

Draft context and priorities for consultation



# ICANN Strategic Plan

July 2009 – June 2012

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## ICANN's Mission

Since its creation, the Internet community has vigorously discussed and reviewed the mission and values that guide ICANN's actions. This extensive, inclusive and bottom up discussion has been encapsulated in ICANN's Bylaws, its Mission and Core Values.

The limited and distinct mission of ICANN is clearly set out in Article I of its Bylaws.

The mission of The Internet Corporation for Assigned Names and Numbers ("ICANN") is to coordinate, at the overall level, the global Internet's systems of unique identifiers, and in particular to ensure the stable and secure operation of the Internet's unique identifier systems. In particular, ICANN:

1. Coordinates the allocation and assignment of the three sets of unique identifiers for the Internet, which are:
  - a. Domain names (forming a system referred to as "DNS");
  - b. Internet protocol ("IP") addresses and autonomous system ("AS") numbers; and
  - c. Protocol port and parameter numbers.
2. Coordinates the operation and evolution of the DNS root name server system.
3. Coordinates policy development reasonably and appropriately related to these technical functions.

ICANN is an international, non-profit, multi-stakeholder organisation. It has become the globally authoritative body on the technical and organisational means to ensure the stability and interoperability of the DNS, the continued equitable distribution of IP addresses, and accurate recordation of protocol parameters.

## ICANN's Core Values

ICANN's Bylaws detail ICANN's core values as part of its Mission. In performing its mission, the following core values should guide the decisions and actions of ICANN:

- 1 Preserving and enhancing the operational stability, reliability, security, and global interoperability of the Internet.
- 2 Respecting the creativity, innovation, and flow of information made possible by the Internet by limiting ICANN's activities to those matters within ICANN's mission requiring or significantly benefiting from global coordination.
- 3 To the extent feasible and appropriate, delegating coordination functions to or recognising the policy role of other responsible entities that reflect the interests of affected parties.
- 4 Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.
- 5 Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment.
- 6 Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest.
- 7 Employing open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice, and (ii) ensure that those entities most affected can assist in the policy development process.
- 8 Making decisions by applying documented policies neutrally and objectively, with integrity and fairness.
- 9 Acting with a speed that is responsive to the needs of the Internet while, as part of the decision-making process, obtaining informed input from those entities most affected.
- 10 Remaining accountable to the Internet community through mechanisms that enhance ICANN's effectiveness.
- 11 While remaining rooted in the private sector, recognising that governments and public authorities are responsible for public policy and duly taking into account governments' or public authorities' recommendations.

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## Context for the ICANN plan

This strategic plan sets out priorities for ICANN over the next three years. These priorities have been developed with guidance from the ICANN Board and in consultation with the community in response to what the community believes are the major challenges and opportunities that will face the organization. This planning context is set out here in terms of environmental and organizational challenges.

### *Key environmental challenges*

- i. The continued rise of the Internet as a truly global means of communication and the need for ICANN to meet the needs of a truly global stakeholder base
- ii. The increasing importance of the infrastructure of the Internet for a broad range of critical commercial and communication applications
- iii. Ensuring stability and security of the DNS and other Unique Identifiers in an environment of more frequent and more sophisticated attacks and the utilization of unique identifiers to facilitate and disguise these attacks
- iv. A wide range of abusive and malicious behaviours in the Internet environment that are important, but not within ICANN's authority
- v. Maintaining stability given expected increases in scale driven by the number of users and the number of devices using the Internet,
- vi. Maintaining stability with the expected growth in the number of domain names brought about by the introduction of IDNs and the new gTLD process
- vii. Changes to the makeup of the ICANN community flowing from the implementation of IDNs, including increased numbers of registrars and registrants from non-English speaking areas
- viii. The depletion of the pool of IANA unallocated IPv4 addresses to the RIRs by 2011 and the challenges of the adoption of IPv6
- ix. Continuous evolution of commercial applications and business models that use the Internet, including the domain name market place, online advertising models and the secondary marketplace.

- x. Possible fracturing of the current system perhaps brought about by dissatisfaction with perceived restrictions imposed by technical protocols or through actions of a government or governments
- xi. ICANN taking an appropriate role in the broad group of international and other global governance entities involved in Internet functions
- xii. The uncertain global economic and financial environment

### *Key organizational challenges*

- i. With the end of the JPA, maintaining an appropriate organizational entity structure to serve ICANN's increasingly globalized technical coordination functions
- ii. The organizational commitment as set out in the Bylaws to regularly review ICANN structures
- iii. Developing and maintaining IT systems and tools to meet the needs of a multilingual volunteer organization and a globally distributed staff
- iv. An ongoing obligation to review and renew ICANN processes in order to operate efficiently and effectively
- v. Maintaining high standards of transparency and accountability
- vi. Significant increases in the volume of policy and management work that needs to be done
- vii. Successfully managing timely development of policy in a largely volunteer organization
- viii. Maintaining effective communication with a global audience of ICANN stakeholders with different levels of knowledge about how the DNS works
- ix. Effective management of a large, globally distributed and culturally diverse staff

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## **Strategic Priorities for the Next Three Years**

Having considered the challenges and opportunities that are most likely to present themselves over the next three years, the following priorities have been developed by and for the ICANN community. These priorities reflect the organization's ongoing role and responsibilities and also the particular opportunities that present themselves at this point in time.

### **1. Implement IDNs and new gTLDs**

A major priority for ICANN over the next three years is continue with the implementation of two of the most significant changes that have been made in the name space: the introduction of Internationalized Domain Names (IDNs) at the top level and the implementation of a process for the introduction of new gTLDs. The introduction of IDNs could open the door for billions of people in the global Internet community to use top level domains in their native script. The new gTLD process will significantly increase competition and choice for consumers in the gTLD marketplace and, offer the potential of innovative, creative and valuable applications of TLDs for internet users. Key outcomes for this priority will be to:

- Complete the policy process for IDN ccTLDs associated with the ISO 3166-1 two-letter codes (IDNC) domains within this plan period, and support the fast track process with a goal to get first country code IDNCs in the root by mid-2009.
- Launch the new gTLD application round by mid-2009.
- Ensure processes for approving and implementing new gTLDs (including management of objections) are routine and run according to a published process map with predictable time frames that are acceptable to the community by 2011.

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## **2. Enhance security, stability and resiliency of the Internet's unique identifiers**

The secure and stable operation of the Internet's unique identifier systems is a core part of ICANN's mission. As the frequency and sophistication of attacks and other malicious behaviour increases, ICANN and its community must continue to improve the resilience of the DNS and strengthen its capability to deal with these events. As the nature of attacks and malicious behaviour broadens, ICANN must work with other stakeholders in this arena to clarify ICANN's role and to work together to find solutions to problems that are broader than the mission of any one entity. Key outcomes for this priority will be to:

- By late 2008, deliver plan for consultation that sets out ICANN's role in Internet security; identify appropriate partners and commence joint work. Define ICANN's role so that scope, costs and deliverables are well understood and initiate a process that leads to agreement by the community and the Board in early 2009. Effectively work with partners to pursue multi-stakeholder approaches and conduct programs that contribute to the global security, stability and resiliency of the Internet
- Ensure effective implementation of ICANN security, business continuity and risk management plans by September 2009 and conduct a successful audit of security plans every two years beginning in 2009.
- Provide mechanisms that will allow users to validate the authenticity of the Internet identifiers that ICANN publishes and contribute broadly to technical efforts to provide more securable Internet naming and addressing systems
- Conduct focused programs to enhance the understanding of risks and enhance the security and resiliency of organizations associated with the TLD community to include working with partners to establish an effective approach to sharing best practices across the community by end of 2009 and conducting on-going regionally based training and exercise programs for this community.
- Work with the ICANN community to ensure the DNS remains robust in the face of more sophisticated attacks over the life of the plan, with ICANN contributing broadly to this goal.
- Work with stakeholders across the ICANN community to orchestrate on-going collaboration to enhance the security and resiliency of the DNS against a full spectrum of threats over the life of the plan to include the conduct of an annual DNS security, stability and resiliency symposium.

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### **3. Monitor the depletion of IPv4 address space and provide leadership towards IPv6 adoption**

During the life of this plan, the pool of IANA unallocated IPv4 addresses will be exhausted. Some parts of the Internet community have already begun to adopt IPv6. The Internet must soon become fully compatible with both IPv4 and IPv6. Every termination needs to be reachable through both address spaces. ICANN will need to work with the Internet community to manage the depletion of IPv4 addresses, encourage the uptake of IPv6 addressing and ensure the interoperation of IPv4 and IPv6 in the DNS.

- Work with appropriate partners to facilitate a smooth transition past the completion of the IPv4 freepool depletion.
- Provide leadership regarding IPv6 adoption, including making all ICANN services available via IPv6, and identifying market gaps in networking hardware and software standing in the way of IPv6 adoption.
- Encourage a production-level solution to IPv6 roll-out by persuading some major Internet services to become fully available via IPv6 (such as a search or other consumer service) by the end of this plan period.
- Encourage appropriate standards bodies to develop tools and protocols to facilitate backwards compatibility of IPv4 and IPv6.

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## **4. Improve confidence in the gTLD marketplace**

ICANN has the responsibility to build user confidence in the gTLD marketplace by ensuring that Registries and Registrars operate in accordance with their contracts and with ICANN policies, including the protection of registrant data in the event of Registry or Registrar failure. The introduction of new gTLDs and IDNs will provide the opportunity for growth of Registries and Registrars around the globe. ICANN must ensure that its business processes are adapted to meet this growth and to provide confidence for registrants in new markets. Key outcomes for this priority will be to:

- Encourage discussion in the community to clarify ICANN's role in relation to consumer protection; develop a clear consensus position by the end of 2009.
- Continue compliance work to ensure all Registries and Registrars are in full compliance and successfully completing audits by the end of this plan period (and non-compliant registries and registrars have been deregistered).
- Develop a well defined and publicised process for reviewing Registry agreements by 2010.
- Continue to implement measures to protect registrant data with a goal of not losing any registrant data during the life of this plan.
- Increase the global diversity of registries and registrars over this plan period, with a goal to contract with at least 50 entities outside North America during this plan period.

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## **5. Strive for excellence in core operations**

Although significant improvements have been made in performance of core operational activities in recent years, ICANN is committed to seeking continual refinement of processes to achieve further improvement in the performance of its core functions. Key outcomes for this priority will be to:

- Maintain IANA service levels during the life of the plan, including managing increasing workload coming from new gTLDs and IDNs
- Develop a process framework and robust systems for the delivery of e-services, including tools for electronic applications, processing and data management for Registry and Registrar tasks by 2010.
- Strengthen industry knowledge and expertise of the Registry staff by the end of this plan period.
- Complete the Registry Services Evaluation Policy review by the end of 2009.
- Continually improve community reporting on financial and performance measures. Make clear those aspects of the operational plan completed, and those that have not been completed on a year-by-year basis. Provide more detailed functional financial reporting on a regular basis to the community, beginning in early 2009.

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## **6. Strengthen processes for developing policy**

Developing policy is one of the most important aspects of ICANN's role. The introduction of IDNs and new gTLDs will present new policy challenges. Those developments and implementation efforts related to the ALAC and GNSO independent reviews will also bring a larger and more diverse community to the ICANN policy table. ICANN will need to continue to review and improve its policy processes to meet the needs of this broader group for the timely development of effective policy.

- Develop metrics for evaluating the policy development process by mid-2010; benchmark performance and set improvement goals for the remainder of the plan period.
- Establish a process for evaluating the effectiveness of policy by mid-2010; use knowledge gained from this process to establish a mechanism for regularly reviewing and evaluating policy outcomes by mid-2011.
- Explore means for providing greater professional support to the policy process, particularly as it applies to the new models of policy development being implemented by the GNSO.

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## **7. Strengthen ICANN's multi-stakeholder model to manage increasing demands and changing needs**

ICANN is always striving to improve its efficiency and effectiveness. Over the period of this plan, ICANN will face additional challenges as it seeks to refine and strengthen its processes to deal with the changes flowing from the introduction of IDNs and new gTLDs. Important areas of focus will be the strengthening of the ICANN multi-stakeholder model through the completion of reviews and implementation of agreed changes, and increasing participation in ICANN. Key outcomes for this priority will be to:

- Develop metrics for evaluating participation in ICANN and establish targets for improving participation by late 2009; implement plans to achieve these targets over the remainder of the life of this plan.
- Participate in IGF and other international forums during the life of this plan to improve knowledge and acceptance of ICANN's multi-stakeholder model and to contribute to Internet governance debates.
- Conduct outreach, education and awareness activities to develop a fuller and more equitable global participation in ICANN's Supporting Organisations and Advisory Committees by the end of this plan.
- Complete reviews according to schedule and implement changes.
- Design and implement a development program for ICANN participants by late 2009; train 20 community members for leadership positions by the end of 2010.

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## **8. Globalize ICANN's operations**

The Internet is already a global means of communication and Internet usage is growing quickly in many markets that previously had low penetration rates. As interest in Internet issue grows and with the introduction of IDNs and new gTLDs, more of that global audience will become involved in ICANN and its processes. This ranges from the growth of registries and registrars in new markets opened up by IDNs to the organizations that will now be stakeholders in the policy process through their interests in new gTLDs. To deal effectively with these audiences, ICANN will need to globalize all aspects of its operations. Key outcomes for this priority will be to:

- Fully implement an agreed translation policy by the end of 2011.
- Develop the ability to work globally (including the availability of all relevant business information and processes) in the languages indentified by the translation plan by the end of 2010.

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## **9. Strengthen accountability and governance**

Over the life of this plan, ICANN will implement further improvements in accountability and transparency and consider structural changes that are part of the next phase of its evolution as an organization. In addition, it will work with other stakeholders in the international arena to advance issues of Internet governance and facilitate continued understanding of the Internet's ecosystem. Key outcomes for this priority will be to:

- Pursue transition to private sector management during the life of this plan.
- Continue the President's Strategy Committee consultations and implement the Committee's recommendations.
- Complete successful annual audits of accountability and transparency during the life of this plan.
- Continue to strengthen governance mechanisms by implementing changes identified through the Board review process.

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## **10. Ensure financial accountability, stability and responsibility**

ICANN has a responsibility to its community to continue to manage its finances in a transparent and responsible manner. This means that planning and budgeting should be open and transparent to the community. It should be clear what work is being planned, what the outcomes of this work will be and what this work will cost. Further, ICANN should work towards a robust financial future with a diverse range of revenue sources and a financial reserve to ensure ongoing execution of its mission in the face of financial challenges. Key outcomes for this priority will be to:

- As a strategic goal, continue towards path of fully funding a financial reserve equivalent to one year's operating expenses within three to five years. At least every other year, review the ongoing strategic relevance of this goal with the community.
- By the end of this strategic planning cycle, and with a more complete understanding of the financial impact of the new gTLD program, develop a long-term financial model for ICANN, including frameworks for steady-state core spending (both costs and functions), appropriate revenue sources and revenue mix to fund this core expense and processes by which incremental projects to this core be considered, approved, and funded.
- Develop and monitor financial plans—revenue and expense – and long term volume projections to manage a variety of scenarios resulting from the introduction of new gTLDs and IDNs until the system reaches a steady state.