ICANN84 | AGM – ccNSO: Strategic and Oper Planning Standing Committee Session
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CLAUDIA RUIZ

Hello and welcome to the ccNSO Strategic and Operational Planning Committee session. My name is Claudia Ruiz, and I along with my colleague, Joke Braeken, are the participation managers for this session.

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For the benefit of other 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

Thank you. So, good morning or a good afternoon wherever you are and following us today. So, today's agenda is quite packed, so I try to stick to the times on the agenda. So otherwise, we will not make all the points.

So, as I mentioned, we had point one, which is Welcome and Administrative Matters. If any, I think there were no other matters than this. So, we start almost immediately with point two, which is Process to Communicate Revisions to Annual Operating Plan and Budget. You remember we had a discussion in the beginning of this year because there was a revised budget after we finished our public comments and it came a little bit as a surprise. So, we had a bit of a discussion with ICANN Planning and also the CEO of ICANN, but I think there's a good progress. So, I think we have a solution for that and Becky will give an update on that.

Then, later on, we have the Management Framework Program, which is a project. We are quite keen to understand the progress. So, we're discussing this over the past years and I think we see a clear progress. And the team of Becky will give us an update on that. And also good as last year, we will have an IANA update, which I think is important, is one of the functions which are very important also for ccTLDs.

And then, we gained Patrick Miles. You know him from CENTR, APTLD and others. So, he will give an inside view about the trends in our industry. So, what we figured out in the last FY26 Operating

Plan and Budget that ICANN Planning is using external sources for their prognosis. And I think actually we are the experts here in the room. So, we can share also our views on the trends for the coming years.

And then, Irina will take over because the FY27 Planning and Budget and Operating Plan is just ahead of us. So, she will give an update, which slightly changed the approach. Most of them will be familiar with slightly change, but Irina will give us an update on that. Agenda item seven, any other business and then closure and next meeting. As I mentioned, we have a very packed agenda. So, with that, I hand over to Becky. The floor is yours.

BECKY NASH

Thank you very much, Andreas. Thank you, everyone. This is Becky Nash from the ICANN Org Planning Team. And the first agenda item is to discuss the process for communicating revisions to the annual draft plans. So if we could go to the next slide. And the next slide please.

So, we have prepared, based on feedback from the community, a draft framework for revisions to the Operating Plan and Budget. So what we'd like to highlight is that ICANN's annual planning process initiates several months prior to the start of the fiscal year that we're planning for. And it includes a significant amount of stakeholder engagement and a public comment proceeding.

Fundamentally, ICANN is committed to upholding principles of transparency and accountability throughout the planning process.

So what we'd like to highlight is that throughout this lengthy planning process, ICANN may periodically evaluate whether any of the assumptions included in the plans should be update. This is important just given the length of the process and how far in advance we develop the draft plans that are in advance of the Board adoption. So, in some cases, the latest information may result in updates either to funding and or expenses set out in the plans. And that's what we recommend presenting to the Board.

We prepared this draft framework based on the feedback received that we did not communicate widely enough that there were going to be changes in the draft plan that was then going to be submitted for Board adoption following a public comment. And again, we'd just like to underscore that ICANN is committed to ensuring that all revisions are communicated in a transparent manner.

So on the next slide, we are outlining several additional steps of communication just to ensure that there is proper communication and visibility to any changes that may arise. Typically, it would be an infrequent process to make a change following the public comment. We have had two examples of extraordinary events, one of which being COVID-19 pandemic. But we do want to set in place these steps.

One of the first items that ICANN always strives to do is to publish the plans that are going to be sent to the Board for adoption. We really try to do that at least two weeks before the adoption date is set. There are times that circumstances are such that we post it seven days before, but we'd like to highlight that over the last several years, all of the plans that are going to be presented to the Board after the Board finance committee recommendation are published on ICANN.org public comment page.

We also include a table of changes. We are going to continue to strive to have as much advance notice to the community for the adoption documents or plans, even if there's no changes. And we always outline any changes as a result either of public comment and or any small or minor updates. So that is the publication of the plan documents and the publication of a table of changes that we've received input that that table is very helpful for the readers.

But in addition to that, should there be a significant change in the plans that are being presented to the Board for adoption, we have set in place additional steps to have an announcement on our website to ensure that it's included in the news feed in the community digest, to take a step to email it to our planning and finance email list. And we do suggest that any members that would like to be on that list, please contact us. And we have a slide at the end of the deck, I believe, where you can register for that public email. We also have a step to email the SO and AC leadership and hold community webinars and also do a blog on the website.

So we've posted this draft framework, which is a set of procedures outlining this information. And we are asking for input from the community on whether or not this set of steps seems reasonable, should there be any revisions to the operating plan and budget after public comment and before sending it to the Board of ICANN for a request or recommendation for adoption. We do ask that the groups provide us input. Today we can receive comments, but also before we publish this next year's draft plans in mid-December. So we also would like to see if there's any additional comments from the community.

The slide before did have a link to where this document is published. And we will drop that in the chat too as well. And also if anyone has any questions about it, we would like to hear from you now.

ANDREAS MUSIELAK — So any questions from the SOPC members? If not, I think Irina has at least two I'm aware of.

IRINA DANELIA — Thank you, Andreas. Thank you, Becky, for the presentation. This is Irina for the records. Couple of comments. In the recipients of the communication email, could you consider also including SOPC as a committee? Because I think we are really authorized by ccNSO to deal with these issues. And so it's appropriate for us to be a primary recipient for such notifications.

And secondly, when you talk about changes in the budget documents, if there are significant changes. It would be really helpful if you don't just name them, but explain the reasoning and background for these changes. Because like, it's not just we increased budget projections. Yeah. But we increased budget projections because for the last two and three quarters, we see that we actually go above the projections. And this gives us grounds to revisit figures.

BECKY NASH

Thank you. Thank you very much, Irina. Again, this is Becky Nash for the record. And that seems like a very reasonable request to include any of the community committees that specifically work on the operating plan and budget. So we will go ahead and ensure that the ccNSO SOPC is directly contacted through our support staff. And we will also seek that input from other SOs and ACs and community groups, as there are other committees or subgroups that work on the operating plan and budget topics as well. And then I'd make note specifically of adding a description or rationale, even within any communication. So that makes sense. Thank you.

ANDREAS MUSIELAK

And probably add to what Irina mentioned. So I think it's important to really inform the SOPC at the early stage. I know you have to follow certain procedures, but you know, it's almost one month we invest into the elaboration of the operating plan and budget. So if you are aware there can be changes, drop us a message if you can, if that is possible, that would help us. And then one organizational question I have, if you have a revised budget, so what is really the option for a public comment? So what is the exact period from the revised budget until the ICANN Board gets the approval of that? So what is the clear timeframe you see to give feedback on something and the chance for ICANN planning to take that into consideration?

BECKY NASH

Thank you for your question, Andreas. From what I'm understanding, you're asking about the timeline for really the steps for adoption of the ICANN plans. And technically speaking, as I indicated before, we typically strive to have two weeks of publication of the documents that are being sent to the Board. We certainly can appreciate that a longer heads up would be great. There are so many steps in the process of reviewing for approval, plus finalizing post-public comment, because we're also at that stage of public comment. So again, typically it would be a two-week time frame before sending it to the Board.

ANDREAS MUSIELAK

Okay. Any other questions from the group? So I think your timing is crucial. So I see two weeks is not a lot of time. So for the SOPC members, which means if there will be a revised budget, we need to have a very quick meeting or something to discuss the changes. So we will see. But from the past 10 years, I can say there were only last year the major changes and before we had actually a very stable and solid budget in place. So I expect that will be also the approach for the future steps. Then we're coming to agenda point three, which is the management framework program. Becky, that's again you. So the floor is yours.

BECKY NASH

Thank you very much, Andreas. We'd like to give an update on an important element of enhancing the planning process. And I'm actually going to ask my colleague, Victoria, to present on these slides. So Victoria, please go ahead.

VICTORIA YANG

Thank you very much. Let's move on to the next slide. For the record, this is Victoria speaking from a planning team within ICANN Work. So the management framework is a program really aimed to enhance the overall planning process. And then there's two aspects that we are trying to improve. And the focus of this update is on project two, which is progress measurement. If we move on to the next slides, I can provide an update on where are we along the process.

So at a very high level, we first intend to do research and identify what are the indicators to measure. And this step is already being done. So the first step was done basically under the leadership of the planning team. So with the pre-identification, we now have to validate with each team to ensure that the indicator that has been identified are relevant and the key indicators to report out. The outcome of the second step is basically an org-wide agreed up on set of indicators to be measured and report up on. And then we can build dashboard based on the set of the metrics. Next slide, please.

So why are we doing this? It's really, like Becky mentioned, to enhance the overall planning process. Planning ahead is basically looking at what are the activities we want to do in the future and allocate relevant resources to that. However, without the visibility of progress measurement from a org-consistent way, it is very hard to identify performance trend or gap in strategic execution. So that's the key objective of this program is to establish an org-wide consistent approach to measure and report out on progress.

This is also going to ensure that the community's engagement in planning process is effective. When you look at draft plan for public comments and if there are progress indicators which provide good context of activities that's planned in the future, that will make your engagement more effective. Let's move on to the next slides.

So as I mentioned earlier, we have already identified what are the indicators that we plan to measure and report out. So how we did that is to look at the strategic plan and operating plan. For the strategic plan, the strategic initiative in the operating plan are the most direct linkage to the strategic plan, meaning the initiatives are the key activities identified and spelled out in the operating plan to demonstrate how ICANN Org is going to execute those strategies.

So the indicators that is relevant to the strategic initiative are a set of the indicators that we will be measuring. Besides that, there are continual operations. Those are 70 or 80% of ICANN's ongoing day-to-day activities that each department and function does in order to achieve our mission. So it is very important to measure the continual operation as well. So these two combined will be the set of indicators that we plan to report out to demonstrate, one, the progress to the operating plan, and second, the progress that ICANN Org is making to the strategic plan. On the next slides, please.

Here are some of the examples. So in the strategic plan, there are goals. Under each goal, there are a set of strategies which are the approach to achieve the goal. For each strategy, there are indicators that is already identified by the Board. These are the indicators we would like to see to demonstrate progress to the strategy. So here is an example. This content is directly from the strategic plan.

So one of the indicators we want to show is progress. This is basically effort-based, right? Are you on track with these initiatives? Is it complete? Is it in trouble or at risk? So this is basically performance-based. But then there are also impact-based indicators. Even though you did, as example, 10 webinars, what is the impact that you have reached? So on the next slide.

So on the progress indicator here, as another example, metrics showing that. This is a great example to demonstrate the work that we have taken, the progress that's within our approach. So for example, one of the indicators for the initiative is metrics showing responsible management of expense. This is an indicator identified by the Board that to show we are making progress to the strategy. However, we have to identify what metrics within this progress indicator will be the right and relevant metrics to show we are demonstrating and managing the expense well.

So we have already identified those metrics. So we have a set of metrics and those are done through research and discussions within teams and research of indicators within the CEO report as well as the operating plan. So we are in the process of validating this set of indicators with each function to ensure each function is buying agreement to make sure that this is the most relevant indicators. So that's where we are now along the process. I want to stop and see if there's any questions before I move on to the next slide.

ANDREAS MUSIELAK Okay, we have a question.

CHARLES NOIR Hi there, Charles Noir for the record. Just a quick clarification question. I think you said to track the expense. Is it the expense or the initiative in terms of how this is being proposed? Thank you.

VICTORIA YANG Yeah, so this is just an example. So the expense is already, we will be tracking the expense, but here the indicator shows that we are basically showing how are you demonstrating you are managing the expense in a reasonable way. So showing the expense itself is a financial indicator, but we do want to see if there's any other relevant metrics that we should be measuring and showing, if that makes sense.

CHARLES NOIR

It does. Just to clarify, so what you're measuring there is that the value of the expense is being-- is it being expensed well or are there qualitative indicators that would let you evaluate that? Sorry to be so in the weeds. Just wondering if you're tracking, not so much tracking the expense, but the outcome. I would imagine the progress towards an outcome or is this completely an accounting effort?

BECKY NASH

Thank you for your question. This is Becky. So on this slide, the most important thing to understand is that technically on the previous slide, if you just go back one, thank you. Our strategic plan under our objectives has a goal to ensure the long-term sustainability of ICANN, so Pursue a Sustainable Future. And that resulted in two strategies, and those strategies within our adopted strategic plan have progress indicators that were developed during the process of developing the strategic plan that the Board developed and then adopted.

And if we then go to the next slide, we moved into moving from the strategy to the execution plan. So the strategic initiative there is ensuring that ICANN is enhancing ICANN's fiscal responsibility. So the metrics are showing the responsible management of expenses, which would be an analytical review of ensuring that ICANN does not exceed funding that's available. So that would be the type of metric that would fulfill that strategy, which is also one of our key planning assumptions, that ICANN does not spend more money than it has funds available to spend. So I hope that answers your question there.

VICTORIA YANG I want to also add on that. Your question is exactly the current process that we are in right now. So I know on these slides it's showing we are taking the first progress indicator as an example, which is metrics showing responsible management of expense.

So one of the metrics could be directly financial metrics, that our expense did not exceed our funding. That's a very simple and straightforward way. Will there be other relevant metrics that also can show, can be related to this progress indicator? It's exactly what we are doing now. We are validating and speaking with each team.

On the second one, another example will be the reserved fund, right? So reserved fund could be a simple direct financial metrics would be our reserved fund is met 100% or cover one year of operating expense. That's a very simple and direct financial metrics. But are there any other metrics such as 100% compliance to reserved fund policy? That could be a metrics, but we need to validate these with the teams who are the subject matter expert. So that's exactly where we are now. Yeah.

ANDREAS MUSIELAK

I think we raised an important point here because outcome of the success of an initiative is not based on financial support. It's more if we reach our goals. So that's why I think Charles exactly touched the important point and what I can suggest and we suggested that. So we are happy if you invite us so we can go through the metrics as SOPC group and give feedback on that.

I had some questions, so I think we should put that on the agenda for the next time as well. But we're running a little bit out of time and I think the next one is Patrick, right? Or is it Diana? Let me say, okay. What is? Victoria. Ah, you're not finished your slides, right? Yeah, yeah. Yeah, yeah. Of course you can finish your slides. But I think, yeah. So questions we need to really for the next time, I think otherwise we don't manage to go for the IANA.

VICTORIA YANG

No, I really appreciate that. I think the question is exactly the key objective of presenting these slides. So that's a very good question. I do have only two more slides left and this is, I kind of already covered that. So what I want to share there is, you know, we already pre-identified some of the metrics by planning team, did throw research and understanding of the operating plan and each function's continuing day to day activity.

So as I said, our next step is really to validate those next level metrics with each team to make sure that those are indeed the relevant metrics. And with that, we can move on to dashboard development. So, yeah, that's where we are with the program. And Andreas, like you said, we're very happy to connect on the metrics once we have the confirmed set. Yeah.

ANDREAS MUSIELAK Thank you, Victoria. And with that, we go in--

BART BOSWINKEL Out of procedure, when do you think that will happen? Because that's from a planning perspective. I hope not before March because by then the SOPC is fully occupied with the planning. Or you have to do it before you publish the public comment, the budgets and everything.

VICTORIA YANG So we have the timeline on slide eight. It's somewhere around March. Can we move back to that slide? I just want to quickly touch on that. So right now until December, we'll be working with teams to finalize the metrics. And then by March, we will be starting the development of the dashboard. But along the way, yeah.

BART BOSWINKEL So if you look at it, so you already see the agenda emerging for the Mumbai session. And that will be 90 minutes dedicated to almost to this or 45 minutes and 45 minutes feedback on the comments that you have your agenda.

ANDREAS MUSIELAK

That's why I mentioned that. This is an important part. And if you have a question, probably we can seek for volunteers in the ccNSO community if it's necessary to do that beforehand. Because SOPC will be occupied with the public comment phase. But nevertheless, we try to support you if support is needed.

BART BOSWINKEL

Sorry if we're jumping in. But so in that sense, unless something changes. But in principle that we dedicate at least part of the session in Mumbai to involve the full SOPC, if you want feedback along the way, let us know. And then we'll see if we can find people from the SOPC to provide that feedback. Because that helps both you and the SOPC to get to that point in March.

BECKY NASH

That seems very reasonable. So thank you.

ANDREAS MUSIELAK

It's a bit like the working group for the voluntary contribution from the ccNSO. We always find some persons who can help. Okay, with that, we come to the IANA update, Marilia. So the floor is yours. Sorry.

MARILIA HIRANO

Okay. Hi, everyone. Thanks for having me here again. Those are not my slides. I'm further down. Further, further, further, further, further. After the financial update, I believe. There. Okay. So I'm going to go quickly through this. But I wanted to share, you know, if you want to take a closer look at the deck, you can. Because I'm not going to go through everything. I just wanted to make the updates quick here. Next slide.

So just to recap, last March in Seattle, I presented the status of the public comment data, shared some key changes that were asked for. So, before adoption, we did make some of those changes that the community asked for within the PTI IANA 2030 strategy. It has since been adopted. Fiscal year 26 is on its way. And we are on track with pretty much all of the work that we set out to do. And I'll go through them quickly on the next slides. And then now we're planning for 27.

On the operations side, just to, as a reminder, our PTI operating plan and budget is structured. The scope of work is broken down into four key areas, operations being one of them. And everything there is on track. And I put in a few of the, how we monitor progress and measure performance for each of the areas.

Then on the next slide, you have operational excellence. We have a couple of initiatives that we have already completed and the others are in progress and expected to be completed before the fiscal year ends. The next one on governance too, we're on track to complete. Those are annual activities, regular operational activities. So we are on track. And then the last one is technical services, which we have commitments made to our ZMS development. There is one area that we haven't started yet, which is enabling passwordless authentication. The pass keys, that is one area that we're still debating and reprioritizing given the work that we are undertaking for next round.

Website modernization efforts and preparations for the next key rollover is all on track. Another area that we put in there as at risk just because the current certificates for validating DNS root trust anchors will expire in 2029. So we are working on the new certificates to replace those. It is work that hasn't started yet and that's why we can't push it that much further. So the team is, part of the reprioritization of resources is to make sure that we get this one on track. And then the preparations for next round of gTLDs when it comes to system adaptations and all that, that's on track to complete for the scope of 26.

And with that, I think I move to, yeah. So for fiscal year 27 and the reason I'm updating this group is we have bylaws requirement that we pre-engage with our SOs and ACs on what we're planning to prioritize for the fiscal year. And I just wanted to share a sneak peek into what's different for this fiscal year. The scope of work, we are aligning it with the IANA 2030 strategic focus areas in addition to having a core operation day-to-day work listed in the plan. So instead of the previous four categories, we now have them aligned with our new strategic plan.

Another new content that you'll see in the plan is we included KPIs under each area so that we can start reporting it out, reporting out progress and with Becky's team helping with that. And then simplified year-on-year budget variance table. So those are some of the key differences that you'll see from last year to this year, to fiscal year 27 plan.

When it comes to priorities on the next slides, yeah. So as I said, core operations, so these are our day-to-day, processing, transactional requests, performing the key ceremonies, monitoring, reporting on performance, management of staff and all of that work that isn't called out in the strategic plan because they are operating activities.

Then the next on innovation, the priorities there for RZMS, we're focusing on authentication and advancing authentication mechanisms and also working with TLD operators for business continuity and incident response when it comes to the system. We're also reviewing the suite of technical checks that are performed during the change request and to make sure that they're still fit for purpose or if there's a need to further advance how technical checks are performed. The key focus areas there include clear communication of testing and delegation issues and the proactive and periodic evaluation of TLDs against the published name server requirement.

And as innovation, one of the areas that we have in our strategy is to monitor and keep a close eye on emerging technologies. So we are strengthening our partnership with ICANN's technical engagement teams that's led by John Crane so we can identify any emerging needs that relate to unique identifiers and assess if there's potential impact to IANA. So we are being more proactive in that area as our strategy calls for.

On the next slide, we have the work that is we'll prioritize on updating the key, continue preparations for the next key rollover which is scheduled to happen on October 11, 2026. We're working with our partners and community experts on the algorithm rollover preparedness. So with the next key rollover, after that, we will have the new algorithm in place and then we're working to prepare for the actual algorithm rollover for 2029.

Then on website modernization efforts, while in 26 this year, we're focused on the website's features like modernizing the look and feel of the website, bringing it to this era, right? And if you've seen the website, you'll know what I'm referring to in rebranding, doing some design work there. But 27, the focus will be very much on user experience and begin unifying the various web properties into a cohesive platform. And then, of course, we're still working on getting ready for the next round, getting our system adaptations in place, specifically to support temporary delegations, which is a requirement for the names collision phase. Next slide.

Okay. And then operational excellence is we're continuing our efforts to engage in third-party auditors that assesses our critical operational systems. We are going to mature the adoption of the Baldrige Excellence Framework, which was an important phase in fiscal year 26, replacing EFQM into the Baldrige Excellence Framework. And 27, we will continue to mature that quality management framework.

Advancing staff training development. And then strengthening governance practices through the performance reporting. So when I mentioned progress reports, getting more of that, the KPIs in there, this is work that we plan on being more transparent on reporting to you guys. And last but not least, community engagement. That's the third focus area of the strategic plan. We are expanding outreach and education to stakeholder groups, specifically focusing underserved regions. When we are planning our travel and our participation in stakeholder and industry events, we are really focusing on making sure that we are covering all of the regions.

And then, of course, enhancing availability and accessibility of educational materials. So it's not only about presenting today, but it's having the evergreen documents that people can go into. We're going to work with the ICANN Learn team and update the materials that are there about IANA to increase awareness. And, of course, monitoring the effectiveness of all this through our customer feedback mechanisms that we have.

And I have Tania, my colleague, here with me. It's her first ICANN meeting, and she is the one responsible for doing all of this work now. But that, in a nutshell, I know I spoke very fast. If you have any questions, that's my last slide.

ANDREAS MUSIELAK

One or two questions from the audience. If there are questions. I don't see any. Are there any hands up online? No. Thank you. You see there's a lot on the table. I can see. And the first slide, I see there are many green. So the project initiatives are on track. So congratulations for that. Thank you for the update. And with this, we come to the updates, the trends. Barrack, would you like to start? I think you didn't share any slides so far. Would you like to give an update for the African region?

BARRACK OTIENO

Thank you very much, Chair. Yes, I don't have any slides. And I will be very brief. This year, specifically, there has been a lot of focus on getting things back on track in the African region. Very little has changed from the pre-COVID times. Because also what happened during the pandemic is that many of the ccTLDs had attrition in terms of staff. There was a lot of transition.

So the focus really has been on capacity building. And we've had initiatives in partnership with ICANN through the Coalition for Digital Africa. Which are focused on building the capacity of the ccTLDs to be sustainable. I have to also appreciate that we have partnered with AFNIC and a number of ccTLDs in the CENTR region. To build the capacity of the ccTLDs in this regard. And there is increasing demand insofar as this is concerned.

We are seeing also increased growth from the COVID times. And I can name the usual suspects. The .za ccTLD, .me for Morocco, for instance, .ke for Kenya. As some of the ones on the forefront. But again, some of the ccTLDs are the ones which are at the forefront of capacity building initiatives, or capacity building efforts in Africa. Case in point, the .ke registry in partnership with the Africa Regional Advanced Training Institute won or rather got a grant in the last call for grants in ICANN. And as from January, they are doing training targeting all the ccTLDs in Africa focused on the business aspects and the technical training aspects as well.

But in terms of numbers or in terms of trends. As I have mentioned, South Africa has just crossed the 1.4 million mark this year. In terms of domain registrations. We are seeing ccTLDs like .me in Morocco, which are approaching 200,000.Not many if I compare to ccTLDs in the CENTR region and in the LAC region. Looking at the .ke registry, also now approaching 150,000 names. And .ng in the same bracket. But we feel when we look at the trends in the other regions that this is really not enough. And that's why we are doing everything possible to build the capacity of the ccTLDs insofar as the business side is concerned.

As I mentioned earlier, while there was a lot of attrition in terms of staff during the COVID-19 pandemic, we didn't see a lot of outages or we didn't see the technical infrastructure compromised in the ccTLDs. Meaning that the effort that has gone into building the technical capacity of the ccTLD between 2010 and 2023 to be specific has paid off. And so our focus now is on building the business side. And that will translate into numbers, which will certainly also translate into sustainability for the ccTLDs. Thank you very much.

ANDREAS MUSIELAK

Thank you, Barrack. So we see the usual suspects are the growing drivers. And capacity building is important to stimulate the growth in Africa. Thank you very much. Patrick, so if you could share your slides. But we have only 15 minutes left. You have 10 minutes. I know normally you can have more than one hour, but probably you can do the major points in 10 minutes. Thank you, Patrick.

PATRICK MYLES

Okay, no problem. Thanks, Andreas. You see my slides okay?

ANDREAS MUSIELAK

Yes, we can see your slides.

PATRICK MYLES

Okay, thank you so much. So my name is Patrick Myles. I'll be giving a bit of an update on the CENTR region. The European ccTLD market. As well as APTLD and LACTLD. Some brief updates on there. So moving straight in. I'll just start with the most relevant sort of slide that we are sort of shaping our discussions these days in CENTR. And that's growth trends.

So as you can see here, we're looking at medium long-term growth in the European ccTLD region. And if you see back 10 years, we're around about 4% growth as a median. And then there's just been a steady decline since then. And the only real spike was the pandemic years when a lot of businesses and individuals came online. So since then, we're back down to really around 1% or lower by this year. Although we've started to see a little uptick in the recent months as well.

So what this really shows is this mature market that we're seeing in Europe. Most registries are no longer really in that retention phase. Sorry. They're not really that expansion phase. So for many it's really retention has become the focus or a much higher priority than it previously was. Rather than just new registrations.

A lot of these slides, of course, will just be anonymized. So here you're seeing growth rates in the recent months, so 12 months growth of most registries in CENTR, and it's split between sort of the large, medium and small. So from that long-term picture we're seeing here is those recent 12-month rates, and what's immediately apparent is really the dispersion from around -2% to up to 10%, and with no real clear pattern in the size tier. So among the large registries, so over sort of 2 million domains, growth is anywhere from -2% to up to 8.5%, so with around four or almost half of them in decline actually in the recent months. So that median is around 0.7%, so we're very, very low figures now in these trends.

But even the biggest players are struggling for growth, but most are sort of hovering around that 0%. In terms of medium registries, that's a similar dispersion from around -1% to 3, with a median of around 0.3%. Again, around a third in negative or contraction territory. Interestingly, the small registries, that is registries up to about 500,000, are some of the strongest performers, and with a few declines. So two are growing even up to 6% and 10% in recent figures. So overall, out of the 27 in this picture, there's around 10 that are having negative growth. So again, this is not just a slowdown in the market, it's a really big fundamental shift that we're seeing in growth.

Behind those numbers is the ins and outs of registries, of registration. So the ins being creates and deletes being outs. Creates bumped up in the COVID years, and of course, since then, the deletes have been increasing and the creates sort of went back to pretty low rates. So that gap between delete and create is really getting very, very tight. And that's, again, reflected in those growth figures.

On domains per capita, which is a decent comparative figure on the penetration of a CC tele in its local country. So this is median domains per 100 people in European CCs. And you see that over the years, we've seen a steady rise in that figure. The typical registry has gone from around four domains per 100 to around nine today. And so that's sort of almost a double. But then the larger registries, those with over a million domains have started to sort of sit around 14 or 15 domains per 100 and showing those clear signs of maturity again, and saturation points. So in the recent year, we're starting to see a leveling off of those figures. Sorry.

Moving quickly to domain usage. Now, this is a really important indicator that we're starting to study in much greater detail and CENTR. So scanning domains and looking at how they're being used. Very high level figures here on web usage of domain. So substantial use, limited and no content. Those are the main groupings. And here is, again, an anonymized chart of most or a lot of ccTLDs in the European region, along with a handful of Gs that we scan just for comparative purposes. And most of those ccTLDs, this is the portion of their domains which have been attributed to having substantial web content. So this is not only do they have a web presence, but they have substantial content as in a rich website, no parking or those sort of things.

Around 40-50% in most cases, which is really the average over the last number of years that we've been running this sort of data. We also do scan for other metrics like MX records and SSL and redirection patterns and things like that. But why this really matters these days is this link between renewals and substantial content on a webpage. So a couple of years ago, we did a study on the correlation between renewals and these sort of indicators on web usage. And it's really stark, the correlation between substantially used websites and renewal rates or renewal propensities. So it's, again, becoming a very, very important indicator for us in Centre.

On pricing, we track this on a quarterly basis. And here you see the long-term view on median retail prices. So that's what registrants are actually paying for a domain name. So we track this quarterly through most European ccTLDs and only based on their largest registrars. So we get a very clear idea about what they're typically being sold for. And as you can see here, the first year prices, so that's the buy rate, has been relatively flat. But renewal prices have been climbing steadily over the last few years for about €14 in 2020 to around €16 today.

So it seems that while CCs are cheap, at least relative to their dot-com, because this is the dot-com price in there in the yellow, on the same registrars at the same price points, they are cheaper to register initially, but the renewal prices is well above the entry price and it's trending up. So this is likely to have an impact on the registry's renewal rates and retention strategies. Yeah, so it's really sort of an indicator on registrar behavior, these indicators. So getting the balance right between the wholesale price, which a registry charges its registrars, which is data we also track, and the retail is sort of getting that balance right is really important.

So again, the changing market conditions in sort of global terms, what we're seeing is the COVID after effects is really slowed back down to pre-COVID rates now well and truly, and a very tightening gap of pre-ex deletes. We see increasing renewal prices, which again, is going to be impacting the retention. And then of course, emerging technologies, AI being in the chatbots that are around, will most certainly, and if not already, making a significant impact to domain visibility, web usage, fewer clicks on web domains, diminished reliance on domains as a tool for information, and so yeah, we'd probably like to see increased numbers of domains lapsing. And there's plenty more to say about that, but we have limited time. So I'll just skip this one and I'll go straight to--

ANDREAS MUSIELAK: I think we have to stop here, otherwise we will not go through the cycle. I know we're still missing the Asia Pacific regional activity, but I don't know, we are very tied with the agenda, right? So we have meetings afterwards. Yeah, okay. Then probably you have two more minutes for each region for that, and then we need five more minutes.

PATRICK MYLES: Yeah. I mean, so just a few notes on the Asia Pacific region, it's a very diverse region. We have some very large players and then quite a lot of small ones. And it's sort of really a signal to the massive variance in different strategic priorities and approaches there.

So it's worth mentioning on domains per capita, it's also very varied as well. So you have a couple that are having very high rates of domains per capita, suggesting sort of a market maturity, but most are in a very small range relative to their population. So it might be a sort of a signal to a potential aspect of growth, but of course the European median, as we saw here, is nine domains per hundred. Those ccTLDs obviously had a lot more growth when the market was extremely different to what it is now. There's a lot more competitors now. So markets in Asia Pacific and LAC are going to face very different issues.

Domains by growth here are the long-term picture as well. So from the Europeans, the Asia Pacific, G's and LAC, you can see everything sort of smoothing out. APTLD is coming up actually fairly well. There's a lot of growth in the recent months and years. And also we're tracking similar pricing. The insight here on the Asia Pacific markets is that member ccTLDs tend to be actually higher than their equivalent com, which is a bit the inverse to the European situation. So there's very different pricing strategies going on in CCs in that region, linked to framework, government frameworks and the registry policies.

I'll skip the market share one and just move quickly to LACTLD. I mentioned a few things. Very similar situation in LACTLD in terms of variance and diversity of membership. So there's a couple of giant registries with over 4 million domains and they account for a large part of the ccTLDs in that region in terms of registrations. And there's a bunch of smaller registries. So again, this is a challenge in collaboration, I imagine, for the diversity of differences in approaches.

And again, domains per capita, a median is relatively small, suggesting, again, plenty of room for growth if the management of the new ecosystem and competitive elements can be managed well. The region is also improving its domain data efforts as well. So we're adding more and more ccTLDs to the sample. So I expect to get a greater sort of level of insight to this region coming up. So we look forward to that. But we're starting to get it in terms of median rates and other registries and performance indicators.

Again, and just sort of linking back to the ccTLDs, domains per capita, this is all regions on one chart, split up between large to tiny countries. And really, the pattern here is that there's no big correlation between country size and domains penetration. So some of the highest rates of domain penetration are in some of the smallest countries, actually. So again, different growth times were achieved. And it's going to be a different story for the emerging economies of Asia-Pacific, let's say, and the development of businesses in those countries.

So I'll leave it there. I'm sorry if I ran over a little bit. Thanks for your attention.

ANDREAS MUSIELAK

Thank you, Patrick. So we can see also from the chat in Zoom that your slides are very interesting. I think we should repeat this session sometimes, probably next year, basically to summarize the whole thing. And of course, Patrick, thank you for consolidating the data. Thank you to CENTR, LACTLD, and APTLD that you were willing to share this data to us, because I think this gives really a comprehensive overview about everything. And also, thank you to Barack.

So probably for ICANN planning, you can see that the ccTLDs, they have still a growth trend, but it's a declining growth trend. And I think one slide which is particularly important to mention is that web content is very important. It's for the renewal rate very important. As you can see for gTLDs, this is much lower for ccTLDs. So the expectation for the renewal rate should be low. So you can see it's below 50%, at least for those examples which were mentioned here. Bear that in mind, because we know growth is basically coming from gTLD, but you even see .com and the other ones, they are below 50% web content, which means the likelihood of renewal is lower than for ccTLDs.

Okay. Thank you very much. And with this, Irina, so we're talking a little bit about the next cycle, planning cycle.

IRINA DANELIA

Thank you, Andreas. So it's time to get prepared for the upcoming planning cycle, and we have 10 minutes and 4 minutes of them. I'm happy to give to Becky to update us on the upcoming slides, and then I will need the rest.

BECKY NASH

Thank you very much, Irina. This is Becky Nash for the record from ICANN Org planning. I think with the timing, we had the slides in that same deck or presentation, and I think as they get started, first of all, as we talk about FY27 operating plan and budget, I first want to thank the ccNSO for nominating members to the planning prioritization group. I think the slides are slightly before that one.

IRINA DANELIA I think it's 13 probably.

BECKY NASH And just in the interest of time, so again, I just wanted to thank, here we go, thank you. If you just go to the next slide, this is just an overview of the planning process. We've discussed this many times with the ccNSO SOPC, looking to help new members and those that are not yet following the operating plan and budget process to understand the planning process.

But if we just advance a few slides, one more, this is where I was just thanking the ccNSO for the nomination of the primary member Irina and a secondary member Chris Disspain for the FY27 operating plan and budget planning prioritization group. This work concluded as input into the development of the planning process and the draft plans in July. So again, thank you very much for your participation. And the draft plans will then provide information on the items that were prioritized. If we go to the next slide.

I'm just going to skip through the structure of the operating plan, except making the one comment that we expect the structure to be very similar. We've enhanced the plans by shortening the pages. That's the only thing that we've done, which is really taking out the page breaks, but we still will have all of the table of contents. And I know that's important for the working group about the structure of the plans. If we go to the next slide. T

]his is information that we share annually and we did in prep week as well. So I think it's the next slide that will be the most important, which is the key dates and timeline where we are highlighting that the public comment proceeding of 60 days for the draft FY27 plans will commence on the 16th of December. And it will run through mid-February. And we want to highlight that the community webinars, the approach that we're taking this year is we're having two different webinars.

And the first one is the day after the publication of the plans for public comment. So the 17th of December, and then we have another webinar being scheduled for the 14th of January. So notification will come out about these webinars. And we decided to have two different, one kind of before that year end calendar timing, and then one in January, just so that the public and the community has an opportunity to join.

So these are the key next steps as it pertains to the opening of the public comment for the draft FY27 operating plan and budget. And if we have any more time or are we at time for you?

IRINA DANELIA

No, unfortunately not. Thank you very much, Becky. And Claudia, may I ask you to switch to slide 68, because we need to do some housekeeping. So what we're going to do this year, and this is the suggestion from Andreas and myself, how to arrange our upcoming work. And we keep in general the approach we used previous years. We will have, again, three baskets, which will, as we just heard that the structure of the operating plan will remain more or less the same.

We're going to keep the same three baskets. One is unique identifier systems and security. The second one is multi-stakeholder model and organizational excellence. And the third one regarding finance and planning and budgets. And each baskets will include related strategic initiatives, related functional activities, and if we have some open issues from the previous year, again.

We suggest we collaborate through Google Docs. Teams do their own internal work and present their findings to the other teams. Leadership role this year, we suggest we slightly adjust our role and not only consolidate input, but also participate in teamwork. And well, at the final stage, we probably will have the teleconference to review the consolidated document. And with that, please can I have the next slide?

So this is the proposal for the team composition. We have about 20 active SOPC members who has confirmed their willingness participation for the next year. And again, Andreas and I took a risk to split these members into teams and suggest team leads. At the moment, I think Dejan and Atsushi who has confirmed their availability as team leads. We haven't heard back from Sophie, but we hope to hear soon. So if there are any strong objections, please let us know, unless we will go with this suggested team composition. And may I have next slide?

And they are our tentative timeframe starting from December 16. And we will distribute this via email to SOPC mailing list as well. Actually, each team starts working as soon as we have these webinars on December 17th. And probably good day for internal meetings of each team will be somewhere in the middle of January. And in around 21-28 of January, we expect each group to update other SOPC members with their findings. So we all can be on one page. Then it gives us enough time for consolidation and final round and submission.

Becky did mention the final day of public comments, but my calculation say that it will be probably December 14, or maybe 13, or maybe 15, but somewhere there. But anyway, this is what we have to keep in mind. And again, any strong objections or minor comments? Yes, Abdalmonem, please.

ABDALMONEM GALILA: Yeah, only comment is that I think from 7th of January till 15th of January, it is vacation for most of the people. I don't mind. I don't have any objection.

IRINA DANELIA

Yeah. Yeah. And well, we may look for minor adjustments, but this is the general approach. And if we see in your team, you will decide that there is another close date, which is more suitable, feel free to do that. Please coordinate with any team.

ANDREAS MUSIELAK

But to answer your question, we're discussing that with ICANN planning, so they can't change their planning cycle, which means for the SOPC, we have to stick to these dates. And we're all aware that December and January are crucial dates because for budget for the ccTLDs, they normally finalize their budget, then you have Christmas, then you have other holidays. It's not easy for us, but we made it in the last year, so I'm optimistic also for the coming years. Irina.

IRINA DANELIA

I'm done. Thank you very much, Andreas.

ANDREAS MUSIELAK

Okay. So you see a little slightly different approach. So we already have the baskets. So again, we have still opened call for volunteers. So if you know people who want to join us. But we're still lacking some confirmation of SOPC members, so it's time to confirm your membership as a SOPC member.

Thank you for all attending this meeting today. We see we have some challenges ahead for us and almost already the agenda for the next meeting, the next ICANN meeting, it's set already. Somebody's happy about that. Thank you very much. And still a good week here in Dublin. Thank you.

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