a new gTLD under this program.
- The intention is to specifically focus the program on IDNs and hence the universal acceptance (UA) program is critical. Developments in area of UA do affect all IDN TLDs (including IDNccTLDs)
- The need to ensure that geographic names do not impinge on ccTLDs

The SOPC notes that section 5.2 deals with a further round of applications and the consequential results of the ODA. This is 'new' money being spent. Although at this stage the actual next moves following the ODA are still unclear, if and when the button is pushed for a new round the SOPC believes there will be significant material effects on ICANN both financially and in respect to head count, with all risks for the organization associated with it.

Prioritization Framework

The SOPC notes this is the first time the Prioritization Framework is effectively influencing Operational Planning. The SOPC agrees with and supports the method used. It helps to reduce "surprises" and enables the ccNSO (and potentially other Supporting Organizations and Advisory Committees) to work more effectively and efficiently.

Grant Program

The SOPC welcomes that the Grant program has become operational, and interested ccTLD Managers may apply. However, the SOPC expresses its surprise regarding the costs of executing the Grant Program. It appears to be 40% of the amount of the entire budget not including the Technical and DNS Security service area. At the same time the SOPC that all requirements do come with a cost.

Headcount/Resources

SOPC has noted that staff costs are increasing by a further 10%. In particular we acknowledge the new hires for the following initiatives - New gTLD SubPro, Review Implementation and Grant Program. We propose to always increase costs in the area of personnel with a sense of proportion and to carry out internal personnel allocation where possible. Furthermore, we would like to see meaningful KPIs developed, especially in the area of human resources.