CLAUDIA RUIZ

Hello, and welcome to the ccNSO Strategic and Operational Planning Standing Committee Work Session. My name is Claudia Ruiz, and I, along with my colleague, Joke Braeken, are the participation managers for this session. Please note that this session is being recorded and is governed by the ICANN Community Participant Code of Conduct, the ICANN Expected Standards of Behavior, and the ICANN Community Anti-Harassment Policy.

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On-site participants will use a physical microphone to speak and should leave their Zoom microphones disconnected. For the benefit of all the participants, please state your name for the record and speak at a reasonable pace. Thank you, and with that, I will now hand the floor over to Andreas Musielak, Chair of the SOPC. Thank you.

ANDREAS MUSIELAK

Good morning, everyone. So, a warm welcome from Mumbai to all participants. So, as always, Irina and I will guide you through today's agenda. So, we have not such a packed agenda, so because we had a lot of work just in the recent months.

So, the agenda for today is basically just review the process about the Operating Plan and Budget Review we did, so what went good, what went wrong. That's all the basic points. Then, agenda item three. Is the Operating and Financial Plan. So, Alex will give us for the agenda items three and four. So, an introduction, so a little bit, the views from the ICANN perspective and probably some first answers about PTI.

We have Kim with us, so if there will be questions related to the work of PTI, he will hopefully answer those questions. And then, we come to a very important point, which we are keen to see the progress on the management framework program. That's, for us, important for the ccNSO community since these measures a little bit, or it should measure the success of the projects. So since Becky will join us around 11:15, so Margaret will start, and then if we still have time, we have somehow to fill the time, but I think we will have some topics to discuss.

With that, I would start with an open question to my SOPC colleagues, what went well and what can be improved. In particular, we ask the co-chairs, I saw Olga already online, so probably Olga, you can tell us what you think went well and what we can improve for the upcoming operating and budget plan. Olga, are you with us?

OLGA CAVALLI Yes. Can you hear me?

ANDREAS MUSIELAK I can hear you perfectly. Thank you.

OLGA CAVALLI Morning from very, very early morning. I see Everton also there, it's 2 a.m. here in South America. So, thank you very much. I don't know if you want me to go through all the documents and outcomes that we had this year.

ANDREAS MUSIELAK No, no, no, that's not necessary.

OLGA CAVALLI Okay, we already did that online. I think this year it went very well. The group went through all the details that were requested to review, and we worked as a team, which last year was not so easy. And also, I had the help from all the team, but especially from Pablo, that we kind of led together the whole team.

So, that went fairly well, and in general the document and the outcomes were already shared and also put together by the SOPC team. Irina, and I don't know if you want -- Pablo, are you there? I see you there, Pablo. You want to say something?

PABLO RODRIGUEZ

Gracias, Olga. And greetings, all. Yes, it was a great experience. I think it worked out very well. I like the two. modes of presenting information. The brief way of answering those questions, yes, no, maybe, somewhat, and so on, that worked out really well, but it was also a good experience to go through all the formal ways in which we presented the information of what was working or how we felt about a particular policy and so on. So, in general, I believe it worked out very well. Thank you.

OLGA CAVALLI

And I would like to thank Pablo and all the team that did an effort and review all the documents. I know it's a difficult time of the year because we are usually focused on holidays and many people are on holidays in the South. So, I think it went very well. So, I hope that if we repeat the experience in the future, we'll be even better. And thank you for the opportunity.

ANDREAS MUSIELAK

Thank you, Olga and Pablo. And there are areas of improvement from your point of view, or actually we can process as it is for the next year?

OLGA CAVALLI	I think the time of the year doesn't help but it it's not it's something that we have to take for granted um it's difficult people sometimes are not so much focused on the work that we do at icon it's right the beginning of the year end of the year that makes it difficult a little bit. And also, there were some members of the team that didn't show up much. So, my comment is similar to what I did say last year. If you really want to commit in the group, think that you will need some time by the end of the year or beginning of the next year. And if you cannot do that, just say, no, I cannot do that. So that's my only comment. But the rest, I think it went well.
ANDREAS MUSIELAK	Okay, thank you. Then, Atsushi, you want to share your views? What went good? What can be improved?
ATSUSHI ENDO	Yes, sure. Atsushi ENDO for the record. I think that this year that we had each team meeting on the middle of January, it was very good. Team three has a very good discussion at that meeting. That, yes, and that is a good point. And so, it is the result of the discussion makes it easy to combine the whole comments regarding the budget things mainly for the team three. And that was a good point, I think. And the things need to be improved. It seems that for the newly joined SOPC member, it seems that hard to read the whole document, lots of pages and the

structure of the document is little bit hard for the newcomers. So, read by yourselves and send a comment things are a little bit hard. So maybe it's good to have a whole SOPC members for guiding the content of the document. And end of December or early January. It helps especially the newly joined members, I guess. That's all, thank you.

ANDREAS MUSIELAK

Atsushi, you raise a good point. It's a very huge document we have to go through. So, my first question to all of you guys is, Irina always tries to prepare a split so you don't have to go through all the documents. So, my question is, so as Irina is doing this base work in upfront, does it help or is it still necessary to go through all the documents? So, probably whoever wants to answer this question, Pablo.

PABLO RODRIGUEZ

Thank you. I agree with Atsushi and with you that it is a long document. And I like the point that you bring it, Atsushi, that perhaps, especially for newcomers, it might require that we have a meeting of newcomers along with people who are familiar with this that we can help guide what are those answers that are expected or at least what is the best way to analyze the document. So, that is one approach.

With regards to dissecting the document in pieces so that it won't be that long, I see one downside to that, which is in our report, we presented that while team two was doing this particular analysis, we saw things that were happening in team one that could affect the outcomes of the analysis in team two.

So, unfortunately, you need to have that long document because if you really want to do a good job in terms of analysis, you need to be able to see some things from the other teams that could affect what you're doing or what you are forecasting that could happen. Thank you.

ANDREAS MUSIELAK Okay. Dejan, before we come to you, we still got to catch up on this point. I think it's really a good point what you mentioned that we should probably help onboarding our newcomers. I think we take this into consideration. Irina, I think you agree with me. That's a good point. But Biyi, ah, Olga, sorry. Yeah, please.

OLGA CAVALLI No, that's okay. I'm not seeing whoever raised hand.

ANDREAS MUSIELAK So, it's Olga and then Atsushi.

OLGA CAVALLI Thank you. I think Atsushi made a very good point. Also, Pablo. Another thing that we usually did this year and the previous year is referring to the previous year document because we want to compare. So, that takes time.

I think that the fact that the document's split is very, very useful. It helps a lot. But at the same time, we have to go to the full reference. And as Pablo said, taking a look up what other teams are doing and what happened the previous years. So, yeah, I agree with the suggestion made by our colleagues of onboarding.

And again, if you're going to commit, think about the time that you will need. It's a very interesting document, by the way. It's long, but it's not hard to read. I mean, sometimes some documents from ICANN, from other meetings are very kind of dense or with many different terms that you have to remember. But this is easygoing. It's long, but it's easygoing at the same time. So, this is my comment. Thank you.

ANDREAS MUSIELAK Okay, Atsushi, you had your hand up.

ATSUSHI ENDO Thank you. Thank you, Andres. I'd like to say that Irina's preparation is great and it helps each team a lot, I think. Thank you so much.

ANDREAS MUSIELAK Okay, but again, I think I would like to touch this point again. So, because the idea was, we had separated meetings with all the three

Working Groups. So, focusing particularly on their parts of the review. And then we had a common meeting with all three parts. But still, because what I want to avoid is to do additional work.

So, Atsushi's idea is great, but I just wanted to know if we probably need to only to improve our meetings we have. Because we have, as I mentioned, so starting with the subgroups and then have a common meeting. Because what we do and Irina and Bart and also Joke and Claudia, we consolidate the data. And if we see there are different views on almost the same points, because some strategic points are similar. So, we try to solve that.

So, probably if that not helps, then we should really take Atsushi's point very much into consideration. And I have another part. Because always before we start, so when the publishing is beginning of December, there are always two workshops of ICANN planning. Is this helpful or should we also ask ICANN planning to change a little bit? So, we have, I see, I don't know who was first. Biyi, you were first. And then Pablo.

BIYI OLADIPO

Okay, thank you, Andreas. And this is Biyi Oladipo for the record. The conversation we're having on whether the work Irina did is helpful or not, I think it's extremely helpful. Not just helpful, extremely helpful because it helps to focus the groups on what they need to pay attention to. And that reduces the time that a group needs to spend on looking at the whole document in itself.

And also, the fact that the separate meeting of the different groups with the leadership of the committee also helps with the focus. And I think that's something that we should continue going forward. Or on whether ICANN planning should change the model of the interactions, I don't think they should. I think it's something that we should just continue to have because it helps to understand the whole document without having to read everything. And that helps with the time that we spend in coming up with the comments. Thank you.

ANDREAS MUSIELAK

Thank you. Pablo, and then Dijan, then it's you, Bart.

PABLO RODRIGUEZ

I believe that reiterating what Olga's comment, which is if you're going to commit to a team, know that it's going to occur at a time of the year where there may be holidays that are going to affect your ability to contribute, whether it is at the end of the year or at the beginning of the next year. But it's going to take time and it may be uncomfortable for some people.

So, you need to know, if you want to commit, it's going to take work, it's going to take time to analyze the papers. It's not difficult, but you need to take the time. So, regarding to your question, Andreas, whether the SOPC, the analysis that is done with ICANN, I wonder if it's possible to invert the way things happens is before having the meeting with ICANN, knowing the compass, the teams, what are those topics that are going to be addressed so that when we meet with the ICANN team, each team can look into the part, they can hone in into the parts that they are responsible for, and perhaps that could help. I don't know if that is possible, but if it was, in my opinion, I believe it could.

BART BOSWINKEL

If you look at it, we are very dependent on the date, and you are dependent on the date the documents are published. And there is, so if you recall, we do have some meetings with them prior to it, just to schedule it. We always ask the questions if there are major changes, but you never know in advance. You have to wait, and they can't, it's impossible for them to have a preview, allow the SOPC to have a preview on the documentation. So, that's part of the whole schedule.

ANDREAS MUSIELAK

Okay, and I think there's one point in addition to your comment, Pablo, is that this year, the structure was consistent to the last year. The year before, we had the chance because then the structure was different. And that was a challenge for us. So, I think if you maintain the structure, that helps us already. So, Dejan, but now the floor is yours. Sorry.

DEJAN ĐUKIC

Dejan Đukic for the record. First, I would like to give a comment about those, these questions that you raised. Onboarding, yeah, I agree that we need to, at least to give some onboarding for new members, maybe on a sub-team level, just to give them short presentation about methodology. I know from my perspective, when I was a new member last year, it was challenging for me just to know where to start. It's not that it's hard to understand these documents, but from which part to start and how to what methodology to use to find some fun comments and questions.

So, on the other hand, I don't think it's here in our work and that is prepared for us. That's very good approach and thank you for that. So, it simplifies the process a lot. The thing that we still need to read all the documents is because we need those other parts to understand our part, but still, we have more time now for our topic. So, it's very useful. So, I would like if we continue in this way. And I don't have much other things to share, just to thank to members of our sub-team to contribution and very useful comments and discussion on call before we prepared our part.

ANDREAS MUSIELAK

Okay, because we're running a little bit out of time. So, to summarize, so basically, we are fine with the approach. So, probably we add another layer for the newcomers. We will think about it. We will have some time until the next Operating Plan and Budget. So, and we find a solution for that. So, again, on behalf of Irina and me. So, thank you to all members, in particular to the chairs of the working groups. And this brings us to the next agenda item. So, Alex, I hand over to you.

ALEX MORSHED

Thank you, Andreas. This is Alex Morshed from the finance team for the record. Claudia, can we pull up the other slide deck, please? Thank you.

So, if we move it to the next slide, we can just look at the overall agenda. So, I'll walk SOPC through a review of the Public Comment, both the process and some specific topics that we wanted to discuss, from the ICANN and IANA Public Comment proceeding and also the PTI Public Comment proceeding.

Then I'll review the planning process, next steps and timeline. And then I'll kick it off over to Margaret and Becky from the planning team who will cover the management framework program and update on that. And then we can go into Q&A if we have time.

The next slide, please. Great. So, if we go to one more slide, I'll go over the overall planning process and timeline. So, it starts every year with a planning prioritization process where ICANN engages with the community. After that, ICANN staff develops the actual plans, which is done from July through about November, at which point we publish our plans for Public Comment.

So, that's in the December timeframe. And yes, we realize the challenge of the time of year and we thank all community members for their patience and their work on this. It's very important that we get the community feedback. So, the Public Comment proceeding ends in February. So, we're right now at the last stage of this orange arrow. So, right now we're working on going through the Public Comments and we'll produce a report with our responses in April.

And then the Board will consider any changes, if necessary, as a result of the Public Comments or market factors that may have changed some of the assumptions in our Operating Plan or budget. At which point, the Board will review the plans that are proposed for adoption in May. And if they are adopted, there is an empowered community period in late May, early June for 28 days. And if there are no petitions raised, those plans go into effect the 1st of July.

So, it is a very long process, as you can see. So, there's not much we can do with the timeline, but again, thank you for your work on this and your feedback. Can we go to the next slide, please?

So, the big document is the Operating and Financial Plan and for the five-year and the one-year Operating Plan. And this is basically divided up into two main sections. So, one is covering the strategic initiatives that are defined from the Strategic Plan that is done every five years. So, this Strategic Plan, or the initiatives from this plan, was done last year, so the period of FY26 to 30. And then our functional activities, which describes the work that ICANN does within its service groups and functions, that narrative is refreshed every year. So, that's the FY27 to 31 for the five-year program.

And then if we move on to the next slide, we have our standalone budget document. This is a little just snapshot of where we currently stand as far as our current year FY26 forecast versus the FY27 budget. You can see that in FY26, we're projecting to end with a surplus, meaning our funding is higher than our expenses, versus FY27, which is planned to be flat with funding equal to expenses.

If we can move on to the next slide. So, there are two public common proceedings. One is for the ICANN and IANA plans. There was, as I mentioned, the five-year and Operating Financial Plan and the one-year Operating Plan and Budget. Then there is the IANA Operating Plan and Budget. And also new this year was a proposal for changes to ICANN's funds, which was regarding potential changes to the reserve fund thresholds and changes to the SPCR, which is the Supplemental Fund for Implementation of Community Recommendations.

And if we can move on to the next slide. Again, going to the Public Comment process, the proceeding started the 12th of December of last year and ended the 12th of February. And as I mentioned, the staff will publish a report with responses on April 2nd. And so, just to go through some of these steps, we've received the Public Comment submissions as attachments and the responses from the guided forum, which we tried this year.

With the Public Comments, we then take the submissions and divide them into comments that are defined by statements or themes that SOPC and other community groups have provided. Then we clarify the comments where necessary with sessions like these. And then the ICANN SMEs and planning liaisons prepare for the responses. And the report is then reviewed by several teams and the executives before it's published in April. If we can move on to the next slide.

Here's a little diagram of the number of comments that we received. So, we divided our submissions this year into 187 individual comments across the ICANN and IANA Operating Plan Budget. And you can see this year, we had several more than prior years. So, that could be more engagement, but also we did have the guided forum this year which may have contributed to additional comments.

And then on the next slide, we can see the Public Comments by community group. So, we can see that in the second column, the SOPC had 55 of the 187 comments, many of them on the strategic initiative plans. And yeah, if we can move on to the next slide, there's a pie chart showing kind of the splits between the 55 comments from the SOPC. If we can move on to the next slide, here are just some key takeaways that ICANN staff has kind of gathered from the SOPC's comments.

So, there's a recommendation to expand planning assumptions, how prioritization is handled. There's concern about resourcing for some of these strategic initiatives. Support for several of our documents, including the overall financial plan and Appendix B, and for activity-based reporting.

There were also a couple of comments which we wanted to get a little bit more feedback on. So, if we move on to the next slide, we can go over those in a little bit more detail. So, the first, which came from a guided question, are the different segments of total ICANN and the work that they're doing clearly communicated. That SOPC's comment was that yes, the buckets are listed, but connections to outputs can be unclear. But what we wanted to do is just see if the SOPC wanted to comment during the session on if there are examples of any connections that appear unclear, or how we could potentially improve these connections and outputs.

ANDREAS MUSIELAK Anyone wants to answer the question from the group? Okay, Charles.

CHARLES NOIR So, hi. Charles Noir for the record, I was actually the one who brought this forward. Being relatively new, certainly on this third group, which I do appreciate the breakdown Irina. I wanted to say that before anything else. I was thinking something like an infographic. Something that brings together the flow from segment to output so that we can see directly where we have inputs and outputs that are connecting to one another.

A lot of it is clear in terms of how it's bucketed. I just found it would have been an easier way to see that mapping through. I've played with that a bit in some different modeling, but just to see what those flow throughs to the experience of the community and through the activities.

ALEX MORSHED

Could I ask, clarifying, are you saying an infographic that connects the segments of ICANN, or how those segments relate to community work?

CHARLES NOIR

Yeah, I think it's the segments through to the activities that we're doing through to the outputs that we're seeing. Okay, thank you. That brings it together in one spot as opposed to in different sections of the long document.

ALEX MORSHED

Great, are there any other comments or feedback on that one? No, okay.

PABLO RODRIGUEZ

Yes, there is one more.

ALEX MORSHED

Yes?

PABLO RODRIGUEZ

Apologies. I was trying to look for it first. Yes, I was looking at a particular question on strategic initiatives for 2026-2030, specifically derived from the pages 10 to 62, and the question is at a high level. Do the strategic initiatives seem realistic in achieving five years? And the answer that we have for that is that, and please bear with me because I'm struggling trying to find the answer, but in general, is that while we were given a particular topic that are forecasting that it was going to be achieved.

If we did not have ways to measure it, there were no measurables attached to that, and there was no budget assigned to it. So, we did not know exactly if that was something that we could do. I'm struggling trying to find the answer, but I will make it available to you as soon as I get it.

ALEX MORSHED

Yeah, understood, and this is something that we have been working on. How do we quantify some of these strategic initiatives, the work that ICANN's doing, and how do we measure against it? This is something we're actively working on, and we do plan to share that when it's ready. We had a draft version of those outputs this year, but it wasn't in a great place to share for this budget and planning cycle.

PABLO RODRIGUEZ

The information that I was referring to was initiative number 17, Improve ICANN Org Agility, and it says the initiative is marked to initiative planning in fiscal year 26, page 34. However, in appendix B, page 212, the allocated budget for this initiative is zero. So, that's why we were --

ALEX MORSHED

Yeah, that one I think is difficult because it's kind of a continuous improvement exercise that everybody works on. So, in a sense, everybody is working on ways to become more efficient and more agile. So, it might be hard to attach specific resources on that. Margaret, I don't know if you're online, if you have anything to-

CLAUDIA RUIZ

Yeah, Margaret has it lined up also.

ALEX MORSHED

Who does?

CLAUDIA RUIZ

Margaret.

ALEX MORSHED

Oh, good, okay.

MARGARET BENAVIDES

Hi, thank you so much for your comment, Pablo. This is Margaret Benavides from the ICANN planning team for the record. I just wanted to comment about your very important point.

So, as you have seen, and I think it's been already shared a few times in the plan for the strategic initiatives that we have not yet created project plans for, we haven't been able to provide that resourcing is essentially the issue. And so, it is something that is top of mind and something that we really are actively trying to figure it out, but until we have that, that's why it reflects that zero.

And you'll see that for some of the other strategic initiatives as well, but it is something that we are kind of working together to figure out who would be the right project team for that because it is cross-functional. And as soon as we have that information, we'll be able to share. Thank you so much. Hope that's helpful.

PABLO RODRIGUEZ Thanks, Margaret. And for saving time, I will just make the other points offline so that you can have that in mind. Thanks.

ANDREAS MUSIELAK But a general question, Pablo, can we help or ICANN can help somehow to indicate that there is still missing information in the budget? Is there something which ICANN can improve?

PABLO RODRIGUEZ Well, yeah, the idea was and I can understand it makes sense what the answers that have been provided are make sense. However, it does not allow me to answer the questions with a certain degree of certainty because they do not have information that's all. but I'm sure it can be solved at a later time.

ANDREAS MUSIELAK Margaret, you have your hand up. Is it a new hand or…?

MARGARET BENAVIDES

Yes, yes. I was just going to say that does make sense to reiterate that and we will look at ways to further clarify that and uh we do understand that it is difficult to fully answer if it's achievable or not without having the full picture. So yes, your comment is noted and appreciated. Thank you.

ANDREAS MUSIELAK

Okay. Alex, back to you.

ALEX MORSHED

Yeah, thank you. This is Alex Morshed again. The other comment that we wanted to touch base on a little bit. So, I'll read the comment.

SOPC would appreciate more explanation as to the reason why the current 12-month target, this is of the reserve fund, is proposed to be increased to 15 to 18 months and why the maximum level suggested range is 18 to 24 months. So, first, for our response, we realize that the wording in the investment policy may be a bit confusing, but the 12-month is actually the minimum, not the target of the reserve fund. And there was confusion with other community groups on this as well.

What we're proposing is, if that is the minimum, if the 12 months is the minimum, we would like to target something above that in case there are market declines or some emergency usage of the fund that we would target to be above 12 months. So, if that were to happen, we can remain at 12 months and not have to worry about the stock market crashing because we are exposed to equities and market fluctuations.

The actual ranges are just suggestions to get community feedback on. You know, where reserve funds do exist for similar organizations is anywhere from 12 to 24 months in general. So, these aren't kind of hard and fast or strict, but they are ranges that we were considering that a lot of groups have provided their feedback on. So, yeah, happy to discuss more.

ANDREAS MUSIELAK So, Irina, I think that's what's Atsushi's point, but so we have Atsushi and Irina. So, Irina, you want to start?

IRINA DANELIA Yes, thanks, Alex. Irina for the record. I think the proposal itself sounds clear. So, there is a minimum level you want to add target level and you want to add a maximum level. What was not clear is how having target and maximum level will make your life easier and why there is need for them and the exact ranges. Well, I think it's just figures not somehow justified or proved. So, it's really hard to comment on figures because we have no idea where you to take these exact figures from but that's probably less important.

ALEX MORSHED Yeah, understood and if I can quickly respond. As I mentioned, the target is just so that we know where we should be. As I said, we want to be above 12 months so that if there are market fluctuations or we do need to use the fund that we can remain above it. And the reason to have the maximum is that we don't want to have excess funds in the reserve fund.

If we do reach a maximum level, the thinking is that we could do several things, which is in the actual memo on the proposal, there's a decision tree that shows if we do have the maximum and all our other funds are within their targets, what ICANN can do.

So, one option is to move funds from the reserve fund to the speaker or the project funds to be able to work on other initiatives. The purpose is just having above 24 months is excessive. The 12 months is supposed to be 12 months of, to cover 12 months of operating costs. So, what would be the scenario that we would need 24 months. Or more than 24 months. So, the point is just basically to be able to use the funds in a more productive way.

ANDREAS MUSIELAK Atsushi.

ATSUSHI ENDO Thanks, Andreas, and thanks, Alex, for the following up and explanation. So, I think that the 12 month is the minimum, and it's not the target, and it's just the minimum. And what I want to ask is, why 15 or 18, or 18 to 24 months? But my understanding is just the four example things, and at this time, I can ask community, how many months is good, and for asking kind of open questions.

So, there's no concrete consideration. Why 15 or why 18 or why 24? It's just the figures that for open discussion. That's what I catch. Is it correct understanding?

ALEX MORSHED

Yes, exactly. It's for the purposes of kind of having these discussions. some community groups say that anything above 12 is too much. So, then that's kind of the other side of the spectrum and so and others might say like you should have as much as you as you can don't have a maximum. So, we wanted to kind of throw these figures out to facilitate that discussion and see kind of where the majority thinks we should be.

ATSUSHI ENDO

Thank you so much for clarification. Thank you.

ANDREAS MUSIELAK

Okay, Alex. So, as you can see, it's more the explanation why you want to have this level or this level, and I'm expecting more reserve funds coming up with the New gTLD round, so it's a possibility to do. Okay, but back to your questions.

ALEX MORSHED

Yeah, and so we'll try to make some of these more clear in our Public Comment response in our report. So, if we can move on to the next slide, we'll talk about the PTI Operating Plan and budget and the Public Comment process for it. First, sort of an infographic of the structure of where PTI is in the ICANN structure.

So, the big box is the ICANN, overall ICANN Operating Plan and Budget, which we touched on aspects of it earlier in the presentation. Within that, there is the IANA Operating Plan and Budget, and then within that, there's the PTI Operating Plan and Budget, and these boxes are not to scale, but just meant to kind of explain how these pieces fit within each other.

The PTI Operating Plan and Budget is most of the IANA Operating Plan and Budget, and this is for the purposes of delivering the IANA services. The small amount, the extra that is in the IANA Operating Plan and Budget consists of mainly the route zone maintainer agreement and a couple other things that are overseen by ICANN and not the affiliate of PTI.

So, if we can move on to the next slide, we can just look at an overview of the PTI budget, but compared to the FY26 budget and FY25 actuals. At a high level, the PTI budget remains very stable to the prior year budget. Basically, the services remain the same. The IANA support services remain the same, and if we can move on to the next slide, we'll look at the submissions, Public Comment submissions on the PTI Operating Plan and Budget specifically.

So, there were four submissions from four different groups, a total of 18 separated comments. This is pretty stable for the past couple years, and if we go to the next slide, we can look at the PTI comments by SO-AC or group. So, SOPC had two submissions, had six on this, mainly around the budget itself. So, key takeaways from this, support for the operational excellence of PTI and new variance by function table that we added.

There was a comment or a suggestion about headcount increases just to support PTI and greater clarity on the direct shared and shared services costs that are part of the budget and any risks, potential risks related to budgetary dependency.

Kim is here too, if there are any specific questions on PTI or if there are any questions about the budget. The comments seemed pretty straightforward. I don't think we had anything that we wanted to clarify with SOPC, but we can discuss if that's of interest.

ANDREAS MUSIELAK So, any questions from the group? So, if not, I have a question to Kim. So, as Alex mentioned, so he means the service level remains the same, so means that the work you have to do. Is it true? Because I think in particular thinking about the New TLD program, is that something you can manage with the current resources you have? That would be a question, or are there other projects which appears which expect can be difficult with the current number of staff?

KIM DAVIES Yeah, that's a great question. The short answer is no. we, cannot do the next round with the current level of staffing. But I think as noted in the remarks that we've supplied to date, the next round funding is independent from our core budget. So, in essence, the next round is self-funding through application fees and so forth, and is accounted for separately from the core owner budget. So, it wouldn't appear here. In reality, we're starting to ramp up our resource needs.

Now, we're looking at adding resources for the lifespan of the project. And then due to the nature of the work that we do, when New gTLDs are added, they will become enduring customers of IANA. And we will need to essentially support them forever as new customers. So, I think the observation I would make is later, not this fiscal year, but once the delegations start happening. A lot of those resources that we brought on to support the application process and so forth, will ultimately convert into permanent resources that IANA will maintain.

We will need to have additional root zone management staff to manage the increased customer base, for example. And at that time, that will be reflected in the core IANA budget. So, hopefully that helps clarify.

ANDREAS MUSIELAK

So, which means, so you mentioned lifespan. And the question is here, so we can expect for the next year's budget that this can be taken into consideration because then the delegation starts, I expect in the second half of 2027. So, which means that is where we should keep an eye on it or?

KIM DAVIES

I'm not sure exactly on the timing. You might be right there. But yeah, I think once they are delegated is the point where any supporting staff resources from the IANA side stop being in support of the program and start being support of the standard IANA functions.

ANDREAS MUSIELAK

Okay, thank you, because it's an important part.

ALEX MORSHED

Yeah, and if I could add one thing, we in our budgets cannot add forecasted headcounts. We have a very strict kind of headcount approval process. So, even if in the future, it does seem like we would need additional headcounts, like that wouldn't actually be in our budget. But it would be, if we're at that stage by the time we're doing FY28 budget and we do have active requisitions, let's say for resources, we would include those. But until we have that, those kinds of concrete resource, basically resources that we're recruiting for, we wouldn't include it in the budget.

ANDREAS MUSIELAK

Okay. So, then I have a general question to the Operating Plan and Budget. So, you mentioned the guided submission in the beginning. So, basically, so we tried to find the right number, it would be actually 7.5. So, if we couldn't find, so we decided for eight out of 10. But from ICANN planning perspective, are you happy with the guided submission? Does it help also ICANN for the planning process?

ALEX MORSHED Yeah, I think it did help a lot to be able to organize the comments that we received, and we got some good feedback. We also added some questions like, what do you think of the public comment process? What do you think of the work that the ICANN planning and finance teams are doing on a scale of 1 to 10? So, it was just really helpful to have that feedback and those metrics.

ANDREAS MUSIELAK So, I think we've finished with this part, Alex.

ALEX MORSHED Yeah. So, we can just and Becky has joined us to go over the management framework but I can just wrap up on the next slide the planning process and next steps and if we could go to one more slide. I think are we out of time. So, just really quickly, as I mentioned, ICANN's annual planning process starts several months before the start of the fiscal year and begins with the stakeholder engagement and then the Public Comment proceeding.

Then the stage that we're at now, through this process, we're evaluating the Public Comments and whether through the Public Comments or any market changes there's any need to update the plans and so we would communicate that that one with the report

	and two if there are any changes needed we would update the community and that's covered I think on the next slide as well. If we can move to the next slide. Yes. So, if there are any major changes needed or identified, the SOPC leadership would be informed. And also, we publish a blog on the changes. That's usually as a separate blog and also in our highlights document in the table of changes. And then we would have a live and recorded community webinar. But we don't anticipate so far reading Public Comments, any major changes as a result of Public Comments. But we will reconsider funding and revenue as part of it as well. So, on the next slide, it's a neat table to show we are through steps one through three. Essentially, we're working on the summary reports for the Public Comments, which were produced on April 2nd. Then the PTI Board Reviews for adoption the PTI Operating Plan and budget in mid-April. Then in early May the ICANN Board will review plans for the adoption of the ICANN and IANA plans and after that that would kick off the empowered community period and if no petition is raised, the plans would go into effect July 1st new fiscal year FY27. And if there are no comments, I'll kick it off to the planning [CROSSTALK]. Yes, go ahead.
MARGARET BENAVIDES	Yeah, I will be brief. Can we go to the previous slide, please? That thank you for this framework and we appreciate it. And based on the funding forecast for FY26, we may see the projections for 27 also slightly updated. So this framework might be in use quite

soon. I want to reiterate our request to add SOPC and also other relevant committees into recipients of the emails if major changes are identified. Not only SOAC leadership, but also relevant community groups and committees. Thank you.

ALEX MORSHED

Understood. Yeah, and an update to funding, I think would depend if we would consider that major or not. I think we would have to see what the actual change is and then how to deal with it.

ANDREAS MUSIELAK

Okay, that brings us to the last agenda point. I don't know, it's Margaret or is it Becky directly who starts, who will start with the management framework? It's Becky. So, Becky, welcome.

BECKY NASH

Thank you very much, Andreas and Irina. Sorry, I was in another session, but here now.

Okay, so the management framework program has two projects. One of them is focused on the resourcing on a cross-functional basis as it relates to cross-functional projects. And I just wanted to highlight that for the draft FY27 Operating Plan and Budget. We provided a listing of the strategic initiatives with the estimated resources by phase as part of the plan. So, that is one of the key projects that is also under the management framework program.

So, the next project is also as it relates to progress measurement and reporting to report out on the achievement of the Operating Plans and the Strategic Plan. So, the objective is to enhance ICANN's planning process by improving the visibility of the cross-functional resources with their dependencies through the activity and resource planning, and then also to establish an ICANN-wide structured progress measurement and reporting process.

So, if we go to the next slide, we'd like to highlight that using this pyramid, how is the planning process organized? So, first of all, we have the ICANN Mission, which is the purpose or the reason for existing. Then we have ICANN's Strategy, which focuses on long-term success and how to achieve it. So, the Strategic Plan that is currently adopted, which started for FY26 runs through FY30, and includes a vision for 2030, and includes strategic objectives, goals, and strategies.

So, then the next layer is the Execution Plans or tactics for achieving those strategies and operating the organization to achieve the mission. And this is what we report out on in the Operating Plan and Budget. And this focuses on operations, resource allocation, and provides the accountability for what work has been set forth to accomplish over the timeline of the plans.

The Operating Plan and Budget has two key elements, which is the Strategic Initiatives, which are all the activities that are described to achieve the Strategic Plan, and the Continuing Operations or

Functions, which are either directly achieving the mission or are supporting other functions to achieve the mission.

So, the objective is to measure progress at three different dimensions, which is the Strategic Plan, have we achieved the objectives, goals, and strategies? The Operating Plan, we have the strategic initiatives, which are the projects that have been described to achieve the strategies. And then the Operating Plan continuing operations, again, are the functions that are set forth to achieve and fulfill ICANN's mission.

This provides the overall framework for the planning process along with project management and progress measurement. So, if we go to the next slide, this is a slide that we wanted to use for engagement. So, slide number 26, thank you. And we wanted to ask a few questions about how other organizations have the view on the different levels of measurement and reporting.

So, at the top of this pyramid in number one, we have the Strategic Plan progress measurement and reporting. We view this as both internal and externally facing where there is measurement specifically against the strategic objectives, the 10 goals in the adopted plans and the 28 strategies.

The next level down is the Operating Plan. This is internal and external facing for transparency to provide an ICANN wide consolidated view of progress against objectives set forth in the functional activities performance by service group or a grouping of activities and described in the Operating Plan along with progress as it relates to the strategic initiatives.

And then most organizations also have what we call a day-to-day or a management level view. And that would be performance related, sometimes bandwidth related to support operational decisions, planning and resource allocation within each functional area. So, what ICANN Org is working on is really identifying at the top level, the Strategic Plan, overall progress measurement for external publication and then also an Operating Plan level for external operation publication.

It is really the foundation all will be built upon a management level, but that is something that really each function supervisor or management would use for their own day-to-day analysis. And we just wanted to seek some input as to whether or not other organizations are facing some of that same calibration or approach in a progress measurement and reporting process. Andreas?

ANDREAS MUSIELAK

I would like to start to answer. So, first of all, most of our companies are not really multi-stakeholder, which means it's more, you mentioned here on slide 26 above, it's internal and external views or facing, but we have the internal view. So, basically, I think the pyramid shows very well. So, you have strategic initiatives and then you break that down.

So, from my point of view, it's exactly what you should do. So, from a technical point of view, that works. So the question is really how you break that down later on. So, I think the approach is appropriate. Any other comments from the group? Bart?

BART BOSWINKEL Just out of curiosity, Becky, have you looked at, say, how other multi-stakeholder organizations who've been around for quite some time looked at monitoring and evaluation of programs? For example, the World Bank?

BECKY NASH Thank you very much, Bart. We have done some research as it relates to dashboard approach, very interactive, but we haven't had as much information specifically about how to position the levels of reporting based on the activities that we have, because it's very much focused on monitoring the strategic initiatives and then also monitoring our functional activities. But I will take that under advisement for looking at --

BART BOSWINKEL I'll send you something.

BECKY NASH That would be great.

BART BOSWINKEL

The reason for asking is, say, when the ccNSO guideline review committee started looking at continuous improvement work, they ran across a series of -- the starting point was the indicators. And the focus the group had initially was really on what we call smart indicators. But once you start really delving into, and I'm looking at Sean for this reason, is you see there is a whole variety of kind of indicators, and some of them are really into multi-stakeholder projects and multi-stakeholder environments.

And if you really look, start, and research a little bit more, you really enter into the monitoring and evaluation planning documents from the World Bank. And they are very, I would say, advisable in our environment, or in this environment as well, to be used, in the sense of how to set not just monitoring, evaluation for the purpose of accountability, but also for learning as an organization.

And that means the broader project, how to adjust over time. Because if you look at it, and this is just an observation from my end, being educated in system dynamics, it's you lack, there is no feedback loop. And if you do it over time, at one point you may or may not need to adjust strategic initiatives because of external environment changes, et cetera, and that's lacking right now. And that's the learning part of the monitoring evaluation.

And that's a different thing than having accountability, which is the core effectively of, say, what we're doing right now, is really focusing on accountability of our actions as staff, which is a good thing, don't get me wrong. But it's learning is also relevant.

BECKY NASH Thank you, Bart.

BART BOSWINKEL The GRC is working on this as well, in a different context.

BECKY NASH Thank you very much, Bart, for that information. And very, very insightful. I think we will take some follow-ups to hear a little bit more. Because looking at this pyramid, I will say that we have been collecting the foundation, as it relates to the work that ICANN does. And now we're looking at calibrating this for two types of measurements, though. And I think you've really discussed one element and I think it's important, if we have the time to just mention this.

So we have discussed measurement for performance, which is broken down into effort. So, that would be completion of a project or outcome monitoring. Also, effort could be measured by performance, quality, which could be accuracy of, say, a forecast for funding or a budget projection. And that's effort. But the next area, as it relates really to the strategies, is impact.

So the impact or the value of the activity. And we're looking at evaluating perception, which would be via survey results, things like that. Or trends, and really the value, if feasible, then we would be setting targets. So, this is, again, the concepts that we're discussing as it relates to progress measurement and reporting, but at the level one and two, which are very different.

BART BOSWINKEL

Let me, I have it in front of me right now, because after this session, we have the GIC session dealing with this. Let me just capture the type of indicators they are looking at. So, first of all, you know these. These are the smart indicators. But the question is, when do you use them? And if I just, this is a quote from the reporting by the World Bank, is best suited for quantitative indicators, donor accountability, and measuring outputs and short to medium term impacts. That's what they do, smart indicators. I can forward you this in a minute after we finish.

Then you have a second category of indicators, which are called SPICED, and now it becomes interesting. The components of these indicators are subjective, participatory, interpreted, cross-checked, empowering, and diverse. And it's a mouthful. And the interesting part is, when are they ideal? Ideal for qualitative assessments.

So, participatory evaluation and measuring complex social change and outcome impact levels. So, this is really when you start talking about multi-stakeholder environments. But that means you engage the community, or the multi-stakeholders as well, in defining the indicators. And that's a major step. And then you have a third one, a third category, which is even more interesting if you think about monitoring, evaluation, accountability, and learning, because that's meal.

Then you have a CREAM meal, CREAM indicators. These are, the components are clear, relevant, economic, adequate, and monitorable. Because that's also important. And they are useful for results-based performance monitoring in resource-constrained, complex environments.

So, you see there is a whole series of different type of indicators. And one of the things, what is done in these reporting from the World Bank, at least, is that they look at a framework of type of indicators. What is, when to use which one, and how to define them. And that's the first step before you start really looking into what is a real indicator for what. So, that's why I've asked. Thanks.

BECKY NASH

Thank you very much. That is a very interesting framework. And I think the approach that ICANN Org is taking, as you know, we have ventured down this path of identifying progress to date, identifying metrics and outcomes, both for the Strategic Plan and the Operating Plan. So, this is the framework that we're using right now, only because also for any organization, as we start to implement this, there is that transition learning period as well. And we're very eager to get out of the concept and get into the actuals, which is actually something that I know the ccNSO, SOPC has discussed.

We do want to highlight that throughout discussions we are separating these into that impact as it relates to the strategic objectives, goals, and strategies, versus the work that we do to support those strategies and our ongoing work, which is much more tactical or operational. And those are very, very different types of metrics.

ANDREAS MUSIELAK

To probably convey the message, I think we are still not in the tangible part, which means that was part mentioned is taken into consideration, make it tangible. And as we discuss and it's also part of the agendas, we are happy to support somehow. So, we come to a really clear structure which help us to measure the success of the management framework.

BECKY NASH

Yes, thank you very much. As we begin to have a Pilot Draft Report, we will definitely be seeking input from stakeholders on it as well. So, that's a good transition to the next slide, which is just the current project status.

So, what has ICANN Org been doing? We have been A, discussing and laying out this framework in order to ensure that we can speak a common language amongst ourselves to calibrate what level of measurement we're at. And we are engaging the teams and receiving feedback and alignment in order to then finalize and agree upon the indicators.

And that is something that we are in the progress of doing function by function and with the leaders of the strategic initiatives. And throughout that process, we're holding several meetings, internal communications, education and training and facilitation in order to achieve this change management and do a pilot data collection. And I do like to say pilot because A, we're doing it without a system right now because in a proof of concept, we need to prepare the justification for being able to do this data collection.

And then also we know that it will evolve through feedback from stakeholders, which include executive management, it includes the Board, it includes the community. And so, as a result, we're looking to finalize and agree upon these indicators by the end of FY 26, which would be June 30th, and then move into creating reporting that we are expecting then to have in FY 27 and then start to socialize and be able to agree upon an evolution of even a draft format.

And I think that's our last slide here. So, if there are any additional questions on this topic or any other topic, please let me know.

ANDREAS MUSIELAK

I don't see any hands up. Okay, thank you, Becky, for the progress on the management framework. So, the last point is any other business, do we have anything else to discuss in today's meeting? No? Okay. Then I think we come to the end of today's session.

Thank you very much for your valuable inputs. And Irina, do you have anything you want to share? No? Yeah, go ahead.

IRINA DANELIA

I wonder if we need to say something about next steps. Probably after we see the reports on Public Comments, we will publish by ICANN, we will generate again as we usually do some summary on how we believe our SOPC comments were taken into account.

We also have a session today on a trend exercise where I assume SOPC members will be present. And I have no any like formal dates before next, at the moment from ICANN regular cycle. So, I don't think we are expected to be involved in any big activities. At least we don't know at the moment, but we will keep you informed. Becky?

BECKY NASH

Thank you very much. I thought I would just mention that as it relates to the end of FY 27, again, as Alex presented, should there be any significant changes in the assumptions and or budget inputs, we would follow the framework, which we have noted a modification of ensuring that not only SO and AC leadership, but also the stakeholder groups, that we would add that as a step.

And then we move into the adoption and the empowered community. But simultaneously, we are planning for FY 28, and we will be able to engage at our next prep week and or ICANN meeting on FY 28 cycle. But the first step is the planning prioritization community led group, which you will also hear from us shortly about that to ensure that we have members from your stakeholder groups from the ccNSO, SOPC as well. So, thank you.

ANDREAS MUSIELAK Okay. So, I think, thank you very much. Thank you, to all. Thank you to the secretary. So, Claudia, Joke and Bart, thank you very much. And so, we can stop recording, have a successful ICANN meeting. Thank you very much.

CLAUDIA RUIZ Thank you, everyone.

[END OF TRANSCRIPTION]